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Special Issue
China in Transition: Social Change in the Age of Reform

Prologue

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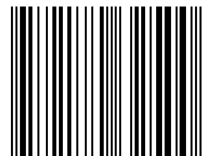
Book Reviews



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Emile Kok-Kheng Yeoh

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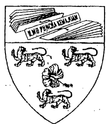

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Prologue

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Changing China: Three Decades of Social Transformation

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Abstract

China is a country in great transformation. Over the last three decades the highly remarkable economic performance of the once low-income and inward-looking state of China has attracted increasing interest from academics and policymakers. China's astounding transformation is reflected not only in her economy, but also in her social changes in the past few decades, and this inevitably is also going to have implications for the country's domestic sociopolitical development. For instance, the country's breakneck economic transformation and the accompanying income and wealth disparities could be engendering increasingly volatile intergroup relations that would result in intensified resource contest which in turn may see groups coalesce along socioracial and ascriptive lines and thus further polarized by such divides, aggravated by transnational influences brought about by the selfsame globalization that has ironically contributed to her very economic "miracle" in the first place. Adapting Green's change process model (2008) and Reeler's threefold theory of social change (2007) to the China context, this paper investigates how various dimensions of social change have been engendered by the three decades of Chinese economic reform and how these various facets of social change are impacting on the coming direction and trajectory of the country's socioeconomic and political transformation, how the interplay of State policy and societal response within the context of the exigencies engendered by the country's continued odyssey of development, modernization and reform is shaping the future of the civil society, and how from both the theoretical and empirical perspectives the complex polity-economy-society nexus involved in the transformation of modern China are having wider ramifications for the country's future.

Keywords: *China, social change, anomie, dictablanda, critical junctures*

1. Introduction

Since the launching of the *gaige kaifang* (open and reform) policy[1] in the late 1970s, China has been experiencing a tumultuous process of social change in a short span of just three decades. Among other aspects, socioeconomic, sociopolitical, sociobehavioural and sociopsychological transformations have grasped the nation in a frenzy. While the world looks upon China's "peaceful rise" with much fascination and probably a certain level of trepidation, and the wide Chinese diaspora takes pride in the reborn greatness of the Middle Kingdom, what has often been overlooked in the popular imagination is the equally amazing transformation in the mainland Chinese society – whether it be psychological, behavioural, political or economic.

Marxism, which has provided the *raison d'être* of the Chinese Communist Party (CCP)[2] in its continued political monopoly under the new conceptual politico-economic framework of "socialism with Chinese characteristics", considers conflict, in particular class conflict, as a fundamental characteristic of society and that continued class struggles would result in more and more fundamental changes in society, and while it is not certain that all social changes actually result from conflicts, both Georg Wilhelm Friedrich Hegel's philosophy of history and Karl Marx's social theory as well as many of their derivative theoretical frameworks essentially assert or insinuate that they do (Bottomore, 1975: 174-175). Intergroup and intragroup conflicts may evidently lead to social changes or create a predisposition to change by disconcerting the conventional and prevailing ways of life, and such conflicts include competition whose effects could be beneficial or harmful for social relations, the former through its socializing and civilizing function as Émile Durkheim and Georg Simmel saw as the creation of a network of mutual obligations and dependencies, and the latter through the generation of social ills such as mental illness and crime (*ibid*.). What may be disconcerting especially for a culture or ideology that places great value on peace, harmony and stability is that social conflicts have also been seen as universally necessary, as Ralf Dahrendorf, in his argument of the existence of crisscrossing lines of conflict in place of Marx's single fundamental cleavage in society, posited that conflict is a necessary element in all imperatively coordinated associations which in turn are a universally necessary feature of the human society (Dahrendorf, 1959: 172, 268; Bottomore, 1975: 171), or as Eisenstadt saw it:

> […] different coalitions of elites construct the boundaries of social systems, collectivities, and organizations. Yet no such construction can be continuously stable. The crystallization and reproduction of any social order, of any collectivity, organization, political system, or civilizational framework is shaped by the different forces and factors […] and generates processes of conflict, change, and possible transformation.
>
> (Eisenstadt, 1992: 416)

Furthermore, as Newman posited, "[the] greater the degree of reward disparity and social segregation between a dominant and a subordinate group, the greater the likelihood that conflicts between them will be relatively intense" or even violent (see Newman, 1973: 158-9) – a case where each social conflict situation produces exactly the same pattern of domination and subordination, a phenomenon Dahrendorf (1959) called the "superimposition of conflict". In this regard, Lijphart's remark on religious cleavage is equally applicable to other socioracial[3] ones, with grave implications for ethnoregionalism and peripheral nationalism to which this special issue will later return:

> If, for example, the religious cleavage and the social class cleavage crosscut to a high degree, the different religious groups will tend to feel equal. If, on the other hand, the two cleavages tend to coincide, one of the groups is bound to feel resentment over its inferior status and unjustly meager share of material rewards.
>
> (Lijphart, 1977: 75)

2. Currents and Undercurrents of Social Change

In the subsequent sections, this paper will examine various crucial aspects of social change since China's ruling regime launched its "Reform and Open" policy in the late 1970s – in particular the very different pace of socioeconomic and sociopolitical changes that could be an important contributing factor to the pronounced features of contradictions that unmistakably characterize the contemporary Chinese society. Every society is different and, as Eisenstadt noted, there is no grand theory that could faithfully explain the development of such contradictions everywhere:

> Although these potentialities of conflict and change are inherent in all human societies, their concrete development, their intensity, and the concrete directions of change and transformation they engender differ greatly among different societies and civilizations. Societies vary in their specific constellation of the specific forces […] that is, different constellations of cultural orientations, elites, patterns of the social division of labor, and political-ecological settings and processes.
>
> (Eisenstadt, 1992: 418)

In full recognition of this, nevertheless, this paper would still attempt to delve further into the complex nexus of the agent-institution-event-context interface (Section 4, Figure 19) that could be playing a crucial role in engendering such social contradictions shaped inevitably by the currents and undercurrents of social change that will be scrutinized here within the theoretical framework adapted from Reeler's threefold theory of social change (2007).

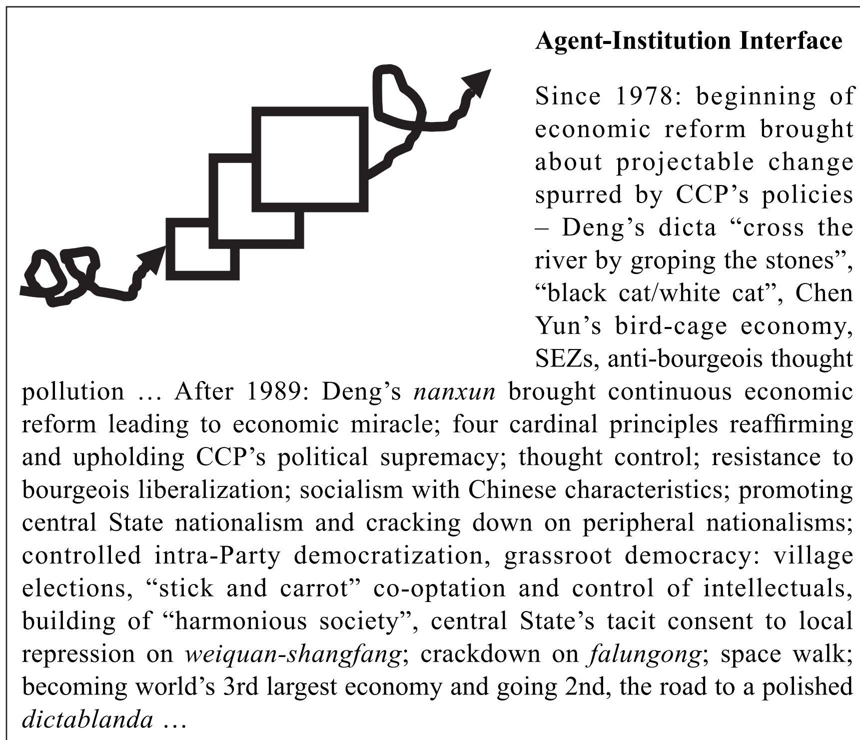
2.1. Projectable Change

Atado, y bien atado. [Tied-up, well tied-up.]

Generalísimo Francisco Franco (*El Caudillo*),
prior to his death on 20th November 1975

Reeler's (2007) threefold theory of social change, while originally applying to a rather different context and usage, could be adapted here to throw light on the three decades of intricately interrelated socioeconomic, sociopolitical and sociocultural changes in contemporary China. Early years of reform underlain by Deng's well-known gradualist dictum "Cross the river by groping the stones"[4] signifies the problem-based approach that characterizes projectable change. However, the other characteristic of projectable change that entails creativity – "imagining or visioning desired results, not as a direct solution but as a new situation in which old problems are less or no longer relevant – a leap of imagination into the future" (*ibid*.: 13) made the results

Figure 1 Reeler's Projectable Change: The Chinese Context



Source: Based on Reeler (2007: 13).

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of such change less certain for post-1989 China as they are highly dependent on such prerequisites:

> Projectable approaches, through projects, tend to succeed where problems, needs and possibilities are more visible, under relatively stable conditions and relationships, which are not fraught with crisis or stuckness. Where the internal and external environments, especially the relationships, of a system are coherent, stable and predictable enough, and where unpredictable outcomes do not threaten desired results, then the conditions for projectable change arise and well-planned projects become possible.
>
> (*ibid*.)

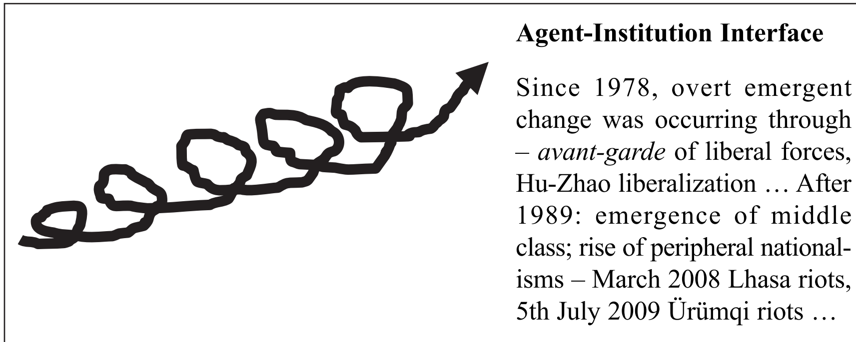
2.2. Emergent Change

> The air does not cease to have weight, although we no longer feel that weight.
>
> Émile Durkheim (1858-1917)[5]

Citing an African proverb "We make our path by walking it", Reeler (2007) defined "emergent change" – probably the most prevalent and enduring form of change – as a description of "the day-to-day unfolding of life, adaptive and uneven processes of unconscious and conscious learning from experience and the change that results from that", which "applies to individuals, families, communities, organisations and societies adjusting to shifting realities, of trying to improve and enhance what they know and do, of building on what is there, step-by-step, uncertainly, but still learning and adapting, however well or badly" (*ibid*.: 9). He differentiated between two kinds of emergent change – the less conscious and the more conscious varieties, which this paper termed respectively the subliminal or latent emergent change and the overt emergent change.

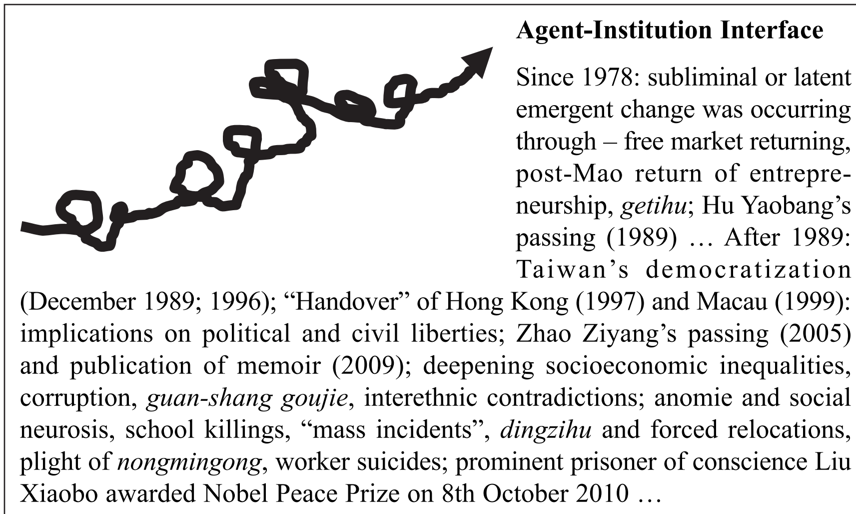
The overt emergent change – Reeler's more conscious variety – usually occurs within a relatively stable and less openly contradictory environment "where identity, relationships, structures and leadership are more formed", and conditions for such change can materialize after the resolution of a crisis or after a period of projectable change as a result of change fatigue or a preference for gains consolidation and more gradual and stable growth (*ibid*.: 10). On the other hand, the subliminal or latent emergent change – Reeler's less conscious variety – usually occurs within a shifting and uncertain environment "where there are unformed and unclear identities, relationships, structures or leadership", and without evident crises or stucknesses, and being less conscious it is characteristically still in formation, less predictable and more chaotic or haphazard, and also "therefore most difficult to grasp, requires a reading of enormous respect and subtlety" (*ibid*.).

Figure 2 Overt (Reeler's More Conscious) Emergent Change: The Chinese Context



Source: Based on Reeler (2007: 10).

Figure 3 Subliminal (Reeler's Less Conscious) Emergent Change: The Chinese Context



Source: Based on Reeler (2007: 10).

2.3. Transformative Change

> Truth is on the march; nothing can stop it now.
>
> Émile Zola (1840-1902)

Another type of social change in Reeler's threefold taxonomy is one stemmed from a crisis or stuckness which could take many forms and manifestations – may they be "'hot' surfaced experiences of visible conflict or 'cold' hidden

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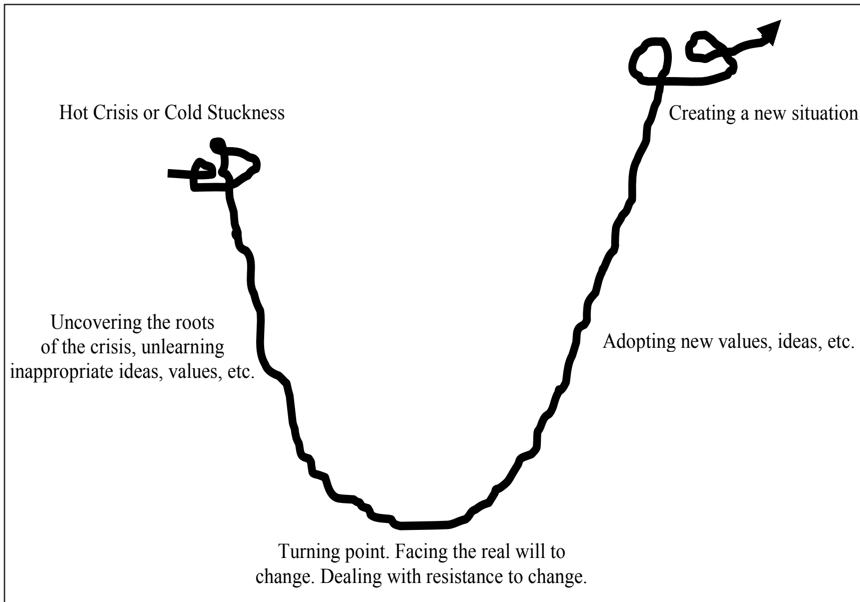
stucknesses which cannot be seen or talked about" (*ibid*.: 12). What a ruling regime that survived on imposed harmony and stability may fail to recognize or be wary to recognize is that such crisis-induced change is perfectly natural for the human society:

> The possibility of the failure of integrative and regulative mechanisms is inherent in any society. Every civilization and every type of political and economic system constructs some specific systematic boundaries within which it operates. But the very construction of such civilizations and social systems also generates within them various conflicts and contradictions that *may* lead to change, transformation, or decline, that is, to different modes of restructuring their boundaries.
>
> (Eisenstadt, 1992: 418)

And to make things worse, policy decisions based on such inadequate recognition tend to beget even more inadequate decisions given the difficulty of admitting public policy errors, or as Rousseau once said, "When one starts covering the truth with a veil, they no longer make the effort to lift it." (Jean-Jacques Rousseau (1762), *Émile, ou De l'éducation*, Book II, Para. 341[6])

One does not need to look too far back in contemporary Chinese history to see how a crisis of mammoth proportions could bring a nation to a bifurcation into wholesale transformative change – which, unlike emergent change that is characterized as a learning process, involves instead unlearning, a liberation "from those relationships and identities, inner and outer, which underpin the crisis and hold back resolution and further healthy development" – and a cold stuckness which under a façade of economic prosperity and social harmony could continue to hide the real need for change which in turn when revealed could provoke even stronger resistance to change as it requires the unlearning of entrenched ideas and values in making way for the acceptance of new ones; it is a difficult choice as a crisis and stuckness of this nature tend to involve deep and complex histories and dynamics and represent the product of "tense or contradictory relationships […] prompted by shifts in external political, economic, cultural or environmental contexts" (*ibid*.: 11-12). A particular choice at the moment of crisis could thus lead to protracted cold stuckness, instead of a U-process of transformative change[7], thus heightening internal social contradictions leading to deteriorating sociopolitical and sociocultural anomie[8] and neurosis resulted from the contradictions engendered by the interplay of projected change and the suppressed but unstoppable overt and subliminal emergent changes – contradictions whose impacts are particularly manifest in the presence of ethnic diversity, ethnoterritoriality, ethnoregional inequality and peripheral nationalism, dimensions to which this special issue will later return.

Figure 4 Reeler's U-Process of Transformative Change



Source: Reeler (2007: 12).

3. Sociobehavioural Change and Socioeconomic Transformation

Social problems are multi-dimensional. Nevertheless, mental illness and crime as mentioned above usually stand out as indicators in the public imagination.

3.1. Sociobehavioural Transition

Mental illness, mental breakdown and suicides are among the most outstanding of indicators of the negative impact of social change. Shocking the nation was the recent spate of suicides and attempted suicides[9] at the Foxconn 富士康 conglomerate's factory in Shenzhen 深圳, Guangdong province, that resulted in the death or injury of more than a dozen workers within the short span of about 4 months (from the first suicide on 23 January 2010 to end of May), which continued with the fatal thirteenth and fourteenth "jumps" at its factories in Foshan 佛山, Guangdong, and Kunshan 昆山, Jiangsu, respectively on 20th July and 4th August[10]. Currently the number of suicides in China is huge. Suicide is now the fifth main cause of death in China where there are over 250 thousand people killing themselves every year, with a rate of a suicide every two minutes (Wang, 2008: 755). On average every day there are about 750 people in China committing suicide, and there

are an additional number of 2 million people attempting suicide (non-fatal) in China every year (*ibid*.; Tang, 2007). In terms of age distribution, suicide rate in China is highest among the elderly and within the 25-34 year-old cohort; in terms of gender, China's female suicide rate is apparently higher than male, particularly for rural female and especially high for the 25-34 year-old cohort and women above age 65 (Wang, 2008: 755; Xiao, Wang and Xu, 2003).

Regarding crime, Wang (2008: 753-754) listed the following seven characteristics of criminal activities in contemporary China:

1) Abruptness and scale. This refers both to large-scale organized crime that emerged in recent years as well as the sudden outbreak of violent crimes like the fatal free-floating aggression against young children in primary schools or kindergartens across China that broke out recently from March to May 2010 killing a total of 17 people, including 15 children, and injuring more than 80, in a string of five major attacks and four other cases that occurred from 23rd March to 12th May[11], and another attack on 3rd August that killed 4 and injured more than 20 at a kindergarten in Shandong[12].
2) Tendency towards higher social strata. This refers to on-the-job crimes committed by high-level officials and hi-tech skilled personnel.
3) Abuse of public office power getting severe. Such high-level corruption is increasingly becoming a cancer in socioeconomic and political life and damaging social justice. The Appendix table at the end of this article shows government data released in 2006 on 40 corrupt officials who fled the country. Other than the first five, most of those in the list were leaders of State-owned enterprises. The number of corrupt officials who fled the country was said to total about 500 by 2006, according to Shang (2007: 11), while according to Wang (2008: 758), based on data released for the first time by the Commerce Department, the number was as high as over 4000 by 2006, with total amount of embezzlement as high as US$50 billion. Just to take the provincial road and transport department alone, government statistics show that from 1997 to 2006 a total of 18 provincial road and transport department heads all over the country had been arrested for corruption, and there were even more officials arrested for corruption below the provincial department level (Shang, 2007: 6). Among the overseas sanctuaries of Chinese corrupt officials, Canada was reported to be a paradise with an alleged number of over 2000 Chinese corrupt officials with total amount of embezzlement of at least over a hundred billion yuan (¥).[13] Canada is also, for the past decade, the refuge of Lai Changxing 赖昌星, the famed founder and head of Xiamen's Yuanhua 远华 Group, who tops the list of fleeing billionaires wanted by the Chinese government in terms of amount of alleged embezzlement with 25 billion yuan.[14] He fled in 1999.

4) Resurgence and rapid spreading of large number of crimes of the traditional society. Crimes that had literally disappeared in post-1949 China – for instance, through policy measures against illicit drug abuse in 1950, against brothels in 1951, against secret societies in 1953 – have resurfaced and spread like wildfire, including drug abuse and narcotrafficking, smuggling, prostitution, activities of the criminal underworld and gambling. Secret societies of the underworld were said to total tens of thousands, with members total over a million, rampantly committing violent, cold-blooded and unspeakable crimes (Shang, 2007: 106). Besides, the rise in youth crimes has been alarming, with government statistics (for 2005, see *ibid*.: 114-116) showing 70 per cent of people committing crimes being youths below 25 years of age, and over 70 per cent of youth crimes were committed by those of age 15-16 years. The number of youths committing crimes grew by 5.8 per cent during the period 2003-2005, with apparent increase in crimes by those below 18 years of age, involving also an increase in the types and methods of crime, as well as in vileness of the nature of crime. Among the country's 220 million young students, there was an average of one criminal case committed per minute (*ibid*.: 114). Government statistics show that the country's population involved in drug abuse reached a cumulative 1.16 million by end of 2005, among whom youths constituted 75 per cent of the total, 80 per cent of male drug addicts were involved in other crimes and 80 per cent of female drug addicts were engaged in prostitution (*ibid*.: 116). The total number of drug addicts in China is increasing by 15-20 per cent per annum (Wang, 2008: 756). The main illicit drug consumed in China is heroin, and there are currently about 700 thousand heroin addicts in China, constituting 78.3 per cent of the total number of drug addicts, and among these heroin addicts 69.3 per cent are youths below 35 years of age (*ibid*.). On the other hand, the organized criminal underworld, after having its heyday during the 1930s-1940s, virtually disappeared from the mainland after 1949 when it moves abroad (including Hong Kong 香港, Macau 澳門 and Taiwan 台灣) to escape the draconian measures of the new regime, but has been penetrating back with a vengeance since the beginning of economic reform (Wang, 2008: 757).
5) New forms of crime emerge in an endless stream. With economic globalization, various new forms of crime exhibit apparent tendencies of internationalization, formal organization and intelligence, including illicit drug crimes, production and selling of fake and inferior goods, as well as environmental crimes.
6) Distinctive geographical distribution of crimes. While there are more transnational/ transregional organized crimes in the southeastern regions like the provinces of Guangdong and Fujian which are adjacent to Hong

Kong, Macau and Taiwan, transnational illicit drug cases are relatively more numerous in the southwestern regions like the provinces of Yunnan and Guizhou and the three northeastern provinces (see Figures 5 and 6 for the regional demarcations), and economic crimes are relatively more rampant in the cities of the Pearl River Delta and the Yangzi River Delta. Such coastal and river plate cities and areas with relatively higher economic openness have crime types that are apparently different from those of the country's northwestern regions. Besides the concentration of drug addicts (25.9 per cent) in the three provinces of Yunnan, Guizhou and Sichuan, these economically or commercially advanced coastal regions have equally serious problem with the provinces of Guangdong and Guangxi together contributing 25.7 per cent of drug addicts to the national total and Guangdong alone contributing 15.6 per cent (Wang, 2008: 756).

7) Increasing proportion of crimes committed by population on the move in total crime rate. This refers to the rural-to-urban migrants whose feeling of relative deprivation *vis-à-vis* the urban residents is leading to increasingly acute intergroup contradictions and tendency of crime.

3.2. Socioeconomic Transformation and Social Order

Regarding the issue of corruption, in recent years, the "neo-corporatism" hypothesis emerged to claim that while the traditional Leviathan hypothesis from the school of public choice reappeared in Russia in the form of the "grapping hand" hypothesis, China is instead characterized by a "helping hand" (Krug and Zhu, 2004; Frye and Shleifer, 1997; Shleifer and Vishny, 1994, 1998; Oi, 1992, 1995, Unger and Chan, 1995, Nee, 2000; summarized in Krug, Zhu and Hendrischke, 2004).[15] Gu and Chen (2002) concluded on the results of their multiregional analysis: "[…] in the case of China, the corruption of the helping hand when taxes are decentralized can be socially preferable to the corruption of the grabbing hand when taxes are centralized." Ahlin (2000), based on a conceptual model, argued that though deconcentration has the potential to increase corruption, political decentralization has the potential to contain it due to interjurisdictional competition, while empirical evidence from Crook and Manor (2000) shows that political decentralization reduces large-scale corruption but increases the petty one in the short run, but both may decline in the long run, and Olowu (1993) considered political centralization a root cause of endemic corruption in Africa.[16] Huther and Shah (1998) also found that increased fiscal decentralization was associated with enhanced quality of governance, political and bureaucratic accountability, social justice, improved economic management and reduced corruption. In this regard, China's high degree of economic decentralization should be noted.[17]

Figure 5 China: Three Economic Regions

Notes: Province/Zizhiqu/Zhixiashi in the officially designated Western Region in bold italics.

Regional Boundary

Figure 6 China: Six Economic Regions

Notes: Province/Zizhiqu/Zhixiashi in the officially designated Western Region under the three-region scheme in bold italics.

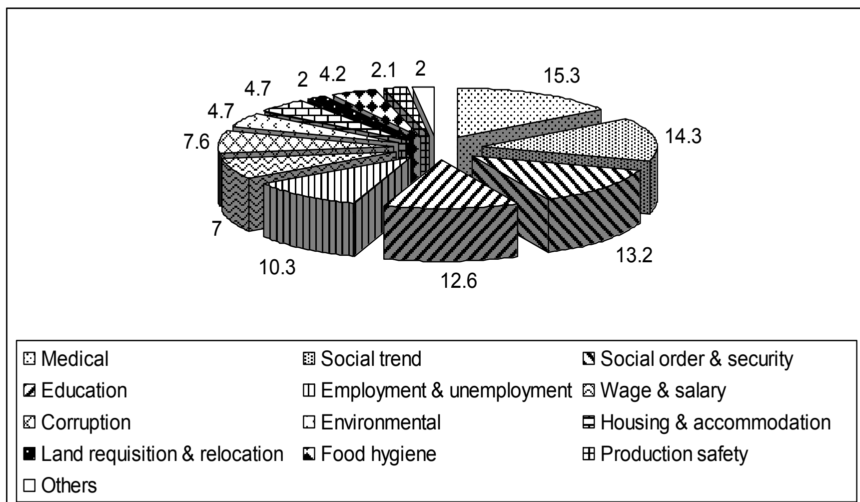
Regional Boundary

Figure 7 shows the results of a sample survey by the National Statistical Bureau conducted in early November 2007 in all 31 provinces (*sheng* 省) / *zizhiqu* 自治区 ("autonomous region") / *zhixiashi* 直辖市 (municipality with province status, directly ruled by the central government)[18] covering 101,029 families regarding social problems the respondents were most concerned with. Out of the 13 types of social problems, the medical, those regarding social trend (social situation), social order and security, education and employment/ unemployment are the top five, constituting 15.3 per cent, 14.3 per cent, 13.2 per cent, 12.6 per cent and 10.3 per cent respectively. Urban residents were most concerned with employment/unemployment, social trend, social order and security and wage and salary, while rural residents were most concerned with the medical issue, social trend, education and social order and security. This shows that social trend and social order and security are the common concerns of both urban and rural residents, while the concern with employment/unemployment and wage and salary issues are more urban than rural and the medical issues and children's education are more the concerns of rural than urban residents.

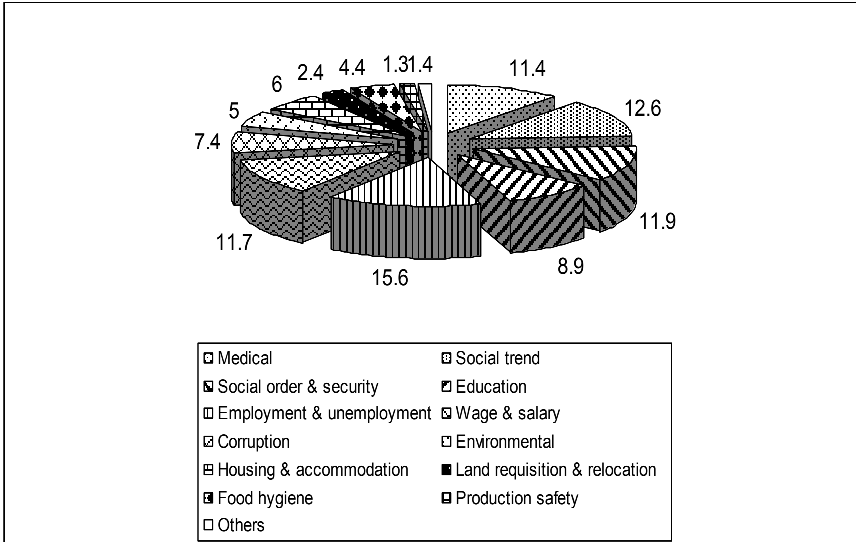
It should be noted that many of these such as land requisition and relocation[19] (which has particularly attracted attention in various *dingzihu* 钉子户[20] cases), wage, employment, housing and accommodation, environment and food hygiene and safety are closely linked in this country to the issue of corruption and government-business collusion (*guan-shang goujie* 官

Figure 7 China: Most Concerned Social Problems (%), 2007

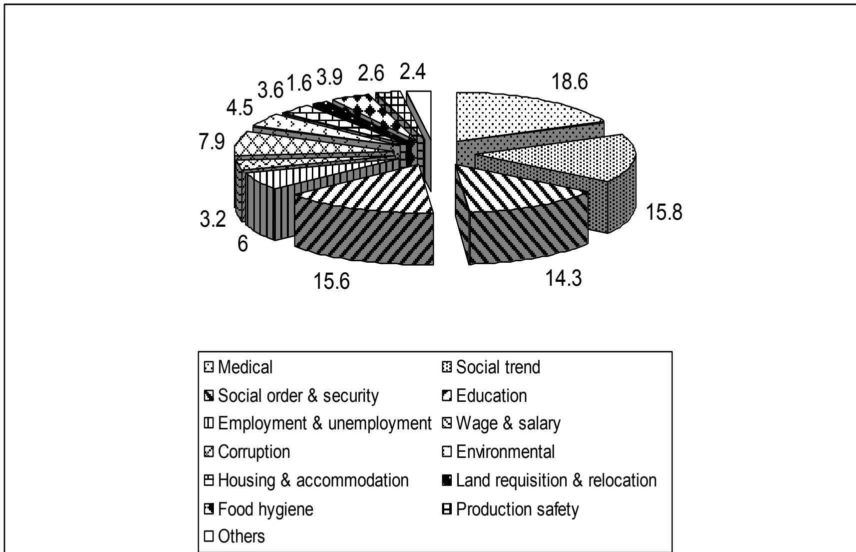
(a) All China



(b) Urban China



(c) Rural China



Source: *Zhongguo Shehui Tongji Nianjian 2008*, p. 412, Table 6.

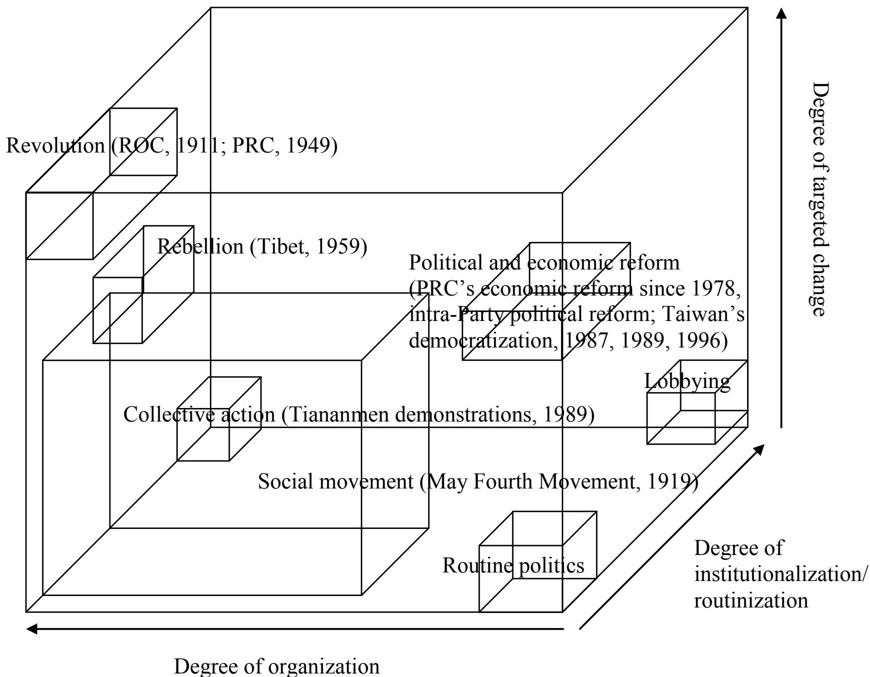
商勾结, here referring to the collusion between local government officials and businessmen or entrepreneurs in return for favours) and contribute to widespread popular resentment and constitute the source of most public protests – officially labeled *quntixing shijian* 群体性事件 or *qunti shijian* 群体事件, literally "mass incidents" which take various forms "from peaceful small-group petitions and sit-ins to marches and rallies, labor strikes, merchant strikes, student demonstrations, ethnic unrest, and even armed fighting and riots" (Tanner, 2004: 138) – often against the police and the local governments.

After the crackdown on the massive 1989 demonstrations which actually began with smaller-scale anti-corruption protests, this root cause of the protests has gone worse, not better. Citing Sun Yan in *Current History* (2005), Hutton (2006: 127) reminded us that "large-scale corruption is mounting. The average 'take' in the 1980s was $5000; now it is over $250,000. The number of arrests of senior cadre members above the county level quadrupled between 1992 and 2001 […]. In 2005 it was disclosed that a cool $1 billion had been misappropriated or embezzled in Gansu, one of China's poorest provinces, by a ring of forty or more officials." Hutton cited Hu's (2006) estimate that the annual economic loss due to corruption over the late 1990s alone amounted to between 13.3 and 16.9 per cent of Gross Domestic Product (GDP), while evidence provided by government departments revealed that the annual economic loss between 1999 and 2001 due to corruption averaged 14.5 to 14.9 per cent of GDP.[21] As Hutton (2006: 127) noted, "Every incident of corruption – smuggling, embezzlement, theft, swindling, bribery – arises in the first place from the unchallengeable power of communist officials and the lack of any reliable, independent system of accountability and scrutiny […] the evidence of the depth of corruption at the apex of government, business and finance, mean that any paradoxical usefulness [of corruption in the early years of reform in providing flexibility to an otherwise highly bureaucratic system] has long since been surpassed. Corruption to this extent is chronically dysfunctional and even threatens the integrity of the state." This threat to the integrity of the State is most evident in the worrying frequency of incidents of social unrest which mostly stem from protests against local official corruption and abuse of power, including the local governments' suppression of *weiquan-shangfang* 维权上访[22]. For instance, in 2005 alone, such public order disturbances amounted to 87,000 cases, or an average of almost 240 a day, involving about 4 million people[23]. While social unrest among farmers and workers has long been observed since the early 1990s, as Lum (2006: "Summary") described, "recent protest activities have been broader in scope, larger in average size, greater in frequency, and more brash than those of a decade ago":

> According to Chinese Communist Party sources, social unrest has grown by nearly 50% in the past two years, culminating in a particularly violent episode in December 2005. China's Public Security Ministry declared that there were 87,000 cases of "public order disturbance" – including protests, demonstrations, picketing, and group petitioning – in 2005 compared to 74,000 reported cases in 2004. In 2003, the PRC government reported more than 58,000 "major incidents of social unrest" involving an estimated 3 million to 10 million persons, of which 700, or less than 2%, involved clashes with police, while a Hong Kong-based labor rights group estimated that the number of labor demonstrations reached 300,000 that year. The December 2005 clash between villagers and People's Armed Police (PAP) in Dongzhou village (Shanwei city), southeastern Guangdong province, in which 3-20 villagers were killed, became a symbol of the depth of anger of those with grievances and the unpredictability of the outcomes of social disputes.
>
> (Lum, 2006: 1-2)

Figure 8 is a stylized presentation based on Zhao (2008) which shows different forms and levels of political action as a function of the degree of

Figure 8 China: Typology of Political Actions



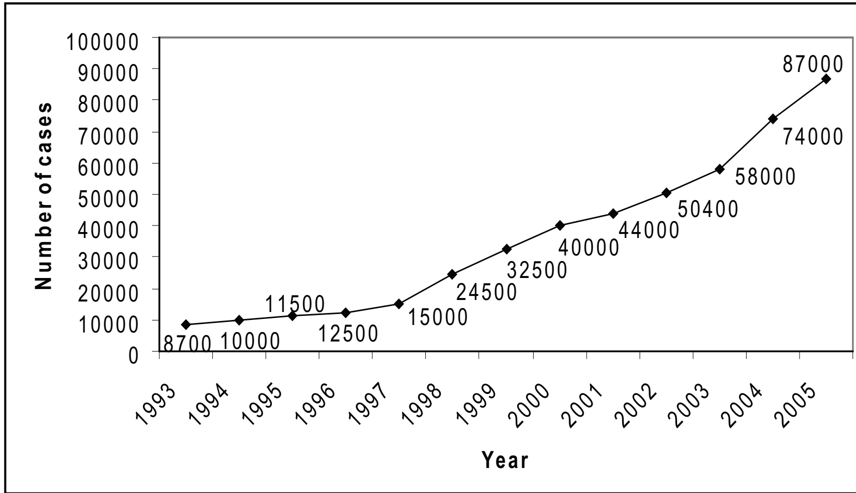
Source: Based on Zhao (2008: 767), Figure 26-1.

organization, of institutionalization/routinization and of targeted changes. The forms and manifestations might be different – from large-scale demonstrations of 1989 to the sporadic but frequent eruption of, often violent, public protests nowadays, including ethnoregional riots – but they all share a basic underlying element that the power that be might not be willing to recognize:

> In any social order […] there is always a strong element of dissension about the distribution of power and values. Hence […] any institutional system is never fully homogeneous in the sense of being fully accepted or accepted to the same degree by all those participating in it […] Thus "antisystems" may develop within any society. Although the antisystems often remain latent for long periods of time, they may also constitute, under propitious conditions, important foci of systematic change. The existence of such potential antisystems is evident in the existence in all societies of themes and orientations of protest.
>
> (Eisenstadt, 1992: 417)

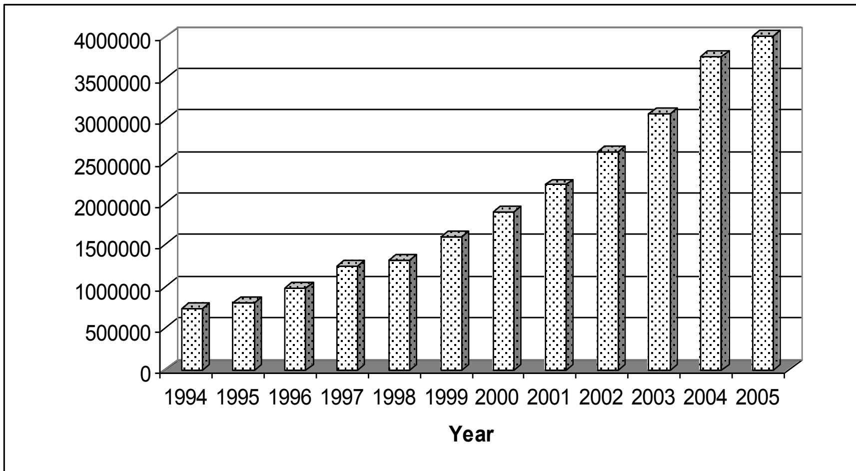
According to official statistics, "illegal" *qunti shijian* nationwide increased from 10,000 to 74,000 cases over the decade of 1994-2004, with an average annual growth rate of 22.2 per cent, while the number of people involved in the *qunti shijian* went up from 730,000 to 3,760,000, with an average annual growth rate of 17.8 per cent (Hu, Hu and Wang, 2006). The figures continued to climb to 87,000 cases and about 4 million people by 2005 (Figures 9 and 10). In general, the number of *qunti shijian* had been rising at an alarmingly increasing rate. From a growth of about 10 per cent from 1995 to 1996, *qunti shijian* was growing at an average annual rate of as high as 25.5 per cent from 1997 to 2004, i.e. higher than the average growth rate of 22.2 per cent during the decade of 1994-2004, with annual growth in certain years reaching as high as above 40 per cent; or with 1994 figure indexed 100, a steep increase of the index from 100 to 740 in terms of the number of cases during the decade of 1994-2004 (an increase of 6.4 times) and from 100 to 515 in terms of the number of people involved (an increase of 4.2 times) (*ibid*.). In terms of participants' profiles, while at the beginning the people involved in these "mass incidents" were mainly *xiagang* 下岗 workers[24] and peasants (reflecting land loss and corruption issues) but later on the list of participants expanded to include, besides *xiagang* workers and peasants who lost their lands, also workers, urban residents, private individual enterprise owners (*getihu* 个体户), teachers, students and a small number of ex-servicemen and cadres, etc. (Hu, Hu, He and Guo, 2009: 143), thus reflecting expanding and deepening popular interest conflicts and contradictions.

Figure 9 China: Incidents of Public Protest (*Qunti Shijian*)



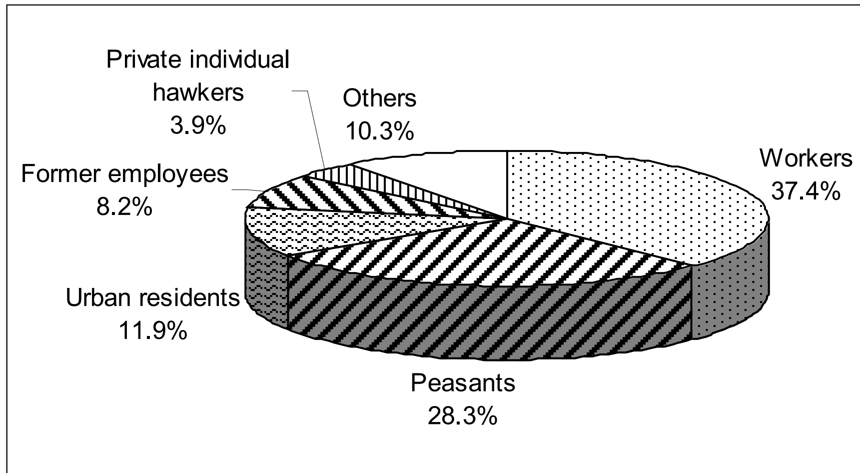
Source: Lum, 2006: 1-2; Tanner (2005), cited in Keidel (2005: 1), Table 1, data from *Liaowang* 瞭望 magazine and China Ministry of Public Security; Hu, Hu and Wang (2006).

Figure 10 China: Numbers of People Involved in Public Protests (*Qunti Shijian*)



Source: Hu, Hu and Wang (2006); 东方日报, 18th March 2009.

Figure 11 China: Participants of "Mass Incidents" (*Qunti Shijian*)



Note: Among "Workers", one-third are workers of SOEs. "Others" includes a small number of ex-servicemen, teachers, students, cadres etc.
Source: Hu, Hu, He and Guo (2009: 143), Figure 3.2 (with data of 2001).

More recent cases of such public order disturbance were alarmingly on the rise in a series of serious incidents including year 2008's high-profile conflicts of 28th June (in Guizhou), 5th July (Shaanxi), 10th July (Zhejiang), 17th July (Guangdong) and 19th July (Yunnan). Yet these constitute but just a small sample of the overall rise in social unrest across China in recent years, some of which involved ethnic conflicts[25]. Adding to these are the long-running Tibet conflicts including the March 2008 Lhasa riots and the March 2009 conflict in Qinghai's Guoluo 果洛 Tibetan *zizhizhou* 自治州 ("autonomous prefecture")[26], as well as the July 2009 Ürümqi riots. With the memory of the 1989 tragedy constantly hanging like the sword of Damocles, the ruling regime is again facing a dire dilemma, as described by Tanner (2004):

> […] the struggle to control unrest will force Beijing's leaders to face riskier dilemmas than at any time since the 1989 Tiananmen Square demonstrations. Experiments with less violent police tactics, economic concessions to demonstrators, and more fundamental institutional reforms all risk further encouraging protest in an increasingly restive society. Nevertheless, these challenges must be navigated if the party wants to avoid the ultimate dilemma of once again resorting to 1989-style violence or reluctantly engaging in a more fundamental renegotiation of power relations between the state and society.
>
> (Tanner, 2004: 138)

The ruling CCP has not been oblivious to this deteriorating situation. Anti-corruption measures have continued to constitute a main prong in the Party's political reform since the Jiang Zemin 江泽民 administration, as Jiang himself declared in 2002 in his last political report to the National Congress, "If we do not crack down on corruption, the flesh-and-blood ties between the party and the people will suffer a lot and the party will be in danger of losing its ruling position, or possibly heading for self-destruction."[27] Having averted such a dire scenario for the Party in 1989 via a bloody crackdown, CCP was in full awareness of the root cause of the Tiananmen 天安门 protests. The predominantly Chinese squeaky clean, efficient tiny state of Singapore – and her long-ruling People's Action Party (PAP) – has quite incongruently become a role model for the CCP to emulate.[28] To the Western accusation that China's so-called "political reform" is nothing but a ruse since political reform in an authoritarian state should mean democratization and that China is copying a bad Singaporean model to develop its own version of neo-authoritarianism, combining free market economy with dissent-muzzling one-party rule, China's answer usually goes along the line like the West should recognize China's specific national conditions and give due respect before China could reach the Western standards in human rights and democracy. Whether the neo-authoritarian experience of the corruption-free tiny city state of Singapore could effectively be emulated by a huge country with one-fifth of humanity where corruption is endemic[29] has always been a centre of debate, given the fact that China's growing social unrest indeed reflects deep institutional problems of the evolving local State corporatism after 1989, as Minzner (2006: 9) observed:

> Particularly at local levels of government, control over all formal political and legal institutions is centralized in the hands of the local Party secretary and a few deputies. These individuals exercise extensive control over institutions such as local legislatures, courts, Party disciplinary committees, and the media. This concentrated power in the hands of a few individuals breeds numerous problems. First, it allows corruption to thrive. Second, it allows local leaders to choke off the flow of information to higher-level leaders regarding policy failures that might reflect poorly on local officials' performance. Third, it deprives citizens of effective redress of their rights through local legal and political institutions, particularly when the source of the violation is a local Party official. Chinese citizens appear to be increasingly resorting to mass protests and petitions directed at higher-level authorities as a means of circumventing the controls of local officials over legal and political institutions, and triggering the intervention of higher level officials in resolving their grievances.

While the CCP regime has in the post-1989 era led the country to economic miracle and hence, in the eyes of many, has successfully reasserted its

legitimacy,[30] this reassertion of legitimacy and unassailability has in reality not been immune to series of challenges, some rather severe and unexpected, since 1989. Underlying these are various thorny issues that emerged both in spite of and due to the astounding economic success, one of which being socioeconomic stratification as well as ethnoregional disparity that have gone from bad to worse over these years.

3.3. Inequality, Poverty and Socioeconomic Stratification

Building upon the foundation set by the Hu-Zhao administration's audacious reformist programmes, Deng Xiaoping moved forward from where his purged former protégés have left by reinvigorating the post-Tiananmen chilling politico-economic milieu through his *nanxun* (南巡 / "southern tour") in 1992, culminating lately in China superseding Germany to become the world's third largest economy in early 2008, ranked only after the United States of America and Japan, and probably superseding Japan in mid-2010.[31] Also impressive was the country's poverty reduction achievements (see Table 1), with GDP per capita reaching today's US$2,000. In fact, China's poor has dropped to about 14 million in 2007, compared to 250 million thirty years ago, according to the National Statistical Bureau of China, while average rural income has reached about 4100 yuan[32] in 2007 compared to just 136 yuan[33] at the beginning of economic reform.[34] While there has been underestimation[35] of the poor population, China's achievement in poverty reduction during the past three decades is still remarkable, even if the real poverty figure at present reaches a hundred million. Nevertheless, according

Table 1 China: Rural Poverty

	Year	*1978*	*2006*
Rural absolute poverty		250 million	21.48 million
Incidence of poverty		30.7%	2.3%
	Year	*2000*	*2006*
Low-income population[+]		62.13 million	35.5 million
Proportion of low-income population in rural population[‡]		6.7%	3.7%

[+] In 2006, the rural net income per capita of nationally designated focal poverty assistant counties reached 1,928 yuan.
[‡] In 2006, the rural absolute poor plus rural low-income population reached 13.7% of total rural population in the Western Region.
Source: Data from Fan (2008: 14-19).

to a report released in March 2009 by Beijing's Ministry of Finance, the country's Gini coefficient which had leapt from 0.282 in 1991 to 0.456 in 1998 had further increased to 0.457 in 1999 and 0.458 in 2000, with more than 50 per cent of the national income in the hands of the richest 20 per cent of the population and only 2 to 4 per cent of the national income in the hands of the poorest 20 per cent.[36] Table 2 shows that China's provinces/zizhiqu/zhixiashi whose Gini coefficients (Gi) are higher than the national figure (G) of 0.45 totaled 11, i.e. about 35.5 per cent of all provinces/zizhiqu/zhixiashi.

Table 2 China: Comparison of Provincial Gini (G_i) and National Gini (G)*

$G_i < G$	$G_i \geq G$ (higher by)
Eastern Region	
Beijing 北京 zhixiashi	Fujian 福建 (1%-10%)
Hebei 河北	Guangdong 广东 (1%-10%)
Shandong 山东	Hainan 海南 (1%-10%)
Shanghai 上海 zhixiashi	Jiangsu 江苏 (10%-15%)
Tianjin 天津 zhixiashi	Liaoning 辽宁 (1%-10%)
	Zhejiang 浙江 (15%-29%)
Central Region	
Heilongjiang 黑龙江	Anhui 安徽 (1%-10%)
Henan 河南	Jilin 吉林 (1%-10%)
Hubei 湖北	
Hunan 湖南	
Jiangxi 江西	
Shanxi 山西	
Western Region	
Chongqing 重庆 zhixiashi	Ningxia 宁夏 Hui zizhiqu (10%-15%)
Gansu 甘肃	Qinghai 青海 (1%-10%)
Guangxi 广西 Zhuang zizhiqu	Sichuan 四川 (1%-10%)
Guizhou 贵州	
Inner Mongolia / Nei Monggol 内蒙古 Mongol zizhiqu	
Shaanxi 陕西	
Tibet / Xizang 西藏 Tibetan zizhiqu	
Xinjiang 新疆 Uygur zizhiqu	
Yunnan 云南	

* G = 0.45

Source: Huang and Niu (2007: 161-162), Table 5-3(2), with data of 2003.

The poor zizhiqu of Tibet was rather egalitarian, with Gini lower than 0.3. Other provinces/zhixiashi with reasonable levels of 0.3-0.4 were Shandong, Jiangxi, Hubei, Guizhou and Chongqing. The majority of provinces/zizhiqu/ zhixiashi, totaled 23, had Gini levels between 0.4 and 0.5, showing the inclination towards widening gap between rich and poor. Two provinces, the economically advanced Jiangsu and Zhejiang, had Gini greater than 0.5 (Huang and Niu, 2007: 162).

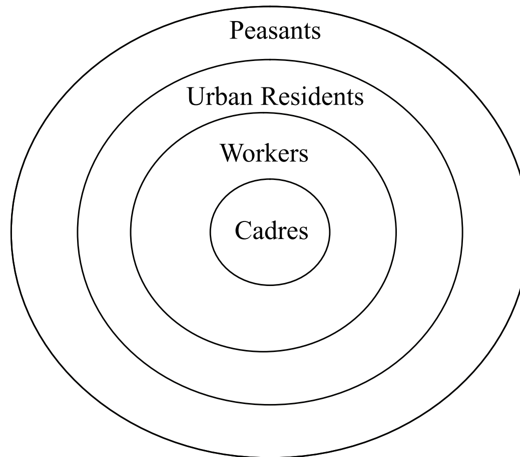
The following account in a sense captures the essence of the problem:

> China is a profoundly polarised society, with hundreds of millions of impoverished workers and peasants at one pole, and a tiny capitalist elite at the other. According to a Boston Consulting Group study, China had 250,000 millionaire households in 2005, ranking the country sixth in the world. These households accounted for only 0.4 percent of the total, but controlled 70 percent of national wealth.
>
> Chan (2007)

In addition, it was also alleged that almost 60 per cent of public revenue was used for the benefit of the 70 million-strong community of CCP cadres and apparatchiks who enjoyed a level of welfare – including healthcare, education and career opportunities – greatly higher than the ordinary citizens, and among the rich with wealth worth a hundred million yuan and above, 91 per cent or 2932 were the children of high-ranking CCP cadres and apparatchiks, possessing assets above 2.045 trillion yuan.[37]

The fact that 70 per cent of China's wealth was in the hand of 0.4 per cent of the people was confirmed by Cai Jiming 蔡继明, a Chinese People's Political Consultative Committee member, on the 6th Meeting of the 11th Standing Committee of the CPPCC, referring to an authoritative government department report.[38] Cai emphasized that with 0.4 per cent of the people in control of 70 per cent of wealth, China's wealth concentration was higher than that of the US. Proposing income tax and inheritance tax reforms, Cai emphasized that such wealth concentration in the hands of a minority of people has led to inadequate consumption and even distorted consumption. In fact, a recent report revealed that with luxury goods consumption reaching US$8.6 billion, i.e. 25 per cent of the world market, China superseded US to become the world's second largest luxury goods market by January 2009, ranked only after Japan.[39] Other data show that the degree of wealth concentration towards the rich in China is presently growing on average at an annual rate of 12.3 per cent which is double the world average growth rate. Such tendency is also reflected in sad state of the small and medium enterprises, with data showing the disappearance of 7,700,000 private businesses over the decade of 1994-2004 and the collapse of the middle class leading to an M-shape society.[40]

Figure 12 China: Identity Circles



Source: Zhu (2007: 6), Figure 1-1.

Regarding social stratification, Zhu (2007: 6-7) observed the existence in China of an enormous set of "identity circles" encompassing the whole society (Figure 12) – "agricultural population" circle, "urban residents" circle, "workers" circle, "cadres" circle[41]:

1) Agricultural population: Those born into peasant families who have by informal procedure moved into other circles, even if having entered other classes or strata by work change or even having left the village the whole life, are still only considered peasants.
2) Urban residents: Broadly speaking, all non-peasants belong to this group of "urban residents". Formerly, "urban residents" narrowly defined refer to unemployed personnel – those without a fixed job. As "urban people", they had a status higher than peasants, but as people without work units, their status was below "workers". If they were formally employed by the labour department, even if they did work, they were just "temporary workers". This community of "temporary workers" no longer exists since the 1990s, but the concept is still alive in people's subconsciousness.
3) Workers: All workers in accordance with whether they are managed by the government's labour department or personnel department are divided into the "workers" and "cadres" sub-circles.
4) Cadres: From this sub-circle a further division can be made into "general cadres" and "leadership cadres". Civil organizations in China, schools, and even public enterprises and their personnel are all subject to the so-called "administrative stratification"[42].

Table 3 China: Official Social Stratification, 1880s

Class	Number of households	%
Literati and officialdom (*Shi* 士)	1,500,000	2
Agriculture (*Nong* 農)	56,000,000	80
Industry and commerce (*Gong shang* 工商)	12,500,000	18
Total	70,000,000*	100

* Total population around 350-400 million.
Source: Li (2008b: 33), Table 2-2 (original source: Marsh, 1980: 15).

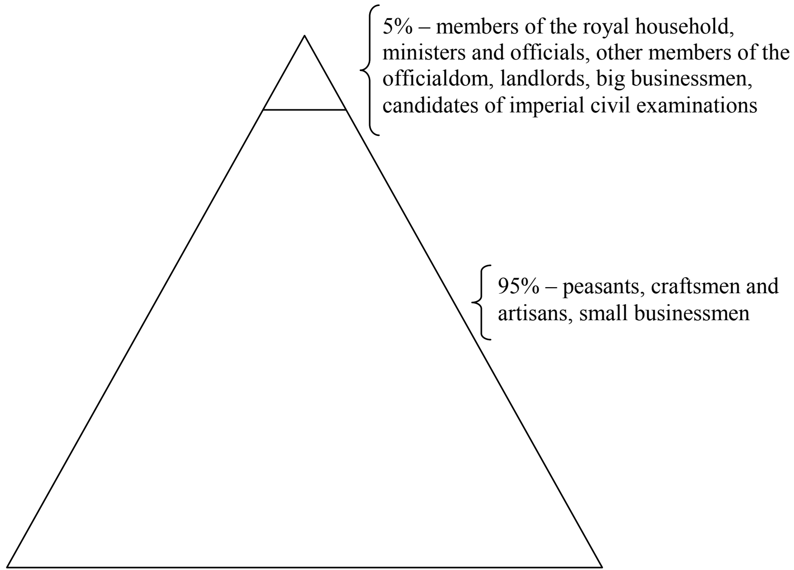
Members of the society are unable to completely follow their own will in moving across these four circles between which exist different economic and political conditions. Hence, between these four circles there exists a high-low relationship – in other words, this is not a multidimensional but a centripetal structure; moving towards the centre implies the raising of one's social status.

Social stratification can indeed be traced back to the dawn of the Chinese civilization. From the Qin (Ch'in 秦) Dynasty to the Qing (Ch'ing 清) Dynasty (221 BC – AD 1911), the imperial courts had always divided the Chinese populace into four strata – literati and officialdom (*shi* 士), agriculture (*nong* 農), labour/craftsmen (*gong* 工) and merchants/businessmen (*shang* 商), with both landlords and peasants included in the category of "nong" as the two major strata, followed by the two secondary strata of "gong" and "shang" (Table 3) – between which did exist a certain level of vertical mobility (Li, 2008b: 32-33).

Nevertheless, the traditional official categorization contains its own contradictions by grouping together landlords and peasants under "nong" and the upper-class big businessmen/merchants and the lower-class petty businessmen together under "shang", and separating officials and literati from the landlord class where they actually belong to (ibid.: 33). A clearer treatment of stratification is shown in Figure 13.

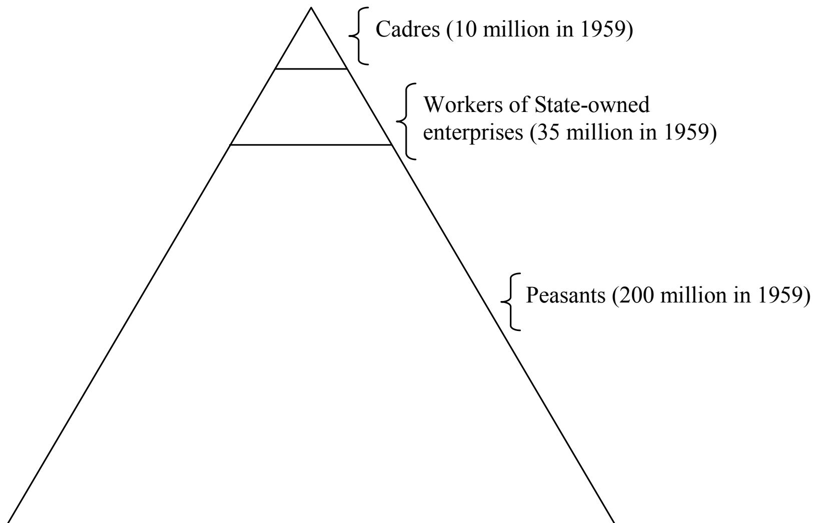
Tremendous transformation came with the Communist revolution, and by 1958 emerged a new structure of social stratification with the disappearance of the landlord class and the national bourgeoisie, and replacing them was the new upper class: the cadres – and as in the past, the huge peasant masses remained the country's lower class (Li, 2008b: 50, see Figure 14). Moving into the 2000s Chinese social stratification has witnessed three major transformations – a third of the peasants are now the *nongmingong* 农民工 (rural-to-urban migrant labour)[43] whose total number is almost equal to that of the urban workers; urban non-SOE workers have greatly surpassed the

Figure 13 China: Social Stratification in Late Qing (Ch'ing) Dynasty



Source: Li (2008b: 33), Figure 2-1 (original source: *The Cambridge History of China*, Vol. 13, p. 30).

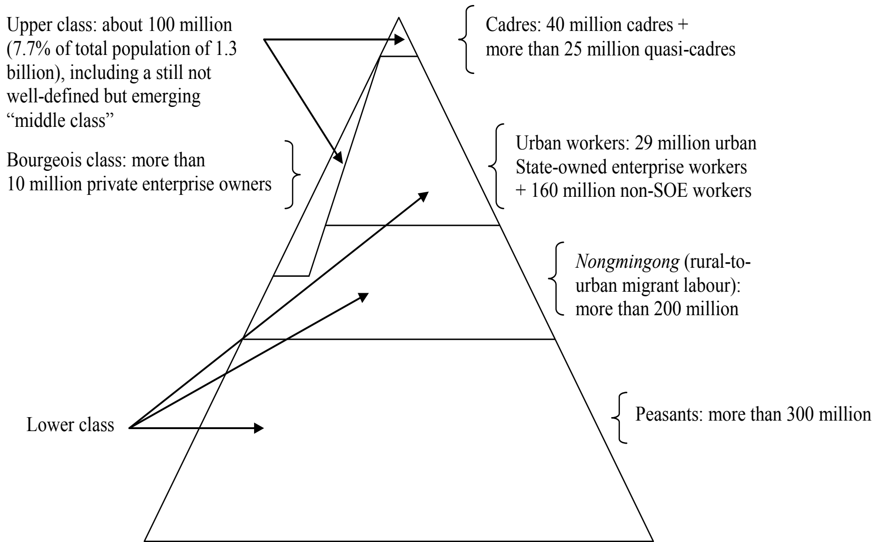
Figure 14 China: Social Stratification, 1959-1979



Source: Li (2008b: 51), Figure 3-1.

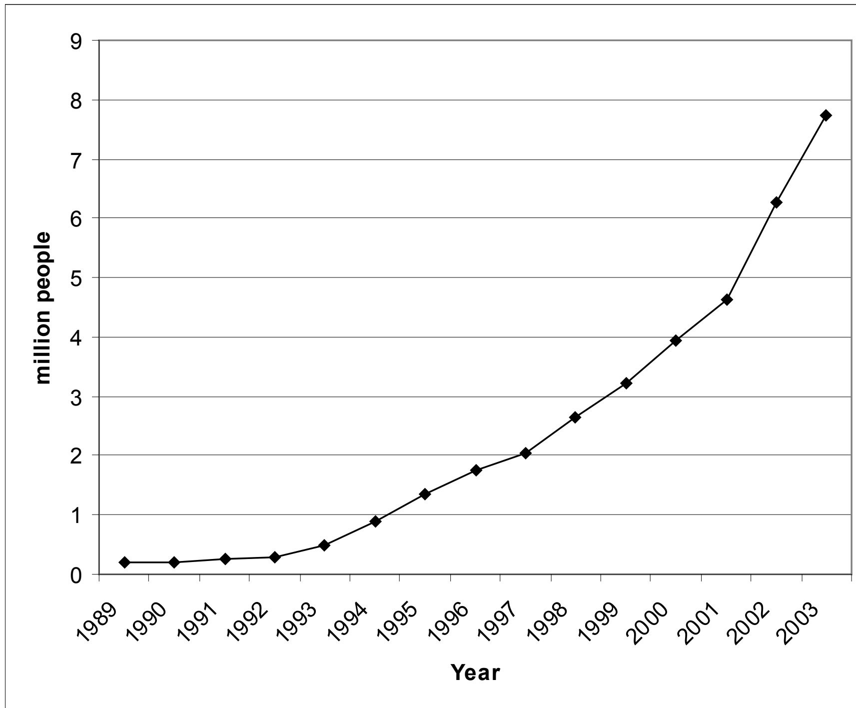
SOE workers in number as the number of SOE workers has declined rapidly after 1997; rapid increase in the number of China's reborn bourgeoisie (*ibid*.: 176, see Figure 15). Disagreeing with the underestimated official 2003 figure of 7.73 million who were owners of private enterprises (see Figure 16), Li (2008b: 188) estimated the total number constituting the Chinese bourgeois class (though still represented a small segment between cadres and SOE workers) to be from 10 to 15 million, including four categories missed out in the official statistics: the large number of managerial personnel and local cadres who virtually turned into enterprise owners due to privatization of almost all village and township enterprises within two to three years after 1998; the many cadres of the large number of small- and medium-scale SOEs and even a certain number of large SOEs which were privatized after 1997 who became the new owners of these enterprises; with the majority of large SOEs turning into joint-stock companies in the last decade, the large number of administrative personnel in these enterprises and some civil servants who were involved in regulating and administering the process of these SOEs turning into joint-stock companies had acquired huge volume of shares; unknown number of government officials who, having legally or illegally accumulated substantial volumes of wealth, invested the money in the share markets or saved it in local and overseas banks. Summing up the savings and interests, gains in stocks and shares and other non-salary incomes of these

Figure 15 China: Social Stratification, Present



Source: Li (2008b: 176), Figure 8-1 and pp. 177-194.

Figure 16 China: Resurgence of Bourgeois Class since 1989

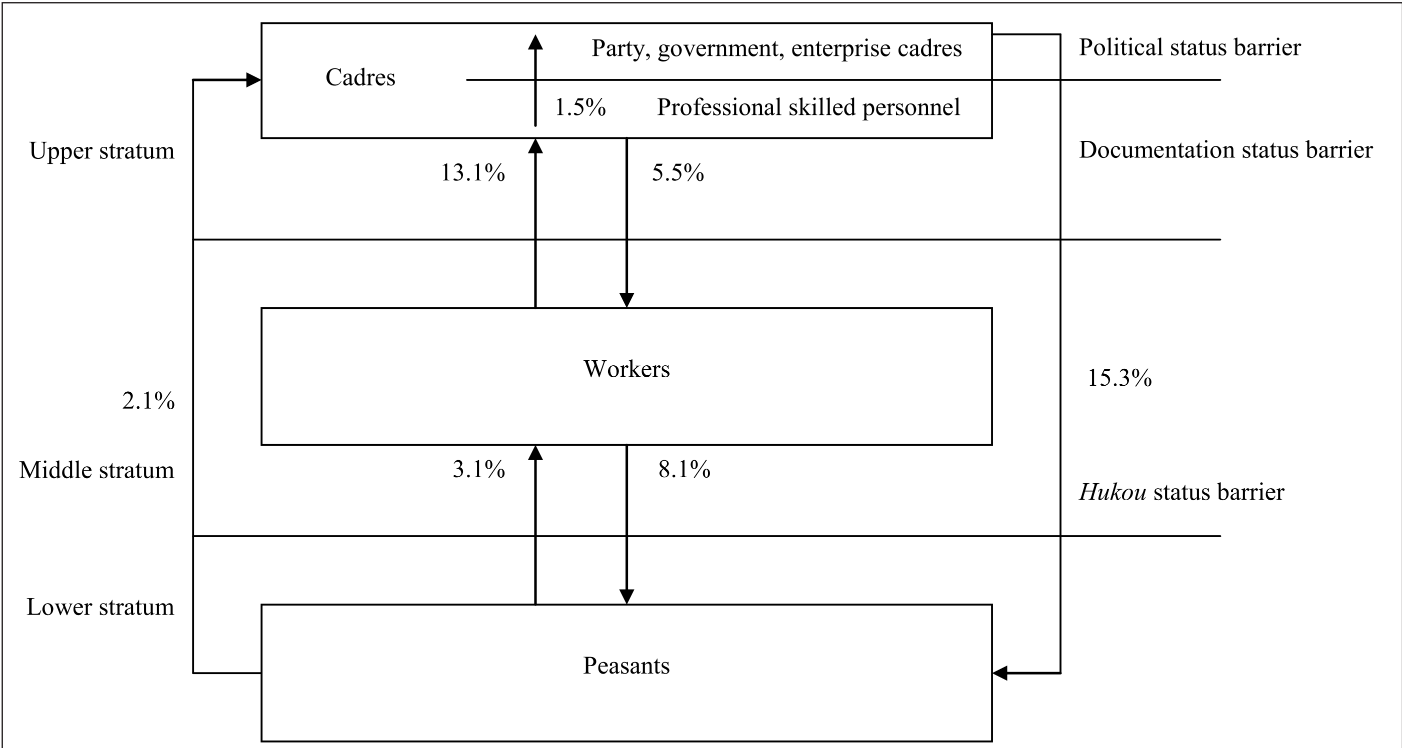


Source: Li (2008b: 187), Figure 8-3.

four categories of people would give amounts apparently higher than their wages and salaries (*ibid*.).

An interesting question is that regarding China's illusive "middle class". The approach in Li's model as shown in Figure 15 is, citing Gilbert (2003: 17), not to identify the Chinese "middle class" before China enters the stage of late industrialization or post-industrialization, as the majority of the Chinese white-collar service-sector professionals are part of the upper classes of the cadres and the reborn bourgeoisie. The speed with which this presently illusive class is going to emerge unequivocally in the changing class pyramid depends of course on the dynamics of social mobility in the long process of modern Chinese industrialization. The impacts of China's economic reform in the post-Mao period especially since the critical juncture of 1989 (a catalyst that led to Deng Xiaoping's reaffirmation of the path of reform in his *nanxun* in 1992) on social mobility have been tremendous, and their significance is outstanding especially in view of the barriers that existed just before the reforms began (Figure 17) – the *hukou* 户口/*huji* 户籍 system, administrative

Figure 17 China: Channels of Social Mobility and Barriers before Economic Reform (Intragenerational Mobility)



Notes: Arrows represent the directions of mobility, percentages are rates of mobility.
Source: Li (2008a: 497), Figure 17-1.

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documentation system and political status (ideological) barrier. The *hukou* barrier is the most insurmountable, and only a slim 5.2 per cent of peasants managed to cross this barrier during the 1940-1979 period (compared to the 13.1 per cent of workers who managed to move up into the cadre stratum), with 3.1 per cent becoming workers and 2.1 per cent becoming cadres (Li, 2008a: 497). Within the cadre stratum, political (ideological loyalty) barrier had blocked professional skilled personnel (who were thus marginalized and unstable within the cadre community) from moving upward into the organizational/enterprise cadre community, with only a slim 1.5 per cent passed the severe political scrutiny to advance into the latter (*ibid*.: 498). On the other hand, during this pre-reform period there also existed downward mobility which could be explained by the temporary changing of status due to university enrolment and military service etc. as well as specific political policy changes and various political campaigns (*ibid*.: 498-499). Table 4 shows in general an apparent increase in social mobility coming along with economic reform and increased openness of the Chinese society, while the probably rather unique existence of increased downward mobility alongside the usual increased upward mobility resulted from industrialization could in a way reflect the simultaneous "dual transformation" consisting of industrialization and institutional change (drastic reforms in the economic institution) (*ibid*.: 501-502). All these manifestations of social mobility since economic reform began have resulted in the present overall structure of social stratification whose details could be illustrated as in Figure 18.

4. Sociopolitical Change and Its Impact on Chinese Social Dilemmas: Contexts, Institutions, Agents and Events

Figure 19, based on Green (2008), shows that the process of social change typically involves a combination of four different components: context (the environment within which changes take place, thus crucial in determining the nature and direction of change), institutions (the organizations and rules, both formal and informal, that establish the "rules of the game" governing the behaviour of agents – including culture, family structure, civil service, private sector, governmental system, patron-client network, etc.), agents (organizations and individuals actively involved in promoting or blocking change, e.g. ruling party, social movements, political and business élite, military and police, inspirational leaders, social entrepreneurs) and events (one-off events triggering wider change and being key catalysts to social and political changes, e.g. wars, pandemics like AIDS, SARS, A(H1N1), civil conflicts such as "mass incidents", ethnic or ethnoregional riots, demonstrations and crackdowns, natural disasters, economic crisis) and, as Eisenstadt noted:

Table 4 China: Intergenerational and Intragenerational Mobility Rate (%)

	Intergenerational Mobility		
	Total	Pre-1980 Employee	Post-1980 Employee
Immobility	51.7	58.6	46.0
Total Mobility	48.3	41.4	54.0
Upward Mobility	37.0	32.4	40.9
Downward Mobility	11.3	9.1	13.1

	Intragenerational Mobility (first employment – present employment)		
	Total	Pre-1980 Employee	Post-1980 Employee
Immobility	63.2	64.7	61.8
Total Mobility	36.8	35.3	38.2
Upward Mobility	23.2	23.8	22.6
Downward Mobility	13.6	11.5	15.6

	Intragenerational Mobility (previous employment – present employment)			
	Total	Change of job 1949-1979	Change of job 1980-1989	Change of job 1999-2001
Immobility	63.7	86.7	69.8	45.8
Total Mobility	36.3	13.3	30.2	54.2
Upward Mobility	20.9	7.4	18.7	30.5
Downward Mobility	15.5	5.9	11.5	23.6

Note: Intergenerational mobility refers to status change from father's employment (or stratum) to son/daughter's employment (or stratum); intragenerational mobility refers to status change of an individual's employment (or stratum). Total mobility rate refers to the percentage of intergenerational or intragenerational change in stratum or employment status, while immobility rate refers to percentage where such change never occurs. Upward mobility rate refers to percentage where such change is from a lower stratum to a higher stratum, while downward mobility rate refers to percentage where such change is from a higher stratum to a lower stratum. Total mobility is the sum of upward mobility rate and downward mobility rate, and total mobility rate plus immobility rate equals 100%. "First employment" refers to the earliest job, "present employment" refers to the current job, and "previous employment" refers to the job immediately precedes the current job.

Source: Li (2008a: 501), Table 17-1.

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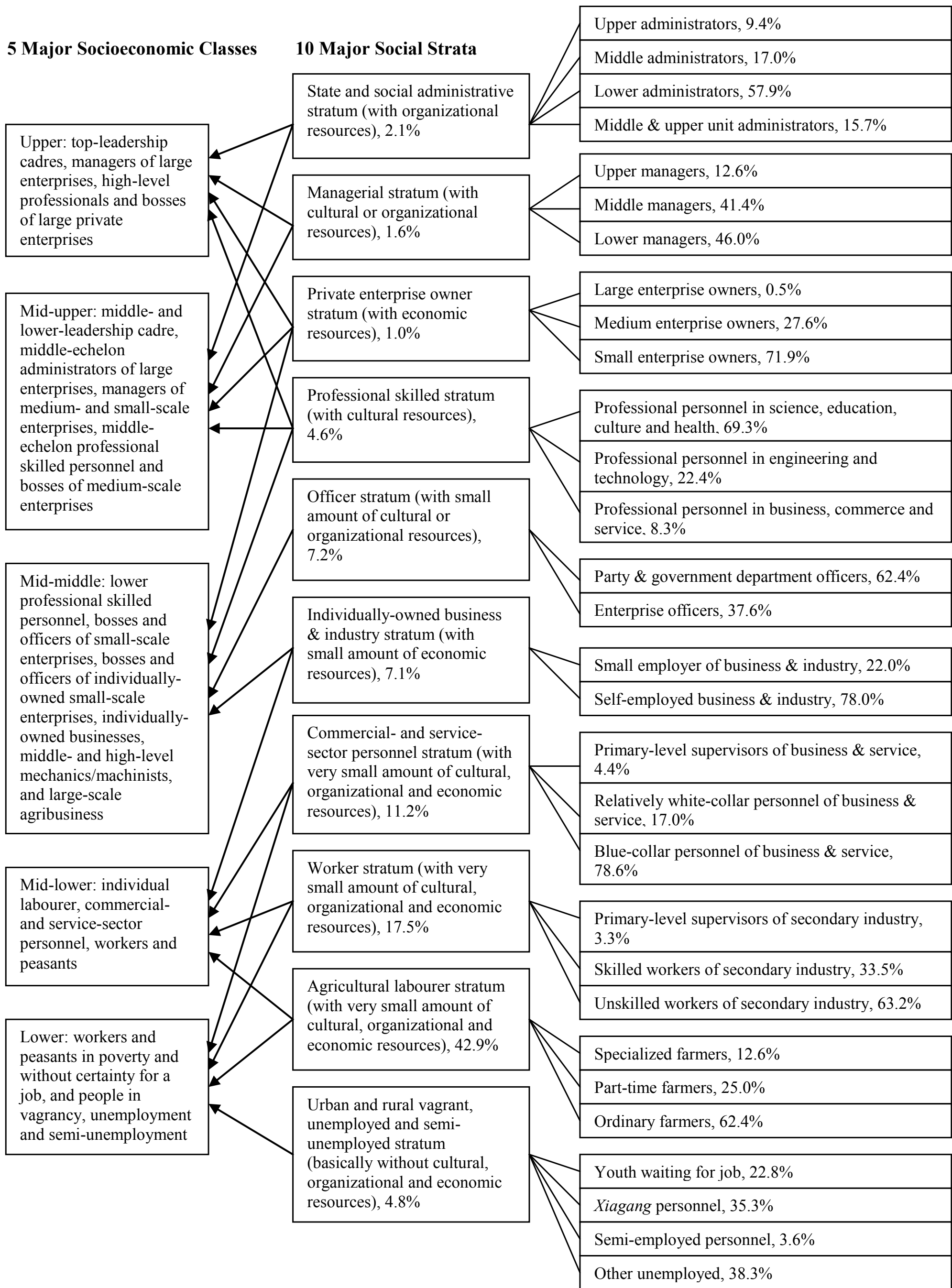
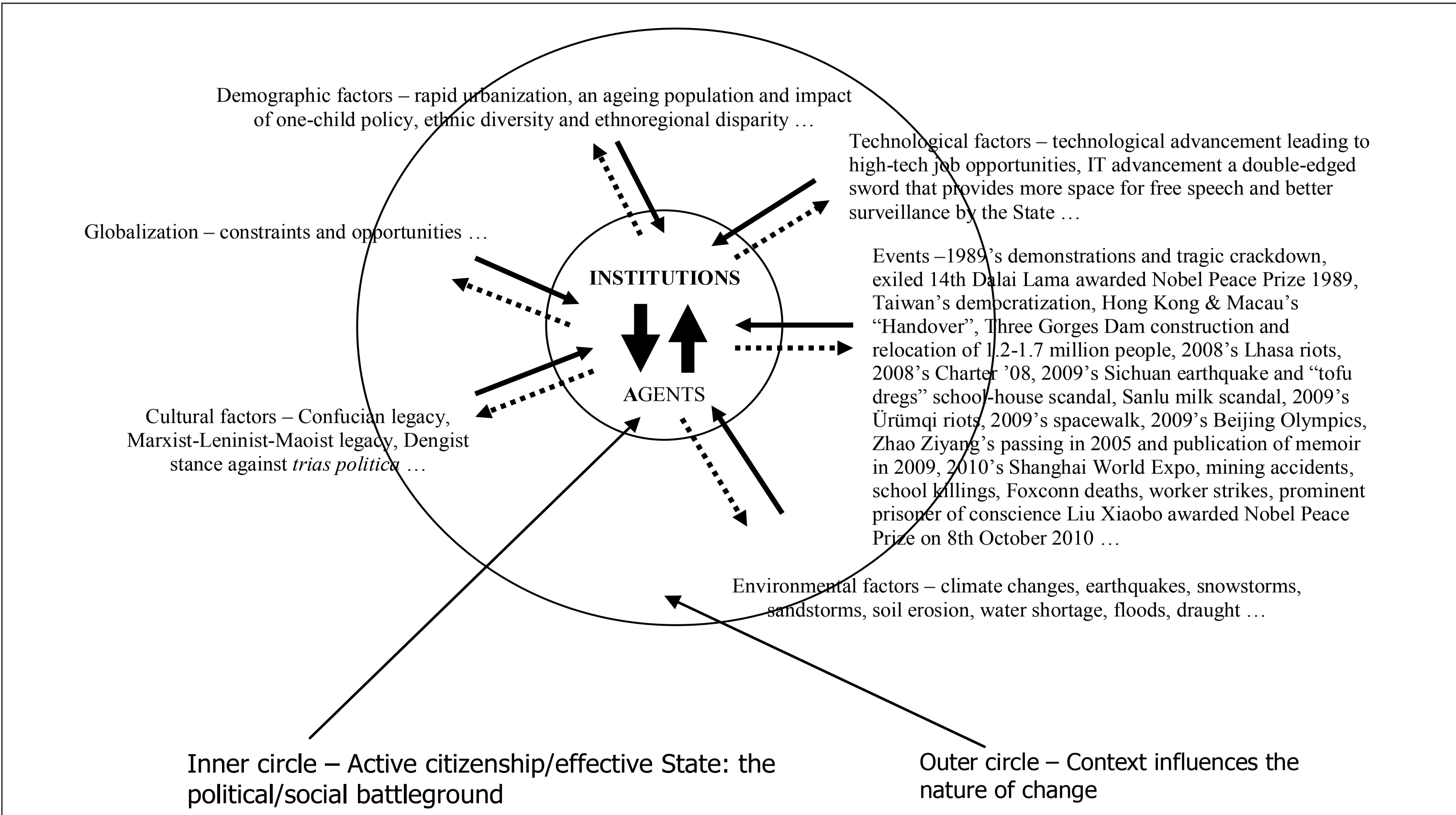
Figure 18 China: Present Structure of Social Stratification



Note: Arrow indicates that the whole or a part of a social stratum concerned can be included in one of the five major social classes.

Sources: Han (2009: 127), Figure 9.1; Li and Chen (2004: 13), Figure 1-3.

Figure 19 Chinese Social Change: Green's Institution-Agent-Event-Context Interface



Source: Based on Green (2008).

> [… any] setting of social interaction, but particularly the macrosocietal order, involves a plurality of actors – elites, movements, and groups – with different levels of control over natural and social resources. These elites continuously struggle over the control, ownership, and the possibility of using such resources, generating ubiquitous conflicts on all levels of social interaction.
>
> (Eisenstadt, 1992: 416)

The categories listed in Figure 19 may, however, overlap, e.g. the CCP is both an institution and agent in blocking or promoting different kinds of changes. The inner circle of the diagram consists of active citizens as agents and the effective State – the CCP's Party-State – as the most important institution, in terms of change components. This inner circle is surrounded by an outer circle of context consisting of wider components of change which in a way are less susceptible to political or public action, such as events. While the contextual factors (outer circle) are having an immediate and crucial impact – as shown in the diagram by the inter-circle solid arrows – on the institutions and agents of change, these institutions and agents are also having certain, though limited, control – shown by the dotted arrows – over these contextual factors. Originally constructed to understand the constraints and possibilities for building active citizenship and an effective, accountable State (ACES), this model would need to accommodate additional complexities of the unique environment of China's combination of economic liberalization and one-party political authoritarianism.

4.1. Critical Junctures

> […] while I recognize the dangers to truth of relating scholarship to life, I also believe that we who live by the pen bear some measure of obligation, however tenuous, to those who die by the sword.
>
> Alan Wood (1995: xiii)

Hage, Hanneman and Gargan (1989: 89-91) remarked that theories of the determinants of public spending should not only be problem specific but also period specific. The historical dimension – the timing of State[44] involvement – is a crucial factor.[45] Levi-Strauss (1967: 281-3) perceived time not solely in mechanical, cumulative or statistical terms, but also in social terms – deriving its properties from concrete social phenomena. Complementing his view of ethnicity as a special case of stratification, an analytical perspective concerned with conflict and power (the Weberian approach), Katznelson (1971: 69-70) emphasized the importance of the notion of "critical structural periods" – historical periods when "critical structural decisions" are made. Citing Schattschneider's remark that "organization is the mobilization of bias" (1961: 71), Katznelson noted that critical structural decisions are those that define the

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"structured relationships" which not only limit but also shape the direction of behavioural choice. In other words, *social time* rather than *historical time*, which can be misleading, is the crucial variable.[46]

Traditional Chinese mystical beliefs see great natural calamities as omens of tumultuous dynastic changes. Probably one of the deadliest wraths of nature in modern times – the official death toll stood at around 242,000, one third of some unoffical estimates – the Tangshan 唐山 earthquake on 28th July, in an ominous turn of events during the "Curse of 1976", was preceded by the death of Zhou Enlai (Chou En-lai 周恩来)[47] on 8th January and that of Zhu De (Chu Teh 朱德) on 6th July, and followed by Mao Zedong (Mao Tse-tung 毛泽东)'s passing on 9th September that brought his ten-year Great Proletarian Cultural Revolution (*wuchan jieji wenhua da geming* 无产阶级文化大革命) to a close. The so-called Gang of Four (*si ren bang* 四人帮), led by Mao's widow Jiang Qing (Chiang Ch'ing 江青), were arrested on 6th October in what amounted to a palace coup, paving the way for the return of the twice-purged pragmatist and reformist Deng Xiaoping (Teng Hsiao-p'ing 邓小平) to the government and party in the following year, who was to deal the *coup de grâce* to Mao's failed autarkic collectivist utopia.

Deng Xiaoping's return to power signalled China's entry into a new age, with his pragmatism paving the way for the rise of Hu Yaobang 胡耀邦 and Zhao Ziyang 赵紫阳 whom Deng entrusted to plan and implement China's market-oriented economic reforms from 1980 to 1989. These reforms were nothing less than revolutionary, whose origin could be traced to Zhao's successful experimental reforms – during which Zhao laid the foundation of his key reform framework of the coming years[48] – from 1978 in Sichuan, where Zhao was the Party's First Secretary, before Hu and Zhao entered the politburo respectively in 1978 and 1979 and the Standing Committee in 1980 when Hu was appointed the Secretary General and Zhao later the Deputy Premier and then Premier (Bao, 2009: 28-29). In terms of political culture and atmosphere, this was also a period of limited political liberalization, an aspect of reform where the tug-of-war between the reformist and conservative forces was particularly acute, which eventually led to the downfall of, in turn, first Hu in January 1987, then Zhao in June 1989, when they overstepped the mark into the minefield of "bourgeois liberalization" where Deng who sanctioned full-scale economic reform was not prepared to bring China into.

Exiled dissidents estimated the number of civilians, workers and students killed in the crackdown during the night of 3rd-4th June 1989 to be from 2000 to 3000[49], while the official death toll stood at four hundred and forty-three, 223 of whom were soldiers and police officers, plus 5000 soldiers and police officers and 2000 civilians wounded in the crackdown (Hutton, 2006: 27)[50]. The Tiananmen demonstrations had ended in a tragic crackdown and arrested the maturing of the political system with the purge of Zhao Ziyang

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and the arrest and exile of many chief reformists and intellectuals. Aspects of political reform have since either been rolled back or stalled. In view of the close link between political decentralization and democratization,[51] the tragic end of the Tiananmen protests and democracy movement of June 1989 has left an ineffaceable shadow over democratic pluralist development and ethnoregional accommodation. The post-1989 robust, even miraculous, economic growth has been used time and again rather successfully by the CCP for the *ex post* justification of the Tiananmen crackdown of 1989, that the brutal crackdown had been necessary to preserve China's stability and economic progress, but the continuing, even recently escalating, social unrest – including those more alarming incidents with ethnic or ethnoregional flavour – that culminated in Xinjiang's July Fifth deadly riots of 2009, just a month past the 20th anniversary of the 1989 tragedy, points to the need to objectively and critically examine the underlying contradictions amidst the euphoria of economic success.[52]

4.2. Path Dependency of Political Change

The 1989 crackdown could be seen as a wake-up call for the CCP to embark rigorously on a path of continuing economic reform while rolling back the Hu-Zhao era of limited politico-cultural liberalization and the subsequent collapse of Communist Party-rule in USSR and Eastern Europe from the end of 1989 to early 1990[53] had seemed to reaffirm the correctness of such decision to crack down on the part of the CCP to ensure the survival of its one-party rule. The 1989 tragedy could also be seen as a catalyst for the single-minded determination to deliver on the economic front after Deng Xiaoping's *nanxun* later in 1992 to reaffirm the Party's policy of moving forward with economic reform and liberalization, coupled with more determined approach in dealing with political dissent.

There is indeed little unique for a politically authoritarian country to achieve economic miracles. Many authoritarian and neo-authoritarian countries have done it before, such as Chiang Kai-shek 蔣介石's Taiwan and Park Chung-hee 박정희 / 朴正熙's South Korea, or in a way even Augusto Pinochet's Chile and Soeharto's Indonesia. In fact, many such countries are among the models CCP's China, in its search for a way forward after 1989, found attractive to consider for emulation. Like May Fourth of 1919 which, while inclusive of the liberal tradition, eventually turned Chinese intellectuals away from Western liberalism to Bolshevism, planted the seeds of Mao's ascending the Tiananmen on 1st October 1949[54] and of the contradictions between national rejuvenation, modernization and radicalism, the 1989 events and tragedy in a way also sowed the seeds of escalating internal contradictions and tension in subsequent policy orientation which was

reflected in the determined effort in economic reform while resisting the tide of political "bourgeois liberalization" and ruling out the adoption of multiparty democracy. Even not seen in ethnic and ethnoterritorial terms, such social contradictions have manifested themselves in the alarmingly widening income gap, deteriorating socioeconomic inequalities and proliferating social unrest, as discussed in the previous section.

CCP's China has been adamant that each country has the right to choose her own path to development and the sanctity of national sovereignty must at all costs be protected from foreign intervention[55] – a position largely supported by most developing countries including most ASEAN members. While steering the country towards the status of an economic superpower, with the inevitable concomitant expansion in political and military might and prowess, the CCP, building on the foundations set by the former Hu-Zhao administration[56] under Deng's auspices, also embarked on a remarkable process of internal reform and rejuvenation. Many of these internal reforms have involved power succession or leadership transition which has been remarkably successful over the years and has definitely played a crucial role in maintaining intra-Party political stability and smoothing the path of economic reform and transition. These basically involve ideology restructuring, recruitment of new breed of élite into the leadership, construction of "political exit" channel for ageing leaders and grooming of the core of future generation of leadership (see, e.g. Zheng and Lye, 2004), which is of course part and parcel of the "stick and carrot" approach in the co-optation and control of intellectuals. Besides, Beijing has also been emphasizing the democratization of rural governance since the National People's Congress passed the "Village Committee Organic Law of the PRC (Experimental)" in 1987 that introduced the direct election of the directors, deputy directors and members of the villagers' committees. At least theoretically, these grassroots government officials, being elected by the local people, could be more independent in their dealings with the higher authorities since their political legitimacy depends on popular votes rather than appointment by higher authorities (Zheng and Lye, 2004). The recent years saw the geographical expansion of such villagers' committee elections, with 929 counties across China covering Tianjin, Hebei, Shanxi, Inner Mongolia, Fujian, Jiangxi and Shaanxi holding such elections in the year 2003 (*ibid*.).[57] Nevertheless, such village committee elections should not be taken as a sign that China is taking the first step in political reform moving towards multiparty liberal democracy. In fact, the country's leadership has never made any pretension that this is so. In the sixfold typology of regime classification of Diamond (2002), China is classified as "politically closed authoritarian". When describing the Franquist regime as "authoritarian", Gunther (1980: 2) elaborated, "It was based upon the explicit rejection of mass suffrage as a means of elite recruitment and a

basis of legitimacy […] The concept of political conflict among social groups was formally regarded as illegitimate, and mass organizations which engaged in what the state regarded as conflictual political activities were vigorously suppressed." It is interesting to compare this with the case of post-1989 China. While many authors inside and outside China have been lauding the country's "grassroots democratization" and intra-Party reforms as pointing to a promising path of de-authoritarian evolvement, the perception that China is moving out from this "politically closed authoritarian" category of regime type could prove to be as misleadingly whimsical as it is empirical unfounded. Furthermore, past record of mismanagement and repressive, often violent, response to dissent, including the excesses during the Cultural Revolution both in China proper and in ethnic regions like Tibet and Xinjiang, and the 1989 tragedy, may not be encouraging for many, including the ethnoregional minority nationalities.

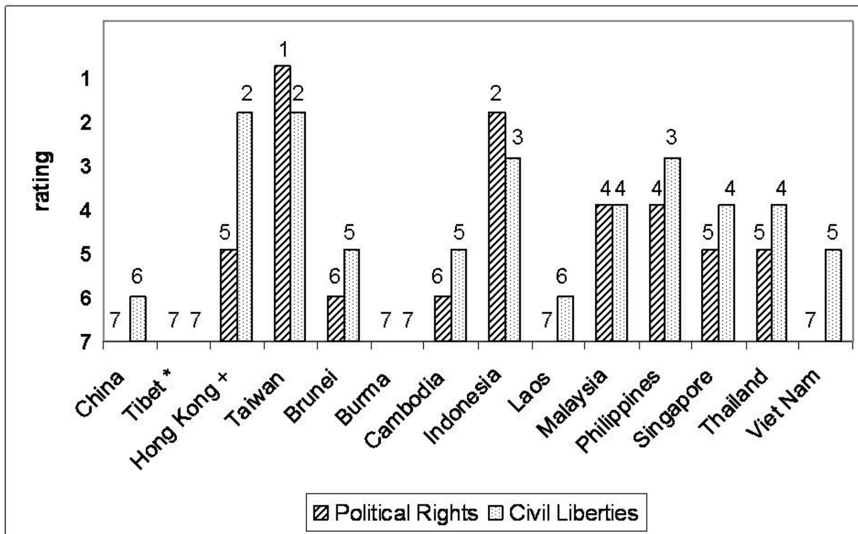
Indeed, while promoting the rural elections in 1987, Peng Zhen 彭真 had argued that such elections could be used to help the Chinese Communist Party govern the country's rural areas and perpetuate the Party's rule (Zheng and Lye, 2004). Any perception that such electoral initiatives are implying that the Party is loosening its stranglehold over China's politics could be illusory as the signals conveyed by the ruling regime regarding the tolerance threshold for dissent remain unmistakable, not least highlighted in recent years by the arrest and jailing of various civil rights lawyers, researchers, journalists, activists and other dissidents which represent another reference point for reading civil rights development in China. Besides these high-profile cases, there are also many other little observed arrests and imprisonments that rarely raise an eyebrow beyond the border. According to the advocacy group Reporters Sans Frontiers (Reporters without Borders), there are more journalists in prison in China than anywhere else in the world.[58] A report of the International Federation of Journalists (IFJ) at the end of January 2009 accused China of reneging on her promise of press freedom during her bid for hosting the Olympics and called for the country to immediately release imprisoned journalists and halt the repression of journalists with the current national security and other laws – and this came amidst reports that a new series of rules and regulations would be launched in 2009 to strengthen the control on journalists and news reporting ostensibly for maintaining quality and authenticity in news reporting.[59] Reporters Sans Frontiers ranked China number 167 out of a total of 173 countries in its 2008 Worldwide Press Freedom Index and considered the number of arrests and cases of news surveillance and control by China's political police and Department of Propaganda to be still very high, while Human Rights Watch asserted that China's extensive police and State security apparatus continued to impose upon civil society activists, critics and protestors multiple layers of controls

(Lye, 2009: 215, 237) and the crackdown on dissent – whether the targets be civil rights activists, campaigners for multi-party political reform or *falungong* 法轮功 followers – has remained relentless. In terms of international perception of civil and political rights, in the 2010 Freedom House's Annual Global Survey of Political Rights and Civil Liberties (ratings reflect events from 1st January 2009, through 31st December 2009), China was rated 7 on political rights and 6 on civil liberties (Figure 20).[60]

Despite the much touted intra-Party and grassroots democratization, it is undeniable that at the moment China remains an authoritarian state, with party regulations on cadre selection still charging "local Party committees with nominating key officials in local governments, legislatures, and courts" (Minzner, 2006: 10):

> Local Party committee control extends over the electoral systems that permit citizen participation in the selection of delegates to local people's congresses and village/residents committees. Selection of who may serve as a candidate is under the control of local election committees dominated, and sometimes chaired, by county and township Party secretaries. Election committees use

Figure 20 International Perception of Political Rights and Civil Liberties: Mainland China, Taiwan and ASEAN, 2009



Notes: 1 is the best rating, 7 the worst. Ratings reflect events from 1st January 2009, through 31st December 2009.
* Xizang (Tibet) Zizhiqu ("autonomous region"), China.
\+ Hong Kong Special Administrative Region (SAR), China.

Source: Data from Freedom House (2010).

> non-transparent practices to narrow the list of acceptable candidates […] Citizens who attempt to challenge Party-nominated candidates can find themselves unable to even get on the ballot. Chinese officials do permit a degree of citizen political participation, but only within channels that local Party institutions can control and monitor. Some non-Party members do win seats on local village committees. "Consultative" channels, such as the Chinese People's Consultative Conference, allow non-Party members to offer nonbinding input into policy formulation. Chinese authorities have also recently experimented with allowing citizen participation in the selection of local Party officials. These experiments, however, grant citizens only a limited voice in the nomination of potential candidates, allow Party committees to eliminate names from the nominee lists, and retain Party control over the final approval of the results.
>
> (*ibid*.: 10-11)

O'Donnell and Schmitter (1986: 9) opined that a transition from authoritarian rule could produce a democracy, but it could also terminate with a liberalized authoritarian regime (*dictablanda*) or a restrictive, illiberal democracy (*democradura*).[61] As the above discussion shows, while shadows of the remnants of her ghostly past still linger to haunt the one-party State, there are already telling signs that the continuing transformation from a *dictadura* (dictatorship) into a *dictablanda* leading further to a highly restrictive *democradura* in the near future is the most possible direction the CCP regime is heading to and indeed planning to head to, given the fact that the Western, "bourgeois liberal" democracy (*democracia*) has already been ruled out of the cards, or at least not until mid-2000s. In fact, following Professor Zhou Tianyong from the Central Party School, China's authoritarian one-party political system will and should remain unchanged until at least 2037 (Zhou, Wang and Wang (eds), 2007: 2, 6, 45-46, see Bo, 2009: 10-11). This is in line with what Deng Xiaoping stated in 1987, that direct general elections could only be held after half a century had passed in the 2000s, and at the moment the country had to make do with indirect elections above the county level and direct elections only at county and below county level, given the colossal population and inadequate level of cultural quality of the people (Hu, Hu, He and Guo, 2009: 19-20[62]).

4.3. Political Reform: Pax Sinica sine Trias Politica?

> Government, even in its best state, is but a necessary evil; in its worst state, an intolerable one.
>
> Thomas Paine (1776), *Common Sense*, Ch. 1

While the establishment of village committees in rural areas through direct elections began in 1988, a year before the 1989 tragedy, the "Organic Law on

Village Committees" – according to which, the director, deputy director, and members of the village committee are directly elected by villagers for a term of three years, and villagers who are at least 18 years old have the right to vote and to stand for election – was only officially promulgated in November 1998 (Bo, 2009: 7), some years after the post-Tiananmen uncertainties, and grassroots elections were expanded to the township level in the same year and the county level in 2002 (*ibid*.: 7-8).

After the 13th Party Congress in October 1987, at which Zhao Ziyang – who became the Party's general secretary and first vice-chairman of the Central Military Commission – proposed the one and only political reform package in the history of the Chinese Communist Party which attempted to introduce reforms such as the separation of power between Party and State (Zhao, 2009: 286)[63], and the successful experiment on the "permanent party congress system" in the Jiaojiang 椒江 district[64] of the prefecture-level city of Taizhou 台州, Zhejiang Province, in 1988-1989, such voting system on the appointment and removal of cadres was only promoted again by the Central Organization Department in 2001 (Bo, 2009: 13-14), years after the post-Tiananmen uncertainties. Further intra-party democratization ensued, including the Plenum Voting System whereby the party's leading cadres are selected by the plenum of the party committee through secret ballot:

> In April 2004, the CCP Central Committee promulgated a regulation on "methods of selecting and recommending candidates for chief leaders of the party committee and the government of the next lower level by voting in the party's local committee plenary sessions." The regulation provides that candidates for chief positions of the party and the government of the city, prefecture, league, county, district, flag, township, and neighborhood should in general be presented to the plenum of the party committee of the next higher level where the appointment will be decided through secret ballot. For chief positions of the party and the government at the prefecture and county levels, the standing committees of the provincial party committee and the municipal party committee should nominate candidates, respectively and the respective plenums will review them and make a decision by secret ballot.
>
> (Bo, 2009: 14-15)

In short, we are witnessing intra-party democratization picking up speed again after the historic political reform package introduced by Zhao Ziyang at the 13th Party Congress in October 1987 was temporary halted after the 1989 tragedy. With 1989 as the watershed, CCP's élite political thinking has markedly progressed from Deng Xiaoping's complete dismissal of the North Atlantic democracy, especially the *trias politica* (tripartite separation of powers) for checks and balances[65], to affirmation at least in theory by the Hu-Wen administration[66] the notions of democracy, the rule of law, freedom,

and human rights as universal common values of the humankind, which, as we have seen, has been accompanied by the remarkable pace of intra-party democratization.[67] However, as Minzner (2006: 21) noted, all the institutional reforms so far "share a common thread: firm commitment to the principle of centralized Party control":

> Officials have curtailed social and political reforms when they appear to challenge this core principle of centralized Party control. Since the late 1980s, Chinese officials have allowed citizens to take part in local elections for village committees. But they have quashed local experiments aimed at expanding these initiatives to higher levels in the Chinese bureaucracy, and have maintained tight control of the nomination and selection of candidates to screen out individuals who might challenge Party control. Similarly, in the late 1990s, Chinese officials created a regulatory structure to govern the registration of civil society organizations with more attenuated ties to the state. But when a group of social activists attempted to use these channels in 1998 to openly register branches of the Democracy Party, Chinese officials rapidly suppressed the group and sentenced the leaders to lengthy prison terms. This unwillingness to alter core principles of centralized Party control appears to make it unlikely that officials will be able to address the institutional factors that drive social unrest.
>
> (*ibid.*)[68]

This is made absolutely clear in the State Council's October 2005 White Paper on "Building Political Democracy in China" which stated that "Party committees serve as the leadership core over all [government and mass] organizations at the same level […] and through Party committees and cadres in these organizations, ensure that the Party's policies are carried out […] Party committees ensure that Party proposals become the will of the state, and that candidates recommended by Party organizations become leaders in the institutions of state power."[69] That this remains the overriding cardinal principle of political logic is evident in the unusual political discourse emerged recently related to the 30th anniversary of the establishment of Shenzhen Special Economic Zone (SEZ). During Premier Wen Jiabao's visit to Shenzhen on 20th August 2010, he openly called for the SEZ to implement political reform "lest we are moving into a blind alley", leading to calls from many academics for launching a Shenzhen "special political zone" at the anniversary.[70] This, however, has led to a backlash from the State media denouncing the interpretation of political reform as adopting Western capitalist or bourgeois democracy and *trias politica* separation of powers, and President Hu Jintao while lauding the "Shenzhen spirit" in his speech at the 30th anniversary celebration ceremony on 6th September has stuck to the realms of economic reform, industrialization, urbanization and modernization, apparently ignoring Wen's call for political reform two weeks earlier.[71]

4.4. State/Leninist Corporatism?

> Infidelity does not consist in believing, or in disbelieving, it consists in professing to believe what one does not believe.
>
> Thomas Paine (1794), *The Age of Reason*, Part I

In the process of maintaining a tight grip on political power in maintaining the Party-State monopoly while delivering on the economic front and bringing prosperity and wellbeing to the long-suffering people of this giant country, the neo-authoritarian developmentalism followed by the CCP since 1989 could be leading the country on a path threaded before by various East Asian countries – a model sometimes termed "State corporatism". The post-1989 State corporatism, or referred to by some observers as "Leninist corporatism"[72], bears a close resemblance to Franco's *Nuevo Estado* (New State), and the "harmonious society" vision declared in recent years recalls Franco's vision of social cohesion and harmonious relationship between employers and workers via corporatism that would promote a close collaboration between them under the direction of the State and his corporatist policies to regulate the economy by controlling the conditions of work, wages, prices, production and exchange, though Gunther (1980: 3) somehow described Franquist Spain as "halfheartedly" corporatist:

> Labor unions were outlawed, and in their place were created 27 vertical syndicates, to which nearly all workers, technicians and employers belonged. "Representative" institutions (e.g. the Cortes and local government bodies) were organized along corporatist lines. Nevertheless, hundreds of economic and social organizations (which either were considered to be non-political by nature or were formed by groups supportive of the regime) remained completely independent of the state-dominated corporative structure.

While it is interesting to discern both similarities and contrasts between this and the case of post-1989 China, and corporatism, or State corporatism, might not be a grand theory that could adequately explain the new, emerging developmental paradigm in China's astounding transition, it may yet prove to be helpful in understanding the inevitable transforming political landscape which, as Unger and Chan (2001) argued, could be moving in a "societal corporatist" direction in incremental shifts instead of the introduction of any form of political democracy, and as Unger and Chan further observed, the exclusion from these corporatist structures of the peasants and most of the non-State-sector workers whose grievances would thus be devoid of such mechanisms for articulation does not auger well for social and political stability. Some aspects of State corporatism may indeed recall the classic analysis of Bonapartism as a basis of State autonomy. Being propelled into a leading position by a balance of class forces, combined with the inability of

the subordinate classes to exercise control over their supposed representatives in the State apparatus, the government – or here the Party-State – uses the leverage gained to preserve both the status quo and the interests of the dominant class. The dominant class (or the bourgeoisie, as in Marx's (1852) original description of the Bonapartist regime in *The Eighteenth Brumaire of Louis Napoleon*), in turn, is willing to abdicate to a certain extent its opportunity to rule in exchange for other kinds of protection by the ensuing strong State (Stepan, 1985).[73] Therefore it is important to recognize that the State, or a Party-State, is neither necessarily a neutral nor a passive actor. It may be perceived as an autonomous body that possesses its own interests and objectives independent from the rest of the populace. It can be a potentially disinterested party that engages in mediation and crisis management. However, it can also negotiate to achieve goals based on narrower interests. The State can use its influence to establish, entrench or expand its power (Enloe, 1980). In a way, while the 1989 events and tragedy can be seen as a culmination of the unstable development of an early stage of State corporatism since reform began partly due to the liberalism of the Hu-Zhao administration, the tragedy can also be observed to be the catalyst of the subsequent authoritarian corporatist evolution and reaffirmation of the path of economic reform (after Deng's *nanxun*) and economic success as realization of the root causes of the tragedy had served to spur the CCP into attempting to reinvent itself as a strong, benevolent and enlightened ruler (i.e. a *dictablanda*), or as Thomas Hobbes referred to in his 1651 treatise, "the generation of that great Leviathan".[74]

5. Concluding Remarks

Winston Churchill, in 1939, called Russia "a riddle wrapped in a mystery inside an enigma"[75]. This prologue, in conjunction with the special issue's later discourse on ethnoterritoriality, examines a no less enigmatic country whose geographical size is as massive, whose population is as complex, and whose modern blood-stained epic of a history is both momentous and torturous, harrowing yet monumental. In a sense, China as a self-contained East Asian land mass is comparable to Russia as a self-contained Eurasian land mass. Both countries are more a continent than a country, both enjoying a sense of geographical isolation that feeds much the national psyche and popular subconsciousness of aloofness and conceit. This paper, together with the issue's later tract on ethnoregionalism and peripheral nationalism, looks at the modern timeline of sociopolitical and socioeconomic development and transformation of China, focusing on a number of critical junctures where different critical decisions were made that have determined the subsequent course of socioeconomic and political development of the country. Also

examined are the State responses at times of crisis – how Mao's passing was followed by two-step forward, three-step back political liberalization and "selective centralization"[76] in a system that could be perplexingly described as "regionally decentralized authoritarian"[77]. In his iconoclastic 1985 study, Charles Tilly questioned the idea of a social contract in state making, where a society whose shared norms and expectations call forth a certain kind of government, and defined "those peculiar forms of governments we call national states" as "relatively centralized, differentiated organizations the officials of which more or less successfully claim control over the chief concentrated means of violence within a population inhabiting a large, contiguous territory" (Tilly, 1985: 170). Without going so far with Tilly in seeing nation-states as "quintessential protection rackets with the advantage of legitimacy", it is still impossible not to question the long taken-for-granted notion of the inviolable sovereignty of the nation-state and even the very essence of the nation-state itself. Benedict Anderson, too, defined a nation as a community socially constructed and ultimately *imagined* by the people who perceive themselves as part of that group and "regardless of the actual inequality and exploitation that may prevail in each, the nation is always conceived as a deep, horizontal comradeship. Ultimately it is this fraternity that makes it possible […] for so many millions of people, not so much to kill, as willingly to die for such limited imaginings" (Anderson, 1991: 6-7). The sovereignty of a nation-state is imagined, according to Anderson, because the concept was born in an age in which Enlightenment and Revolution were destroying the legitimacy of the divinely-ordained, hierarchical dynastic realm, giving rise to the national dreams of freedom whose gage and emblem were the sovereign state. Similarly, other historicists (in contrast to the primordialists) like Ernest Gellner and Eric Hobsbawm also posited that nations and nationalism are products of modernity and have been created as means to political and economic ends, and the nation, assuming the nineteenth-century conceptual entity of a nation-state, is the product of nationalism – but not *vice versa* – through the unification of various peoples into a common society or community (Gellner, 1983; Hobsbawm, 1990). It is in this context of nation-state as imagined community that the issue's later disquisition on ethnoregionalism and peripheral nationalism will pick up where the present paper has left, to proceed to examine and analyze the causes and implications of the July Fifth Xinjiang riots against the backdrop of economic and political reforms and the intriguing question of China's centralism *v*. decentralization.

China has come a long way, difficult and laudable, culminating in the country claiming to have superseded Japan to become the world's second largest economy in 2010[78]. Going back to the critical juncture of 1989, that year's student movement which snowballed into social protests of

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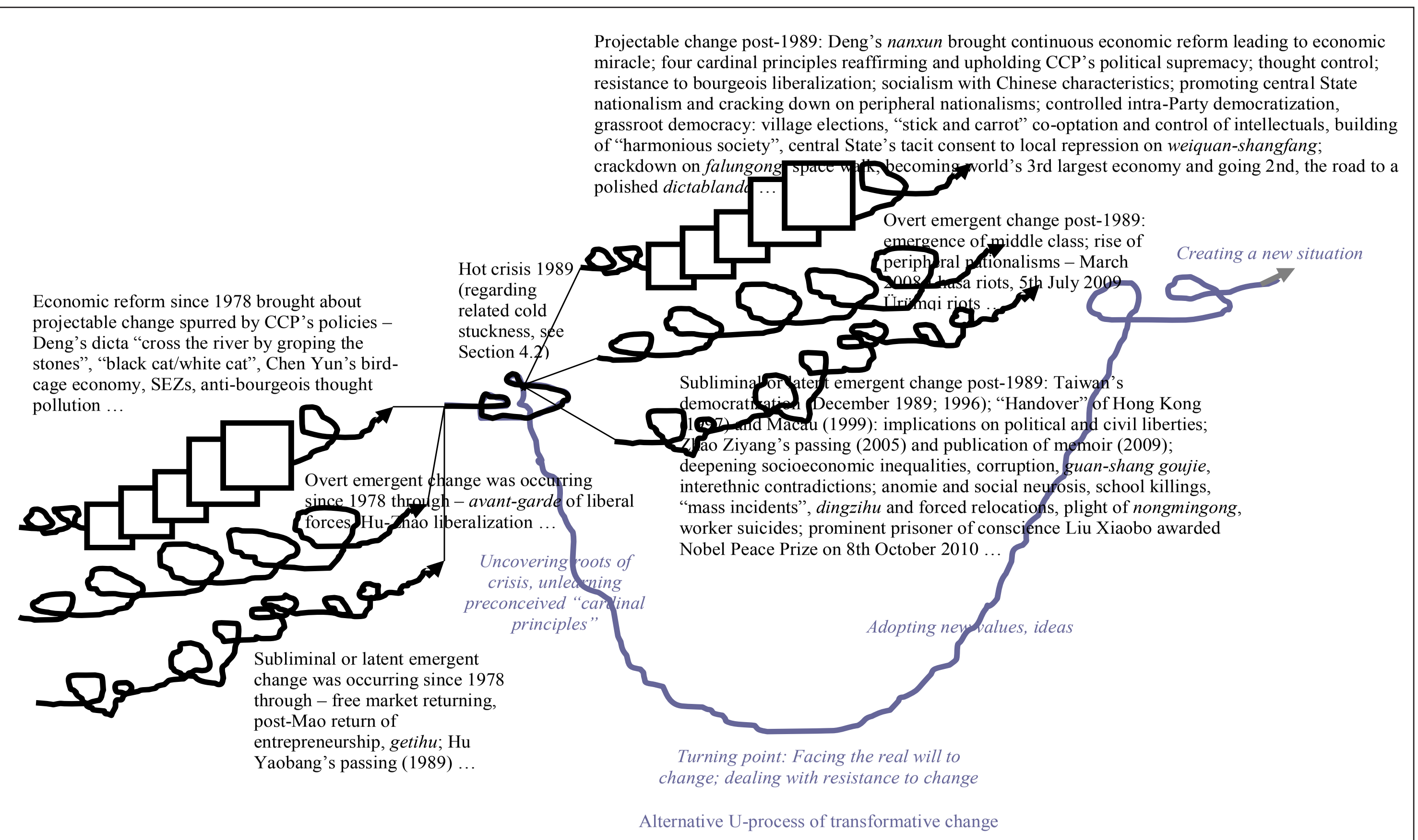
unprecedented scale is in many ways a return of May Fourth. While May Fourth of 1919 had eventually led to the triumph of Maoism-Leninism which in a way hijacked the early socialism of Ch'en Tu-hsiu (Chen Duxiu 陳獨秀)[79], the 1989 tragedy represented a prelude to the subsequent hijacking of the Hu-Zhao administration's initiative for politico-economic liberalization by the strengthening one-party authoritarian State corporatism preferred by Deng Xiaoping who once and again felt wary of and threatened by his protégés' "bourgeois liberalization". The conservative backlash has since complicated the uneasy coexistence of a highly decentralized economic structure brought through the no-holds-barred market economic reform with a highly centralized illiberal political regime or a proto-*dictablanda* which might have, among other ramifications, limited the possible extent of accommodation of ethnic and ethnoregional aspirations and precipitated the tragic events of 14th March 2008 and 5th July 2009. "Left alone, crises do get unconsciously resolved over time, tragically or happily or somewhere in-between", observed Reeler (2007: 12), "But they can also be more consciously and proactively resolved through well led or facilitated transformative change processes." The resolution of the 1989 crisis in a tragedy and the purge of the political reformists in a way shut down the transformative change wing[80] of the bifurcation facing the CCP at that time and led to the protracted cold stuckness in sociopolitical modernization and its uneasy coexistence with accelerated market reform that brought national economic prosperity. Theo Lefevre, prime minister of the Belgian coalition government which drafted and passed the 1961-63 language laws, was said to have called Belgium "a happy country composed of three oppressed minorities" (Covell, 1985: 230) – referring to the country's forever squabbling Flemings (*Vlamingen*) and Walloons (*Wallons*) and probably less so, the Germans.[81] Taking a cue from that, while hymns are being sung, justifiably, to short-term economic miracle and national glory, much care should probably be taken in the officially sanctioned building of a "people first" (*yi min wei ben* 以民为本) "harmonious society" (*hexie shehui* 和谐社会) that such eulogizing would not be at the expense of the golden opportunities for more holistic transformative reforms during this period of economic success, that central State nationalism bordering on dominant-group ethnocentrism would not be tacitly promoted at the expense of more accommodation of peripheral ethnoregional nationalisms, and that in full recognition of the overt and subliminal emergent changes that have not ceased to exist as undercurrents in a nexus of contradictions beneath the officially sanctioned projectable changes, these projectable changes would not be looked upon as policy guidance simply to maintain and justify the cult of a *dictablanda* at the expense of the long-term greater good (Figure 21).

Figure 21 China's Economic Reform and Sociopolitical and Socioeconomic Changes since 1978: Institutions, Agents and Events



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6. Structure of the Volume

Following the prologue, the other thirteen papers in this special issue are divided into three sections. The first section *Social Change, State and the Civil Society* consists of four papers, beginning with Gregor Benton's article, "Dissent and the Chinese Communists before and since the Post-Mao Reforms", that looks at extra-party dissent under CCP before and since 1949, from during the Mao era to the post-Mao decades. Distinguishing between opposition and dissent under Communist regimes, Benton argues that at least until the 1980s Chinese communism and the democracy movement never wholly excluded one another. Focusing on the advent of the information age, Chin-fu Hung, in the second article under this section, "The Politics of China's *Wei-Quan* Movement in the Internet Age", argues that empowerment by the modern information technology could be making some public protests ("mass incidents") a threat to China's sociopolitical stability and the rule of the CCP regime, in contrast to the many that are spontaneous, loosely organized, and eventually short-lived. While traditionally the practices and governing logic in China have been lacking in accommodating the needs of civic engagement in public affairs, Hung observes that the Chinese public is awakening to begin defending their protected civil and legal rights especially with onset of the age of the Internet. The prospects of political change, both positive and negative, constitute the focus of the subsequent paper by Shigeto Sonoda, "Emergence of Middle Classes in Today's Urban China: Will They Contribute to Democratization in China?", which examines whether or how urban middle classes will bring about political change, or democratization, in the Chinese society. Using two different datasets, Sonoda's analysis points to the ambivalence of the Chinese urban middle classes' political orientations and behaviours. Leaving sociopolitical change to move into social connections and social network, this section continues with Lucia Leung-Sea Siu's paper, "Gangs in the Markets: Network-Based Cognition in China's Futures Markets", which looks at social connectivity within the investor community of China's commodity futures markets which she found somewhat analogous to the traditional Chinese *bang* 幫 or gang. Based on empirical ethnographic fieldwork and documentary research, Siu argues that the markets consist of flexible socioeconomic aggregates in continuous interaction with each other, whose characteristics are shaped by social connectivity and background affiliation, while capital factions display properties of distributed cognition and network-based rationality.

Beginning the subsequent section of the volume, *Social Change, Social Classes and Stratification*, Kate Hannan's paper, "Chinese Migrant Workers: From Labour Surplus to Labour Shortage", charts the action taken by migrant workers in China's low-end/labour-intensive manufacturing hubs when the global financial crisis led to a reduction in their employment opportunities,

wages and conditions, and proceeds to discuss the migrant worker situation as it stands today. Focusing on three aspects of the migrant labour situation in China – how the migrant labour surplus that came in the wake of Chinese export orders declining following the global financial crisis had eventually turned into a shortage; the present situation where the migrant workers' relatively more active strategy is bringing about changes in wages as well as State response; the very fact that the migrant workers have been paying all along a disproportionate price for their country's industrial and urban development – Hannan argues for a more pro-active approach to promote the interests of migrant workers instead of for Chinese government leaders and officials and a range of other Chinese commentators to be merely paying lip service to publicly recognize the considerable contribution made by these workers who have been "left out of the wealth". Also looking at the labour issue, Qi Dongtao's paper, "Chinese Working Class and Trade Unions in the Post-Mao Era: Progress and Predicament", in turn examines the changes and predicaments of the Chinese working class as a whole and the role of the trade unions in contemporary China. Observing the Chinese working class today to be highly heterogeneous and stratified, Qi's study points to the significant decline in the working class' political and economic privileges since the early 1980s and the failure of the Chinese trade unions, as State apparatuses, in protecting workers' interests due to their institutional over-dependence on the government. Also looking at the transformation of the class structure, Yang Jing on the other hand analyzes the pertinent issues related to the rise of the middle class in China, including its sociopolitical outlooks, and the future prospects in her paper, "Stumbling on the Rocky Road: Understanding China's Middle Class". While recognizing that China is still far away from being a middle-class society, Yang nevertheless calls for government action to help overcome pressing challenges that are contributing to the vulnerability of the nation's nascent, diverse middle class.

The final section of this volume, *Social Change, Collective Action and Nationalism*, comprises six papers that deal with a range of critical social issues of contemporary importance in China today – "mass incidents", central State and peripheral nationalism, protection of environmental and cultural heritage in the face of the onslaught of economic development and industrialization, and the State's media initiatives to shape the country and the regime's international image. In the first paper of this section, "Three Waves of Nationalism in Contemporary China: Sources, Themes, Presentations and Consequences", Yang Lijun and Lim Chee Kia explore the development of Chinese nationalism in the contemporary era by placing it in the context of State-society relations, its significance and implications being dependent on State-society interaction. While recognizing that today's China is a multifaceted society in terms of ideology where different discourses are contesting for influence, Yang and Lim

have kept their sharp focus on the country's nationalism to reveal the dynamics of ideational changes in contemporary China in the context of the evolvement of State-society relations as well as the implications for international relations. Looking at the large-scale social protests or "mass incidents" since the turn of this century, the next paper by Yanqi Tong and Shaohua Lei, "Large-Scale Mass Incidents and Government Responses in China", presents a systematic analysis of the distribution, frequencies, types, patterns and consequences of such large-scale mass incidents in China in recent years. By focusing their analysis on "large-scale mass incidents" (i.e. involving more than 500 participants), Tong and Lei delve further into the causes of the protests and the impacts of State response and implications for the State itself as well as State-society relations. Also focusing on the issue of public protests, Shan Wei in his paper, "Explaining Ethnic Protests and Ethnic Policy Changes in China", turns our attention to the protest behaviour of China's non-Han ethnic minorities, focusing specifically on the Xinjiang conflict of July 2009 and the Tibet riots of March 2008. Beginning with a discussion of the three theories of political contention and collective conflict – greed, grievance and opportunity – as applied to the China context, Shan argues that these ethnic riots have stemmed from various key factors, including economic inequalities, the lack of religious freedom and the incompetence of local governments, and that Beijing's current economy-centred policy adjustments to promote stability in the ethnic regions in the aftermath of these riots, while might be promising at the moment, would inevitably be facing critical challenges in the long run.

While not completely taking a break from the preceding issues in particular those concerning regional ethnic minorities, Gary Sigley and Lye Liang Fook, in the next two papers, turn our attention to China's problem of environmental and cultural destruction and the State's response to the challenges in terms of the country's and ruling regime's international image. Sigley's paper, "Cultural Heritage Tourism and the Ancient Tea Horse Road of Southwest China", reviews the environmental and cultural destruction brought about by China's modernization and examines the possible role tourism may play in the cultural heritage preservation of the particular case of Chama Gudao 茶馬古道 – the "Ancient Tea Horse Road" which represents a cultural route of enormous significance to the many different ethnic communities in southwest China. Rather than the standard form of mass commercial tourism which itself could be contributing to such environmental and cultural destruction – the latter process often a by-product of modernization which in ethnic minority areas the locals tend to refer to as *hanhua* 漢化 ("becoming Han") – Sigley argues for a model that involves more culturally sensitive forms of community-based sustainable tourism, by targeting the four major participants in the production and consumption of tourism, i.e. the government, tourism operators and developers, local communities and tourists. The issue of cultural heritage is

also a major underlying element when Lye argues in his paper "China's Media Initiatives and Its International Image Building" that China's trying to lay the foundations of her soft power, including extending the reach of her Confucius Institutes worldwide, forms the context within which the media initiatives the ruling regime has undertaken in recent years aiming at improving the country's international image can be best understood. While there has apparently been international recognition of improvement, for instance that the Chinese government had allowed significantly greater foreign media access to Ürümqi following the deadly rioting there in early July 2009 than it had in the case of the Lhasa riots in March 2008, Lye observes that it is still premature and unrealistic to conclude that the media initiatives have succeeded in portraying a positive image of China. Finally, returning to the issues of nationalism, social protests and ethnoregionalism touched upon earlier, the closing paper of this section, "Ethnoregional Disparity, Ethnoterritoriality and Peripheral Nationalism: Socioracial Dilemmas in Contemporary China" by Emile Kok-Kheng Yeoh, analyzes the involuted nexus between the challenges posed by central-peripheral conflicts, ethnoterritorial aspirations, income and wealth inequalities and interregional economic disparity exacerbated by the country's "retreat from equality" over the recent decades. While proceeding to ponder the pitfalls and prospects of further decentralization and contemplate the feasibility of the road beyond fiscal federalism, Yeoh cautions that ethnoregionalization of poverty may add to decentralization, especially in the absence of a federal *process*, the threat of centrifugal tendencies especially if decentralization leads to a politics of cutthroat competition instead of a decentralized politics of accommodation and the resultant provincial protectionism intensifies local particularism and peripheral nationalism, hence precipitating secessionistic ethnogenesis or reethnicization. This volume ends with two book review articles by Gregor Benton and Sabrina Chong Yee Ching. As this is a special issue, an index is added to facilitate referencing.

This issue represents a collection of selected papers, reviewed and duly revised, among the many that were originally presented at the ICS 2010 International Conference "China in Transition – Economic Reform and Social Change". I would like to thank Miss Susie Yieng-Ping Ling 林燕萍, editorial manager of the journal, for her impeccable administrative help in making the publication of this issue on time possible. The cover photograph of this issue is one that I took in April 2010 during my stay in Beijing – a street scene that I believe could fully reflect the astounding transformation that the Chinese society has undergone during the recent decades. I am grateful to Mr Lionel Wei-Li Liong 梁偉立, the journal's editorial assistant, for the technical help in using the photograph for cover design and for his great assistance in proof-reading the final manuscripts. The responsibility for any errors and inadequacies that remain is of course fully mine.

Appendix

Chinese Corrupt Officials who Fled the Country

	Name	Post before Fleeing	Age at Time of Fleeing	Destination of Fleeing	Amount of Embezzlement
1	Lu Wanli	Head, Road and Transport Department, Guizhou Province	–	Fiji	¥55.369 million
2	Yang Xiuzhu	Deputy head, Development Department, Zhejiang Province	–	US	¥200 million
3	Wang Feng	Deputy department head, Foshan, Guangdong Province	–	New Zealand	¥30 million
4	Lan Fu	Vice-Mayor, Xiamen, Fujian Province	–	Australia	¥5.0576 million
5	Zheng Zhixin	Cashier, National Tax Bureau, Yunnan Province	–	Burma	¥0.67 million
6	Yu Zhendong	Branch director, Bank of China	38	US	US$483 million
7	Yu Zhi'an	Company director general	63	Philippines	¥100 million
8	Ding Lan	Branch department head, Bank of China	36	Thailand	¥195 million
9	Cheng Sanchang	Company director general	61	New Zealand	¥10 million
10	Jiang Jifang	Bureau head, company manager, party secretary	59	US	¥200 million
11	Tong Yanbai	Company director general	53	Australia	n.a.
12	Dong Mingyu	Company general manager	55	US	n.a.

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Appendix (continued)

	Name	Post before Fleeing	Age at Time of Fleeing	Destination of Fleeing	Amount of Embezzlement
13	Chen Xin	Branch officer, China Industrial & Commercial Bank	35	Vietnam, Burma	¥40 million
14	Luo Qingchang	Company director general	42	US	¥33.85 million
15	Chen Chuanbo	Factory director	61	US	¥16 million
16	Lu Haiying	Company general manager	49	US	¥80 million
17	Bi Dongchen	Company branch deputy manager	27	n.a.	¥32.632 million
18	Gao Shan	Branch director, Bank of China	43	Canada	¥839 million
19	Xie Bingfeng Mai Ronghui	Branch credit officers, Bank of China	28 28	Thailand	¥52.5 million
20	Xiao Hongbin	Company director general	43	Australia	Cheated US$760 million
21	Chen Anmin	Factory director	45	Hungary	¥2 million
22	Yin Guoqiang	Company manager	42	Romania	¥7.11 million
23	Qian Hong	Company director general	46	Panama	¥500 million
24	Xu Xiaoxuan	Company manager	40	Australia	¥460 million
25	Huang Qingzhou	Company branch deputy general manager	47	Thailand	HK$1.3 billion
26	Fu Puzhao	Company general manager	45	Burma	Cheated ¥40.35 million
27	Yu Aiqing	Company manager	34	Russia	Cheated ¥9 million
28	Yang Rong	Company director general	46	US	n.a.

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Appendix (continued)

	Name	Post before Fleeing	Age at Time of Fleeing	Destination of Fleeing	Amount of Embezzlement
29	Chen Manxiong	Company manager	40	Thailand	¥420 million
30	Zhou Changqing	Company general manager	44	Ecuador	¥55.15 million
31	Zhong Wujian	Market director	46	Canada	¥500 million
32	Wang Debao	Company department deputy head	30	Russia	¥1.25 million
33	Yang Yanjun	Company branch accountant	32	Mongolia	¥2 million
34	Fang Yong	Bank officer	25	Canada	¥1.41 million
35	Li Huaxue	Company deputy general manager	43	Australia	¥13.33 million
36	Jin Licheng	Bank department deputy head	33	Cambodia	¥1.23 million
37	Ahmed Ibrahim	Xinjiang Agricultural Bank Ürümqi branch officer	31	Russia	¥2.338 million
38	Lin Jincai Chen Guoqiang	Bank vault security officers	30 31	Thailand	¥9.5 million
39	Ma Weihong	Company department head	38	Burma	¥0.39 million
40	Liu Zuoqing	Company general manager	49	US	¥100 million

Note: n.a. – data not available.

Source: Shang (2007: 8-11) (original source: Yu Jintao 于津涛, "Rang Ni Zhenjing de Waitao Tanguan Mingdan: Guojia Gouxiang Fan Fubai Fa 让你震惊的外逃贪官名单: 国家构想反腐败法" [Shocking list of fleeing corrupt officials: nation thinking up anti-corruption law], *Liaowang Dongfang Zhoukan* 瞭望东方周刊 [Look east weekly], 12th July 2006).

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Notes

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1. 改革开放政策.
2. Or more officially, the "Communist Party of China" (CPC).
3. An important point to note here is that there are crucial socioeconomic reasons behind the ethnolinguistic and ethnoreligious divides. This is especially the case in Brazil and Spanish speaking America where ethnic markers are relatively fluid, as reflected in the Brazilian proverb: "A rich black man is a white and a poor white man is a black" (Mason, 1970: 122). It is in this light that the attribute "ethnic" may not be as exact as "socioracial", which reflects the concept of "social race" (*vis-à-vis* "biological race") expounded by Wagley (1959).
4. "*Mo zhe shitou guo he* 摸着石头过河."
5. Émile Durkheim (1895; trans. 1938), *The Rules of Sociological Method*, edited with introduction by Steven Lukes, New York: The Free Press, 1982, p. 53.
6. Jean-Jacques Rousseau (1762), *Émile, ou De l'éducation*, translated by Allan Bloom with introduction, New York: Basic Books, 1979.
7. In the case of China, a road not taken two decades ago in 1989.
8. See Émile Durkheim's *Suicide* (1897). A related condition is acedia which Thomas Aquinas identified with "the sorrow of the world" (*Summa Theologica, Secunda Secundae*).
9. Despite rumoured allegation that some cases could be murders linked to the factory security office (大纪元时報 (*The Epoch Times* (Malaysia)), Issue 93, June 2010).
10. 东方日报 (*Oriental Daily News*, Malaysian daily), 21st July 2010 and 6th August 2010.
11. Including those that killed 8 and injured 5 in Fujian province, killed 2 and injured 5 in Guangxi, injured 19 in Guangdong, injured 32 in Jiangsu, injured 5 in Shandong and killed 9 in Shaanxi (东方日报, 1st May 2010).

12. 光华日报 (*Kwong Wah Yit Poh*, Malaysian Daily), 4th August 2010.
13. 东方日报, 26th June 2010.
14. 东方日报, 9th July 2010.
15. The "helping hand" and the "grabbing hand" were said to be the same "invisible hand on the left" described by Olson (2000). Gu and Chen's analysis with a multiregional econometric model found that "[w]hen local revenue share rises, the helping hand of local government becomes stronger and further leads to promotion in local economies and subsequently the national economy. When the centre increases its revenue share and adopts other recentralization measures, local governments become losers and switch from helping to grabbing hand."
16. These studies, including Huther and Shah's, were cited by Tugrul Gurgur and Anwar Shah of the World Bank (2000). Gurgur and Shah's study also confirmed that decentralization support greater accountability in the public sector and reduce corruption.
17. Although the scope of China's economic decentralization goes far beyond decentralization in public finance, but even measured solely by the latter, China has been said to be the world's most economically decentralized country (Xu, 2008: 187-188) given that China's local public spending has since the mid- and late 1980s been steady at about 70 per cent of her total national public spending, whereas in federal countries such as the US, Germany and Russia, the proportions of local public spending in total national public spending are only respectively 46 per cent, 40 per cent and 38 per cent. From the angle of central-local economic relations, China is also one of the most, or to some, even *the* most economically decentralized countries in the world, with most parts of resources controlled by the local governments, including the allocation of land, energy and financial resources (*ibid*.: 187). In fact, one of the characteristics of China's economic decentralization is the relative self-sufficiency of the local economy whether at the provincial level or the county level. The local governments are fully responsible for the launching and coordination of local reform, for local economic development, and for the legislation and law enforcement within their respective jurisdictions. Such a characteristic not only marks China's economic institution apart from a central planning economic system, but also makes her local governments more powerful in competences than the local governments in most federal countries in the world. (*ibid*.: 188)
18. Referring to the 22 *sheng* (i.e. provinces), 5 *zizhiqu* (i.e. "autonomous regions" – each a first-level administrative subdivision having its own local government, and a minority entity that has a higher population of a particular minority ethnic group – of Guangxi 广西 of the Zhuang, Nei Monggol/Inner Mongolia 内蒙古 of the Mongols, Ningxia 宁夏 of the Hui, Xizang/Tibet 西藏 of the Tibetans and Xinjiang 新疆 of the Uyghurs) and 4 *zhixiashi* (municipalities under the central government) (see Table 2).
19. The tragedies befalling people who are forced to be relocated are vividly recorded in a recent book relating heart-rending tales of people who would not submit to the forced relocation to make way for the Shanghai World Expo of 2010 – a dark side of the glorious event that involved people being beaten to death, tortured and imprisoned (see Du Bin 杜斌 (2010), *Shanghai Kulou Di* 上海骷髅地/Shanghai

Calvary), Taipei: Ming Pao Ch'upanshe 明報出版社 (Ming Pao Press). Also little reported is the plight of the 1.27 million people relocated to make way for the construction of the Three Gorges Dam, a monstrous project that put under water Hubei and Chongqing's 20 districts and counties, over 270 villages and townships, over 1500 enterprises and over 34 million squared metres of houses. Like the above case of Shanghai, with low compensation, these "Three Gorges migrants" have since been suffering from psychological problems common to uprooted people, facing problems of adaptation, often exploited by the local authorities and feeling discriminated by the locals, and some migrant villages have turned into vice dens. (东方日报, 7th June 2010)

20. Often translated as "nail house", *dingzihu* refers to a household who refuses to be relocated to make way for real estate development.
21. Hu Angang (2006), *Great Transformations in China: Challenges and Opportunities*, Oxford University Press, cited in Hutton (2006: 127).
22. *Weiquan* refers to the quest for protecting and defending the civil rights of the citizenry by non-State actors. *Shangfang*, a centuries-old tradition in China, refers to the action of people with grievances who take the last resort of going to Beijing, the capital, to attempt to get their complaints heard against local injustice.
23. 东方日报, 18th March 2009.
24. The term "xiagang" refers to redundant workers mainly at State enterprises, without directly describing them as "unemployed". Still officially attached to their work units or enterprises, the *xiagang* workers continue to receive basic minimum subsidies for their living and medical expenses, and are encouraged to change job, probably through State-run job and re-employment centres, or go into small businesses. In line with State enterprise reforms, the number of *xiagang* workers has been on the rise: 4 million in 1995, 8 million in 1996, 12 million in 1997, 16 million in 1998, 20 million in 1999, though dropping to 11 million in 2001. (Zhou, 2006: 289)
25. Such as the bloody Han-Hui ethnic conflicts in 2004 and 2007.
26. 东方日报, 23rd March 2009.
27. Cited in Hutton (2006: 126).
28. See, for instance, Professor Lü Yuanli 吕元礼's best-selling Chinese tome "Why Can Singapore Do It?" (2007).
29. Ultimately, as Fang (1991: 254-255) warned, "There is no rational basis for a belief that this kind of dictatorship can overcome the corruption that it itself has bred. Based on this problem alone, we need more effective means of public supervision and a more independent judiciary. This means, in effect, more democracy." ("China's Despair and China's Hope", originally appeared in *The New York Review of Books* on 2nd February 1989, translated by Perry Link.) Describing China as "doubtless a post-totalitarian regime ruled by a ruthless Party", Béja (2009: 14-15) ruminated on the 20th anniversary of the Beijing-Tiananmen massacre: "Twenty years after the 4 June 1989 massacre, the CCP seems to have reinforced its legitimacy. It has not followed the communist regimes of the Soviet bloc into oblivion. Its policies of elite cooptation, subtle response to social contradictions, and instrumental support for the 'rule of law'

have become major complements to its continued control over the press and the political system. It has made concessions to prevent discontent from crystallizing into social movements that might challenge its rule, and it has sent in the police to silence dissidents. Over the course of the same two decades, the opposition has had to wrestle with the trauma of the June 4 Massacre and the huge difficulties that it has raised for anyone who would challenge the CCP's primacy."

30. See, e.g. Bo (2010). In an interesting attempt at refutation of Minxin Pei's (2006) claim of CCP's illegitimacy, Bo has set out to refute point by point Pei's arguments which were based upon a series of international indexes which the former listed in details: "China is one of the most authoritarian political systems in the world according to the Polity IV Project, is almost completely 'unfree' according to the Freedom House; and is one of the most corrupt countries according to Transparency International. China was ranked in the bottom third of the eighty countries surveyed in terms of 'quality of governance ranking' according to one group of the World Bank and was considered a weak state according to another group of the World Bank. China found itself next to the legion of failed states and most repressive countries in terms of 'voice and accountability' and also in the company of weak states such as Nicaragua, Cambodia, Papua New Guinea, Egypt, and Mali in terms of 'regulatory quality'. China was no better than Namibia, Croatia, Kuwait, and Mexico in terms of 'government effectiveness', was comparable to Belarus, Mexico, Tunisia, and Cuba in terms of 'political stability', and was in the company of Mexico, Madagascar, and Lebanon in terms of 'rule of law'." (Bo, 2010: 102-103, citing Pei, 2006: 5-6)
31. According to a report published on China's National Bureau of Statistics website on 14th January 2009, the confirmed 2007 GDP of China at current prices amounted to 25.7306 trillion yuan, an increase of 13 per cent from the previous year (东方日报, 16th January 2009). While observed to be still short of a third of US's GDP, analysts had predicted China's GDP to overtake Japan's in three to four years, just as it overtook the United Kingdom and France in 2005 and Germany in 2008. Nevertheless, according to an announcement by Yi Gang 易纲, the director of the State Administration of Foreign Exchange and the deputy governor of China's central bank, the People's Bank of China, on 30th July 2010, China had already superseded Japan to become the world's second largest economy in 2010. However, in terms of GDP per capita, Japan's (US$37800) was more than 10 times that of China (US$3600) in year 2009, and Japan's GDP per capita ranking, while having dropped from world's number 2 in 1993 to number 23 by 2008, was still far ahead of China's which ranked beyond 100 (东方日报, 9th August 2010).
32. Equivalent to about 2130 ringgit. "Yuan 元" is the largest denomination of China's currency "renminbi 人民币" ("people's currency", RMB), equivalent to about US$0.146.
33. Equivalent to about 70 ringgit.
34. 东方日报, 7th December 2008.
35. China's 2008 definition for absolute poverty is annual net income per capita under US$785 (about 2860 ringgit), that for low income is US$786 to US$1067

(about 2853 ringgit to 3873 ringgit) – which is lower than that used by the World Bank (*ibid*.).

36. 世界日報 (*World Journal*) (US), editorial on 15th March 2009, reprinted in 东方日报, 17th July 2009.
37. 东方日报, 17th February 2009 and 29th June 2009. The largest denomination of China's renminbi 人民币 is yuan 元 / 圆 (Latinized symbol ¥ or Y), a term with cognates in the Japanese yen or en 円 (from 圓; Latinized symbol ¥) and Korean wŏn 원 / 圓 (Latinized symbol ₩). Following the US (rather than British) convention, billion = 1000,000,000 and trillion = 1000,000,000,000.
38. 东方日报, 23rd June 2009.
39. 东方日报, 29th June 2009.
40. 东方日报, 29th June 2009.
41. *Nongye renkou quan* 农业人口圈, *chengzhen jumin quan* 城镇居民圈, *gongren quan* 工人圈, *ganbu quan* 干部圈.
42. *Xingzheng jibie* 行政级别.
43. Totaled about 130 million, China's *nongmingong* have today turned into a unique community of breathtaking proportions. With a high degree of mobility, the over a hundred million people shuttling on the railways and roadways of China every year during the Spring Festival (*chunjie* 春节 – Chinese New Year) have become a unique phenomenon in the world (东方日报, 30th March 2009).
44. The term "State" with a capital "S" is used in this chapter (except in some quotations) to refer to the central body politic of a civil government – in contrast with the private citizenry or a rival authority such as the Church, whereas "state" with a lower-case "s" refers in general to other senses of the term, including a "country" or a political territory forming part of a country. The word "nation" in this sense is generally avoided since it has the alternative connotation of a community of common ethnic identity, but not necessarily constituting a state.
45. As Beard (1948: 220-2) noted: "[…] many of our neglects, overstresses, and simplifications are due to the divorce of political science from history […] if political science, economics, law and sociology were cut entirely loose from history, they would become theoretical, superficial, and speculative, or what might be worse, merely 'practical', that is, subservient to vested interests and politicians temporarily in power."
46. For instance, the "critical structural period", when definitive State response to exigencies generated by a country's ethnic diversity, came in the year 1970 both in Malaysia (the implementation of NEP) and in Belgium (beginning of the federalization process), and at the end of the 1970s in Spain (the 1978 Constitution that saw the emergence of the Autonomous Communities, and the approval of the Statutes of Autonomy for all of these Communities from 1979 to 1983).
47. The Wade-Giles transliteration, the scheme commonly used before CCP's popularization of *Hanyu Pinyin*, in brackets. Note Wade-Giles's use of apostrophe – accurate though slightly clumsy – to indicate aspiration.
48. With the creation of the keywords of reform including "loosen", "devolve", "share profit", "reinvigorate" (*songbang* 鬆綁, *fangquan* 放權, *rangli* 讓利, *gaohuo* 搞活) etc.

49. 东方日报, 3rd June 2009.
50. Hutton's figures, drawn from Zhang, Nathan and Link (2001), were those of the General Office of the State Council reported to the Committee of Elders. Hutton also cited the estimates of Nicholas Kristof and Sheryl WuDunn, Beijing correspondents of the *New York Times*, that up to 800 unarmed people were killed and several thousands injured (Kristof and WuDunn, 1994, cited in Hutton, 2006: 364).
51. The structure of political party systems and more specifically their level of internal centralization have been argued to be the determinants of the fiscal structure of the State, i.e. the *degree* of decentralization, in the studies on decentralization as a means for democratizing political regimes and enhancing the efficiency of public policy, its implications for service delivery and democracy, and the political determinants of the process of devolving resources and policy responsibilities to subnational governments (Montero, 2001: 43). In her paper on the case of Latin America, Escobar-Lemmon (2001: 28) noted that at least there "the process of decentralization has come about in parallel to the process of democratization" and the "rationale is that strong subnational power centers will check the national government, consequently preventing the re-emergence of a strong, authoritarian leader nationally." Thus, according to Escobar-Lemmon, "decentralization becomes a way to avoid political crises and/or democratic breakdown. Given that political decentralization could increase opportunities for democratic participation, there is reason to believe that there is a systematic relationship between decentralization and democratization." Elaborating on his second fundamental characteristic of a federal system – democratic pluralism both between and within the territorial components – Duchacek (1988: 16-17) drew attention to federalism being a territorial twin of the open democratic society: "Federalism is not compatible with authoritarian socialist and fascist one-party systems and military juntas. If a single party delegates some minor parts of its central power to the territorial components in which single-party rule also prevails, the result is a unitary and centralist system or, at best, an association or league of territorial dictatorships […] a spatially sectorized unitary system or a confederation of […] single-party territorial components […] a territorial dimension of Lenin's "democratic centralism" – inter-territorial and inter-factional consociationalism of a special kind, but not a federal democracy."
52. In his letter to the 15th Party Congress in 1997 during his house arrest, Zhao (2009: 79) lamented the halting of the political reform he initiated, "Because of the impact of the [Tiananmen] incident, the political reform initiated by the 13th Party Congress died young and in midstream, leaving the reform of the political system lagging seriously behind. As a result of this serious situation, while our country's economic reform has made substantial progress, all sorts of social defects have emerged and developed and are rapidly spreading. Social conflicts have worsened, and corruption within and outside of the Party is proliferating and has become unstoppable."
53. The 1989 Tiananmen demonstrations being the first uprising in a whole series of similar events that led to the demise of authoritarian rule in Eastern Europe countries and Mongolia, the fact that most of these countries were Soviet satellite

states with Communist Party rule virtually planted by the USSR rather the result of in the main part homegrown – though foreign inspired – mass revolutionary movement, and that their 1989-1990 protest movements came after the shocking Beijing-Tiananmen massacre all apparently played their roles in the diverse State response between China and these states, perhaps with the exception of Romania which took a popularly supported palace and army coop to overthrow the hated Communist dictator Nicolae Ceauşescu.

54. Spontaneous as the 1989 Tiananmen protests, the "demonstrations that erupted on 4th May 1919 developed into a loose nationalist political movement that was one of the antecedents of the Communist Party's own official foundation in 1921" (Hutton, 2006: 7).
55. In principle, i.e. irrespective of whether a country's government is democratic, despotic like Burma, totalitarian like North Korea, or even genocidal like Sudan, the former Democratic Kampuchea or the murderous Serbian militia in a disintegrating Yugoslavia.
56. While still rudimentary, the rehabilitation and other *de facto* de-Mao programmes, or even the liquidation of the research office of the central Secretariat, and the closing down of left-wing magazines such as *Red Flag*, led the way to further internal structural reform of the CCP in coming days (MacFarquhar, 2009: xxi).
57. How effective are such elections as a means for rural governance democratization? Ann Thurston, who has followed such village elections since 1994, drew the following rather mixed conclusions (see Ann Thurston, "Village Democracy in China" <*http://www.chinaelections.org*>, cited in Yu, 2004): "First, the local emperors who came to power with the collapse of the communes still exist in some places. Usually they are able to exert control because they are also very rich, are in control of much a [sic] of a village's resources, and are able to influence higher levels in the government and party hierarchies. Second, many villages continue to exist in a vacuum of leadership. When, for instances, I have had the opportunity to visit Chinese villages with friends rather than through official sponsorship, it seems I invariably happen upon villages which are suffering crises of leadership, villages where elections, if they have been held at all are only pro forma, and the village leader is generally weak and ineffectual. Third, I have seen cases, too, where they local emperors are actually elected, ostensibly democratically. These are instances, for instance, where the second candidate seems to have been put there only for the sake of complying with election regulations and where the village chief who is running for re-election also controls a major portion of the village resources … Finally, and most important, I have also seen elections that by any measure anywhere in the world would be recognized as genuinely competitive, fair and democratic …"
58. "Hong Kong Reporter Being Held By China", Washington Post Foreign Service, 30th May 2005. <*http://www.washingtonpost.com/wp-dyn/content/article/2005/05/29/AR2005052900986.html*>
59. 东方日报, 14th February 2009.
60. Seven being the worst rating and 6 next to worst, thus making her one of the 19 "worst of the worst" countries in terms of political rights and civil liberties (Puddington, 2010: 5), just marginally better than Burma, North Korea, Sudan, Libya,

Turkmenistan, Uzbekistan, Equatorial Guinea, Eritrea and Somalia that were all rated 7 on both political rights and civil liberties (Freedom House, 2010).

61. Cited in Diamond (2002: 24).
62. Cited from 邓小平文选, 1993 ed., Vol. 3, 人民出版社, pp. 220-221.
63. Besides his declaration that China is at the "initial stage of socialism" which served to clear the way for further market transformations. See "A Brief Biography of Zhao Ziyang", in Zhao (2009: 283-287).
64. The most successful among the 12 counties (cities, districts) in the provinces of Zhejiang, Heilongjiang, Shanxi, Hebei, and Hunan that the Central Organization Department chose to conduct the first round of experiments on the "permanent party congress system" (Bo, 2009: 13).
65. "In developing our democracy, we cannot simply copy bourgeois democracy, or introduce the system of a balance of three powers. I have often criticized people in power in the United States, saying that actually they have three governments […] when it comes to internal affairs, the three branches often pull in different directions, and that makes trouble. We cannot adopt such a system." – Deng Xiaoping, "Take a Clear-Cut Stand against Bourgeois Liberalization", 30th December 1986. <*http://web.peopledaily.com.cn/english/dengxp/vol3/text/c1630.html*>
66. The current administration of President Hu Jintao 胡锦涛 and Premier Wen Jiabao 温家宝.
67. See, for instance, Bo (2009: 16).
68. Dissident Xie Changfa 谢长发 was sentenced to 13-year imprisonment for his involvement in organizing the China Democracy Party since 1998. His conviction followed those of the civil rights activists Huang Qi 黄琦, Tan Zuoren 谭作人 and Guo Quan 郭泉, who voiced out on the alleged school building construction scandal following the 2008 Sichuan earthquake that resulted in huge number of student casualties due to the collapse of school buildings (东方日报, 3rd September 2009). The epitome of the prisoners of conscience at the moment is of course Liu Xiaobo 刘晓波, the key founder of "Charter 08" (*Ling-ba Xianzhang* 零八宪章), who was awarded the Nobel Peace Prize on 8th October 2010, in a year with a large number of the nominees for the prize being persecuted Chinese dissidents and civil rights activists including prominent figures like Wei Jingsheng 魏京生, Gao Zhisheng 高智晟, Chen Guangcheng 陈光诚 and Hu Jia 胡佳.
69. State Council Information Office, "White Paper on Building of Political Democracy in China", 19th October 2005 <*http://www.chinadaily.com.cn/english/doc/2005-10/19/content_486206.htm*>, cited in Minzner (2006: 9-10).
70. 东方日报, 27th August 2010, 6th September 2010.
71. 东方日报, 6th September 2010, 7th September 2010. Old ways die hard, anyway – while Wen calls for Shenzhen's political reform, the city has declared a list of *personae non gratae* consisting of *shangfang* petitioners, political dissidents, released labour camp inmates, troublemakers who frequently "make things difficult" for the government, *dingzihu* in relocation disputes, *falungong* followers, as well as drug addicts (东方日报, 6th September 2010).
72. See, e.g., Hutton (2006: 8, 98, 144-148).
73. In the context of modern multiethnic societies, particularly those with an economy dominated by the minority, members of the demographically/politically

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dominant group are often willing to grant greater autonomy to a State (and its élite managers), which implements preferential policies in their favour.

74. "The only way to erect such a common power, as may be able to defend them from the invasion of foreigners, and the injuries of one another […] is, to confer all their power and strength upon one man, or upon one assembly of men, that may reduce all their wills, by plurality of voices, unto one will […] This is the generation of that great Leviathan […]", said Thomas Hobbes in *Leviathan* (1651).
75. Cited in Lin (2009: 351).
76. For such institutionalized relationship between the central State and the localities, see Zheng (1999).
77. See Xu (2008).
78. See note 31.
79. In a way analogous to the French Revolution being hijacked by Maximilien Robespierre's Reign of Terror. Ch'en Tu-hsiu's socialism was but one of the twin manifestations of the May Fourth spirit, the other being liberalism represented by Hu Shih 胡適.
80. See note 7.
81. Jules Destrée, the Belgian politician at the turn of the century, once remarked to King Albert: "Let me tell you the truth, the great and horrifying truth: there are no Belgians." ("Laissez-moi vous dire la vérité, la grande et horrifiante vérité: il n'y a pas de Belges", Jules Destrée, *Lettre au Roi sur la séparation de la Wallonie et de la Flandre, 15 août 1912*, cited in Quévit, 1982: 71.) Doubts about the existence of a Belgian identity (*belgitude*) above those of the Flemings (*Vlamingen*) and Walloons (*Wallons*) have dominated much of modern Belgian history. The earliest use of the term "belgitude" can be traced to Brugmans (1980), cited in Dumont (1989). Although Brugmans's article is written in Dutch, he has coined the term in French. "Belgitude", according to Brugmans, is "a shared sense of belonging as Belgians (*een Belgische samenhorigheid*), a Belgian mentality" (see Dumont, *ibid*.: 16). Can we talk about a *sinitude* for China and what would that mean from the perspective of the country's non-Han nationalities?

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Dissent and the Chinese Communists before and since the Post-Mao Reforms

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Abstract

This paper looks at extra-party dissent under the Chinese Communist Party (CCP) before and after 1949 and today. It distinguishes between opposition and dissent under Communist systems. It argues that Chinese communism and the democracy movement never wholly excluded one another until the 1980s. Officially sanctioned movements of extra-party criticism punctuated every decade of Mao's ascendancy and each of the first two decades after his death. In them, members of the "basic masses" or extra-party intellectuals were summoned to subject the party to criticism, and were briefly able to criticise bureaucratic abuse and call for democratic rights. These movements of criticism invariably ended up overstepping the limits set to them by the leadership and were then closed down. Each movement had an inner, unofficial history separate from its officially tolerated trajectory, and the passage from one movement to the next over the years was a process of cumulative learning, towards greater maturity and autonomy. Dissent under Chinese communism has changed radically since the 1980s. It is no longer a preserve of students and intellectuals, it lacks the social coherence of previous movements, and its concerns are more varied. But while it lacks organisational cohesion, some dissenters have begun to produce coherent political programmes.

Keywords: *Chinese communism, Mao, dissent, opposition, reform*

1. Introduction

This paper is about extra-party dissent under the Chinese Communist Party (CCP) before and after 1949 and today.[1] Until the 1980s, the Chinese communists alternated between repressing extra-party dissent and using it, episodically, to help achieve their goals. The paper looks at extra-party dissent in the Mao and the immediate post-Mao decades and its relationship with the

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politics of the Communist Party, and goes on to consider its changing role in China now.

My thesis is that Chinese communism and the democracy movement never wholly excluded one another, at least until the 1980s. The CCP was born of a campaign for democracy and science, the New Culture Movement of the 1910s, which climaxed in 1919 in the May Fourth Movement at whose heart was Chen Duxiu (Ch'en Tu-hsiu 陳獨秀), founder of the CCP. I refer to democracy movement rather than democracy, for the democracy the CCP talked about was never fully articulated, and never consummated.

In making this point, it is helpful to look at the distinction two Hungarian thinkers active during the Soviet era drew between opposition and dissent. The political scientist Rudolf Tökés argued that oppositionists have the "will to power" whereas dissenters are a "within-system opposition" loyal to the regime in some respects and critical of it in others, and they are therefore "a culturally conditioned political reform movement seeking to ameliorate and ultimately to eliminate … the Communist-party leadership's authoritarian rule" by reforms conducive to greater democracy, equality, human rights, and cultural modernization (Tökés, 1974; 1975). According to G. M. Tarás, a political philosopher, dissidents practised "the conspicuous exercise of rights", avoided openly seditious appeals, used "existing social criticism, historical awareness, and conceptual vocabulary", and deliberately blurred the boundary between their own views and officially approved "reformist" criticism (Tarás, 1993). By such definitions, all but the latest of China's democracy movements (that of 1989) were dissent rather than opposition, and even the 1989 movement was not entirely without dissident qualities.[2]

A feature of Chinese dissent that distinguished it from much of the dissent in the Soviet Union and Eastern Europe that began appearing after 1956 is that it was largely indigenous. It is interesting to ask why. One reason is that the Soviet Union and Eastern Europe were culturally and intellectually closer than China to the West. Another is that Western intelligence agencies put great effort into identifying "neuralgic points of disaffection" (desire for personal and intellectual freedom, desire for improvement in the quality of life, and the persistence of nationalism) in Eastern Europe and the Soviet Union to undermine Soviet power and shape dissident opinion.[3] In China, on the other hand, for a long time they were less capable of or interested in doing so.[4] Last and not least, Soviet power was imported to Eastern Europe at bayonet point. The perception of it as an alien imposition held even in some non-Russian Soviet republics, whereas Chinese communism was home-grown and less widely viewed as illegitimate. Nationalism and communism were consonant, so dissenters were less likely to seek inspiration abroad.

2. The Stalinization of the CCP

The founders of the CCP were inspired by critical ideas drawn from the Enlightenment, including humanism, freedom, democracy, individualism, and scientific method. Chen Duxiu was their greatest exponent, but others shared his outlook. Li Dazhao (Li Ta-chao 李大釗), who died a martyr in 1927, also championed the idea of national, social and individual liberation and insisted on the necessary coherence of individualism, socialism and liberalism in a democratic system of "commoners' politics" (Tong, 2006). However, Enlightenment thinking was only shallowly rooted in Chinese radicalism and fought a losing battle in the CCP against the autocratic tradition of bureaucratic centralism imported from the Soviet Union in the 1920s and China's own autocratic culture. This led to the ousting of Chen Duxiu as General Secretary and his expulsion in 1929. At the time of his expulsion, he reminded the other party leaders that "democracy is a necessary instrument for any class that seeks to win the majority to its side" and warned against the suppression of dissident viewpoints.[5] However, the Chinese communists ignored his advice and came in time to look more like the Russian Stalinists, who set many of the CCP's goals and tactics and reshaped its institutions along Soviet lines. Among Soviet practices it adopted was the violent purge, which led to a Stalin-style regime of terror in its rural bases after 1927.

The CCP's Stalinization was linked with the imposition of a series of Moscow-appointed leaders, culminating in 1931 in the rise to power of Wang Ming 王明 and the "28 Bolsheviks". This group was also known as the Returned Students, to indicate its origins in universities in Moscow, where its members learned their politics and methods. In 1935, on the Long March, they lost power at Zunyi 遵義 to a coalition under Mao Zedong (Mao Tse-tung 毛泽东), leader of the CCP's "outsider" faction, who blamed them for the defeat of the Chinese Soviet that had necessitated the Red Army's flight from its bases in southern and central China. By 1938, Mao had cemented his ascendancy and become undisputed leader.

Seen from the angle of factional alliances, Mao's rise to power represented a defeat for the party's Stalinist group. He moderated the worst excesses of the terror, and his rectification campaigns emphasized persuasion rather than coercion. This moderation won the support and gratitude of party veterans alienated by the earlier regime of permanent alert. However, Mao remained essentially dirigiste and authoritarian. Although he avoided coercion where possible, he kept it as a last resort, to employ whenever the leadership was split or the external environment was perceived as threatening. He was most likely to adopt techniques of persuasion when the party was united and secure.[6] The party remained Stalinist in conception, though dictatorial methods were more lightly applied than in the Soviet Union.

Why the lighter touch and the emphasis on persuasion and cohesion? Mao's rise to the top represented the repatriation of power in the CCP to China, after more than a decade of its remote manipulation by Moscow, with decisions taken in Moscow's interest. Mao had never been to Moscow, nor would he go until after 1949. All the CCP's early leaders were inspired by nationalist sentiment, but some younger and more malleable communists educated in Moscow equated China's fate with the security of the Soviet Union, an equation unacceptable to the older, less cosmopolitan Mao. The CCP's early power struggles were closely bound up with the politics of Moscow. After Mao's rise to power and the sidelining of Wang Ming, the CCP's main Moscow-educated leader, the leadership was more unified and less open to external interference and destabilization, so it was easier for Mao than for his predecessors to use pacific methods in shaping policy and keeping his grip on power.

The CCP in the early years had never experienced a crisis of the sort that led to the Soviet regime's loss of legitimacy and the atomization of society. Mao's strategy depended on mobilizing broad sectors of society, for which persuasion and reward were better suited than repression. In the Soviet Union, the classes that had helped make the revolution were alienated by purges, forced collectivization, Stakhanovism, and Stalin's regime of bureaucratic privilege and corruption. In China, not until the late 1950s did the CCP begin to lose its ties to the classes that had helped lift it into power: first the intellectuals (after the Hundred Flowers campaign), then the peasants (after the Great Leap Forward), and then the workers and even its own members (in the Cultural Revolution).

Mao and Stalin differed in character, in ways that also influenced their politics. Stalin was a terminal paranoiac who saw conspiracies and enemies on all sides (Post, 2004). Mao ruled by charisma, and could inspire people by his supposedly superhuman powers. Stalin suspected everyone, including his party, his family, and especially the peasants and intellectuals: Mao was boundlessly self-confident and convinced that the masses would follow him wherever he went, although he also launched successive campaigns to purge his comrades.

In the Soviet Union under Stalin, all mass movements were directly and in all minutiae controlled by the party. Some historians have argued that the Lenin Levy, organized in the mid 1920s (before Stalin's rise to undivided power) by the Stalin-Zinoviev-Kamenev triumvirate, signalled the party's "commitment to a proletarian identity" and mass-rootedness. The levy led to the recruitment of two hundred thousand workers into the party, and the Triumvirs praised it as an experiment in proletarian democracy. However, most observers see it as an act of calculating cynicism.[7] Others have pointed out that its aim was more to Bolshevize the workers than to proletarianize the Bolsheviks and encourage

workers to express opinions. The levy was not repeated: it was at most a one-off instance of mass involvement in Soviet politics.

In China, Mao's confidence in his powers of leadership resulted in a greater degree of mutual reciprocity between leaders and led. In Yan'an (Yen-an 延安) in the early 1940s, shortly after the final confirmation of his ascendancy in the leadership, he took a step without parallel in the Soviet Union under Stalin, by inviting extra-party "masses" to enter the political stage. The practice he initiated was followed on other occasions, also after his death, and was an institution peculiar to Chinese communism.

Each instance followed a common pattern, although the group mobilized and the size of the mobilization always differed. The occasion was always the supreme leader's perception that other leaders and officials were thwarting the realization of his policies, or acting in ways that threatened the stability of party rule. The targets were the political factions opposed to him. The essence of the strategy was to direct external pressures onto the supreme leader's rivals and the party-state's perceived shortcomings. Despite the factional dimension, it would be wrong to view these movements as mere power struggles, for their wider goal was to prevent the party's bureaucratization and the alienation of its social support. Mao calculated that his own reputation was strong enough to guarantee that the forces invited to exert pressure would stay within the limits he had set them. He believed he had a unique tie to the "masses", that his concerns were theirs. He wanted a movement that would rise and quietly subside once it had done its job of scourging "bad tendencies". He had no wish to destabilize the party by allowing such a movement to go on for too long.

The strategy was risky, and in the end the movements always got out of hand. The idea was to intimidate "bureaucrats", "dogmatists", and "sectarians" by attacking them and thus causing them to change their behaviour, but the unleashed critics were never content to act as mere vehicles. Every time, sooner or later, they ended up saying or doing things not in the script Mao had written. At that point, the dissenting opinions and the dissenters were suppressed.

How to explain Mao's persistence with a tactic that always seemed to go wrong? Some would say that his hubris was so great that defeats failed to dent it, or that he thought a messy denouement a price worth paying. He always seems to have thought carefully about which group to choose for his policing missions, and never chose the same group twice. So routine was the progression from mobilization to arrest that one could be forgiven for wondering why the critics never wised up to it. But they were not always unaware of the risks, as we shall see.

In the following section, I look at the four main movements of extra-party criticism: those launched by Mao in 1942, 1956, and 1966 and the one encouraged by Deng Xiaoping (Teng Hsiao-p'ing 邓小平) in 1979, together

with the protest movement of 1989.[8] I then conclude by asking why similar movements have not happened since 1989.

3. Movements of Extra-Party Criticism

1942

The name most closely associated with the Yan'an writers' movement of 1942 is Wang Shiwei (Wang Shih-wei 王實味). Although far from its biggest name (it also included Ding Ling, Xiao Jun, and Luo Feng), he was the boldest critic and the only one known to have paid for his words with his life.[9] The setting for the writers' movement was the campaign Mao began in early 1942 to rectify "bureaucratic tendencies" in the party. The writers were patriots and communists who had gone to Yan'an after the outbreak of war with Japan in 1937. In 1942, the party's rural bases were in crisis due to Japanese pressure and a Guomindang blockade, and the party urgently needed to stabilize its support. Mao thought many communist officials were acting more like mandarins than like revolutionaries, so he decided to purge them of their vices. Coincidentally, he aimed a terminal blow at the "right opportunist" tendency led by Wang Ming, the party's main Russia-returned leader and Mao's rival, by then already greatly weakened. The critical writers were heartened by Mao's attack on bureaucracy and responded enthusiastically to his invitation to support his "orthodox" attack on the "unorthodox" faction. In wall posters, they denounced Yan'an's elitism, privilege, and moral degeneration. They demanded a return to the revolutionary ideals of equality and solidarity and for writers to be free to monitor and criticize bureaucracy. Wang Shiwei called for democratic rights and elections.

The writers won strong support, especially among young people, but within weeks Mao started criticizing their excesses and launched an "ideological struggle" against Wang Shiwei's "ultra-democratic", "ultra-egalitarian" ideas. The writers were not tightly knit and their common stand collapsed.

What were their chief characteristics as a group? They were more strongly tied to the party than later critics, but even so they had the same basic attachment to anti-elitism and democracy, with which they tried to infuse Mao's Rectification Campaign. They were the CCP's first real dissidents, in the sense that term later acquired in the Soviet Union and Eastern Europe. They were even communism's first real dissidents, for they blazed a path not taken in other communist countries until the 1950s. Their arguments, and even their turns of phrase, echoed until the 1990s in writings and speeches of other Chinese democratists, who read their views in essays reprinted by the party in 1958 as "negative teaching materials".

1956-57

In January 1956, Mao launched the Hundred Flowers campaign, but it did not catch on until more than a year later. This was partly because of the obvious and ominous analogy with 1942. Mindful of the writers' fate, those summoned to criticize the party at first stayed silent. Of the surviving Yan'an writers, only Ai Qing (Ai Ch'ing 艾青) is known to have dared bloom and contend.

Mao planned through this campaign to mobilize intellectuals, scientists, and the small "democratic parties" (tolerated as ornaments on the party after 1949) in a campaign against the official abuse of power. These groups had been targets of "thought reform" in the early 1950s, an experience that had alienated and demoralized many of them. Mao, however, believed their years in the thought furnace had purged them of wrong ideas and they could now be trusted to help overcome "dogmatism" and "bureaucratism" in the party. Risings in Eastern Europe in 1956 confirmed Mao in his belief that some liberalization was needed to resolve social "contradictions". At first, there was little response. Some officials even turned the campaign on its head by identifying "extreme democracy" as the danger. Not until May 1957, after Mao's speech "On the Correct Handling of Contradictions among the People" attacking bureaucracy and calling for "great democracy", did the criticism finally take off.

Just as in 1942, intellectuals filled Mao's concern at bureaucratic abuses with a radical content. They argued that the abuses had a structural cause in the party's monopoly of power, which they hoped to reform or abolish. Some said democracy was a necessary part of socialism and attacked the privileges of the "new class", a view that foreshadowed radical critiques developed on the fringes of the Cultural Revolution.

The upsurge of seditious views and the bitterness of some of the criticisms alarmed Mao, who wound up the campaign and returned to "class dictatorship". Half a million critics classed as "rightists" were imprisoned or sent into internal exile, some for decades.

The Hundred Flowers campaign was Mao's first experiment after 1949 with a liberal approach to socialist construction. Its failure convinced him of the intellectuals' unreliability as a class, and that it would be dangerous to try to use them a second time to rectify the system. This experience shaped his thinking over the following years. He had not given up his ambition to end wrong thinking and bureaucracy, but he needed a more malleable vehicle.

1966-69

The Cultural Revolution is most remembered for plunging China into years of terror and weakening the party's institutional base and claim to legitimacy. The Hundred Flowers had not destroyed Mao's optimism and self-confidence,

but it had taught him to look for new, "blanker" "masses" to campaign on his behalf. These he identified among students and other youngsters. 1957 had also persuaded him of the need to reserve a key role for the PLA, as a model of "class discipline" and in case things got out of hand.

Was the Cultural Revolution a movement of dissent, like the writers' movement and the Hundred Flowers? Studies agree that Mao initiated it to oust Liu Shaoqi (Liu Shao-ch'i 刘少奇) and his supporters, the so-called "capitalist-roaders". It was part of a power struggle in which the Red Guards (*Hong Weibing* 红卫兵) were manipulated to act as Mao's political enforcers. However, the mobilization of millions of young people, the relative looseness of the controls, the general air of chaos, and the attacks on the establishment at all levels created opportunities for unauthorized groups to air their grievances. Some, like Shengwulian and Li-Yi-Zhe, produced sophisticated political analyzes that made profound criticisms of the political system, despite their florid style. These critics drew on ideas like "humanism" and "alienation" in the works of Marx and Engels and unconsciously echoed the "new class" theory developed by the Yugoslav Milovan Djilas in his 1955 prison book.[10] For understanding the Cultural Revolution it is helpful to distinguish between three groups: leaders who used it for their own ends, Red Guards who mixed anti-bureaucratic and egalitarian impulses with violent factionalism, and a minority of independent-minded dissidents.[11]

After 1967, the group around Mao that won power in the Cultural Revolution set about suppressing the Red Guards they had brought into being, denouncing them as advocates of "extreme democracy". Millions were sent down into the countryside. Many retreated into apathy or cynicism, or a melancholy romanticism epitomized by the "scarred literature" of the 1970s. Others favoured extreme individualism as a reaction to their disillusionment with the fake collectivism promoted by the official Maoist faction.

However, the experience of the Cultural Revolution was deeply etched onto the minds of many young people of the period. It had expanded their mental and geographic horizons and taught them to "link up", write, and work a mimeograph. It had also taught them that "to rebel is justified" and increased their distrust of political leaders.

Studies on dissent in China tend to not to make a link between its various waves but to treat them as separate and distinct. This is understandable, given the big differences in their social composition and the apparent finality of their dispatch down the memory hole once they had served their purpose. But it is important to understand the cumulative nature of this dissent. The 1942 texts fed into subsequent upsurges. Those arrested in 1957, together with some of the Red Guards disbanded at the end of the Cultural Revolution, turned up again in 1979 and 1989, when they helped bring new generations into ferment.

1979

After the Cultural Revolution, a new democracy movement sprang up at what became known as Democracy Wall, in Xidan 西单 in Beijing, and quickly spread to other cities. Like the earlier movements, it owed its existence to the protection of a faction in the leadership, in this Deng Xiaoping's, newly returned to power. It also enjoyed support in the universities and the media.

Deng Xiaoping was not by nature inclined to throw the party open to mass criticism – in 1956 he had opposed the Hundred Flowers, and in 1966 he was a main target of the Red Guards. However, in 1979 a democracy movement was useful to him, for he faced opposition from surviving Maoists and Hua Guofeng 华国锋's centrists. Having spent the Cultural Revolution behind bars, he could not be criticized for its excesses. He was one of few party veterans at the time who could risk threatening his leadership rivals with a movement on the streets and thus forcing his views through the Politburo.

Deng's relationship with the democracy movement of 1979 was quite different from that of Mao's to the Red Guards. He did not summon it into being: his role can best be described as tolerating a campaign initiated by young people with political experience gained in the Cultural Revolution and their own political resources. Its points of intellectual reference were many, and it was probably the most socially diverse of the movements discussed so far. Many of its supporters were state-employed workers and technicians, including children of party members who had got them jobs in industry to save them from being sent down to the countryside. They were therefore well-informed about political developments. They tended to identify with the workers and peasants and displayed little of the elitism of Soviet dissidents. Some tried to organize *xiafang* 下放 youth who had returned illegally to Beijing and the peasant petitioners who took their grievances to the capital. Students, poets, painters, and writers joined the movement, in their hundreds. Some of those who contributed to the wall posters also edited or wrote for dozens of unofficial journals. A big issue at Democracy Wall and in these journals was how to assess Mao. Some activists took the criticism of him further than Deng would have liked. Others criticized the whole system of party rule.

The tactic of allowing a measure of dissent helped Deng achieve victory in the Politburo. However, his attitude towards Democracy Wall was always ambivalent, and some bolder activists made no secret of their doubts about him. He was in favour of some democracy and intellectual freedom, but was not prepared to compromise party power. When it seemed to him that the movement was overstepping this limit, he cracked down on it. Wei Jingsheng 魏京生, the most prominent activist, was gaoled for fifteen years. Democracy Wall was scrubbed clean and the Four Great Freedoms – to contend, bloom,

put up posters, and debate – were removed from the Constitution. Thus the old pattern of relaxation followed by repression was repeated.

Yet the experience in 1979-81 was in some respects different from that of previous movements. The activists were more experienced and better prepared, less prone to personalize their politics by looking to this or that leader, and therefore less susceptible to manipulation. The Cultural Revolution was an earthquake whose effects could not be erased, and many young people radicalized by it were still interested in politics. The "antifascist" mood was such that an all-out crackdown of the sort Mao ordered in 1957 and 1969 was out of the question and would have made a nonsense of Deng Xiaoping's claim in 1979 to stand for democracy and legality. Although Deng remained popular, the country and the party were less united behind him than they had once been behind Mao. So although Democracy Wall was closed down, many activists remained at large, determined to continue their campaign.

1989

The democracy movement of 1989 took several years to mature, although it was often represented at the time as sudden and unexpected. It began with demonstrations in 1986; others followed in the intervening years, as precursors of the great event.

Like its predecessors, it had a complex relationship with currents and factions in the party. It sheltered at times behind sympathetic forces in the official world, using the opportunities offered by them and borrowing and adapting their arguments. However, whereas all the other extra-party or democracy movements in China under the communists were associated with leading powerholders, who called them into being (in 1942, 1956, and 1966) or actively encouraged them (in 1979), the democracy movement of 1989 was mainly identified with a dismissed and dead reformer (Hu Yaobang 胡耀邦), a dismissed reformer (Zhao Ziyang 赵紫阳), and three expelled party democrats (Fang Lizhi 方励之, Wang Ruowang 王若望, and Liu Binyan 刘宾雁). The top leaders denounced it as a "counter-revolutionary rebellion" and bloodily suppressed it. It was the first more or less independent democracy movement, more opposition than dissent. It kept a close eye on the leadership debate, but chiefly to take advantage of the divisions it revealed.

Like earlier democracy movements, it drew on the experiences of its predecessors. Although few of its activists identified with the Cultural Revolution and most would probably have denounced it, their egalitarian politics and organizational tactics looked a lot like those of some Red Guard organizations, a parallel the party leaders spotted and made much of. Even some students noted the commonalities and envisioned the Red Guards as a

"righteous movement".[12] They also drew an explicit parallel with May Fourth and revived Chen Duxiu's call for "science and democracy".

Much Western commentary explained the movement as a reflection of the growing influence on China of foreign ideas, due to Deng's Open Door, but some well-placed Chinese and foreign observers took a different view. They noted that the crisis and the movement were essentially home-grown, a spontaneous product of strains and tensions engendered by the Deng Xiaoping reforms.

2010

Observers agree that dissent under Chinese communism has changed radically since the 1980s. It is no longer a preserve of students and intellectuals, as it usually was (in one way or another) in the past. It lacks the social coherence of previous movements. And its concerns are more varied. One can add a fourth and at first sight paradoxical observation: while dissent today lacks the cohesion of previous extra-party movements, dissenters in the liberal tradition have begun to produce coherent political programmes that draw on but deepen the CCP's official agenda of democratic reform and human rights.

Why are students, who in 1989 spearheaded the dissent, today no longer to the fore? In part because of the unprecedentedly intense stress that competition for grades and jobs now places on them, leaving most with no time or mental energy for other things. But also because of a shift in student attitudes, in the direction of greater pragmatism, materialism, and nationalism. The regime has delivered rapid economic growth and unprecedented prosperity to the middle class, now estimated by some sources at up to one fifth of the urban population (Johnston, 2004), to which students belong or aspire to belong. At the same time, China has become Asia's least equal country. Social polarization is not conducive to democratic sentiment among the beneficiaries of growth, who can find individual solutions to their problems, view potentially vengeful losers as a threat, and resign themselves to authoritarian government as a defence against it.[13] For these and other reasons, the students, who spearheaded previous dissent, are less visible in it now.[14]

As for the intellectuals, who articulated past criticisms and grievances, helped create the climate in which students dared to go onto the streets, and generally acted as China's conscience, most have been co-opted into the decision-making process, rewarded with perks and privileges, and are no longer available as a source of inspiration (Lewis and Xue, 2003: 933; Ma, 2007). In his study on Chinese cultural criticism after 1989, Ben Xu mapped intellectuals' retreat from "politically engaged and intellectually oppositional topics" to inquiries reconcilable with the prevailing order and designed to

legitimate the hegemonic order (Xu, 1999: 1, 168). This retreat has robbed the democracy movement of crucial support.

Even so, the events of 1989 were of such magnitude that they continue to reverberate in people's imagination and the collective memory – and in the sleep of party leaders and officials, as a nightmare. The experience of facing down the government created a generation no longer prepared to act as an off-stage army for party factions, an attitude passed on to the protestors' children. Although most of the 1989 generation have stopped being active, some continue to work for political and social change. The Chinese democracy movement in exile has survived in the current harsh environment and there have been many attempts to organize a political opposition in China, for example, the establishment of the China Democracy Party in 1998. As Guobin Yang pointed out in an article on the Tian'anmen movement "two decades after":

> The fateful experiences in 1989 gave the participants the collective identity as a new political generation. This generational identity carries with it the historical consciousness of a repressed revolutionary movement, and it helps to sustain a level of civic participation. The political experiences people gained and the social ties they forged in 1989 contribute to their new roles as environmentalists, human rights activists, Internet activists, legal activists, and organizers of homeowner associations.
>
> (Yang, 2009)

The second feature of contemporary extra-party politics in China is its fragmentation and absence of a feeling of commonality. Jeffrey Wasserstrom pointed out in a comparison of different waves of Chinese dissent over ninety years that there is now "no unifying thread that connects the actions of different disgruntled groups" (Wasserstrom, 2009). This fragmentation is a result of actions of the regime, which censors and cracks down on generalist dissent, perceived as the most threatening. It is also a result of the increasing complexity, differentiation, and individualization of Chinese society, which is no longer monochrome and predictable but as diverse as other contemporary societies, and geographically even more diverse.

A third feature, also noted by Guobin Yang, is that "the goals of this new activism are more concrete and down to earth, the means are more moderate, and the issues are more diverse". The new issues include environmental protection, HIV/AIDS, anti-discrimination, legal aid, domestic violence, and citizens' rights, promoted by non-confrontational means. China's greater openness has led to a new-style grass-roots activism embodied in the new non-governmental organizations (NGOs), hundreds of thousands of which are registered, with an estimated eight million unregistered (Mooney, 2006).

These three features of extra-party politics are linked. Past democracy movements espoused big issues relevant to the future course of the revolution,

but today's activists – while not indifferent to broader political questions – are more likely to engage with everyday concerns. They are connected, but mainly by the Internet, which (as its recent vicissitudes in China show) cannot be a substitute for political organization.[15]

In the past, factions in the Chinese state were prepared to settle conflicts with their political rivals by mobilizing extra-party forces. Today, a revival of this practice is inconceivable. The government is no longer led, as it was in the last century, by members of the generation that founded the revolutionary state, men and women whose rule rested on society's acceptance of their legitimacy and on their own boundless and even reckless self-confidence. Those in power now cannot forget the experience in 1989 of loss of control of the streets and of popular consent. In the intervening years, they have developed more settled ways of governing and rules for managing the political succession that avoid the need for manipulated "participation" by the "masses", now seen as risky if not impossible. So the democratic openings party leaders created in the past no longer happen.

But while the extra-party activism remains disjointed, two developments point up the potential for a democracy movement more rather than less focused, sophisticated, and united than its predecessors. One is the growing trend towards an independent labour movement. Before 1989, workers never played more than a marginal role in democracy movements, and even in 1989 their role was supportive rather than central. The other is the beginnings of the emergence in the political sphere of a systematic alternative to the politics of the CCP.

The idea of an independent labour movement is not new in post-Mao China. On several occasions activists have taken steps in that direction, for example during the demonstrations of 1989, when Han Dongfang 韩东方 convened the Autonomous Workers' Federation in Beijing (Han, 2005). Independent trade unions have not yet emerged, but collective bargaining by elected shop stewards is now a feature of industrial relations in some factories. More and more workers, emboldened by legislation designed to strengthen their contractual rights, are calling for greater rights, and a few are calling for trade unions separate from the state-controlled National Federation of Trade Unions.[16] Chinese authorities oppose independent unions and deal harshly with strikes in Chinese state-owned factories, but they are they are less likely to crack down on strikes against foreign interests. They may even try to use such strikes to blow new life into the official unions, bring the activists under control, get a handle on foreign firms, and play up to nationalist sentiments. But such tactics risk setting off a wider movement, for wages, rights, and conditions in Chinese-owned factories are usually even worse than in foreign-owned ones. Observers point out that workers are not yet striking for independent unions and are only campaigning for independent workers'

councils, but the step from the one to the next is not so great, as the history of Solidarność shows.[17] While most observers agree that an independent labour movement is not yet imminent, the conditions for the emergence of one are better today than at any time since the 1920s.[18]

The 1989 democracy movement was broader rather than deep: despite mobilizing huge numbers of people of all classes in political demonstrations, it did not produce a sustained and coherent critique of the party. It could be argued that even the 1979 Democracy Wall had greater depth and theoretical engagement. Today, there is no critical movement of comparable breadth, yet perhaps the main legacy of 1989, more than twenty years after its suppression, has been the birth of a coherent and organized political opposition. Charter 08 (named after the Czech Charter 77), whose three main founders learned their politics in 1989, has called for open democracy and an end to one-party rule. Feng Chongyi, the Sydney-based democracy activist and critical scholar, has called it "the most important collective expression of Chinese liberal thought to emerge since the founding of the People's Republic in 1949". The Communist Party responded to Charter 08's invitation to debate the issues of democratic reform and human rights by imprisoning its leader Liu Xiaobo 刘晓波 for eleven years, but has not so far taken similarly drastic measures against the Charter's other signatories. Feng points out that the imprisonment of Liu has not yet had the effect intended: "This strategy has not succeeded in forcing one single signatory to withdraw, nor has it prevented more than ten thousand Chinese at home and abroad from adding their names to the document." He concedes that it may have led "many more who share the values and aspirations of Charter 08 to remain silent" (Feng, 2010).[19] However, the selective and guarded nature of government's response suggests that it is aware of the risks of a more general crackdown.

4. Conclusions

Unlike other communist parties, the CCP was born not of a labour movement but of a cultural movement inspired by nationalist and democratic aims. Its founders, Chen Duxiu and Li Dazhao, saw no contradiction between democracy and socialism, and tried to integrate the two. However, the party's initial democratic moment was short-lived. Chen and Li's understanding of Enlightenment ideas was sketchy, and their thinking was overwhelmed by another view of revolutionary politics, founded in the Bolshevik notions of "iron discipline" and extreme centralism.[20]

In 1942, shortly after Mao's definitive rise to power in the CCP, members of the "basic masses" and extra-party writers were summoned to subject the party to criticism, and for a brief while they raised issues like democracy, equality, and revolutionary humanism previously denounced as "petty-

bourgeois". This movement of criticism was soon closed down, but it was repeated on several subsequent occasions. Students of Mao Zedong Thought will recall that in 1966 Mao told Jiang Qing (Chiang Ch'ing 江青) that a "movement for sweeping up the ghosts and monsters" would be necessary once every seven or eight years.[21] In fact, movements of extra-party criticism punctuated every decade of Mao's ascendancy and each of the first two decades after his death.

Each movement derived much of its flavour from what was happening in the party leadership at the time. Each was therefore focused on central political issues of the day – unlike China's contemporary dissent, whose lack of focus reflects its political autonomy, local rootedness, and cellularization. Each movement without exception dramatically surpassed its mandate, which was never defined with much precision and therefore highly susceptible to stretching in unauthorized directions.

Each movement had an inner, unofficial history separate from its officially tolerated trajectory, and it is a matter of record that the passage from one movement to the next was a process of cumulative learning, towards ever greater maturity and autonomy. The writers' movement of 1942 was dissent, not opposition. The Hundred Flowers campaign and the Cultural Revolution, as realized by the "masses", were more dissent than opposition. Democracy Wall in 1979 was dissent with a strong element of opposition. The protest movement of 1989 was more opposition than dissent. As for the movement now, it is less focused and more disjointed, yet if its elements of constructive dissidence and full-blown opposition were joined together it would represent China's truest democracy to date. But this summary description of China's extra-party movements is deceptively neat and hints at an automatic unravelling towards ever greater freedom, a comforting thought but an illusion. Where China goes from here – a more equal and democratic society, a rapacious and despotic capitalism, or something else entirely – will be determined by the choices Chinese people make, not by a hand of history.

Notes

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Huai, 1938-1941 (Berkeley 1999) also won an award. He is currently finishing a translation of Mei Zhi's prison memoir of her husband Hu Feng and a sourcebook on Chinese Trotskyism. <*Email: benton@cardiff.ac.uk*>

1. I would like to thank my friend and colleague Feng Chongyi for comments on this paper.
2. For a study on the CCP's earliest organized opposition, see Benton (1996). For other oppositions, see also Jeans (ed.) (1992).
3. See relevant CIA files. <*http://www.fas.org/irp/cia/product/frus1969.pdf*>
4. On the CIA's poor understanding of China, see the comments by Robert L. Suettinger, a career intelligence analyst and China scholar, as reported in Douglas Jehl, "Secret Papers about China Are Released by the C.I.A.", *New York Times*, 19th October 2004.
5. Chen Duxiu 陈独秀, "Zhi Zhonggong Zhongyang (Guanyu Zhongguo Geming Wenti) 致中共中央 (关于中国革命问题)" [To the Central Committee of the Chinese Communist Party (on the question of the Chinese revolution)], in *Chen Duxiu Shuxin Ji* 陈独秀书信集 [Chen Duxiu's letters], edited by Dai Shuiru 戴水如, Beijing: Xinhua Chubanshe 新华出版社, 1987, pp. 434–454, at p. 449.
6. Frederick C. Teiwes made this argument in "The Origins of Rectification: Inner-Party Purges and Education before Liberation," *The China Quarterly*, No. 65, March 1976, pp. 15-53.
7. The arguments are reported in Hatch (1989).
8. I treat these movements synoptically, since I have written a detailed account of them elsewhere, in Gregor Benton and Alan Hunter (eds), *Wild Lily, Prairie Fire: China's Movement for Democracy, Yan'an to Tian'anmen, 1942-1989*, Princeton: Princeton University Press, 1996.
9. Some fifteen thousand suspected spies are said to have been interrogated, detained and tortured in Yan'an during the Rectification Campaign. In the spring of 1947, when Yan'an was lost to the Guomindang (Kuomintang/KMT 國民黨) army, Kang Sheng 康生 ordered more than one hundred suspects who had still been kept in detention to be executed (Gao, 2000: 599). They may have included other critics arrested at the time of the writers' movement.
10. Milovan Djilas, *The New Class: An Analysis of the Communist System*, New York: Praeger, 1957.
11. For a recent systematic account of dissenting views in this period, see Yin (2009).
12. This is a main thesis of Feigon (1990). See also Chan and Unger (1990: 271).
13. This is Ed Friedman's argument in "China: A Threat to or Threatened by Democracy?" <*http://www.dissentmagazine.org/article/?article=1318*>, Winter, 2009, accessed 12th June 2010.
14. On the pragmatism and materialism of Chinese students now, see Yan (2006).
15. On the Internet's limitations, see Merkel-Hess and Wasserstrom (2010).
16. In 2008, "nearly 700,000 labor disputes went to arbitration, almost double the number in 2007 … [T]he number of labor cases in [civil] courts was 280,000, a 94 percent increase over the previous year … In the first half of 2009, there were 170,000 such cases" (Edward Wong, "As China Aids Labor, Unrest Is Still Rising", *New York Times*, 20th June 2010). Writing in *China Daily* on 18th

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17. Keith Bradsher, "A Labor Movement Stirs in China", *New York Times*, 10th June 2010; "Strike Breakers: Strikes Are as Big a Problem for the Government as They Are for Managers, *Economist*, 3rd June 2010.
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The Politics of China's *Wei-Quan* Movement in the Internet Age[+]

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Abstract

The political use of information and communications technologies (ICTs) has emerged in a diverse and vibrant manner in the information age. Traditionally, the practices and governing logic of the government of the People's Republic of China (PRC) has been less accommodating to the needs of civic engagement in public affairs. This has resulted in a general denial of public's right to know, right to participate, right to freedom of speech, and the right to hold the government to account. The upsurge of mass protest in China has, in this regard, become one of the most unintended political consequences of economic reform for the Communist leaders for past three decades. Whereas many of these popular incidents are spontaneous, loosely organized, and eventually short-lived, the remaining indicate, at least some coordination of action/movement. Empowered by modern ICTs, many rights-defence activists are capable of waging mass incidents and civic protests in modern-day China and pose a greater sociopolitical threat to the stability of the central government and the Chinese Communist regime as a whole. Indeed, the Chinese public has awakened not only to defend and assert their protected civil and legal rights stipulated in the PRC's Constitution, they are likely to challenge the existing legal and government systems provided their claims and assertions are not met.

Keywords: *wei-quan movement, Internet, China, information and communications technologies*

1. Introduction

China's politics are in transition. Observers and political commentators have generally focused on a variety of factors driving change, such as: the opening of the country to the outside world, continued deepening of economic reform, forces of globalization and regionalization, newer generations of

political leaders, increased pluralism of sources of information, and societal resistance and contestation from below. (Chu, Lo and Myers, 2004; Zheng, 2004; Nolan, 2004; Dickson, 2003) One recent development that may bring all of these factors together is the advent of information and communication technologies (ICTs) in the People's Republic of China (PRC). (Hughes and Wacker, 2003; Chase and Mulvenon, 2002) At the core of the information technology (IT) revolution is the Internet. Although originally developed in the late 1960s for military and security reasons by the US, the Internet opened to all in 1992 when the US National Science Foundation lifted the limitations on its use. (Browne and Keeley, 2001) Since then, the Net has transformed global communication, commerce, politics and society in general. This paper elucidates the transformative impact of the Internet and ICTs on Chinese politics and citizen participation in civil affairs.

Globalization, largely backed by a market-oriented economic philosophy – liberation, privatization, and deregulation, has helped boost the significant growth and diffusion of Internet technology in both established democracies and many developing countries. (Giovannetti, Kagami and Tsuji, 2003) The information revolution has swept across the globe having not only a tremendous economic impact, but it also broadening the ordinary citizen's access to wider and alternative information. (Hachigian and Wu, 2003; Root, 2002: 118-119) This expansion of information awareness and speed of information flows has impelled academics and policy makers to ponder the social and political repercussions of the IT revolution upon authoritarian regimes where civil and political rights are poorly respected and protected, such as the PRC.

Traditional views of China consider popular public opinion to be under the strict control of the Party-State, usually manipulated from above and with publicly expressed opinions generally limited to official information sources and viewpoints. It is assumed that few dissenting and critical viewpoints exist among the populace on public and political affairs. However, it is increasingly clear that the interactivity and convenience of the new information technologies is beginning to draw closer the general public and changing the way people discuss current affairs, and the way of supervision by public opinion. It means Chinese citizens and Internet users can now engage in public affairs and express themselves more freely to a degree as never before in a country that usually prohibits mass gatherings and demonstrations.

The contemporary view does not go unchallenged by other political commentators. Traditionalists suggest that ICTs and associated Internet technologies may have the potential to serve as a catalyst for social and political changes, nonetheless in reality are only available to a small minority of the wealthy and professional population. (CNNIC, January 2010)[1] In other

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words, Internet activism is likely to be dominated by an elite-based discourse. Furthermore, it is claimed that ICTs are constantly and closely monitored by PRC authorities as they aim to keep their socialist society's "virtual" environment "healthy" (*jiankang* 健康) and "orderly" (*youxu* 有序). (Wang, 2010) While elite-based activism is identified as part of the "digital divide" in China's emerging information society (Abbott, 2001: 115-128), cyber surveillance is dubbed "Internet censorship" in many authoritarian regimes such as the PRC. (Chase and Mulvenon, 2002) A few scholars also espouse the view that ICTs are being effectively utilized by China's Communist one-party state as an adept and sophisticated tool to strengthen its governing ideology and capability in the information age. (Hung, 2010)

The conflicting views of the potential impacts of the Internet and ICTs have not been lost on the CPP. Two years after the 1994 introduction of the Internet to China the CCP-controlled newspaper *Renmin Ribao* 人民日报 (People's Daily) pointed out that "…the value of the Internet so outweighs its potentially harmful aspects – pornography and politically destructive information – that the Chinese government has approved its opening to the public." (Lam, 2000: 54) Ever since China has been connected to cyberspace, the Internet-enabled *wei-quan* 维权 (rights defending or protection) movement has been on the rise as citizens' rights have awakened in the reform era. Accompanied by a growing number of Chinese Internet users (CNNIC, 15th July 2010)[2], *wei-quan* activists and lawyers are at the centre of China's current rights defending movements, as the principles of social justice and fairness are frequently attached to the booming *wei-quan* movements.

2. The Rise of *Wei-Quan* Movement in the Reform Era

The term *wei-quan* or "rights defence" emerged as a buzzword in Chinese media and politics in 2003. It has been typically used in the Chinese context to refer to the various actions that ordinary people and social activists have employed to defend their legal rights or the rights of others in China. Like many words in the Chinese political lexicon, the term *wei-quan* can be ambiguous and the *wei-quan* movement often appears much the same as the traditional democracy and human rights movement. Indeed, there are similarities between the rights protection movement and the democratization and human rights movement. Both are reactionary and may be potentially destabilizing to China's rapid economic growth nevertheless, there is a key difference that separates the two. The rights-protection movement basically accepts the legitimacy of the existing political system, but the democracy movement does not. Rather than pushing for democratic change, the *wei-quan* movement vigorously seeks to protect and improve the rights of citizens within China's constitutional constraints and legal framework with minimal

political requests. This although, does not mean that the *wei-quan* movement is wholly apolitical. The breadth of areas covered by *wei-quan* includes political, civil economic, social and cultural rights.

Chinese *wei-quan* movements are self-initiated and self-organized movements where ordinary citizens take action against (party) officials to protect their basic (human) rights and interests afforded them under PRC law. The rights-protection movement emerged in early 2000 and in a span of only three years had made its mark. The year 2003 is famously addressed as a "civil rights-protection year" (*gongmin wei-quan nian* 公民维权年) primarily because several notable *wei-quan* incidents took place that year. This paper now turns to examine three of these incidents.

One of the most prominent incidents was the case of Sun Zhigang 孙志刚. On 17th March 2003, Sun was mistakenly detained in a Guangzhou homeless shelter because he did not have the temporary resident permit that was required for all migrants who work or look for jobs outside of their hometown. Sun later died in police custody after allegedly being seriously beaten. The story initially broke on the web from a report on the *Nanfang Dushibao* 南方都市报 (Southern Metropolis News), a liberal news outlet owned by the Guangzhou-based Nanfang Media Group which is known for its outspoken editorial policy. Relayed through the Internet and widely discussed by cyber chatters, this story reached nationwide and elicited enormous public concern and debate. (Pan, 2004) The Internet has not only in this case contributed to the on- and off-line heated debates on public issues, but it also more broadly helped facilitate the eventual abolition of the two decades-old regulations on repatriating migrants and vagabonds. Clearly beyond mere debate and discussion, the Internet has allowed public expressions of sympathy with people who have fallen victim to varying sorts of social injustice, and has also helped further fuse long-standing citizen discontent and anxiety into joint civic engagement.

Sun's case effectively demonstrates the Net's political effect and shows that Internet users can partake in a civic movement that challenges the existing legal and governing systems of China, and contribute to the awakening of public concerns over their statutory rights. Besides, it manifests how Internet activists may be able to turn online uprisings and socio-legal events into a real world political agenda. Stories like this could be downplayed and rarely be covered in China's official media that still largely remain under editorial controls.

The BMW incident that took place in 2003 also stands out as another unique case in Chinese law and politics. In this case the vocal court of "virtual" public opinion prompted traditional media outlets to catch up and follow details of the latest developments. What would have been an ordinary traffic accident in China, where most car accidents are ignored or at best

mentioned in passing by the traditional news outlets, became a larger story due to online influences.

On 16th October 2003, in the northeastern rustbelt city of Harbin 哈尔滨, a wealthy woman, Su Xiuwen 苏秀文, drove her BMW into a crowd, killing Liu Zhongxia 刘忠霞, a peasant woman who was travelling on a rickety tractor. Twelve others were also injured. The Daoli 道里 District People's Court in Harbin ruled on 20th December that this was merely an "accidental traffic disturbance" caused by Su's negligence. Su was sentenced to two years' imprisonment suspended for three years. After news of the controversial verdict was posted on *Sina.com* (新浪网), one of the most popular commercial portal sites in China, the mainstream press and other Internet portals picked the story up with many setting up featured websites to cater for a surge in public demand for the latest developments. The high degree of public attention put government and party officials under heavy pressure to review or intervene. There have been similar situations with other legal cases. The Internet has served as an effective medium for whipping up collective public resentment against perceived unfair verdicts, and for voicing demands for further investigations or even retrials. (Hung, 2006: 137-173)

For some incidents action has not always began on the Internet, but that is where it has spread. The Weng'an 瓮安 incident is such example. This incident highlights the power of citizen action in battling for the right to freedom of speech and the right to hold officials to account. On 28th June 2008, over 30,000 people took to the streets in Weng'an County, Guizhou 贵州 Province, where they attacked the Party committee headquarters and government buildings, and set fire to a local police station. The demonstrators took action because they suspected that female undergraduate student Li Shufei 李树菲's drowning was not the result of suicide as two autopsy reports had concluded, but rather a case of foul play. Swirling around the case were rumours of rape, murder and a possible cover-up. Events began on June 22nd, when the victim's family made their concerns publicly known, and in protest refused to collect their daughter's body. Events soon escalated when the family sought to prevent the local police from forcefully handling the victim's body. A drive to collect signatures for a legal petition followed before events became violent at the public protests on June 28th.

This incident soon became hot news as word spread via SMS text messaging, blogs and Internet forums, such as *Qiangguo Luntan* 强国论坛, *Tian Ya* 天涯, and *Sina.com*. Prevailing Internet sentiments were more supportive of the suffering family than local authorities with numerous angry comments citing official corruption, rape, murder, and police inaction as the real reasons behind Li Shufei's death. Images, discussions and gossip arguing that the case a miscarriage of justice spread far, wide and fast across cyberspace and real-life backstreets, despite the fact that many critical posts

were swiftly deleted or filtered by web site administrators and did not appear for long on the Net.

When conflicts between the public and police occur, Beijing authorities in general, and the public security department in particular, normally classify these kinds of incidents and events under the broad heading "mass incidents" (*qunzhong shijian* 群众事件). Knowing that mass incident reports need to be dismissed or quelled out of fundamental concerns for social and political stability, China's official media exercises caution carefully considering the extent to which they report where mass incidents take place, their actual cause, the scale of casualties and the impact as well as outcome of the mass conflicts.[3]

The causes for the rise of the Chinese *wei-quan* movement are multifold. Among other things, imbalanced economic growth and uneven distribution of wealth have particularly given rise to a range of social problems that could further undermine China's social and political stability. Although the market economy has expanded rapidly in socialist China for the past three decades,[4] concerns are being expressed about the distributional impacts of the economic growth processes. As the gains from steady high economic growth have been spread rather unevenly, some segments of the population have been left behind in relative and even absolute terms. This disparity is seen in rising and widening income inequality, geographic polarization and environmental deterioration, leading some to question the sustainability of China's high economic growth and the political legitimacy based on this growth. (Nolan, 2005: 1-2) Critics have usually highlighted the plight of rural migrants and the ever worsening social/class divide, incarnated as the "*choufu xintai* 仇富心态" (resenting the rich) mentality, or "having the 'red eyes' disease" (*hongyan bing* 红眼病) that has emerged in China's fast growing capitalist society. (Wu, 2009: 1038) These may ultimately tarnish China's economic power and hinder its future economic growth if the situation is not appropriately managed or improved.

In addition to rising inequalities, pervasive stories of corruption among government officials and party members have seriously eroded public trust in the Party-State, damaging the images of the CCP, harming the economy and threatening sociopolitical stability. Yet, while the issue of rampant corruption is of high concern in China, it is usually underreported, selectively reported, misreported, or even not reported at all, in the official press and/or mainstream media, primarily for political concerns. Generally, it is only after incidents of corruption are brought to a conclusion that they are publicized openly and extensively. Official campaigns in "combating corruption" (*fan fubai* 反腐败) have been frequently addressed and launched by senior Party and government leaders on several occasions, such as major political events like the 17th CCP National Congress (October 2007) and the 11th National

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People's Congress (NPC) & the Chinese People's Consultative Conference (CPPCC) (March 2008). Often, in the face of state media cover-ups, news about corruption and graft may not be released by official sources firsthand. Instead the alternative news medium of cyberspace has been come to play the proactive role of a "virtual" watchdog to monitor and publicize corruption cases. (Bi, 2001: 429)

With the increased diffusion and usage of the Internet and digital media in China, mass incidents and corruption cases may not always be dismissed or go away quietly. The Sun Zhigang case, the BMW and Weng'an incidents, and other events, such as the SARS outbreak, have not only aroused a strong sense of public concern about the merits and necessity of good governance, but have also intensified collective anxiety and public pressure against the authorities concerned. Net users, as well as the general public, have been more willing to articulate their interests and concerns in the hope of making the government more attentive and responsive to citizen opinions when initiating and implementing policies. Chinese citizens, instead of blindly accepting the government's agendas, are now being awakened and empowered to set their own policy agendas both in cyberspace and physical life. Popular interests and agendas cannot be easily overlooked because ICTs are allowing ordinary people a wider policy platform than the through the state or traditional media, not only to vent their grievance/feelings, but also to organize themselves to (re)assert their rights in ways that were unavailable to past generations.

Amid China's muzzled media environment, there has been an exponential growth of the use of ICTs, and more importantly for this paper, a burgeoning mass of citizen journalists has come into play in China's social and political life. These Internet-based citizen journalists and cyber bloggers are opening up a new landscape of fresh fields of inquiry in almost every aspect of Chinese society. They often cover and/or relay what is being under-reported or misreported in the mainstream media via their use of multiple cyber postings on either websites or personal blogs. Many bloggers are dodging censors and providing an alternative or a dissenting voice for China's poor and disadvantaged by writing news and commentaries that the Beijing government would rather be left unreported. These civic journalists are beating a way through the "Great Firewall" (Deibert, 2002: 143-159; Walton, 2001)[5] to vent and broadcast, such subjects as: the accelerating gulf between the rich and poor, despair in rural society, corruption cases, and many real socioeconomic inequalities and injustices. Significant cracks have clearly emerged in the sophisticated censorship and surveillance project of China's Ministry of Public Security.

It can be argued that this civic journalism (also known as public journalism) has helped promote the rise of Chinese *wei-quan* movement. From time to time, civic journalism challenges the government's authoritative

interpretations and viewpoints on certain major issues, while its very existence proves that China has been unleashed from its old muzzle and chain in the media sector. Some citizen journalists and bloggers are raising public awareness of unjust, unlawful and corrupt cases; sometimes, they are chasing up officials and party leaders who have been reluctant or slow to act, and making them to be more accountable and responsive to citizens by means of collective online opinions and/or orchestrated offline actions.

The impressive growth of China's market economy and consumer society has in recent years also brought increased demands for further improvement in general living standards and the environment. Although Beijing has continuously promised to step up anti-corruption efforts, advance economic development, and work towards a harmonious society, there still exists a lack of government transparency, and the public is denied the right to participate, the right to freedom of speech, and the right to serve as a watchdog of government policies. The soaring number of mass incidents initiated by ordinary people (Li and Chen, 2009: 8), which includes popular personal bloggers and *wei-quan* activists, are a reflection of the awakening of people's rights consciousness. As this rights awareness increases and strengthens, more and more people are willing and skilled at engaging in various *wei-quan* movements. Ordinary citizens are becoming ever more empowered to take advantage of the power and convenience of ICTs to address their concerns and engage in public affairs debate. Furthermore, they are also able to step forward and take action to protect their rights by signing and collecting (online) petitions, organizing and staging public demonstrations, and filing judicial accusation. It is clear that the emergence of *wei-quan* consciousness and the subsequent *wei-quan* movements have been closely intertwined and it is likely that the people-power generated as a result is a force that the CCP will have to reckon with in the Internet age.

3. The Making and Power of the *Wei-Quan* Movement

As China has continuously opened to the outside world through three decades of reforms, many have witnessed the *wei-quan* movement shift from rhetoric to reality. Since the mid-1990s, the notion of *wei-quan* has also evolved significantly. Initially *wei-quan* was used by the Party-State solely to educate citizens in the operations of the law. It has nevertheless transformed into something greater as it is now used by individuals and groups for the active defence of their rights against the state and official interests and/or unlawful repression.

In cases of unlawful repression, unjust expropriation of property has become one of the most polemical social issues in reforming China. Forced evictions and demolition of property has often resulted in violent and at

times, bloody, confrontation between (rural) residents and local government or government-backed property developers. Land expropriation in China and the system of compensation have been relentlessly criticized for unlawfully expropriating cultivated land from peasants or landlords against their will. Property owners are often forced to give up or abandon their land even when the legislation on the basis of which the property was expropriated is deemed/ declared unlawful, or due to an unlawful decision owing to arbitrary action of government officials. Facing such coercive expropriation, often at the hands of corrupt local officials working in collusion with real estate developers, many villagers and landowners have been forced to take desperate measures to prevent their dispossession of the source of their livelihood.

Land expropriation is one of the primary "externalities of development" that have been responsible for the proliferation of rural conflicts in the past decades. (Zweig, 2000: 120-142) Increased access to information is also another likely factor in the increase. Lucien Bianco notes "… overall it appears that the Chinese countryside has seen more disturbances during the twenty years of reform than during the previous thirty." (2001: 245) Reports of rural violence and protest have increased since the 1990s and have often taken such forms of popular actions as: parades, public demonstrations and (online) petitioning. (Bernstein and Lu, 2003) It is important to highlight not only the growing numbers, but the more provocative nature of these incidents. The forms of action are "increasingly open disgruntlement" (Unger, 2002: 197) that in many heightened conflicts go far beyond "everyday resistance" (Scott, 1985). However, it must be said that although rural conflict and discontent is chronic and widespread across many provinces and regions, most incidents remain small in scale and pose limited political challenge to the regime's survival.

In addition to informal and/or unlawful protests, more formal legal acts of protest, in both the cities and rural areas are on the rise. Many of these are intimately associated with the assertion of rights consciousness and protection in the reform era. In fact, the *wei-quan* movement has been an integral part of China's long march to developing and implementing rule of law initiatives. (Peerenboom, 2002: 2)[6] Additionally, the rapid transition to a market economy and China's integration into the global economy have also been key to the development of an evolving legal consciousness in China. Although few would claim that China is today a country governed by "rule of law", most do however, acknowledge that the communist state "has moved a long way from the 'rule of man' governance approach of traditional China. Today, China is moving in the direction of a legal system that increasingly seeks to restrain the arbitrary exercise of state and private power, and provides the promise, if not the guarantee, for Chinese citizens and other actors to assert their rights and interests in reliance on law." (Horsley, 2006: 1)

Many political scientists have underlined the importance of China's movement towards rule of law, arguing that only the full implementation of rule of law will serve as a solid foundation for maintaining China's market economy and its political development towards a democratic future. (Zhao, 2006; Li, 2008) One such commentator, Larry Diamond, considers "rule of law, with an independent judiciary and other autonomous institutions of horizontal accountability" (2003: 319) key to China's economic future. In fact, to effectively advocate for citizens' rights and for the rule of law it is essential that the Chinese government rein in rampant corruption, excessive abuse of (political) power, financial and political scandals, soaring crime rates, growing income inequality and unbalanced regional development, and more importantly, strengthening the Party's legitimacy and authority. Many intellectuals and legal practitioners believe that overcoming the aforementioned problems would transform the CCP government, to make it a more open, transparent and effective one in the reform era, and further strengthen its legitimacy.

This current situation explains why more Chinese lawyers and legal scholars have become more active in assisting China's legal reform and safeguarding civil rights. These legal practitioners, and often human rights activists, are usually referred to as *wei-quan* lawyers and are indispensable to the grassroots rights protection movement. They give voices to those who are unable to speak and/or fight for themselves and also take on an important role as intermediaries between the victims of (human) rights abuses and the mechanisms of legal redress. Unlike traditional Chinese human rights and democracy activists, these *wei-quan* lawyers generally accept the political legitimacy of the CCP. They do not act as state functionaries, but advocate in their clients interests to realize the maximal rights and protections that citizens' are afforded under China's laws. (Fu and Cullen, 2008: 112) *Wei-quan* activists are not generally seeking to topple the communist government. (Scott, 1990; Chen, 2007: 254)[7] They have, instead, pressured the Party leaders and government officials through legal and extra-legal means such as stimulating strong sentiments of fairness and justice among the population. Another major difference between normal and *wei-quan* lawyers lies in their motivation to take on legal cases. For *wei-quan* lawyers, an "ulterior motive" has been suggested by some, who argue that broader goals can only be achieved in the long term, exist behind the cases that lawyers take. (Fu and Cullen, 2008: 116)[8]

Recently, as social inequalities and divisions have grown and rights consciousness broadened in Chinese society, some *wei-quan* lawyers have engaged in "collective" cases and major "sensitive" cases. These "collective" cases have involved more than ten people, while the "sensitive" ones have related to "land requisitioning and levying of taxes, building demolitions,

migrant enclaves, enterprise transformation, environmental pollution, and rural labourers." (Human Rights in China, 2007; The All-China Lawyers Association, 2006) They are considered "sensitive" because it is assumed that such issues pose a threat to China's sociopolitical stability if they are not coped with appropriately. Although, *wei-quan* lawyers may often lose their cases, they do, however, "help build a legal culture that could one day remodel the authoritarian elements within the OPS [One Party State]." (Fu and Cullen, 2008: 127)

Clearly, Chinese citizens have become notably more adept at using the law and new communications tools to assert and defend their rights and interests against the government and others. The *wei-quan* movement is inseparable from the exponential growth in the use of information and communications technologies. As Bimer and others argue, "Much of politics, from the highly democratic to the rigidly authoritarian, is fundamentally communicative and informational in nature, and the internet is central to changes in the environment of communication and informational that is of historical proportions." (Bimber, Stohl and Flanagin, 2009: 72) The Internet era has ushered in an awakening of the ordinary Chinese citizenry's rights defence as part of the broader resistance to unlawful and unjust discriminatory practices committed by Chinese officials. ICTs, mostly the Internet, SMS and other related information technologies, have opened up a new space where discussion and critique of state policies can take place. This has made the concept of the rule of law, and in particular, *wei-quan*, probable and meaningful in the information age. The Internet plays a crucial role in both facilitating and shaping *wei-quan* activities.

As has been emphasized, *wei-quan* activists are not generally in conflict with broader state agendas. They incorporate officially promoted social and political values, such as building a harmonious society and ensuring recognized statutory principles are defended in under the authoritarian regime. The combination of public pressure and widespread attention allows *wei-quan* activists to exert influence bring pressure to bear on those who are in power but fail to live up to their obligations. Citizens of modern Chinese society may not simply insist that the regime address their social, economic and political demands through official mechanisms. If this were the case, they would certainly demand adequate institutions to allow them to proactively voice themselves in the first place. Engaging through the Internet and social media like online discussion forums, blogs, instant messaging systems, facebook, QQ, Twitter, and other Internet communications systems allows more people to better articulate their (policy) interests and proactively set their own agenda. They can express grievances, discuss and debate public policies, and organize themselves into social movements to mobilize and coordinate collective action when needed. Aggressive activists have even taken stances against

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(local) government officials and party leaders, rallying in protest against them. (Guo, 2001: 422-439) The number and scope of *wei-quan* movements have been without a doubt rising in recent years. Social activists, lawyers, savvy Internet users, and ordinary citizens are actively guarding their own welfare, as well as the welfare of those disadvantaged and more vulnerable to their rights being transgressed. They are pressing authorities to (re)adjust, revise, or abolish official policies, seeking compensation for injustice and requesting that unjust decisions be annulled or reversed. It can be said that the autonomous *wei-quan* movement is *per se* a concrete application of the rule of law in the Internet age.

The CCP's general reaction to the rights defence movement has been ambivalent. On the one hand, the central government in Beijing expresses serious concerns over the (rural) poor and recognizes and calls for the urgent construction of an "all-round well-off society" (*quanmian xiaokang shehui* 全面小康社会) and a "harmonious society" (*hexie shehui* 和谐社会) underpinned by the principles of rule of law and *wei-quan*. The CCP government understands well that bloggers and citizen journalists also play an important role as a "virtual" pressure valve in China. The stories and comments of online writers and citizen journalists are seen to alleviate unstable forces and social tensions that could significantly undercut the legitimacy of the CCP if this popular pressure were not properly channelled, released, or dealt with. In other words, the online world, to some extent, is a space for the release of people's frustrations and discontent that the existing system cannot effectively deal with. Currently lacking the same formal and effective mechanisms as more open systems, such as an independent judiciary or national popular vote, China's authoritarian political system cannot appropriately manage and release any potential and/or existing social anxiety, outcry and unrest.

On the other hand, government officials, particularly those at lower levels (the city and rural areas), have cracked down and attempted to silence these rights movements based on the presumption that all social movements undermine social stability, dampen official progress towards building a harmonious society, challenge the political order, hinder economic growth, and eventually weaken the governing legitimacy of the CCP. Local government has been politically cautious about the scale, intensity, and any important attributes attached to the emergence of *wei-quan* movements. For CCP officials, the consequences of the *wei-quan* movements have been paradoxically liberating and challenging for the capacity and authority of the Chinese government(s) at all levels. It is a liberating force as society has been further de-politicized and de-regulated. However, it is also a challenging force for the incumbent government as the authority of the Party-State and capacities of the people's government are being undermined by rising popular

demands and actions. These forces of challenge and liberation force have definite political implications for China's state-society relations in the Internet age. The bottom-up force derived by the dynamic *wei-quan* movements may facilitate and reinforce a favourable social basis of the twin effects in the Chinese context: an increasingly vibrant civil society and middle class.[9]

4. Conclusion: The Politics of *Wei-Quan* in Changing State-Society Relations

Coupled with the widened public horizontal communication brought by the ICTs, the rise of the *wei-quan* movement is energizing civil engagement and the fledgling middle-class. Both are making important contributions to China's development by serving as the foundation for a healthy and dynamic civil society. The rise of the *wei-quan* movement is in part facilitated and bolstered by the comparative ease and convenience promised by new media that allow unprecedented access to multiple sources of news and information. Nonetheless, this does not mean that Chinese authorities have given free rein to Net-savvy Chinese and activists to using ICTs to wage any and all social movements and/or freely surf and comment in the cyberspace. The government has, instead, attempted to shape what is called a "healthy and orderly" online environment. This is being done mainly through the employment of Internet firewalls, cyber regulations and policing, the imposition of physical/mental threats and arrests to contain public Internet use, and the promotion of self-censorship among Netizens and Internet entrepreneurs, so as to maintain a "virtual" public space that does not breach the political foundation of the Party-State.[10]

Meanwhile, the Internet and computer-mediated communications make news, alternative and dissenting information and opinions relatively accessible from and among the grass-roots level in China. This horizontal communication system challenges light-minded and complacent assertions made by authoritarian governments about their "success stories" in managing and controlling information flow – both on- and off-line. Internet users and social activists now enjoy the same relative ease of (horizontal) communication as that that is performed through top-down propaganda channels by governments, such as electronic versions of state-owned media coverage and the E-government projects. (Shambaugh, 2007: 25-58; Brady, 2008) In other words, with ICTs Chinese people can now speak and consult more freely among themselves, discuss/debate public issues more easily, engage official, centralized mainstream generators of news and opinions, and create more favourable social conditions with public opinion support for *wei-quan* movements.

Realizing the power of ICTs the Chinese government has always remained vigilant over the control of the Internet and other mobile technologies. The

great fear is that new media will be widely exploited by politically-defiant and technology-savvy Netizens and journalists. The CPP government is concerned that with free access to these technologies newly-empowered citizens will launch (orchestrated) social protests/movements against the Party-State, since they can now disseminate reactionary news, opinions, and information in a rapid and effective way. Faced with this threat, Chinese authorities have been impelled to strengthen the authoritarian regime. To do so they have intensified their grip on control over information flow and opinion manipulation, information channelling, the correction of mainstream media and cyberspace (Wu, 2009: 146; Zhao, 2008: 35-36), and have also attempted to minimize the negative impact of social gatherings and social movements on the CCP's ruling leadership.

It is certainly difficult, if not impossible, for civil society to fully grow in an authoritarian political milieu. Under such conditions, the state usually stifles civil society while it is still in an incipient stage. For example, the authoritarian government has prevented indigenous communities or civic groups from organizing on sufficient scale to defend their interests. The Internet and mobile communications technologies have the potential to awaken and bolster citizen consciousness of rights protection since these new communications technologies help facilitate civil discussion and participation in public affairs and advance public awareness of social justice and civil/political rights. (Zheng, 2008)

With rising expectations and public demands for continual improvement in quality of life and protection of social, economic, and political rights, the citizens of transitional China may not merely require the regime to address their demands just through (state-owned) mass media. They also want adequate channels to proactively articulate their demands in the first place. This bottom-up force of *wei-quan*, or pressure derived from a general public empowered by ICTs, may facilitate and reinforce a favourable social basis for the twin effects of an increasingly dynamic civil society and *wei-quan* movement. The deepened reforms and rapid economic growth over the past three decades have brought increased formal legal rights and paved the way ordinary citizens to realize the importance of proactively claiming their legal rights and protections. Considering the discrepancy between officially stated legal rights and government violations against constitutionally recognized and protected human rights, there exist rising opportunities for *wei-quan* movements and incidents to emerge and develop in authoritarian China. This is akin to what O'Brien and Li refer to as "rightful resistance" which they describe as: "a form of popular contention that operates near the boundary of authorized channels, employs the rhetoric and commitments of the powerful to cub the exercise of power, hinges on locating and exploiting divisions within the state, and replies on mobilizing support from the wider public." (2006: 2)

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In conclusion, the role of the Internet, SMS, and other ICTs serve as a catalyst and facilitator in awakening citizen consciousness of civil rights in China. An autonomous *wei-quan* movement has sprung up as many independent civil rights campaigners and activists have adopted sophisticated communications technology to educate ordinary people about their basic rights and to rally support for the (domestic) rights defence movement and its activists. These campaigners and activists are making the government more accountable and responsive to the rising power of grassroots *wei-quan* activists and groups. As China continues to deepen its economic reform and open-door policy, pluralized socioeconomic interests are jointly taken up in the growing civic-oriented agendas, and may accordingly restrict the CCP's autonomy and governing capacity in solely determining the policy orientation, content and delivery. Where there is continually imbalanced economic development, polarized social class structure, and rampant government corruption there is also a substantial rise in the prevalence of *wei-quan* activism in the information age. This will not only have socioeconomic consequences, but also certainly will have far-reaching influence on and implications for China's changing state-society relations and political prospects as well.

Notes

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1. According to China's quasi-official Internet Information Center, the young, educated and urban professionals and students living mostly coastal cities and provinces constitute the majority of the Chinese Internet users. See China Internet Network Information Center (CNNIC, January 2010).
2. According to the most recent Survey by China Internet Network Information Center (CNNIC), the number of net citizens in China has reached 420 million by the end of June 2010, with the Internet penetration rate 31.8 per cent. See the 26th Statistical Report on Internet Development in China, China Internet Network Information Center, 15th July 2010.

3. The mantra of paramount Chinese leader Deng Xiaoping has said, “stability above all else” (稳定压倒一切). This has been the highest article of faith at all levels of government. Those who protest or petition to the authorities – no matter the cause – can according in principle be accused of breaching stability, and subject to legal repression.
4. Arguably China’s development model stands out as a successful model of a socialist transition economy, with its economic boom bringing about an increase in GDP per capita by 8.8 times from 1978 to 2005, and an annual growth rate of about 9 per cent or so in the recent years. See National Bureau of Statistics of People of Republic of China (中华人民共和国国家统计局), *China Statistical Yearbook 2009* (中国统计年鉴 2009).
5. It is also referred to as “The Golden Shield Project” (*Jindun Gongcheng* 金盾工程). See more discussions at Deibert (2002: 143-159); Walton (2001).
6. Drawing on his earlier business and legal experiences in China, Randall Peerenboom formulate a new theory of the rule of law to explain the changes of Chinese legal system in the period since the post-Mao reforms. He defines rule of law as “a system in which law is able to impose meaningful restraints on the state and individual members of the ruling elite.” See Peerenboom (2002: 2).
7. It is interesting to note that some scholars argue that ordinary people in China sometimes manage to engage in resistance while somehow remaining submissive. James Scott, for example, calls this strategy “everyday forms of resistance. Similarly, Xi Chen refers this protest tactics as “protest opportunism” as he argues that Chinese protesters “operate close to authorized channels and to take dramatic actions to demonstrate their obedience.” See Scott (1990); Chen (2007: 254).
8. The ulterior motive may be referring to the gender equality promotion, ending one-party state, and the promotion of social and racial justice. See Fu and Cullen (2008: 112).
9. See further discussions at Yang (2009).
10. Through the sophisticated establishment of cyber great firewall and a number of filtering online programs and surveillance devices, the CCP intends to constrain the seemingly unfettered democratizing forces of ICT, and ultimately restrict any political impact of the Internet and new information technologies. See also Chase and Mulvenon (2002).

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Emergence of Middle Classes in Today's Urban China: Will They Contribute to Democratization in China?[+]

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Abstract

A lot of academic as well as journalistic discussions refer to the possibility that urban middle classes, which are the by-products of rapid economic growth, will change Chinese society. These discussions, however, have not produced common understanding of Chinese middle classes. On the contrary, a lot of confusion has been taking place on the definition and the characterization of urban middle classes in China. This paper will illustrate whether or how urban middle classes will bring out political change, or democratization, in Chinese society by using two different datasets, that is, AsiaBarometer 2006 which contains a lot of relevant questions on political orientations and attitudes and Four-city Survey in 1998 and 2006 which tells us chronological changes of urban middle classes during these eight years. These empirical data suggest that urban middle classes in China are very ambivalent in terms of their political orientations and behaviours. They are more interested in securing space for their free speech or economic activities, but their political attitudes are very conservative in the sense that they 1) support technocracy, 2) trust central government, and 3) allow depression of freedom of speech for the sake of maintenance of social stability. Such ambivalence can be fully explained by the fact that urban middle classes are "winners" of market economy. Two scenarios, one optimistic and the other pessimistic, for the future politics in China will be discussed.

Keywords: *urban new middle classes, democratization, AsiaBarometer, ambivalence*

1. Introduction

China has been catching a lot of attention globally not only as "factory of the world" but as "market of the world". A lot of academic as well as journalistic discussions refer to the possibility that urban middle classes, which are the by-products of rapid economic growth, will change Chinese society.

Chinese sociologists have been talking about the necessity to enlarge urban middle classes to attain sociopolitical stability. Wang Chunguang, for example, point out three "social functions" of middle classes, one of which is "buffering function" of social conflict caused by bipolarization of the poor and the rich (Wang, 2004: 271).

Many journalists as well as social scientists out of China, on the other hand, look at the emergence of urban middle classes as political reforms and democratization. Nicholas Kristof, a famous columnist in the US, stated that "Western investment in China would bring a desire for 'bourgeois' democratic freedom in China" (Mann, 2007: 49).

These discussions, however, have not produced common understanding of Chinese middle classes. On the contrary, a lot of confusion has been taking place on the definition and the characterization of urban middle classes in China.

According to Li Chunling, percentage of the middle classes in China is 15.9 per cent by occupational definition, 24.6 per cent by the definition of income, 35.0 per cent by the definition of consumption level, and 46.8 per cent by respondent's identification (Li, 2005: 512). Only 4.1 per cent of total population in China will fulfill the four conditions above but the number goes up to 8.7 per cent if focused on urban district, she says (Li, 2004: 62).

On the other hand, Zhou Xiaohong claims that 11.9 per cent of urban residents in Beijing 北京, Shanghai 上海, Nanjing 南京, Guangzhou 广州 and Wuhan 武汉 belong to middle classes defined by three measurements, that is, occupation, educational background, and income (Zhou, 2005: 45). These differences come from lack of common definition of middle classes and trustworthy dataset assessable by all researchers in contemporary China.

In order to overcome such hardships for foreign researchers, it is necessary to collect data, preferably chronological one, in collaboration with local researchers after defining working definition of urban middle classes.

This paper will illustrate whether or how urban middle classes will bring out political change, or democratization, in Chinese society by using different two datasets, that is, AsiaBarometer 2006 which contains a lot of relevant questions on political orientations and attitudes and Four-city Survey in 1998 and 2006 which tells us chronological changes of urban middle classes during these eight years.

2. Data and Definition

2.1. Explanation of the Dataset

AsiaBarometer is an Asia-wide survey which started from 2003 and now covers 28 countries or regions. AsiaBarometer 2006 targeted "Confucian Asia",

namely Japan, Korea, China, Taiwan, Hong Kong, Vietnam, and Singapore. Sample size is 1,000 for each except China which has 2,000 cases.

In conducting research in China in 2006, multi-stage stratified quota systematic sampling method was used. Concretely, 100 spots were selected from five-stratified spots by population size in Eastern, Central, and Western part of China, and two residential (villagers') committees were chosen from one spot. In each residential (villagers') committee, ten samples were systematically chosen. In this paper, we will use only urban data which has 1,000 cases.

Four-city Survey was conducted twice, the first time in 1997-99, the second time in 2005-06. It was originally planned as a part of large-scale project, "Structural Change of Contemporary China" sponsored by the Ministry of Education in Japan, but the second survey was financially supported by Japan Society for Promotion of Science. This survey covers Tianjin 天津, Chongqing 重庆, Shanghai 上海 and Guangzhou 广州 to represent large cities in northern, western, eastern, and southern part of China respectively.

In conducting the survey, 1,000 cases were divided by the number of districts, and we selected two *jiedao* 街道 (local branch of sub-district office), and three residential committees from each *jiedao*. Allocated number of samples was selected from each residential committee by using systematic sampling method. Survey in Tianjin and Chongqing were conducted in 1997, Shanghai in 1998, and Guangzhou in 1999 respectively due to the budget constraints. In this paper, year of the research will be expressed as 1998 for convenience.

In the second round survey, we tried to use the same sampling method and same research spots so that we can see chronological change in these cities. In fact, we collected 1,000 cases from the same cities except Guangzhou where we collected 1,010 cases with the same sampling methods. Due to the change of administrative division in the cities, we did minor change in selecting research spots. Only research in Tianjin was conducted in 2005, so the year 2006 will be used for the second round research for convenience.

2.2. Definition of Classes

As AsiaBarometer was mainly designed by political scientists, it contains a lot of questions on political behaviors or political orientations of the informants but few sociologically important questions including informant's occupational status, individual income, and parental occupational status. Only job category is available to identify respondent's class in AsiaBarometer.

Thus we make operational definition of "old middle class" as those who are 1) Business owner in mining or manufacturing industry of an organization with up to 30 employees, 2) Business owner of a retail organization with up

Table 1 Class Distribution: AsiaBarometer 2006, Urban Data

	Number of Cases	%
Old Middle	42	4.2
New Middle	368	36.8
Working	171	17.1
Others	419	41.9
Total	1,000	100.0

Note: "Others" means those who do not belong to middle classes or working class.

to 30 employees, and 3) Business owner or manager of an organization with over 30 employees. "New middle class", on the other hand, are those who are 1) senior manager (company director, no lower in rank than a manager of a company section in a company with 300 or more employees, or a manager of a department in a company with less than 300 employees), 2) employed professional or specialist (hospital doctors, employed lawyers, engineers, etc.), 3) clerical work, and 4) sales work[1]. As to the definition of "working class", we included 1) manual workers (including skilled and semi-skilled), 2) drivers, and 3) other workers as components of "working class" (see Table 1).

Operational definition in the Four-city Survey is troublesome because we changed the format of job category and occupational status between 1998 and 2006.

In 1998 we used very rough job category which was used frequently by local sociologists at that time. One weakness of 1998 data is that it lacks in information of informant's occupational status, which makes it difficult to identify who are employers in private sectors. Thus as second best choice, we defined "old middle class" as those who are working in a company whose ownership type is "individual" or "private" as a manager and "new middle class" as those who are working in a company whose ownership is "individual" or "private" as a specialist, clerk worker, sales worker, or those who are working in a company of all types of ownership except "individual" and "private" as a manager. "Working class" is defined as those who are production workers or workers in transportation section or others in 1998.

In 2006, those who are employers are categorized as "old middle class" and those who are managers in all job categories or employed specialists are categorized as "new middle class". Definition of working class is same as 1998. (See Table 2)

Table 2 Class Distribution: Four-city Survey

	1998		2006	
	Number of Cases	%	Number of Cases	%
Old Middle	189	4.4	193	4.8
New Middle	2,147	50.2	1,878	46.8
Working	974	22.8	459	11.4
Others	971	22.7	1,480	36.9
Total	4,281	100.0	4,010	100.0

Note: "Others" means those who do not belong to middle classes or working class.

In spite of these inconveniences, however, we can have a rough grasp of political orientations and attitudes of urban new middle classes by using two datasets.

3. Political Orientations of Urban Middle Classes

3.1. Strong Distrust with Mass Media

By reviewing all the research results, we can summarize three distinctive features of urban middle classes' political orientations or attitudes from them.

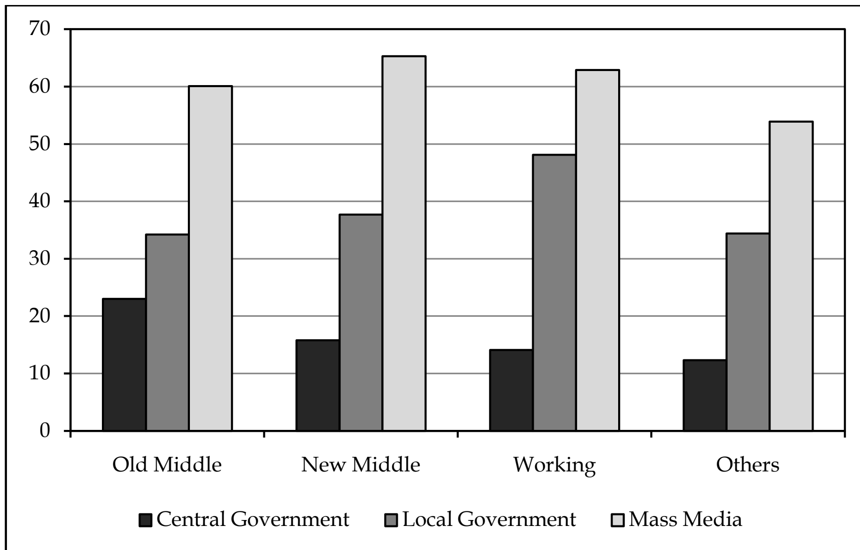
One is that they, especially new middle class, are very critical toward the role of formal mass media and show more interest in right to criticize the government.

In AsiaBarometer 2006 we picked up 19 organizations or institutions from 1) Central Government to 19) International Monetary Fund and asked each informant whether he thinks these organizations or institutions are trustworthy to operate in the best interests of society by choosing from "trust a lot" to "don't trust at all".[2]

Figure 1 shows the percentage of those who answered "don't really trust" or "don't trust at all" to three domestic organizations or institutions which are directly or indirectly related to political change or democratization, namely, central government, local government, and mass media. As many as 70 per cent of those who belong to urban middle classes answered that they "don't really trust mass media" or "don't trust mass media at all".[3]

As is often pointed out, Chinese Communist Party treats mass media as "a spokesman of the party", still controlling and checking the contents

Figure 1 Distrust with Organizations/Institutions by Class (%)



Note: Figure shows total percentage of those who answered "not really trust" and "not trust at all."
Source: AsiaBarometer 2006.

of the old media and new media (Takai, 2008: 468). Urban middle class is critically looking at these mass media controlled by the Party because new middle class has capacity to collect information through the Internet and get access to a lot of information abroad. It is evident that Chinese new middle class collects information on politics and economies through the Internet more than other Asian counterparts, which has to do with its strong distrust with official mass media.

Mass media is used not only for collecting information but as a tool to speak out to the public. Chinese authority has been carefully supervising the spread of "quasi public sphere" in Cyberspace and strengthening cyber patrol, but it is because Chinese authority has been worried about the sudden spread of anti-governmental discourse. In fact, at the time of anti-Japanese demonstrations in 2005, many urban citizens used the function of short message of the mobile phone to send their message "Come and join the demonstration" to their intimates in spite of the strong warning by the local governments.

As these events suggest, urban middle class has come to question whether it can really enjoy freedom of speech or enough right to criticize the governments. Figure 2 shows the percentage of those who answered

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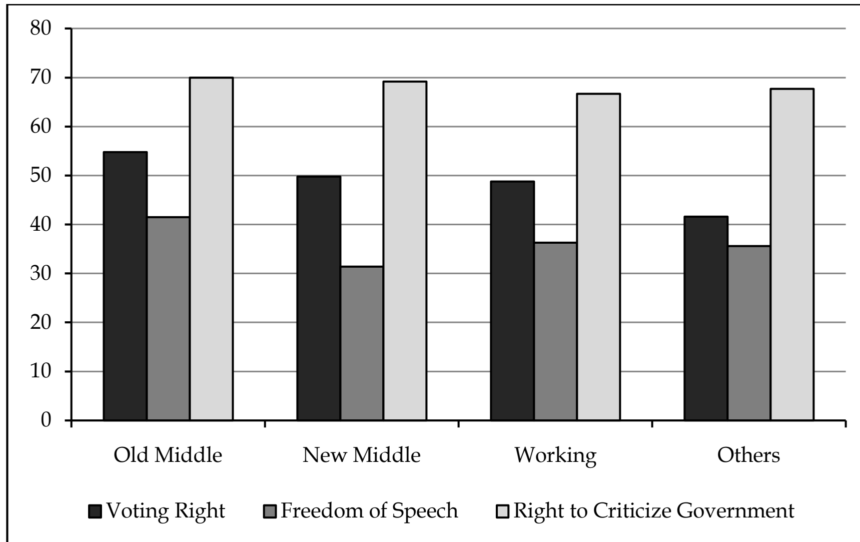
Figure 2 Dissatisfaction with Political Rights by Class (%)



Note: Figure shows total percentage of those who answered "somewhat dissatisfied" and "very dissatisfied".
Source: AsiaBarometer 2006.

"somewhat dissatisfied" or "very dissatisfied" with their voting right, freedom of speech, and the right to criticize government. In spite of statistical insignificance among classes again, it is safe to say that roughly 70 per cent of the urban middle classes are dissatisfied with their right to criticize government and more than 50 per cent of them are dissatisfied with their voting right which might challenge the legitimacy of governance by CCP.[4]

3.2. Political Participation through Personal Channel?

While urban new middle class, especially those young and highly educated, seems to be strongly interested in securing space for free speech (Sonoda, 2007: 234), old middle class seems to be more interested in securing space for their free economic activities and pursuing their economic interests (Lang and Han, 2008: 58). It is understandable that old middle class has been more strongly demanding economic freedom than other class for these nine years (see Table 3). In fact, data of AsiaBarometer 2006 suggests that old middle class in urban China is more politically active than other classes.

Figure 3 shows the degree of political participation by class. We prepared three actions, "Signing a petition to improve condition", "Joining in boycotts",

Table 3 "Government should abolish regulations and secure as much free economic activities as possible" (%)

Year 1998

	Strongly Agree	Agree	Hard to Say	Disagree	Strongly Disagree	Total
Old Middle	40.1	23.5	26.7	7.5	2.1	100.0
New Middle	30.7	28.0	26.4	12.8	2.1	100.0
Working	35.1	24.2	25.7	12.3	13.3	100.0
Others	29.4	26.1	27.9	13.3	3.4	100.0

Pearson chi-square significance = .017

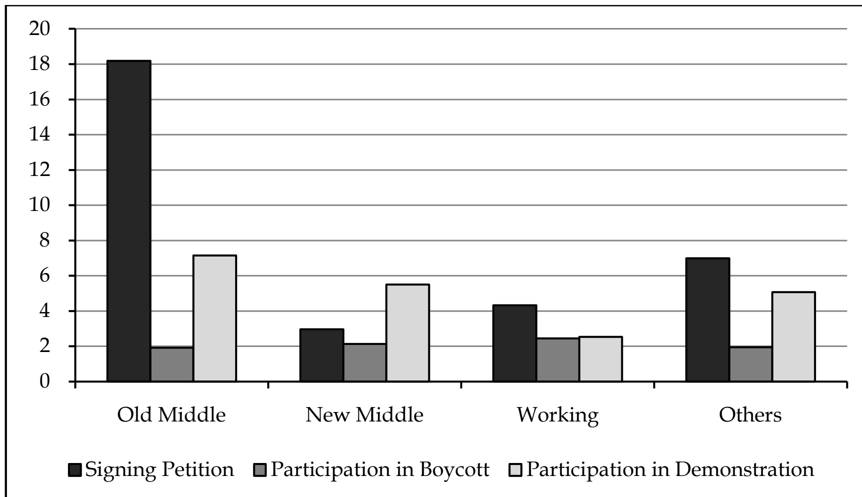
Year 2006

	Strongly Agree	Agree	Hard to Say	Disagree	Strongly Disagree	Total
Old Middle	27.3	34.2	25.1	10.7	2.7	100.0
New Middle	19.9	34.1	30.1	13.0	3.0	100.0
Working	15.5	34.6	32.6	15.1	2.2	100.0
Others	18.5	31.5	34.7	13.1	2.2	100.0

Pearson chi-square significance = .015

Source: Four-city Survey.

Figure 3 Political Participation by Class (%)



Source: AsiaBarometer 2006.

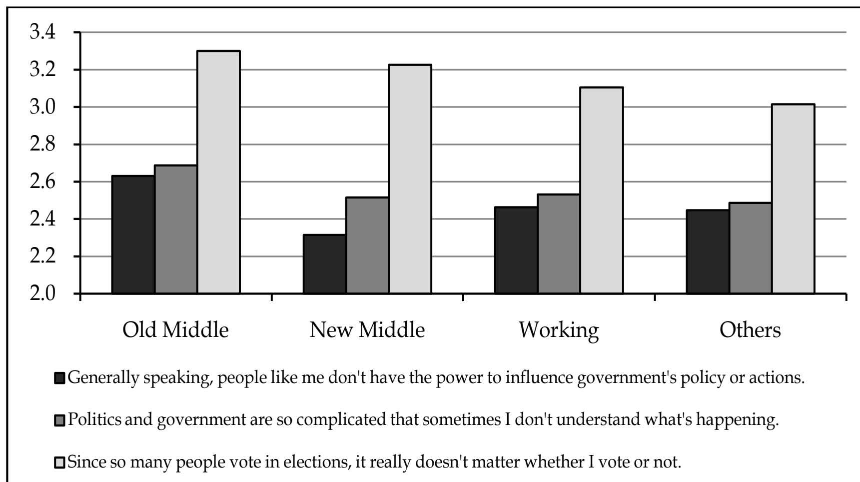
and "Attending lawful demonstrations" in the questionnaire of AsiaBarometer 2006 to ask whether informants "have done", "might do", or "would never do" these actions. It is surprising that as many as 18.1 per cent of old middle class citizens had an experience to sign a petition. It is frequently pointed out more and more emerging entrepreneurs have come to be people's representatives or committee members of political consultative conference at local level (Li, 2008: 108-110), which coincides with our findings.

Urban old middle class's political activeness partially explains why it shows relatively strong sense of political effectiveness, which constitutes the second distinctive feature of urban middle class's political orientations and behaviors in contemporary China.

Figure 4 shows respondent's answers by his class to three questions relevant to the sense of political effectiveness, namely whether he agrees with the idea that "Generally speaking, people like me don't have the power to influence government's policy or actions", "Politics and government are so complicated that sometimes I don't understand what's happening", and "Since so many people vote in elections, it really doesn't matter whether I vote or not". It is evident from this figure that old middle class has stronger sense of political effectiveness than any other class in urban China.

Nevertheless, we cannot deny the fact that the percentage who attended lawful demonstrations by middle classes, especially among those who are

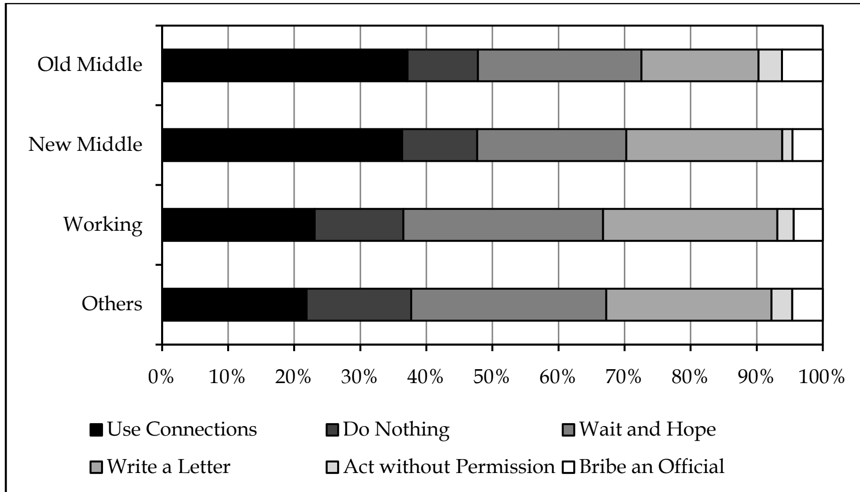
Figure 4 Sense of Political Effectiveness by Class (Points)



Note: Figure shows the average score ranging from 1 (strongly agree) to 5 (strongly disagree). The larger the score is, the more strongly disagree with the statements the informant is.

Source: AsiaBarometer 2006.

Figure 5 "What should a person who needs a government permit do if the response of the official handing the application is: 'just be patient and wait?'"



Source: AsiaBarometer 2006.

in 20s, is relatively low among East Asian middle classes. The figure of 6 per cent is much lower than Korean or Hong Kongnese counterparts in AsiaBarometer 2006 (Sonoda, 2007: 232). This low percentage suggests that urban middle classes regard attendance of lawful demonstration is still politically risky or at least not beneficial for their political gains.

Then, through what channels are urban middle classes using to attain their political purposes? Figure 5 gives us the hints.

Figure 5 tells us informant's answer to the question "What should a person who needs a government permit do if the response of the official handing the application is: 'just be patient and wait?'" What makes difference between middle classes and other classes is that they are apt to rely on personal connections. 37.2 per cent of old middle class and 36.3 per cent of new middle class answered that they are going to "use connections", but only a few answered that they will "do nothing" or just "wait and hope".[5] It is evident from these figures that urban middle classes in China are trying to attain their political goals by using their personal relations under such severe political environment as is controlled by the governments and CCP (Dickson, 2003).

Some social scientists have come to doubt that severe political control by the governments is preventing "sound" political participation by middle classes. Chen Yinfang points out that tight political control by the governments

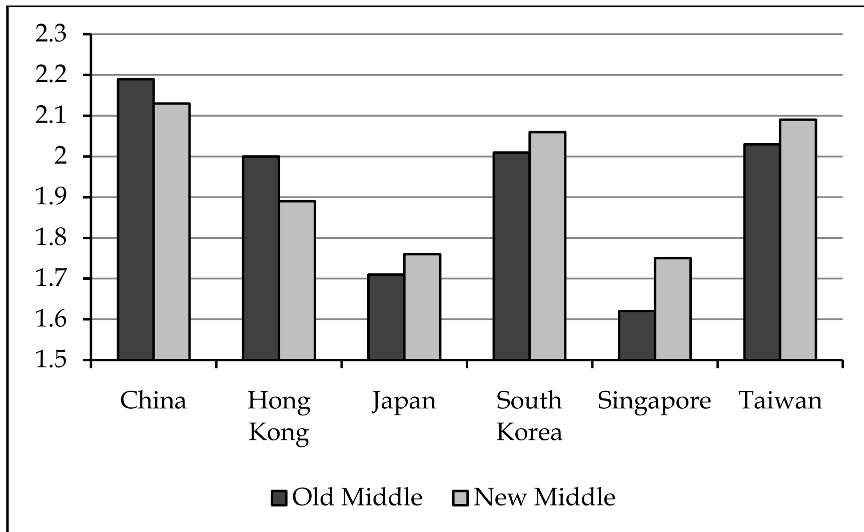
causes low participation in lawful demonstrations or social movements by new middle class which prevents institutionalization of political claims (Chen, 2006). Such discussion might be a majority if emerging new middle class will keep on seeking for more open space for free speech.

3.3. Strong Quest for Status Quo

The third distinctive, and most remarkable, feature of urban middle classes' political orientations is that they are conservative in the sense that they do not hope any drastic political change which might cause political turmoil. Its concrete expressions are threefold: 1) strong support for technocracy, 2) strong trust with central government, and 3) allowance of depression of freedom of speech for the sake of maintenance of social stability. Let us have a look at the first point.

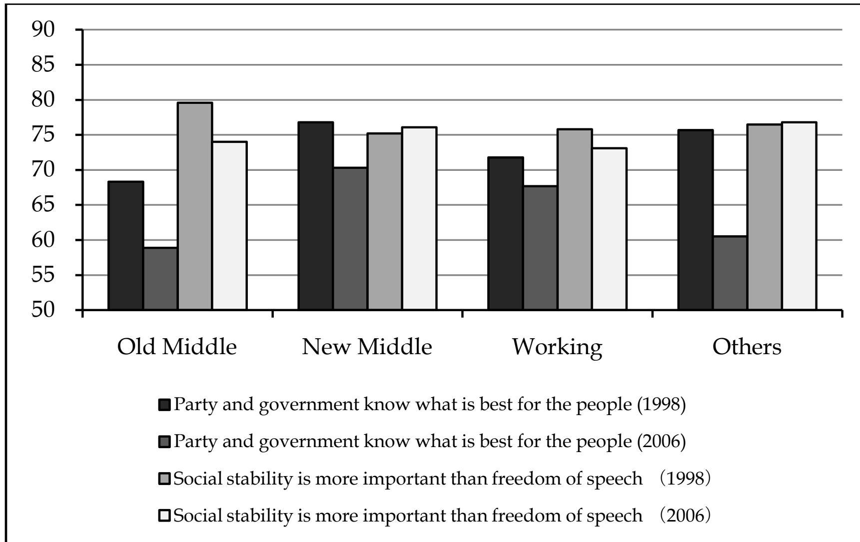
Figure 6 illustrates preference for technocracy by class in six Confucian societies.[6] Middle classes in China shows highest score (2.19 for old middle class and 2.13 for new middle class), higher than that of South Korea and Taiwan. Technocrats in China are dominated by elite members of CCP, therefore strong support for technocracy substantially means strong support for CCP politics by middle classes in urban China.[7]

Figure 6 Preference for Technocracy by Class (Points)



Note: Score ranges from 1 (Bad) to 3 (Very good). 2 means "Fairly good", therefore higher score than 2 means that people regard technocracy positively.
Source: AsiaBarometer 2006.

Figure 7 Chronological Change of Political Consciousness, 1998-2006 (Points)



Note: Figures show the gap between positive answers ("Strongly Agree" and "Agree") and negative answers ("Strongly Disagree" and "Disagree"). The larger the figure is, the more positive answers informants have.

Source: Four-city Survey.

As to the second point, Figure 1 shows middle classes' strong trust with the central government. Opposite to their critical evaluations to mass media or local government, urban middle classes have more positive view to central government.

We can get the same finding from the Four-city Survey.

Figure 7 illustrates different responses to the statement "Party and government know what is best for the people" through which we can see that urban new middle class, though most critical to official mass media, has most positive response to this statement. Moreover, such trend has not changed for these eight years.

A lot of problems, such as coercive condemnation of land, illegal taxation, bureaucratic corruption, passive attitude toward environmental protection due to its priority to economic development, and guarantee for food safety, are taking place, which makes urban middle classes more critical to the government. Such criticalness, interestingly, does not go directly to central government which is supposed to solve all the problems but goes to local government.

Figure 7 confirms the third point, that is, urban middle class's, especially new middle class's, allowance of depression of freedom of speech for the sake of maintenance of social stability.

In AsiaBarometer 2006, we prepared four options, namely, "maintaining order in nation", "giving more say in more important government decisions", "fighting rising prices", and "protecting freedom of speech", and asked each respondent which is most important. Those who chose "maintaining order in nation" is 61.3 per cent among Chinese new middle class and 59.9 per cent among Chinese old middle class whose scores are much higher than those of East Asian democratic societies as South Korea, Taiwan, and Japan.[8]

3.4. Urban Middle Classes as Winner of Market Economy

Urban middle classes in China thus show very ambivalent political orientations and behaviours. They are more interested in securing space for their free speech or economic activities, but their political attitudes are very conservative in the sense that they 1) support technocracy, 2) trust central government, and 3) allow depression of freedom of speech for the sake of maintenance of social stability. Such ambivalence can be fully explained by the fact that urban middle classes are "winners" of market economy.

Table 4 shows respondent's characteristics including percentage of party membership, percentage of university graduates, living area per capita,

Table 4 Respondent's Characteristics by Class

Year 1998

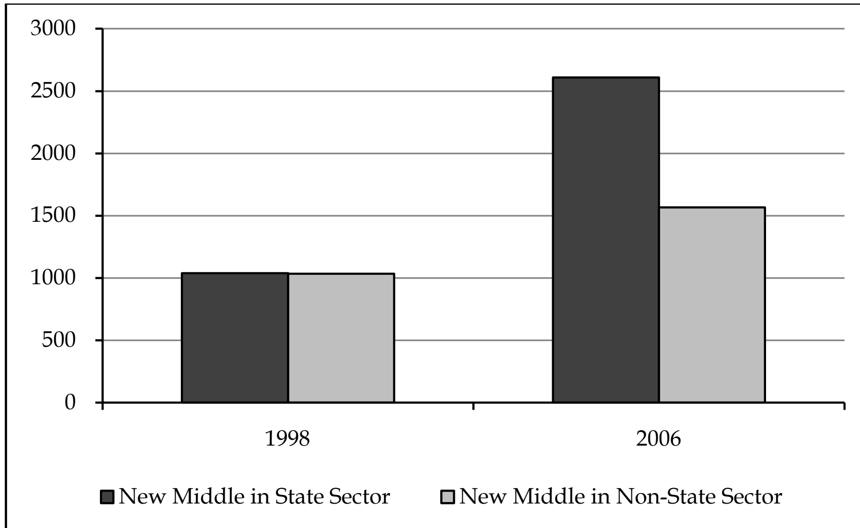
	Party Membership (%)	University Graduate (%)	Living Area m^2	Individual Income (Yuan/Month)	Household Income (Yuan/Month)
Old Middle	2.2	5.4	45.1	774.1	1904.9
New Middle	33.5	13.2	47.2	831.5	1860.4
Working	8.5	0.7	37.6	526.3	1100.9
Others	26.3	5.3	39.6	499.7	960.7

Year 2006

	Party Membership (%)	University Graduate (%)	Living Area m^2	Individual Income (Yuan/Month)	Household Income (Yuan/Month)
Old Middle	11.9	7.0	70.1	2191.2	3885.4
New Middle	36.1	15.4	83.6	2117.6	3781.6
Working	16.9	2.2	44.7	925.3	2183.8
Others	29.4	4.4	48.7	1030.8	2963.9

Source: Four-city Survey.

Figure 8 Chronological Change of New Middle Class's Average Monthly Income by Sector, 1998-2006 (Yuan)



Note: "State Sector" means state-owned company, national institution, and state organization.
Source: Four-city Survey.

individual monthly income, and household monthly income. As is clearly seen from this table, old and new middle class are much richer than other classes. They, especially new middle class, have more party members, living in more large accommodation. It is evident that emerging new middle class are those who "came first who were served".

More importantly, those new middle class who work for state sector have come to enjoy more prosperous life during these eight years. Figure 8 shows chronological change of new middle class's average monthly income by sector, which tells us that income gap between those who work for state sector and those who don't has enlarged drastically due to introduction of meritocratic system to state sector and privatization of poor state-owned enterprises.

It is often pointed out that risk-taking small entrepreneurs and employees working for non-governmental sector, especially in foreign companies, were the first groups who could enjoy the first benefit from reform and open-door from 1980s to 1990s, but it seems that most privileged group who have "political capital", "economic capital" and "cultural capital" have come to be seen in the core members of CCP (Sonoda, 2008: 171-172).

Table 5 "It is OK if income discrepancy continues to enlarge" (%)

	Strongly Agree	Agree	Hard to Say	Disagree	Strongly Disagree	Total
Old Middle	13.6	40.3	20.4	15.2	10.5	100.0
New Middle	13.7	27.6	20.6	22.6	15.5	100.0
Working	11.8	28.1	16.7	22.1	21.2	100.0
Others	14.6	27.6	22.2	18.1	17.4	100.0

Pearson chi-square significance = .000

Source: Four-city Survey, 2006.

Only if we take into consideration such changing characteristics of social stratification in urban China can we understand why urban middle classes are more ardent in supporting the idea of *hexie shehui jianshe* 和谐社会建设 (construction of harmonious society).

Table 5 shows different attitudes toward the statement "It is OK if income discrepancy continues to enlarge" by class, but paradoxically old and new middle class have more pros to this statement, which is a core composition of the construction of harmonious society, than other class in urban China.

4. Concluding Remarks

"The middle classes as a whole are supportive of the idea of political reform and democracy, but they do not go out of their way to fight for it if the circumstances are not particularly favorable." Michael Hsiao (2006: 7) summarizes East Asian middle classes' political characteristics by referring to their contribution to democracy as a conclusion of EAMC and SEAMC projects in this way, but his observation can be applied to middle classes in urban China.

Historically, private entrepreneurs have been severely attacked under socialist rule, especially during Cultural Revolution, which produced "psychological anxiety" among old middle class in urban China (Pan, 2001: 38-40). Strongly hesitation to identify themselves as *bailing* 白领 (white-collars) is also a reflection of Chinese urban history where "foreign-like" bourgeois way of life had been restricted for a long time (Lui, 2001: 66).

It is only recently, roughly one decade ago, that people have come to look at urban middle classes positively though CCP still sticks to the idea that they will attain communism. Such political circumstances give us a clue to understand some paradoxes this paper referred to; why new middle class trusts central government though it is dissatisfied with their right to criticize

it, why old middle class is more supportive of non-liberal policies though it maintains more economic freedom, and so on.

CCP, under the rule of "democratic centralism", still denies "class politics" in which every member will claim his class interest when class interests have come to be diversified.[9] Under such circumstances, it will be politically risky for old middle class to claim its class interests manifestly (Wang, 2008). On the other hand, urban new middle class that has most members of CCP will find it difficult to change the whole political system because they know that they get benefits from this CCP's rule.

Contradiction of marketization manipulated by CCP has been producing very complicated political orientations and behaviors of Chinese urban middle classes. Therefore it might be safe to say that there are two scenarios for the future politics in China.

One is optimistic scenario for Chinese democracy; that is, increasing dissatisfaction with official organizations or institutions and restriction of freedom of speech by the government will be a breakthrough for the future political change. The other pessimistic scenario is that such political change will not happen due to middle classes' strong quest for status quo on one hand and governments' efforts of "self purification" and "self-betterment" on the other (Sonoda, 2007: 236).

In order to judge their persuasiveness, however, we need more time to observe what will happen to urban middle classes. That is why our research team started to conduct annual survey in Tianjin since 2007.[10]

Notes

+ This paper is a modified and revised version of Chapter 5 of the author's book on changing social stratification in contemporary China (Sonoda, 2008: 140-172). The author is very much grateful for useful comments from the chair and the audience who attended the International Conference "China in Transition: Economic Reform and Social Change", hosted by Institute of China Studies, University of Malaya, 21st-22nd July 2010.

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1. There might be an argument that clerical workers and sales workers should not be included in new middle class. In fact, Li Chunling uses the concept of "marginal middle class" when she talks about clerical workers and sales workers as components of middle class in China (Li, 2009: 121).
2. In AsiaBarometer 2003, we tried to put the same questions in the questionnaire, but we could not help giving up this idea due to their political sensitiveness. It was possible to put these questions in 2006 survey, which suggests that political atmosphere for social research became better during these three years.
3. Zhang Yi points out that new middle class is more critical toward government and politics than old middle class or other classes (Zhang, 2008: 128). Out data could not find statistically significant difference between old middle class and new middle class in terms of their critical evaluation toward governments, but we cannot deny the fact that urban residents are more critical than rural residents.
4. Such tendency is more evident among younger generation. Interestingly, China and Singapore have exceptionally high percentage of those who are dissatisfied with the right to criticize their government among middle class though they are basically satisfied with the domestic freedom of speech. See Sonoda (2007: 234).
5. Chinese and Singaporean middle class share many commonalities including their strong dissatisfaction with their right to criticize the government and low rate of participation in lawful demonstration, but there is a great different on the channels they use to attain their political goals. In Singapore where bureaucratic corruption is strictly prohibited, only 8.2 per cent of urban middle classes answered that they will use connections. Instead, 62.3 per cent of them answered that they will "write a letter" to the government.
6. In the questionnaire of AsiaBarometer 2006, technocracy was described as "a system whereby decisions affecting the country are made by experts (such as bureaucrats with expertise in a particular field) according to what they think is best for the country)" so that informants could easily understand and answer the question.
7. Another data of AsiaBarometer 2006 tells us that Chinese urban middle classes show stronger anti-military government mentality than non-middle classes, and this trend is more evident in urban areas. From this we can say that urban middle classes are more ardent supporter of civilian control.
8. In our survey on urban residents' perceptions on community management conducted in Tianjin and Shenyang in 2000 and 2001, we put a question, "If a conflict should happen between upper leader's ideas and these of local residents, which side do you think residential community should listen to?". Interestingly 36.2 per cent of middle classes and 31.7 per cent of working class answered that "residential community should respect upper leader's ideas and try to listen to local residents' ideas" while 51.2 per cent of middle classes and 53.8 per cent answered that "residential community should respect local residents' ideas and try to listen to local residents' ideas". It is evident from this finding that urban middle classes, though more sensitive to their political rights, are more obedient to the authority than working class (Sonoda, 2008: 162-163).

9. Some political scientists and sociologists have come to maintain that diversification of class interests will be a challenge for politics in the future. See Sun (2007: 241-243).
10. We started annual survey in Tianjin where they started 1,000-household- survey since 1983 so that we could see chronological changes of urban residents' daily lives as a project of Waseda Institute of Contemporary China Studies. For the details of its research findings, see Sonoda (2009).

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Gangs in the Markets: Network-based Cognition in China's Futures Industry

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Abstract

Gangs in traditional Chinese society often arise from the lower social strata, where wealth, social status and kinship are inadequate to protect people from hostile or adverse environments. It is intriguing that modern futures investors in China, as owners of capital, would form a social structure that partially resembles the marginal groups of society. This paper portrays different social connectivity within the investor community of China's commodity futures markets, including organized battle team, proximity cliques, capital factions based on geographical or industrial affiliations, and charismatic leaders. It also explores how a capital faction's leadership, origins of capital and geographical location helps to shape some of its investment style and risk-taking characteristics. Based on empirical ethnographic fieldwork in 2005 and documentary research on China's futures markets, the author argues that the textbook definitions of "hedgers", "speculators", "rational individuals" and "price discovery" are far from adequate to represent China's markets. In reality the markets are made up by flexible socioeconomic aggregates continually interacting with each other, whose characteristics are shaped by social connectivity and background affiliation. Price movements are a collective result of the purposeful actions of the market people themselves, not some latent information waiting to be "discovered" outside the human world.

Keywords: *commodity futures, gangs, proximity cliques, corner, capital factions, China*

1. Introduction

In the past two decades, terms employed in behavioural finance often circulate into our everyday market news: herding, booms and busts, overshoot, noise, market synchronization. Economists have developed elaborate quantitative models to describe such phenomena, but the phenomena are often treated as "anomalies" against a perfect market made up of rational, individualistic

actors (De Bondt and Thaler, 1985; Shiller, 2000; Shefrin, 2000; Bikhchandani and Sharma, 2000). From a perspective from economic sociology, the author does not make any distinctions between what the markets "should be" and what are "anomalies". As an ethnographer in China's commodity futures markets, the researcher simply records and portrays the social connectivity within the investor community, trying to explore the properties of connectivity and synchronization. This paper is based on fieldwork data which illustrates how futures investors form flexible social aggregates in various shapes and forms. The market structures are built upon existing social relationships, remain in continuous flux, and are deeply embedded within political, economic, geographical, professional and kinship affiliations (Granovetter, 1992). Connectivity and embeddedness matter, because they determine one's position and social capital (Bourdieu, 1977) in the markets; they also contribute to the overall pattern of market price movements (Baker, 1984). Conversely, the markets confer new meanings to existing social relationships, solidifying some ties and antagonizing others.

This paper will start from a contextual background introduction to China's futures markets, and a brief description of the methods employed. Then it will give an account of corner events in the short but rocky history of China's commodity futures markets. The characteristics of compact "battle teams", larger capital factions and charismatic leaders will be discussed. The paper closes with a discussion on how the actual connectivity in the investor community differs from textbook definitions, and the subsequent implications for China's markets.

The stronger forms of social connectivity can sometimes be seen as associated with market collusion. Understandably, only on rare occasions would field subjects be willing to talk about their own experience in this area. However, rich sources of indirect evidence such as narrations about other people, events recalled from a long time ago, media reports, and "documentary novels" written by industry practitioners are available from the field. Such field evidence shows that capital factions are an active form of social structure in the markets running upon network-based rationality, especially in the 1990s. Interestingly, they also reveal characteristics that resemble a much older social structure called *bang* 幫 (gangs), as described by Fei (1948: 176) and Zhang (2001b: 105-107).

2. Contextual Background: Futures Frenzy, Corner Events, and Stringent Regulation

A future contract is a standardized contract to buy or sell an asset at a pre-agreed price in a pre-agreed time in the future. The underlying asset can be a commodity (such as agricultural products, metals, or energy products) or a

financial asset (such as bonds or currency exchange rates). It is issued by a futures exchange, which has specified the terms of the standardized contract. Standardized futures trading in the People's Republic of China did not start until 1992.[1] At first the State Council tried to introduce a commodity markets system with a circulation and pricing mechanism, aiming at the gradual elimination of the dual-track pricing system (*jiage shuangguizhi* 價格雙軌制). The first official pilot site was in Zhengzhou which was located in China's wheat belt, but dozens of provincial and municipal governments quickly jumped onto the bandwagon to establish their own futures exchanges. Before the central government could clarify whether commodity futures markets were capitalist or socialist and how regulation was going to be administered, by mid 1994 the number of futures exchanges established throughout China was estimated to be over 60 (Yao, 1998: 112). More than 50 commodity futures products were traded, including perishable and small-scaled products from "beans to beer, T-bills to pork bellies" (Yao, 1998: 113).

The state tried to impose some regulatory measures in 1993-94, and the number of futures exchanges was downsized to fifteen in 1994. However, that could not prevent frequent corner events (the control of a significant proportion of a particular commodity, and manipulation of its price movements to obtain abnormal profits) from taking place. The new derivative markets were used as a battlefield between various capital factions backed by state and regional political power units, leading to clashes between political groups, and inappropriate use of public funds. The most spectacular episode was "Event 327" in 1995, which concerns the futures contracts No. 327, whose underlying asset was a Chinese Treasury bond issued in 1992. One capital faction affiliated to the Shanghai municipal government was betting a short (declining) market on contract No. 327, whilst capital factions affiliated to the Ministry of Finance and Liaoning provincial powers held long (rising) positions. In order to revert a loss position, on 23rd February 1995 within the last 8 trading minutes, the Shanghai company SISCO (short side) shorted bond futures which was worth 1,460 billion yuan (another version says 211 billion yuan), equivalent to one-third of China's GDP in 1994. Afterwards regulators decided to roll back all the trades made in the last 7.5 minutes of that trading day, raise the coupon payout rate of the relevant T-bond, and the chief leader of the short faction went to jail for apparently irrelevant corruption charges. Both sides were alleged by critics to be involved with insider trading (with information concerning new bond issuance) and inappropriate use of public funds. It was believed by market practitioners that rat trading (a dishonest practice to transfer profits from a public trading account to a private account) was also involved on the long side (Yuan, 2002; Yao, 1998: 103-106; Neftci and Menager-Xu, 2006: 250-254; Zhang, 2001a; Li, 2004; Wu, 2006; Suen *et al*., 2005: 80-81).

A series of stringent regulatory restructuring follows in a few months' time. A new China Securities Regulatory Commission (CSRC) was formed, and financial futures (bonds, currencies, indices) were altogether wiped out. In 1996 the State Council and the CSRC tightened the use of public funds from state-owned enterprises on futures markets to commodities related to core business only, and banks were strictly prohibited from futures trading, further shunning the sources of capital flowing into the futures markets. In 1998 the existing 14 futures exchanges were further consolidated down to three: Shanghai, Dalian and Zhengzhou. The number of tradable futures products went from 35 to 12. In 1999-2000 new measures were announced to regulate the licensing and auditing of futures brokerage firms; practitioners were required to take professional qualifying exams. The futures industry met its lowest point in 2000, with annual trading volume in the 2000 billion yuan range (double sided accounting), which was less than one-third that of 1995.

Since 2004 the CSRC slowly loosens its grip in an extremely prudent manner. Since 2004 new futures products have been approved for the three commodity exchanges. By the end of 2009 the three commodity futures exchanges are trading 23 products, with a total 2009 annual turnover of 1.08 billion contracts, or 65.3 trillion yuan (both by single-sided accounting). Shanghai is trading futures of gold, steel wire rod, steel rebar, copper, aluminium, zinc, natural rubber, and fuel oil; Dalian is trading futures of corn, soybean (2 contracts), soymeal, soy oil, LLDPE, palm oil, and PVC; Zhengzhou is trading futures of white sugar, cotton, early rice, wheat (2 contracts), PTA, and rapeseed oil. However, all these commodity futures are non-financial products in agriculture, energy, metals, and plastics. In 2008 out of 17.65 billion futures and options contracts traded in 69 exchanges over the world, nearly 90 per cent are financial futures and options (currencies, bonds, interest rates, indices), which hardly exist in China. In December 2007, a new China Financial Futures Exchange (CFFEX) is soft-launched in Shanghai to explore financial futures trading, and its first product CSI 300 index futures becomes fully operational on 16th April 2010.

3. Methods

This paper is revised from part of the author's PhD thesis. The fieldwork includes a one-month internship in a commodity futures exchange, a ten-week internship in a futures brokerage firm, participant observation in four industry training courses and three industry conferences, and 33 semi-structured interviews. The fieldwork is conducted in May-December 2005 in the futures industry of China. The primary fieldwork locations are Beijing 北京, plus two out of the three cities with futures exchanges in China: Shanghai 上海, Dalian 大連 and Zhengzhou 鄭州. Some interviews and conferences also take place in

Tianjin 天津, Shenzhen 深圳 and Hong Kong 香港. Fieldwork access is first obtained from attending industry conferences, and further access is obtained by gaining the trust of gatekeepers and snowballing. A methodology precaution should be stated here: there is a time gap of 7-11 years between my actual fieldwork (2005) and the period when *dahu* 大戶 collusion was at its peak (1994-98). I have never witnessed a corner event on-site, and it is extremely difficult to find someone willing to admit and describe their own participation in collusion and corners. The field data in this paper is combined from the retrospective account of field subjects, as well as from archival data. To protect certain field subjects, some personal and company particulars have been altered, and the names of futures exchanges are presented as P, Q and R.

4. Corner Events

In 2005, China's futures industry is under tight regulatory control in response to a series of alleged market manipulation and collusion in the 1990s. In the markets sometimes people gossip about collusion and market manipulation by big players (*dahu* 大戶). Those futures people with working experience in the 1990s can readily recall dramatic corner (*bicang* 逼倉) events on various exchanges, and they consider corner events as a core feature of China's futures markets at that time.

"Cornering the market", in its classical sense, means buying up a significant amount of a commodity futures contract and/or controlling the spot supply to inflate the price. The cornering party will then settle their long position futures contract, and/or sell off the spot stock at high price for profits. Classical examples in the US include the Great Salad Oil Swindle of soy oil by Tino De Angelis in 1962, the attempted corner of the silver market by Nelson Bunker Hunt and Herbert Hunt in 1980, and the British energy firm BP being accused of attempting to corner the US propane market in 2004. It is also possible to initiate market corner events from the short side, where the incident is called a bear raid. A party can build up vast short futures positions, create a sudden surge of spot supply to push prices down, and then reap profits from their short positions (Xu, 2004: 27-30).

There are a number of historical review articles circulating on the Internet on major corner events during the 1990s, such as Deng, Huang, Wang and Xu (2001). The major events, alongside with a couple of corner events mentioned by my interviewees, are listed in Table 1. Cornering is never a phenomenon unique to Chinese markets, but its frequency of occurrence in the 1990s was alarmingly high – notice that Table 1 is not an exhaustive list. The local terminology often refers to corners as "risk events" (*fengxian shijian* 風險事件). Such a polite synonym masks the intentional human actions less visible. Regulators in China often openly condemn cornering, or *bicang*, as violating

Table 1 Incidents of Corner Events in China's Futures Markets

Time	Product/Futures Contracts	Exchange	Remarks
2004	Natural rubber 0407	Shanghai Futures Exchange (SHFE)	Corner
Oct 98 – Jan 99	Mung bean 9903, 9905, 9907	Zhengzhou Commodity Exchange	Corner
Summer 1997	Natural rubber R708	China Commodity Futures Exchange, Inc of Hainan (CCFE)	Corner
1996-1997	Coffee F605, F607, F609, F703	China Commodity Futures Exchange, Inc of Hainan (CCFE)	Corner
Jun 1996	Plywood 9607	Shanghai Futures Exchange (SHFE)	Corner Settlement on negotiated price
Jan-Mar 1996	Red bean	Suzhou Commodity Exchange	Corner
Oct-Nov 1995	Soymeal 9601, 9607, 9708	Guangdong United Futures Exchange (GUFE)	Corner
Oct 1995	Sticky rice 9511	Guangdong United Futures Exchange (GUFE)	Corner
May-Jun 1995	Red bean 507	Tianjin Commodity Exchange	Corner
1995	3-year T-bond 314, 327	Shanghai Securities Exchange (SHSE)	Corner (short) Insider trading (long)
Mar 1995	Palm Oil M506	China Commodity Futures Exchange, Inc of Hainan (CCFE)	Corner (short)
1995	Corn C511	Dalian Commodity Exchange (DCE)	Futures inflation derailed from spot
1994-1995	Steel wire	Suzhou Commodity Exchange	Corner
Jul-Oct 1994	Japonica rice	Shanghai Food and Oil Exchange	Corner

Sources: Deng, Huang, Wang and Xu (2001), "China Futures Risk Review Series", 13th October 2001, *hexun.com*; plus 3 interviews with brokers and analysts.

the public good of the markets. Yet in a pragmatic light, the industry sees corners as a form of recurring systemic risk that needs to be managed and addressed to. Domestic economic researchers even try to build mathematical models on these corner events based on game theory and information asymmetry (see Zhang, Tien and He, 2001). Why did China's futures markets have a high rate of corner events in the 1990s? It was true that by then the domestic regulatory body was too inexperienced to prevent corner actions effectively. Yet the formation of corners shows interesting inherent properties of the markets.

5. Organized Battle Teams

During my fieldwork, veteran trader W is the only person who is willing to talk about his participation in a trading team that took part in corners. Once he puts me on the rear end of his bicycle, and gives me a ride pedaling through his city. He then walks me through a three-star hotel. In a nostalgic mood, he recalls his life there as part of a trading team in the late 1990s. He verifies the existence of futures trading teams in concealed hotel rooms:

> "Look, this is room 319 where I have lived for one full year … Three adjacent rooms were rented to us on quarterly basis, and all the hotel staff could recognize us. We moved our computers in, and there was no phone in the rooms. This is the lounge, where we used to sip drinks in the evenings after an intense trading day … We had a dozen of people working here. In the name of XXX (a futures brokerage company), we were trading on behalf of the provincial and municipal food and oils sector. Most of the time we went [for the] short [position]. "

His experience is a strong form of deliberate market intervention, where corner plans are executed by a single organized team. The group has quasi-military properties. There is a hierarchical structure and lines of command; the team leaders' personal qualities of calmness and charisma are cherished. The traders have some form of division of labour, such as having different traders responsible for the contracts with different expiry dates, or having different traders responsible for longs and shorts. In order to get around the regulatory constraints of position limits, they have to *fencang* 分倉 – divide and disguise their funds and trading orders under different accounts, brokerage firms and trading seats. Yet as a "battle team", they are sitting within close reach of each other, so as to maintain closely integrated cooperation.

Before initiating a corner, usually the team has to prepare all the funds and reserves they need, and draw up a "battle plan". Their strategies employed include *duobikong* 多逼空, *kongbiduo* 空逼多 and *ruanbicang* 軟逼倉, depending on whether they are going for long or short, whether they were mobilizing spot commodities, the pace they want to go, and the financial

strength of their opponent camp – if that piece of knowledge can be estimated. Since the price of a particular futures contract can only go up or down, the corner team sees a price as a war-zone frontier, where the long and short camps are engaged in a fierce struggle of strategy, will, financial strength and teamwork. Prices can be "pulled up" (拉上來) or "shot down" (打下去).

In a half-documentary, half-fiction novel on China's futures markets in the 1990s, Liu and Yan wrote about how a battle team planned to manipulate mung bean futures in Zhengzhou:

> The plan quickly materializes. They will use part of the funds to support the prices of 1994 January, March and May contracts, prevent them from falling any further. They use most of the funds to operate on the November contract. The plan will operate in two phases. Phase one: quiet position build-up at the bottom price ranges; phase two: launch a sudden attack, ambush upwards on the November contract, until those who hold the November shorts collapse.
>
> … 10th September, the plan is fully launched. 'B, 11D, 20, 23200, Open!'[2] [The team leader] issues standardized instructions to red jackets on the trading floor. 'Done? Good, continue. B, 11D, 20, 23160, Open!' The price is still sliding, good, nobody notice. 'B, 11D, 20, 23000, open!'
>
> Liu and Yan (1999: 77-78), translation by Lucia Siu

The compact size and nimble flexibility of these trading teams can be compared with hedge funds in global markets. Given the limited number and categories of financial tools available in the domestic markets, the portfolios of these *dahu* teams are unimpressively simplistic. Nonetheless, their battle plans can be shrewd and complicated, and they have the additional advantage of *guanxi* 關系 networks to influence political decisions, as well as to control the supply and distribution of the spot commodity. For example, in "event 327" in 1995, the long side was accused of insider trading, in which they decipher the Finance Ministry's intent to raise the coupon payout rate of a 3-year State treasury bond. As another example, in 1994 one trading team exercised a bear raid on steel wire futures in the Suzhou Commodity Exchange (蘇州商品交易所). Through social and political ties, the team was able to mobilize state-owed factories in the region to operate in full-swing productivity, flooding the designated delivery warehouses with an unexpected level of spot supply in a surprise ambush.[3] In some futures contracts where the total market capital was low enough, these *dahu* trading teams in the 1990s were able to shape the pattern of price movements to reap windfall profits.

6. Capital Factions and Proximity Cliques

Organized battle teams are structures on a micro level. On a meso level, market movements are often comprehended in terms of "capital factions" (*zijin paixi* 資金派系). In times of volatile market movements, it is common

for the industry discourse to identify who the "main force" (*zhuli* 主力) behind the longs (*duotou* 多頭) and the shorts (*kongtou* 空頭) were. These capital factions can be identified by geographical locations, such as Sichuan faction (川系), Zhejiang *bang* (浙江幫), Shanghai faction (滬系), or Henan province (河南省); by state-owed industry enterprises, such as food and oils, animal feed, or nonferrous metals; or, by the brand names of powerful organizations, like CEDTIC[4] (owned by the Ministry of Finance) and SISCO[5] (the showcase of Shanghai's municipal financial strength in the mid 1990s). During the 1990s, capital factions used to carry strong tones of regionalism or personal heroism, and they clashed violently in the futures markets, especially during corner events.[6] By looking at the list of "most active" trading seats, announced by the exchanges for each futures product at the end of each trading day, experienced traders and brokers usually knew which capital factions were active.

These factions show some characteristics of proximity cliques, as described under the framework of social network analysis (for example, see Scott, 2000: 114-120, and Burt, 1995, 2005). Agents from the same geographical location or within the same industry in the same faction tend to stay in frequent contact with each other. They have mutual common contacts, share overlapping information sources, and create a mini social environment that tend to produce similar viewpoints. Such informal structures can be recognized by the high density of social connections within a local subnet. Sometimes cliques also show features of centrality, as the capital factions are aligned around charismatic leaders.

Jingmou Li, the founding director of Zhengzhou Commodity Exchange, was quoted by Liu and Yan (1999). His words can be understood in the light of the aggregation of proximity cliques and consensus:

> "Take the example of the collusion between *dahu*s. We hear rumours all the time, but it is difficult to find evidence … These people are all old friends, old alumni and old colleagues, and they are just getting together for a meal. You cannot set up a trading rule that prohibits futures people from seeing each other. You cannot forbid them from talking about market trends, or sharing their trading experience. But very often consensus is achieved in these 'talks' and 'sharing'. Do not underestimate the issue of collusion. It is a characteristic feature of our futures markets."
>
> Liu and Yan (1999: 141), translation by Lucia Siu

A broker in Beijing describes to me in an interview:

> It is difficult for any *dahu* to control the price of a futures product on long-term basis, but it is possible to do it on small products for short periods of time. In the 1990s, we had witnessed fierce manipulation on small products such as coffee and cocoa. Prices could rise to the market-halt limit for 7-8

> consecutive days; fall to the market-halt limit for another consecutive 7-8 days; then rise to the market-halt limit for another 7-8 trading days again. No matter how you trade, once you step into these markets you're doomed.

7. Price Discovery?

I have attended 4-5 beginners' futures training workshops in China; all of them start with textbook definitions of what hedgers and speculators are. Hedgers are described as spot traders who try to avoid the risks of price fluctuations; speculators are opportunistic investors who try to gain from price fluctuations. The purpose of futures markets, according to my workshop instructors, is to serve as a tool for price discovery and risk management. Risks are supposed to be transferred from hedgers to speculators.

The markets in reality are far from such an innocent picture. Field subjects keep telling me that real hedgers hardly ever exist in China. Whether traders come from spot-trading enterprises or cash-based investment companies, whether they go for long or short positions, nearly all futures traders in China are opportunistic risks seekers. When traders are asked to describe their own actions, nobody ever describe themselves as being hedgers or speculators, nor do they perceive themselves as conducting "transfer of risks". Instead, they describe themselves as "longs" or "shorts", who are exercising "game theory" (*boyi* 博弈)[7] against other capital factions on the markets. It is other factions' actions that have immediate, direct impact on prices. On the other hand, fundamentals, "intrinsic price" or "rational price" are something that they would consider on the long-run, but such considerations are quite often treated as secondary references, or nearly ignored by day traders. (See also Siu, 2002, on fundamentals and market perception during Hong Kong's dotcom bubble.)

From time to time, the three Chinese futures exchanges promote "price discovery" (*faxian jiage* 發現價格) as a positive, justifying function of futures markets. They also use the argument to lobby regulators for launching new futures products (as I have seen on a lobbying document prepared by exchange Q in 2005). However, market traders and analysts sometimes make ironic mockeries about the phrase's implied passivity and objectivity. Mockery is made by those who are about to initiate a battle plan, "I am going to 'discover' the price at XXX." Or, after violent corner events, traders make sarcastic comments, "Look, the market has 'discovered' the price at XXX!" Although traders do not use any terminology of epistemology, they are the people keeping a close eye on prices on an hourly basis. These traders are aware that price movements are a collective result of the purposeful actions of the market people themselves, not some latent information waiting to be "discovered" outside the human world.

One of the significant differences between futures markets and equity markets is: as futures-trading does not create net economic value in the future products, it is a zero-sum game. The profits of the winners, plus the commission fees received by the exchanges, all directly come from the loss of the losers. (Whereas in the equity markets, it is possible for everyone to gain profits at the same time if there is a net growth in fundamental values of the underlying companies.) Traders understand that to obtain X yuan of profits from their own position, somebody on the opposite position has to lose X yuan, plus the commission fees for both sides. It is a fierce and competitive game. In practice, usually the traders use a language with battlefield metaphors, such as "ambush" (突襲), "entice" (誘敵), "trapped" (套牢), "besiege" (圍) and "crash" (砸). Especially when they talk about the 1990s when the leaders of the long and short factions can be clearly identified, traders perceive themselves as being engaged in a battle with a recognizable collective opponent. When the market develops into a corner event, both sides are pushing the same price in opposite directions. Just like a tug of war, if one side fails to sustain the capital, *guanxi* and will power to match one's opponent, prices can swing to extreme levels in a single direction, allowing the remaining side to reap the profits.

On the futures training workshops that I have attended, some instructors talk about a "war-like mentality" and "psychological quality" as essential to the success of futures trading. Interestingly, I have also come across a large number of veteran soldiers from the People's Liberation Army (PLA) who have newly switched to full-time or amateur futures trading. In a few cases, I have the rough impression that these people often do better than the average novices in simulation trading sessions. Although my sample set is too small to draw any statistically significant conclusion, it is possible that those personnel redundant from the military are used to high-risk, war-like environments, which enable them to fit in easily into commodity futures trading. It is also possible that these redundant soldiers are on the verge of falling into marginal social classes; as they have less at risk, they may be more inclined to undertake high-risk investment activities.

8. Spot and Spotless Factions

From the 1990s onwards and persisting into 2005 when I am doing the fieldwork, spot-trading factions do differ from those with non-spot backgrounds. According to some traders and brokers, spot-trading factions are usually state enterprises in charge of national or provincial grain and metal supply. They have large quantities of the spot commodity at hand, and they go for short positions more often than long ones. When prices fall, they can close out their positions and reap cash; when prices rise, they can still

opt for physical delivery, and the loss is less conspicuous. Sometimes these state enterprises are given the nickname “short forces” (*kongjun* 空軍, which rhymed with “air forces”). They have the following properties: firstly due to their large scale of inventory and turnover, their futures trading volumes can reach bulk levels, making them the inherent *dahu* of grain and metal futures. Secondly, due to their geographical proximity to production areas (e.g. soybean in the northeast provinces, wheat in Henan province, or white sugar in Guangxi province) and regular presence in spot trading business, they have good connections with regional state officials.[8] Thirdly, they are loyal and regular traders on the relevant futures exchange(s). Fourthly, as large state enterprises, getting loans from state-owed banks is comparatively easier. These traders are less sensitive to interest rates. Fifth, as “hedgers” in principle, they occupy a moral high ground versus the “speculators”. Differential treatment between “hedgers” and “speculators” can be located in a draft set of trading rules for a “coming-soon” future product designed by exchange Q. In case if the exchange takes actions to reduce overall market risks in a corner event, those classified as “hedgers” will face a gentler margin increase. In the case of compulsory position close-outs, those classified as speculators are usually targeted first, while those classified as hedgers usually stand at the back of the close-out sequence.

On the other end of the markets, the spot-less factions are much more fragmented. Most overseas financial institutions and domestic banks are banned from China’s futures markets.[9] Private-sector investment organizations are yet to be developed, and domestic mutual funds, pension funds or insurance companies are underdeveloped. Some leading futures companies in first-tier cities such as Shanghai or Beijing are starting to launch primitive forms of mutual funds as innovative, experimental products, yet futures brokers describe their presence in the commodity futures markets as “negligible”. The typical long factions are people who manage to accumulate some wealth from the stock markets, real estates, and a mixture of civilian and para-governmental sources. These are people who have cash in hand but not the spot commodities. A frequently way of thinking from this camp is, “there is always more money than spot” (錢永遠比貨多). Some newcomers on the futures markets may also have “habits of thinking” (*guanxing siwei* 慣性思維) such as “buy-and-hold” inherited from the stock markets.

The typical long factions have the following properties: firstly, many of these “investment funds” are loosely formed between a few friends (*jige dakuan couhe* 幾個大款湊合). The scale of capital is around hundred-thousands to ten-millions yuans, or US$45,000-800,000, which is within the means of large retail investors (*sanhu* 散戶). Secondly, sometimes cohesion and consensus can be formed around charismatic faction leaders, or by a strong sense of geographical identity. Such *bang*-like proximity cliques may

be unstable and transient, yet sometimes it is possible to produce aggregate market forces strong enough to compete with the spot trading factions on a limited time frame. Thirdly, since they are cash-based factions, their funds have a higher degree of mobility compared with than the spot trading factions. The funds will flow in and out of various futures products and futures exchanges, as well as on other asset classes like stocks, real estates, and other businesses. Fourthly, their *guanxi* with banks, government authorities, and the futures exchanges vary greatly depending on personal ties. Usually they are more sensitive to changes in interest rates. Fifth, in general, the futures exchanges and regulators welcome these investors to bring liquidity to the markets. Yet in the eyes of regulators and exchanges, they do not have the degree of perceived loyalty or regular trading volumes as the spot trading factions. They are more often classified as "speculators", which implies that they are likely to face steeper margin requirements and more stringent compulsory position close-outs when regulatory actions are taken.

In actual trading, factions from both categories execute a combination of longs and shorts; in the case of corner events, different regional and industry factions will form and break coalitions in flexible manners. Nonetheless, understanding a capital faction's leadership, origins of capital and geographical location helps to understand their market actions. Besides the ability to access and mobilize a certain size of funds, the identities and affiliations of these factions makes a difference to how the funds can be used. It is the combination of monetary, social and political resources that enable the factions to make an impact on market events, and the capital factions are marked with qualitative characteristics.

9. Gangs and Charismatic Leaders

Capital factions in China's futures markets show properties of gangs, or *bang*. Typical Chinese gangs are built upon sworn brotherhood, loyalty (*yiqi* 義氣), extended kinship networks, and shared locality (Zhang, 2001b: 105-107). Cohesion is achieved by mutual obligations between members. To attain personal spheres of power (*shili* 勢力) within the *bang*, reputation (*mingqi* 名氣) is established by acts of risk-taking, demonstration of masculinity, and loyalty to fellow members (Zhang, 2001b).

The trader who tells me about his corner team experience clearly cherishes the value of loyalty and mutual obligations; he despises defection from one's clique.

> "When placing orders, cooperation and unity was essential. Once we were all going short, but one guy placed two long contracts on his own behalf. He was deeply trapped. When we discovered that, it took us so much effort to rescue him … we earned 300,000 yuan less."

The futures people look up upon faction leaders as heroic figures. For a *dahu*, their reputation can effectively amplify the effects of their capital. Other investors in the same proximity clique would follow the leader's actions, and aggregate a greater stream of capital flowing in the same direction. Although official regulatory spokespersons often condemn synchronized actions and corner events as "disrupting the order of the markets", unofficial industry discourse would rather give tribute to the masculinity and risk-taking acts of corner leaders. Take the example of Guan Jinsheng 管金生, leader of the short side factions in the dramatic market episode Event 327 in 1995. To struggle against rising futures prices against his faction caused by the Ministry of Finance's increase in T-bond coupon payout rate, within the last 8 minutes of the trading day on 25th February 1995, Guan's faction shorted bond futures worth 1,460 billion yuan (about US$180 billion), which was one-third of China's GDP in 1994.[10] Guan threw 7.3 million[11] short contracts onto the market. Prices were pushed from 155.75 down to 147.4, turning the position of Guan's faction from a 6-million-yuan loss to a 1-billion-yuan profit. However, the regulators decided to roll back all the trades made during the last 7.5 minutes of the trading day, exercising a compulsory position close-out at the fixed price of 151.3 (Yao, 1998: 103-106; Zhang, 2001a; Li, 2004; Wu, 2006). Guan was sentenced to a 17-year jail sentence in 1997.[12]

Despite the jail sentence Guan received, the industry and media still see Guan's battle on Treasury bond futures as a heroic epic rather than a criminal offence.

> He did not lose the respect of the securities industry by serving his sentence in jail. One executive of a security firm says, "His achievements were remarkable. We are all trying to live out his former glory in our business." A female former member of SISCO staff said, "In the past I thought he was ruthless. Now I think he is the most perfect man!"
>
> Li (2004), translation by Lucia Siu

In May 2007, an Internet search using the Google search engine on the Chinese words "管金生" (Guan Jinsheng) returns 18,800 results. Amongst the 18,800 articles, 23 per cent (4,320) of them also contain the word "教父" (Godfather); 19 per cent (3,520) contain the word "英雄" (hero); 8 per cent (1,550) contain the word "傳奇" (epic); 3 per cent (572) contain the word "罪犯" (criminal). Apparently behind the official discourse about financial order and stability, more Internet users see Guan as a heroic leader rather than a criminal.

Gangs in the wider society usually arise from the lower strata of society, where wealth, social status and kinship are inadequate to protect people from hostile or adverse environments, such as rural migrants in urban environments (Zhang, 2001b: 105-107); or when they undertake risky activities, such as

criminal triads. By appealing to loyalty and sworn brotherhood, gang members can obtain the much needed support and protection from each other. It is true that capital factions in the futures markets are not full-version of gangs, for they do not exercise formal rituals, hierarchies and organizational control to the extent of the Sicilian mafia or Hong Kong triads (三合會) (Zhang, 1979), and the social bonding within capital factions is weaker. Nonetheless, it is intriguing that futures investors in China, as owners of capital, would form a social structure that resembles the marginal groups of society.

One plausible reason is that money can not provide all the protection that futures investors need. Without the formal institutional umbrella of investment banks or fund houses, small-scale investors actually feel insecure and powerless in front of regulators, exchanges, and spot-based state enterprises. Once I talked to a broker about gambling:

> Siu: Would the regulators see futures trading as a social vice to be restricted, something similar to gambling?
>
> Broker: Not really. The truth is the CSRC is the real casino owner! The three exchanges are just "tiger machines" (one-armed bandits, *laohuji* 老虎機) ... they eat us. They feed on traders and brokers.

9. Network-based Cognition

How do investors behave? This paper has portrayed how financial strength, charisma, loyalty, teamwork, political capital, and embedded identities (e.g. spot and spotless identities; industrial, provincial, municipal identities) produce capital factions. When capital factions interact with each other, external contingent factors such as interest rates, policies and weather can exert variable influences on market outcomes. Investors are connected as flexible, loosely formed social units, continuously in flux. The markets are bound to be unstable and uncertain, because the subject matter – social aggregates formed by market agents – has unstable and uncertain properties, and these aggregates are subject to frequent reconfiguration.

From this perspective, we can see that the view of the investors as stand-alone and rational individuals, as assumed by some neoclassical economists, is unrealistic. It is also simplistic to think that investors act like thoughtless herds or crowds, where imitation and contagion easily spread across the community. Some researchers in finance have built quantitative models of markets, taking a more realistic view of markets as interdependent social aggregates with conditional, variable and contingent properties.[13] Under the view of markets as an assemblage of unstable social aggregates, a market is less like an economic unit acting under some calculable scripts. It is more like groups of investors as interdependent, flexible socioeconomic aggregates, interacting with each other, and subject to the influence of contingent inputs. For the market as a whole,

part of the cognitive properties and rationality resides in the morphology of social connections, the group dynamics, charismatic leaders, and political capital possessed; part of it resides in the ideology and knowledge tools employed (see Hutchins, 1996; Hardie and MacKenzie, 2006). Distributed cognition contains open-ended uncertain properties that cannot be sealed up in a closed script.

The commodity futures markets' capital factions are displaying properties of distributed cognition and network-based rationality. The circuits of cognition largely reside across the relative positions of the social network, not only within individual human actors or pre-written rules and scripts. The implications of this paper are: in the study of markets, more emphasis should be given to flexible social connections in market aggregates, and how network-based rationality is actually distributed over the markets. This may serve as a correction to the earlier over-focus on mathematical precision, certainty and predictability, and yield a more realistic understanding of markets. In recent years Chinese regulatory officials emphasize that they would like to cherish the "characteristics of Chinese markets", and express their concerns over the lack of self stabilizing mechanisms (as presented in public speeches, such as Zhou, 2007). As the markets of China migrates towards larger scale, more sophisticated financial products and integration with global markets, Chinese market regulators may be attempting to develop rule-based rationality, public trust, fairness and transparency of public organization governance on a long run. This paper provides a realistic portrayal for academics, regulators and industry participants on where our current starting point is.

Notes

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1. See Chapter 3 of Siu (2008) for a fuller historical account of early futures trading since the 1870s, including merchants in the Qing dynasty, exchanges established under Japanese, Russian and European colonial influence, and the Trust and Exchange Crisis in 1921 that took place in nationalistic exchanges centred in Shanghai.
2. The instruction means "buy 20 lots of November mung bean futures at the price of 23200, open position".
3. See Xu (2004: 28-30, 46-47) for a dramatic description. See SHFE (2005a) and SHFE (2005b) for analytical reports on why steel futures were vulnerable to corner events in 1992-94.

4. China Economic Development Trust and Investment Corp (中國經濟開發信託投資公司 (中經開)), abolished in 2002.
5. Shanghai International Securities Co. Ltd. (萬國證券). After Event 327, it underwent a merger with Shenyin Securities to become Shenyin and Wanguo Securities Co. (申銀萬國證券) in 1996.
6. During the 1920s-1930s under the regime of the Republic of China, similar capital factions were also extremely active. In the late 1920s, there were over 100 futures exchanges in Shanghai and southern China (Chen and Zuo, 1994; Xiao, 1986; Zhu, 1998; Ma and Meng, 2005; Liu 2007).
7. The word *boyi* 博弈 is the academic direct translation for "game theory". When used in a game of chess, it also means "calculating the logics of one's opponent". In Chinese, the term gets diffused into non-academic language for common daily use.
8. Online blog articles such as "In memory of burned account" (2006) and a few futures brokers I have interviewed believe that the high-ranking policy bureau National Development and Reform Commission (*Fagaiwei* 發改委) is keen to keep the inflation of major commodities prices under control. They believe that *Fagaiwei* is likely to produce policies in favour of the short factions, and there is a policy skew on prices. Without direct contact with any representatives from *Fagaiwei*, I am in no position to confirm or refute such allegations.
9. In 2010 three joint venture financial institutes with foreign shareholders are on the Qualified Foreign Institutional Investment (QFII) approved list to participate in futures trading in China: Citic Newedge Futures, J.P. Morgan Futures, and Galaxy Futures (with shares held by RBS).
10. Another version says 211 billion yuan, US$26 billion.
11. Another version says 11 million short contracts.
12. Guan Jinsheng was accused of corruption charges that appeared to be irrelevant to Event 327. He was released on bail in 2003 for medical treatment, which was a disguised form of exile or amnesty sometimes prescribed by the PRC to political prisoners. According to Yuan (2002), CEDTIC, as the leader of the long factions, should have made approximately 7 billion yuan of profits in Event 327. However, CEDTIC had rolled up a debt of over 7.6 billion yuan instead. Yuan and a few trader blogs believed that the actual profits were reaped by someone working in CEDTIC through "rat trading" (*laoshucang* 老鼠倉).
13. For example, Forbes and Rigobon (2002) studies contagion of regional markets in financial crises. They find that the markets are better described as interdependent under conditional inputs.

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Chinese Migrant Workers: From Labour Surplus to Labour Shortage

"Help Wanted": China's Migrant Workers Have Been Slow to Return to the Cities & Those Who Have Returned Have Now Demanded Higher Wages

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Abstract

In mid-2010 a public spotlight was shone on the wages and conditions of China's rural-to-urban migrant workers when there were a number of worker suicides at the giant Foxconn conglomerate's factories in Shenzhen. However, this was not all that was happening. More importantly, and at the same time, strike action was being taken by car-workers at Honda and Toyota plants. There were also reports of strikes by workers in textile, electronic enterprises (other than the Foxconn factories and including at the Japanese Brother sewing machine company), and sporting goods manufacturers, together with a range of other export production enterprises.[1] It is now widely recognized that the recent increases in migrant worker wages owe much to the publicity afforded the Foxconn troubles and particularly the work stoppages in the automobile and other export manufacturing sectors. The wage increases have been substantial. As much as a sixty-six per cent increase has been promised to Foxconn's migrant workers in the Taiwanese-owned multinational's Shenzhen plant and between twenty and thirty per cent wage increases are cited as a consequence of the Honda strike action and in the case of a range of other export manufacturing enterprises.[2]

Keywords: *Chinese migrant workers, wages, work stoppages*

1. Introduction

Migrant workers are the mainstay of China's labour-intensive manufacture for export sector. There are estimated to be 230 million rural residents who have moved to cities to find employment, with 145 million of these migrant

workers employed outside their home towns and provinces.[3] Many of them find work in China's eastern sea-board manufacturing centres in the Yangtze and Pearl River Deltas.

In the first part of this paper, I discuss the over-supply of migrant workers that followed the fall in export orders in the context of the global financial crisis. Migrant workers were dismissed or left their jobs when their wages were significantly reduced. However, by August/September/October 2009 the surplus of migrant workers generated by the effects of the global financial crisis had been reversed. A shortage of migrant workers again became evident and "Help Wanted" signs were restored to factory gates.

In the second section of my paper, I will discuss the present situation. China's migrant workers have reached the point where what has been aptly described as their "slow-burning but persistent" quest for improved wages and conditions has become more pressing. Their passive action of going home and staying home when wages are low and urban living expenses high has been upgraded to a more active pursuit. In May, June and July of this year (2010) China's migrant workers initiated and participated in work stoppages. Workers who had accepted urban-based employment refused to work for the wages offered. This more active strategy was successful. Employers increased migrant worker wages.

Migrant worker strike action also led to Chinese government policy-makers and administrators in Beijing warning local provincial officials that "a crackdown is not the right reaction to a labor dispute". The advice from Beijing was that what governments should do during strikes is "maintain social order and help the two parties [employers and migrant workers] build a more efficient communication mechanism".[4]

In the last section of my paper I argue that China's migrant workers have long been obliged to pay a disproportionate price for their country's industrial and urban development. The low wages paid to migrant workers, the over-time worked and the modest and often unsafe conditions endured by rural-to-urban workers, have provided a channel for the ongoing funding of China's urban based development. The life style and "life-chances" of the urban elite, and the considerable financial accumulation overseen by the central government, including the country's burgeoning foreign exchange holdings, have been made possible by the surplus drawn from the labour contributed by migrant workers to the low cost production of exported goods. The global financial crisis led to the already low wages and modest conditions of migrant workers being further reduced and the path back to the payment of pre-global financial crisis wage levels to migrant workers has proved to be slow and difficult. Employers proved to be exceptionally tardy when it came to raising migrant worker wages.

2. Migrant Workers Coming and Going and in Short Supply

In the months before the global financial crisis, in early to mid 2008, there had been a steady increase in production costs. These costs included a relatively modest increase in migrant wages combined with central government pressure to pay wages in full and on-time and to improve working conditions.[5] In the period immediately before the global financial crisis the wage increases and/or the pressure to increase wages combined with pressure to improve wage payment practices and working conditions had been promoted both by the Chinese government and by a long-standing and persistent shortage of low-cost migrant workers. And, at the same time, there had been central government taxation initiatives aimed at encouraging capital to move from labour-intensive production for export to more capital intensive high tech production for export. Prior to the global financial crisis there had also been government sponsored measures aimed at closing small (and even medium-sized) enterprises deemed to be low tech, labour intensive, inefficient, particularly energy hungry and polluting. At this time it was recognized that while Beijing's sponsorship of a new Labor Contract Law had made the business environment more difficult for all manufacturers (with some even complaining that "the new labor law should be amended to [also] protect business interests"), it was small manufacturers who were hardest hit by the requirements of the law. It was argued that they could not be expected to and had proved to be unable to absorb "the 30 to 50 percent jump in costs [experienced] in the last twelve months [prior to April 2008]".[6]

Later in 2008, in the first week of November and just as the effect of declining orders due to the global financial crisis were being keenly felt by China's exporters, I was returning to China to undertake a short period of research. As I passed through the station in the sprawling manufacturing city of Dongguan, migrant workers were standing in line on platforms ready to board trains to Guangzhou and then onward to their rural homes and this would have been only the tip of the iceberg. Most migrant workers travel between Dongguan and Guangzhou by bus. It is cheaper and the buses run more often. (The workers then travel to their rural homes from Guangzhou rail-hubs). The workers were leaving Dongguan because the factories they worked in had closed or the management had decided to downsize the company's workforce. At the same time, migrant workers who continued to be employed began to have their hours and their wages reduced. On the same day in November 2008 as I was entering China by train, Chinese papers were announcing that orders for toys, furniture, textiles and garments had already dropped 20 per cent while electronics and footwear sales had dropped 15 per cent. The anticipated drop in demand for 2009 was higher: thirty per cent for shoes, 35 per cent for textiles and garments, toys and electronics, and 40 per

cent for furniture. The actual figures for the contraction of China's export manufactured goods during 2009 were a 35.8 per cent fall in garment exports in the first two months of 2009; a 17.2 per cent contraction in exports as a whole in March and a 22.6 per cent decline in April. The obvious decline in export orders combined with the figures carried in Chinese reports during November 2008 had clearly jolted the confidence of export manufacturers. The previous established position of a significant shortage in the supply of migrant workers suddenly changed. While export manufacturing enterprises in the Yangtze and Pearl River Deltas had spent most of the previous four or five years complaining that they were chronically short of migrant workers, almost overnight they found they had a *surplus* of workers (from under-supply to over-supply).[7]

The sudden about-face in migrant labour flow and the corresponding steep reduction in employment opportunity and in migrant worker wages immediately gave rise to a range of pressing economic, social and political problems. The extent of the migrant worker return to their home provinces quickly became evident. Hubei provincial sources reported the return of 300,000 of the province's 7 million migrant workers in October and November 2008. The Jiangxi provincial administration reported that 300,000 of the province's 6.8 million migrant workers had returned by mid-November 2008 and administrators from the Hunan provincial government were estimating that 2.8 million migrant workers would return to their province during the following year (in 2009). The Guangdong Deputy Governor then added to the gloomy announcements. He noted that by the end of 2008, 600,000 migrant workers had left his province and then he predicted that by the beginning of 2009 as many as "one in every three migrant workers employed in Guangdong might have left".[8]

A year ago, in April/May 2009 and again in July/August, I was again interested in the coming and going of migrant workers at China's railway stations. I stood outside railway stations in Shanghai and in Guangzhou interviewing migrant workers who were coming to the Yangtze and Pearl River Deltas to find work or who were returning home to the countryside. In the case of the latter group I wanted to know why they were returning home. I assumed that the majority were returning because they had been dismissed from their jobs. However, I soon found that many returnees had not been told they no longer had a job. While some had met with this fate, many more had decided that they could no longer afford to live and work in the city. A typical example of this situation is evident in an interview with well dressed young woman passing through Shanghai on her way to Wenzhou where she had been working for five years weaving clothing fabric. She had been working 15 hours per day/7 days per week. By the second half of 2009 she was working 9 hours per day/6 days per week and was earning only 1,000 yuan per month

and had to pay for factory based accommodation and food from this sum. Like most of the workers I interviewed, she had not been working under a contract. She was wondering aloud how long it would be before she decided to return home because the present situation was not worthwhile. Another young woman waiting for a train to take her home said that she had also worked in the Shanghai area for around five years and that she had previously been earning 3,000 yuan per month. By the time I spoke to her she was earning less than half that amount. She said "the situation is not good" and that "she is going home for now". Others, such as a young couple working in a clothing factory in Suzhou (they had also worked in "their" factory for around five years and worked without a contract) said they were alright at the moment. However, they were worried that their present wage would not be maintained. My research was suggesting that their concerns were well placed.

The situation among the migrant workers outside one of the railway stations used as a transit point in Guangzhou was very similar. An early interview was with a couple who had worked in a shoe factory in the nearby manufacturing city of Dongguan. They were going home because the amount they were now earning did not cover their expenses. The factory that had employed them manufactured for export and had lost orders. They also pointed out that factory management had become more vigilant over matters such as production quality (probably driven by their buyers' leverage in a tightened market), but this was happening at a time when the factory was experiencing a relatively rapid turn-over in its workforce. The factory was losing experienced workers who were unwilling to work for the new lower wages and this couple questioned how quality would be improved as expertise was lost.

The migrant workers I interviewed were knowledgeable. They recognized many of the issues that the global financial crisis had visited on them and on their employers. They pointed out that while a factory may not sack workers, factory managers expected workers to leave when it was obvious that the factory had insufficient orders to maintain its present workforce. They also pointed out that as wages plummeted factory managers were flouting local provincial government basic wage rate regulations. Some factories were resorting to charging extra for hostel accommodation and were using already established shady ploys such as trying out workers without payment or for long periods at very low wages before formally employing them.

My railway station research also confirmed that older workers (workers in their late 30s and in their 40s) were more likely to be dismissed from their jobs. When interviewed, these workers said they would not be returning to the city to find work. They would stay in the countryside. However, unlike their younger colleagues, many "middle aged" migrant workers had some farming skills. Younger workers had left their family homes and gone to the

city to work as soon as they finished junior or senior high school. They had no farming skills and did not want to be farmers. The younger workers said they would return to urban areas to look for work at a later date. The permanent return to the country-side by older workers was also sensible in light of the often stated employer preference for young, better educated workers.[9]

I also interviewed migrant workers at one of Guangzhou's bus stations. Here many of the workers were coming into the region to find work. A young couple were playing cards sitting in the shade on the pavement near the bus station. They were waiting to be picked up by their employers. He had previously worked for this employer for three to four years. She was new to the city. The company that would employ them was relatively small. It had around eighty workers. The company was producing for China's domestic market more than it had in the past. The couple expected to have contracts and to work 6 days per week for 10/12 hours per day. They were not yet sure what they were going to be paid. Another worker who had already been working in Dongguan said that her company (a well known international brand of clothing and women's accessories) had coped with reduced overseas orders by shutting down for seven days per month. Her accommodation was provided by the company and she had a contract. She was very proud of the company she worked for saying that it was a cut above the average. She felt that this provided her with increased status. She had been working 6 days per week for around 10 hours per day. She said that her wages were relatively "good". A couple that I then interviewed were on their way to Shenzhen. He had worked in a shoe factory and now he was married he was bringing his new wife to find work at the same factory. Like others I interviewed at the Guangzhou bus station they expected to earn between 1,300 and 1,500 yuan per month each. However, my research was showing that 1,000 yuan a month was usual, 1,200 was quite good and a mean salary would amount to less than 1,000 yuan a month. Prior to the global financial crisis these same workers could have reasonably expected to receive 1,500 and often 1,800 or 2,000 yuan per month and in the case of some highly skilled workers, over 2,500 yuan per month.[10]

By the middle of last year (2009) it had become clear that the global financial crisis meant that China's rural-to-urban migrant workers had gone from being relatively low paid to being even lower paid.

The lowering of wages due to the effect of the global economic downturn on China's export-manufacturing sector is not at all surprising. However, something less expected (at least at first glance) then happened. During the last three months of last year (2009) Chinese media sources began using headings such as "Labor Shortage Hinders Guangdong Factories" and "More Factories Experience a Labor Crunch". The articles that followed detailed the problems China's export manufacturing enterprises were having in attracting

migrant workers with suitable skills for the wages and conditions they were offering. They reported the return of chalk-boards with "Help Wanted" signs and noted that when detail was included in the signs they illustrated the shortage of skilled workers. Signs offered work to those "who can sew belt loops and another who can stitch pockets". A fabric-stretcher was also required as well as a pants-hemmer and a zipper-stitcher.[11] As workers I interviewed a few months earlier who were returned home to the country-side because their city jobs now paid so little predicted, there was a evident shortage of skills in China's export manufacturing sector. Nevertheless, the overall "dearth of workers" was "a surprising turn in an economy where millions were laid off just months ago".[12]

By the latter months of 2009 factory administrators in the Pearl River Delta were complaining that "for every 10 people we look for, we can only find two or three". This was a serious shortage of migrant workers. At the same time in Zhejiang in the eastern Yangtze River Delta, there were media reports of a shortfall of as many as 250,000 migrant workers. It is currently (in mid-2010) recognized that "labor-intensive industries in the Yangtze River Delta region continue to be in dire need of more staff". And, the shortfall of workers is reported to be at least fifty per cent when it comes to the supply of experienced migrant workers to Chinese manufacturers in the export manufacturing centres in the Pearl River Delta.[13]

In late 2009 media discussions of the surplus of migrant workers that had by then become a pronounced shortage touted the view that this shortage of workers was due to migrants being unwilling to come back from the country-side to work in the cities when the economic recovery was still fragile. These media sources argued that while the labour market was "fickle" migrant workers would not want to risk the economic cost of returning. These discussions stressed that the post-financial crisis recovery was still fragile. The media commentators noted that "spending the cash for a job search in a faraway province can be a big investment" for a worker and his or her family and that "many don't want to risk it now if the prospects aren't solid". They also pointed to the greater number of jobs now available in inland China. Many of these employment opportunities had resulted from Beijing's large stimulus package together with worker training programmes and micro-loans to assist migrant workers to establish small businesses in the countryside. Other arguments cited in media discussions opinioned that "the recent [late 2009] labor strains underscore a growing need for the region [in this case the Pearl River Delta] to upgrade to reduce its reliance on low-end and labor-intensive industries". However, workers who were interviewed at the time and asked why they were not returning to work in manufacturing jobs as soon as employment had become available were keen to point out that wages that had been lowered in response to the global financial crisis had now been combined

with insecure employment and conditions. This was why there was a tardy response to taking up the employment offered. One interviewee stated that he "would be willing to work for the average wage of 2,000 yuan a month", but he "doubted that any of the factories would pay him that much …"[14] (As I have noted above a monthly wage of 2,000 yuan a month or a little less is the amount he would have received prior to the global financial crisis. In the period following the crisis he was much more likely to earn a monthly wage of around half that amount, or a little more if he was lucky or more importantly skilled in a particular field).

3. Migrant Worker Strikes, Production Halts, and Salary Increases

During the months May, June and July 2010 there was sufficient overt industrial unrest among China's migrant workers to prompt government sources to warn that labour disputes "must be handled properly to avoid an impact on the economy".[15]

Several strikes were reported in China's manufacturing sector following the "wildcat work stoppage" at Honda Auto Parts. in Foshan in Guangdong Province in mid May. These strikes have included one that began four days later at the Foshan Fengfu Auto Parts Co. (the company produces exhaust and muffler parts for the Honda assembly line) and there was a third associated strike when Honda Lock (Guangdong) Co. workers left their jobs in mid June. The Honda strikes closed down four assembly and engine plants and adversely affected production at the plant where Honda has a joint venture with the Dongfeng Motor Company. A Honda plant that produces Jazz cars for the European market was badly affected. A short time later workers at a Toyota parts supplier also went on strike and then workers at the No. 2 plant of Toyota Gosei (Tianjin) Co. situated in an Economic Development Area that houses a further twenty Toyota supplies refused to work. Another Toyota Gosei unit was also subject to a strike. This time it was the Tianjin Star Light Rubber and Plastic Co. At the beginning of June it was also reported that workers at Hyundai's auto parts factory had staged a two-day strike a few days earlier. During May and June there had also been strikes at the sporting goods, textile factories and sewing machine manufacturing plants. In the latter case it was reported that the "expanding industrial unrest [is] pitting manufacturers against increasingly assertive workers". These workers had made banners demanding increased wages and improved working conditions. One banner tied to a factory gate read "We want a pay raise" and "We want fair treatment". Local officials noted that "these strikes show that workers feel more confident that the labor market is moving in their favor". Some managers also stressed that "young workers are much more aware of their rights to pursue higher wages and better working conditions". This latter

observation is in line with the well aired view that the second generation of China's migrant workers are not willing to undertake the dirty, dangerous jobs their parents engaged in. They want more.[16]

In the face of the growing number of strikes, there were also calls by government administrators and academics "urging Chinese [formal] labor unions to play a more active role in protecting workers' legal rights and improving their wages and working conditions". The unions and local government agencies have been accused of "keeping one eye closed" when it has come to solving migrant workers' problems. Even before the current wave of strikes there had been discussion and some action related to the need for collective bargaining to ensure "pay fairness". It had been reported that "about 60 employers in Beijing have been selected to test a collective bargaining system". The government expected this system to deliver "reasonable standards for workers' wages". This process would be most valuable if it took place between the employer and employees. The trade union, and particularly the current official trade union, would be cut out of negotiations. Given workers' views of the official trade union and its widely recognized cooperation with local government officials and employers, or at the very least, its "closed eye" approach when it comes to workers' wages and conditions, this would be a sensible approach. However, discussions of the collective bargaining process trialed in Beijing talked of workers being "typically represented by a trade union that negotiates with employers". Those discussing the collective bargaining proposal also noted that to date, "employers [have] believed they have the right to set wages". Interestingly, it has been reported that the agreement that ended the Foshan Fengfu Auto Parts Co. strike included a promise to increase wages by 135 yuan per month and the concession that the migrant workers would be allowed to form an independent trade union. However, how this employer concession would translate in practice remains unclear.[17]

In each case the migrant workers involved in the strikes I have listed above returned to work once they had successfully bargained for a substantial increase in their wages. The Honda workers returned to work once they received a 24 per cent wage rise. The workers in the Japanese sewing machine factory who had hung out banners stating they wanted a pay rise and fair treatment went on to argue that they were on strike "because the factory has never increased our wages, but they keep increasing our workload". Their wages totaled 1,500 yuan per month and some said they were receiving only 700 yuan. The latter amount is below the provincial minimum wage rate. The sewing machine factory workers were granted salary increases. The Honda workers who had struck first had asked for a pay rise from their present 1,000 to 1,500 yuan per month to 2,000 to 2,500 yuan per month. The 24 per cent increase in wages for Honda's production line workers took their wage to

1,900 yuan (A$280) per month, a little short of the 2,000 to 2,500 yuan they had asked for.[18]

While worker strikes were rolling across China's automobile, electronic, sporting goods, textile and clothing export manufacturing sectors the attention of the press was drawn to an even more dramatic situation. At a complex that is often noted to be "the world's largest contract manufacturer of electronics" – Foxconn a conglomerate that employs a young Chinese migrant work-force to manufacture for such well known brands as Apple, Hewlett Packard, Sony and Nokia, several workers had committed suicide. Workers at Foxconn have been kept in closed industrial parks. The migrant workers employed by the company work shifts and live inside a giant compound. Their wages have been relatively low and over-time has been encouraged. The deaths of ten young workers (employees are usually between 18 and 24 years old, though the forging of credentials is so common when migrant workers are employed that workers can easily be younger) and the attempted suicide of three more workers had, it has been said in somewhat of an understatement, "highlighted the management crisis of China's labour-intensive manufacturing industry". There have certainly been management problems in this enterprise. Workers are said to have had no time to communicate with one another. The company is accused of following "a model where fundamental human dignity is sacrificed for development". (One particularly hostile account of management relations at the company argued that "the company has fostered a culture where staff are trained to shiver in conformity before any authority"). Nevertheless, the problem of unhappy and distressed young workers was not addressed through a change of management style. It was addressed through raising wages. At the beginning of June Foxconn management raised workers wages by thirty per cent (a few days earlier a twenty per cent increase in wages had been suggested). The management of the Taiwanese-owned conglomerate then argued that the increase in wages would improve their workers' life-style because it would "help employees increase incomes while reducing overtime, and [they] would have enough time for leisure activities". (Foxconn workers are estimated to have been averaging 28 hours per month in overtime work). Enterprise managers added a further observation that "the big jump in pay could help lift the morale of the workers".[19]

Foxconn's basic salary for an assembly line worker had been 900 yuan per month (US132). The thirty per cent increase raised this amount to 1,200 yuan with salaries for workers and foremen that were higher than the low base rate paid to assembly line workers also rising by thirty per cent. This salary increase came into effect on June 1st 2010. Then, Foxconn management announced that if workers passed a performance evaluation that lasted three months or a three month period of probation if they are a new employee, they would qualify for a further pay increase to come into effect on October 1st.

The additional pay rise would mean that the base salary had been adjusted from 900 yuan per month to 1,200 yuan and then adjusted again from 1,200 yuan per month to 2,000 yuan. Foxconn whose parent company is the Hon Hai Group, employs 800,000 workers in China with 430,000 of these employed the giant Shenzhen complex where the suicides (and attempted suicides) had taken place.[20]

Local governments reacted to recent migrant worker unrest and the wage increases that followed by raising their official minimum wage rates. For example, Beijing increased the lowest monthly salary rate to 960 yuan (US142) from 800 yuan. At least twenty provinces either have or intend to increase their basic wage requirement. Shanghai has already increased the rate by almost seventeen per cent to 1,120 yuan per month and Guangdong Province with various minimum wage rates according to geographic area, the rate has been increased by an average of more than twenty per cent in five local areas. The highest rate in Guangdong is reported to be 1,030 yuan per month in the provincial capital Guangzhou. The rate for the export manufacturing city of Dongguan is set at 920 yuan. (Raising the minimum wage rate has clearly been in response to worker unrest, though it is being promoted as a measure that will increase domestic demand and is "a part of the rebalancing" of the Chinese economy). China has no official data telling us how many workers are paid the minimum wage. What we do know is that "the proportion of [China's] GDP that goes towards salaries has steadily decreased". We also know that as the wealth gap has increased it has been "the poor migrant workers who feel the greatest pressure". Data that has recently been collected tells us that "the share of personal income in China's gross domestic product has fallen to 39.7 percent from 53 percent in 1999". This percentage in the United States is reported to be 57 per cent. In Japan it is 51 per cent.[21]

In the context of my argument in this section of this paper, it is also worth noting that China's auto producers enjoyed a surge in their sales of 46 per cent to 13.6 million units last year (2009) and that they are expecting that their sales will enjoy a year-on-year growth of no less than twenty per cent. As well, Honda, Toyota and Nissan are all expecting to increase their import substitution programme to the point where ninety per cent of the parts they require will be manufactured in China. It has also been announced that in May 2010 (the same month as workers began their rolling wave of strikes) China's overseas shipments increased by nearly fifty per cent. Chinese economists have noted that exports grew to US$131.76 billion in May ("18.1 percentage points higher than in April") and that China's trade surplus then stood at US$19.53 billion. (China recorded a US$196.1 billion trade surplus by the end of 2009 and some economists are forecasting this surplus to reach US$100 billion by the end of this year. The country's foreign exchange

reserves had reached a record high of US$2.4471 trillion by the end of March 2010). While a cautionary note has been sounded in the face of the sovereign wealth fund crises in Europe and the on-going problems associated with the United States economy, "many economists have tipped export growth at 30 to 33 percent". These figures provide little excuse for the tardy re-instatement of migrant worker wages to the relatively low level paid prior to the global financial crisis.[22]

4. Migrant Workers Have Paid a Disproportionate Price for Their Country's Industrial and Urban Development

China's rural-to-urban migrant workers have spent three decades in legal limbo. They have been permitted to enter cities to access urban wage-paying employment while not being afforded the legal status of permanent urban residence. The illegality of their city residence has played a part in legitimating and assisting their crude exploitation. Though there are now small changes in this situation, it has long been the case that the temporary/illegal nature of their city working life has also encouraged migrant workers to see themselves as temporary urban residents. China's migrant workers have not been permanent urban citizens or permanent urban workers. They have been contract workers with many (most) working without formal contracts governing their wage payments and working conditions. Without contracts they have been employed on the basis of an informal arrangement. While some new generation migrants do now aspire to urban residence, being obliged to meet conditions such as purchasing an apartment of specific size and/or worth and residing and working in an urban area for a significant and continuous period, has meant that many do not have realistically attainable access to permanent urban residence. They have often worked and lived in urban areas for three, five or even ten years while they have been denied the services and improved social status that the "prize" of formal urban residence would afford them. Almost all first generation migrants and many second generation workers have continued to identify themselves as rural residents. Many return for family reunions at festival times, particularly at Chinese New Year. They also return "home" to marry, though there is a clear tendency for new generation migrants to marry fellow migrant workers. Rural-to-urban migrants return home when they are unemployed due to circumstances such as sickness (for medical attention and/or to access medicines), due to pregnancy, and in the case of other causes of financial duress, including when wage rates are lowered while urban living expenses remain high. Their rural residence has provided them with security while they have been building China's new urban sky-lines, mining the coal that feeds the power-grids that manufacturers must draw from, laboured for long hours in "Workshop of the World" export

manufacturing plants, and provided services for permanent urban residents. They have made an essential and invaluable contribution to their country's huge foreign exchange reserves.

The dissatisfaction of much of China's rural constituency is widely recognized. At the same time, China's leaders have long expressed concern over an ever rising income gap that leaves rural residents much poorer than their permanent urban counter-parts. However, the Chinese government has consistently taxed the countryside, albeit now considerably less than in the past (at least in terms of direct taxation). China's governments have effectively condoned low "real" wages for their country's army of rural migrant workers. The latter is a virulent form of indirect taxation that continues on. For five decades Chinese governments taxed rural households on the basis of the product they produced. Beijing used mandatory production quotas and price ceilings to pay less than the "real" worth of set volumes of essential agricultural products. This was been done without corresponding and reciprocal central and provincial government investment in rural mechanization, infrastructure and social services. Then, agricultural households have been taxed via the low wages and poor working conditions afforded the migrant workers they have provided. While the government's acquisition of rural product began in the 1950s, the movement of rural workers to the cities began much later, in the early 1980s. This movement of workers accompanied the push for "modernization" adopted by China's Deng Xiaoping leadership. This was when the prime labour-time available to rural house-holds began to be sold cheaply (for less than its "real" worth) to employers in the construction, mining and export manufacturing sectors of the Chinese economy.

At the same time as China's rural-to-urban migrant workers have been denied permanent urban residence (and denied the advantages that attend this classification affords, including access to education for themselves and their children, health care, and access to urban housing stock), the limiting of migrant wages has clearly provided a means for capital to save on production costs and so gain global market share on the basis of a price for product advantage. Suppressed wages, including delayed payment of wages and poor working conditions in mines and on construction sites and in factories, made Chinese made products remarkably price competitive, while failure to enforce the conditions set-out in employer/worker contracts has meant that many migrant workers now cannot see any reason to even ask for a contract at the time of their employment. They also express a similar view when it comes for asking government agencies for assistance in claiming back wages, injury compensation, safer working conditions and practices, unfair dismissal and unpaid wages or address for a range of other employment injustices. And, as the Australian academic Professor Anita Chan has noted in an article recently

published in *China Daily*, the migrant workers also have a stereotypical image that the official trade unions are "useless". She made this comment when discussing the recent worker problems at Foxconn and the migrant worker strikes at the Honda automotive company. She notes that "at Foxconn, the union did not even come forward to make a statement. And at Honda, the union blatantly sided with the local government, which in turn was on the side of the employer".[23]

5. Conclusion

A more pro-active government approach to promoting the interests of migrant workers is long overdue. China's migrant workers have been consistently and unfairly "left out of the wealth".[24]

As the effect of the global financial crisis spread to China, migrant workers lost their jobs and their wages were substantially reduced. Then, as China's export sector recovered from the affect of the global financial crisis, manufacturers in the country's two main manufacturing hubs in the Yangtze and Pearl River Deltas were obliged to hang out their "Help Wanted" signs. A migrant worker surplus that followed in the wake of reduced orders at the height of the global financial crisis had returned to an earlier (pre-global financial crisis) situation where there was a shortage of migrant workers. Nevertheless, the country's export manufacturers did not restore migrant workers' wages even to the relatively low level paid prior to the global financial crisis. Migrant workers' wage rates did not rise until the series of work stoppages that took place in May, June and July this year (2010).[25]

China's export manufacturers now find they "can no longer avoid rising labor costs, such as wage increases, particularly among the long underpaid groups …" While many of China's smaller export manufacturing enterprises, particularly those in the textile, clothing, footwear and toys sector, have very low profit margins (five and even three per cent are figures cited) the rolling strikes that have been experienced in the three months May, June and July 2010 attended by substantial pay increases for migrant workers have put pressure on all export manufacturing companies including borderline companies with low profit margins. At the same time, the large electronic conglomerates and auto manufacturers engaged in production for export have recovered particularly well from the global financial crisis. It is widely recognized that electronics manufacturing is profitable and that "nearly all foreign automakers enjoy high profit margins". Auto manufacturers are recording particularly large profits and are predicting even larger profits in the near future. The tardiness of these exporters when it has come to raising migrant worker wages is therefore all the more reprehensible. To add insult to injury a number of automotive company managers have recently been

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reported as declaring that they "do not think there is anything wrong in workers seeking higher wages".[26]

It is not enough for China's central government leaders and administrators to advise provincial government officials not to react to labour stoppages by "cracking down", anymore than it is enough to argue that the contribution of migrant workers to their country's development and wealth should be recognized merely by using congratulatory comment. Policy change and implementation must be effected. During the period covering the events and issues I have discussed in this paper (from October/November 2008 to the migrant worker strikes of May, June and July 2010) the Chinese government at both central and provincial level (in tandem with owners and managers of manufacturing export companies) has been much too slow to promote an improvement in the wages and working and living conditions of their country's migrant workers.

Notes

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1. See "Honda Hobbled by Strike at Parts Plant", *China Daily*, 31/05/2010, "New Strike Halts Toyota Production", *China Daily*, 23/06/2010, and "Strike Hits Electronics Plant", *China Daily*, 02/07/2010.
2. "Strikes Signal End to Cheap Labor", *China Daily*, 03/06/2010, and "New Strike Halts Toyota Production", *op. cit*.
3. Other sources cite 230 million as the number of migrant workers in China today. All the figures used to estimate the number of migrant workers indicate that more than a quarter of China's 800 million farmers work as migrants. See "Migrant Workers and Employment Challenge: Vice-Minister", Xinhua, 20/03/2010, and "Growth of Rural Income to Slow", *China Daily*, 16/04/2009.
4. "Strike Hits Electronics Plant", *op. cit*.
5. It is estimated that there were "more than 16 million" factories in China deemed to "with hazardous working conditions likely to cause occupational diseases" and it is recognized that "most workers in these factories are rural laborers". See "Occupational Hazard", *China Daily*, 24/06/2009. There has been increased

public discussion over the physical cost migrant workers have paid for their country's fast-paced development. Media articles have point to issues such as "about 8 out of 10 accidents have taken place in either small coalmines, chemical factories, fireworks workshops or construction sites, where the majority of workers are migrants". Examples citied include situations such as that of the 1,001 migrants working at a gold mine in coastal Hainan province. The miners received a government health check and "225 were found to be suffering from pneumoconiosis". Some had already died and many were obviously ill. There is also the endless list of work-place accidents in coal-mines and on construction sites that are reported in the press and by the various communication means used by migrant workers and there is the question of pollution in many labour/intensive/low profit manufacturing plants. "Improving Workplace Illness Cure Sought", *China Daily*, 25/04/2009.

6. Pre-global financial crisis initiatives included a significant reduction in the export taxation rebate offered to textile and clothing manufacturers. Many of these enterprises have low profit margins. However, in the face of the global financial crisis and in part in an effort to slow migrant worker unemployment, the Chinese government reinstated and increased export taxation rebates. This export post-global financial crisis rebate has only recently (in July 2010) been flagged for cancellation. See "Government Pledges Job Support to Labor-intensive Sector", *China Daily*, 28/10/2008, and "Moving On From the Low-cost Era", *China Daily*, 16/04/2008. See also "Jiangsu to Suffer Most from Scrap of Tax Rebate", Xinhua, 15/07/2010.
7. "600,000 Migrant Workers Leave Guangdong Amid Financial Crisis", Xinhua, 08/01/2009, "Jobless Blues", *China Daily*, 29/12/2008, and "Textile Factories Grapple With Labor Woes", *China Daily*.
8. "Migrant Workers Bear Brunt of Crisis", *China Daily*, 21/11/2008, and "Economic Hubs Face Tough Times", *China Daily*, 09/01/2009.
9. See "Migrants' Mass Return Tests Rural Officials", Xinhua, 05/03/2009. The migrant workers who took part in the interviews I conducted and have drawn on came from the provinces of Anhui, Jiangsu, Hunan, Hubei and Sichuan.
10. Most of the workers I interviewed in the Guangzhou bus station came from Sichuan Province Hubei, or Guilin. The Chinese press supported my interview findings in articles outlining the plight of migrant workers seeking jobs. For example the press quoted a chef who explained that he "did not go back to Shenzhen this year". He sought work in Chongqing, but having moved inland to find work he then found that employers were offering 1,200 yuan when he expected at least 1,500 yuan. See "Migrants' Job Situation in Cities Better Than Expected", *China Daily*, 26/03/2009. Among the migrant workers coming to take up employment in Pearl River Delta export cities of Dongguan and Shenzhen there were some workers who were in the local Guangzhou bus station because they had lost their jobs. A group of young men from Hubei province said that they were going home because first their wages dropped from around 2,000 yuan per month to half that amount and then they had lost their jobs with the company owing them back-wages. They had subsequently recovered eighty per cent of the wages owed them. My interview based research in both Shanghai and Guangzhou

revealed that accepting eighty per cent of wages owed is the "going rate". It is what migrant workers have accepted as a "fair" outcome.

11. "Labor Shortage Hinders Guangdong Factories", *China Daily*, 25/08/2009, "More Factories Experience a Labor Crunch", *China Daily*, 14/09/2009, and "Textile Factories Grapple with Labor Woes", *op. cit*.
12. See "More Factories Experience Labor Crunch", *op. cit*., and "Export Slump Eases and Demand Revives", *China Daily*, 12/12/2009.
13. "Demand for Skilled Labor Set to Fuel Higher Wages", *China Daily*, 28/05/2010, "Weighing Wages on the Scales of Progress", *China Daily*, Hong Kong edition, 24/06/2010, and "Big Wheels Get Ready for the Fast Lane Despite Labor Bumps", *China Daily*, 23/06/2010.
14. See Holiday Labor Shortages", *China Daily*, 14/12/2009, "Labor Shortage Hinders Guangdong Factories", *op. cit*., "More Factories Experience a Labor Crunch", *op. cit*., and "Textile Factories Grapple with Labor Woes", *op. cit*.
15. "Recent Shutoffs Won't Start Trend: Minister", *China Daily*, 19/06/2010, and "Labor Unrest and Role of Unions" (article authored by Australian academic Professor Anita Chan), *China Daily*, 18/06/2010.
16. See Kate Hannan, "China: Migrant Workers Want 'Decent' Work", *Copenhagen Journal of Asian Studies*, Vol. 26, No. 2, 2008, pp. 60-81. See also "Strike Action Ushers in New Era of Work Relations Says Expert", *China Daily*, 03/06/2010, "Strikes Signal End to Cheap Labor", *op. cit*., and "Recent Shutoffs Won't Start Trend: Minister", *op. cit*. Some media sources recognized that workers, including migrant workers, were now "fighting proactively for their interests …"
17. See "Strike Hits Electronics Plant", *op. cit*., "Weighing Wages on the Scales of Progress", *op. cit*., "Collective Bargaining Tests Seek Pay Fairness", *China Daily*, 14/05/2010, and "New Strike Halts Toyota Production", *op. cit*. Aside from the strikes I have referred to, strikes (sometimes described as "walk-outs") were reported in Yunnan, Henan, Gansu, Shandong and Jiangsu provinces. See "Strikes Signal End to Cheap Labor", *op. cit*.
18. At the same time as the Honda workers received a wage increase migrant workers at the Pingmian Textile Group factory in central China received a similar amount of 25 per cent after a period of refusing to work. "Strike Hits Electronics Plant", *op. cit*., and "Weighing Wages on the Scales of Progress", *op. cit*., 24/06/2010.
19. See "20% Raise for Foxconn Workers", *China Daily*, 29/05/2010, "Foxconn Raises Workers' Pay by 30% After Suicides", Xinhua, 03/06/2010, "Foxconn Announces Another Pay Hike", *China Daily*, 08/06/2010, and "Suicides at Foxconn Reveal Woes", *China Daily*, 26/05/2010. See also "Undercover at Foxconn Shows Workers 'Numbed' ", *China Daily*, 02/06/2010. While the overall focus of Foxconn's management has been on delivering pay increases to "unhappy" workers, I should add that the multinational's trade union was told to watch for "abnormal behaviours" among workers and the company also decided to no longer pay compensation to the families of workers who had committed suicide. The families of those who committed suicide received 110,000 yuan in compensation. See "Suicides at Foxconn Reveal Woes", *op. cit*., and "Foxconn Ceases Compensation in Bid to End Suicides", Xinhua, 08/06/2010.
20. *Ibid*. See also "Foxconn Says to Negotiate Price Rise With Clients", Xinhua, 08/06/2010.

21. "Chinese Provinces to Raise Minimum Wages", *China Daily*, 01/07/2010, "Weighing Wages on the Scales of Progress", *op. cit*., and "Suicides at Foxconn Reveal Woes", *op. cit*.
22. See "Big Wheels Get Ready for the Fast Lane Despite Labor Bumps", *op. cit*., "May Exports Soar Despite Debt Crisis", *China Daily*, 11/06/2010, "China Says Trade Surplus to Fall Sharply in 2010", *China Daily*, 17/05/2010, and "China's Forex Reserves Rise to 2.45 trillion USD", Xinhua, 12/04/2010.
23. See "Labor Unrest and Role of Unions", *op. cit*. The view that government agencies, including trade unions are "useless" was clearly articulated by three young women workers employed in the clothing industry that I interviewed outside the main Shanghai railway station. See also Ching Kwan Lee, *Against the Law*, University of California Press, 2007.
24. "Strike Hits Electronics Plant", *op. cit*.
25. "Time to Nurture, Educate Migrant Workers", *China Daily*, 21/03/2009, "More Factories Experience a Labor Crunch", *op. cit*., and "Holiday Labor Shortages", *op. cit*.
26. See "Vuvuzela Sounds Clarion Call for China's Producers", Xinhua, 28/06/2010, and "Big Wheels Get Ready for the Fast Lane despite Labor Bumps", *op. cit*.

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Interviews with Migrant Workers

Interviews were held with migrant workers first at the Shanghai Main Railway Station and then at Guangzhou’s central station (rather than the now larger east railway station) and at a nearby domestic bus station. The interviews were conducted between the 27th April 2009 and the 6th May 2009. The railway station interviews were conducted over several days and at different times of the day. The bus station interviews were more concentrated. They were conducted on one day (6th May) in the morning and again in the afternoon. I repeated this process at the end of June and the beginning of August 2009. I will conduct another round of interviews in early October this year.

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Chinese Working Class and Trade Unions in the Post-Mao Era: Progress and Predicament[+]

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Abstract

This paper is an overall review of the changes and predicaments of Chinese working class and trade unions in China's reform era. The Chinese working class's political and economic privileges have declined significantly since the early 1980s. On the other hand, new economically privileged groups have emerged within the Chinese working class as a result of SOEs restructuring and private enterprises development, leading to a highly heterogeneous and stratified working class. Deteriorating labour relations have not only created political and social instability in China, but also become one of the major obstacles for transforming China's economy from export-driven to domestic-consumption-driven. Chinese trade unions, as one of the state apparatuses expected to be the society stabilizer by the Chinese Communist Party and the government, have tried to consolidate their monopoly of labour issues and representation of workers' interests through unionization, legislation, and labour disputes resolution. However, they basically failed to protect workers' interests due to their institutionalized over-dependence on the government. Social reforms have been suggested by many as the most important way to address Chinese workers' various predicaments, but without necessary political reforms, the effective implementation of progressive social policies is difficult to achieve.

Keywords: *Chinese working class, Chinese trade unions, China's labour issues, China's economic and social reforms*

1. Introduction

In the first half of 2010, a string of worker suicides in Foxconn's Shenzhen plant exposed Chinese working class's various predicaments to the public in an extremely tragic way. While the thirteen workers in Foxconn chose killing themselves as the weapon of the weak to voice their depression, more workers

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in some other enterprises in China, such as Honda's Foshan plant, organized strikes for higher payment and better working conditions. Consequently, as China is enjoying its unusual success in dealing with the global economic crisis, the issues of Chinese working class and trade unions have become practically urgent for the Chinese government to tackle and intellectually appealing for the academia to study.

The division of labour among scholars of different disciplines on the study of China's labour issues has been clear: sociologists have mainly focused on the various impacts of a changing working class on Chinese society, especially, on China's social stratification and inequality; political scientists have been more interested in China's labour unrest and movements with a special interest in the Chinese trade unions' development; economists have been concerned about the role of Chinese working class in transforming China's economic development model, which inevitably leads to the wide discussion of national income (re)distribution. This paper provides an overall review of the progress and predicament of Chinese working class and trade unions based on information from a variety of sources, touching on the above major issues studied by different disciplines. Although this multi-disciplinary review of China's labour issues is not aimed at presenting many original findings or suggesting specific policy recommendations, it is hoped that readers may benefit from the review's comprehensive and broad coverage of China's important labour issues with rich and updated data. In the following sections, I first review the major issues in the transformation of Chinese working class, and then discuss the progress and dilemmas of Chinese trade unions in the reform area which has become an increasingly important topic in the study of China's labour issues.

2. Chinese Working Class's Transformation: from "Master of Enterprises" to "Free Labour"

Under the planned economy in Mao years, all Chinese workers worked in public-owned enterprises. These enterprises were owned either by governments at different levels or by government sponsored collective entities. Although the economic advantages enjoyed by workers varied by type and level of enterprises, in general, the Chinese working class as a whole was a politically and economically privileged class under Mao.

Politically, the Chinese working class has been named the nation's leading class in the Constitution since 1949. Under the class label system of social stratification in the Mao years, workers' political status was only inferior to revolutionary soldiers and cadres'. Therefore, workers enjoyed great advantages in joining the Chinese Communist Party (CCP), becoming candidates for promotion in the political hierarchy, and so on. These political

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privileges were even extended to their children who enjoyed better chances of getting into universities, joining the army and finding decent jobs. Economically, Chinese workers enjoyed secured jobs, stable wages, and many other benefits such as free housing and medical care. Basically, almost all their typical life needs were taken care of by their enterprises and governments. They were the "master" of their enterprises, and permanently employed by the state without labour contracts. On the other hand, their job mobility was completely determined by the enterprises and governments. Therefore, unlike their counterparts in the market economy, Chinese workers before the reform were not "free" labour.

Since the early 1980s when the Chinese government started to transform its planned economy in the urban areas into a *de facto* market economy, the Chinese working class's political and economic privileges have declined gradually and significantly. Although the Chinese working class's glorious title of being "the nation's leading class" has been kept intact in frequently revised Constitutions of 1982, 1988, 1993, 1999, and 2004, previous political and economic advantages associated with this title have been dwindling. Eventually, the majority of the Chinese working class were trapped in a very disadvantaged position as the economy became fully marketized.

As the Chinese government's reform policies gradually transformed public-owned enterprises into highly independent profit-driven actors whose goals, structures and management strategies are similar to their counterparts in the western world, Chinese workers have also been "liberated" from the state's total control and become free labour who are not much different from their counterparts in the west as well. In the mid-1990s, the labour contract system replaced the permanent job system nationwide (Zhang, 2009b). However, this "liberalization" process had different impact on different type of workers. For those skilled workers who were competitive in the labour market, the labour contract system meant better working opportunity and higher payment; but for those ordinary workers who were seen as redundant labour by the reformed enterprises, it meant the loss of job security. Therefore, in the latter case, "free" is another term for "unemployment". In the late 1990s, Chinese state-owned enterprises (SOEs) launched a series of mass layoff to cut production cost and improve business efficiency. By 2005, over 85 per cent of small and medium-sized SOEs were restructured and privatized,[1] resulting in about 30 million laid-off workers, or almost half of the SOE workers (Qiao, 2007). For those who were fortunate enough to keep their jobs in public-owned enterprises, most of the previously guaranteed benefits have either completely been withdrawn or drastically been reduced. Almost all the enterprises stopped providing free housing to their employees. Major benefits such as medical care and pension were outsourced to government sponsored social insurance agents and employees had to share the insurance cost with their enterprises.

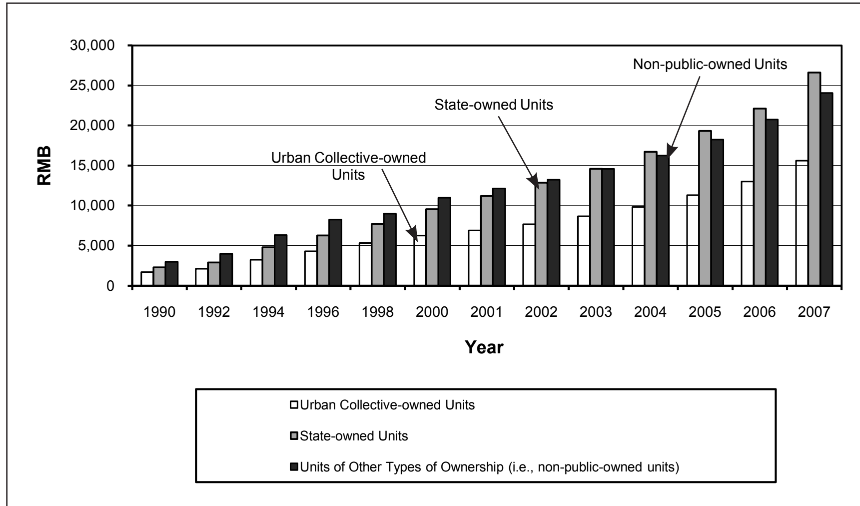
3. Chinese Workers' Economic Conditions: Stratification and Disadvantaged Migrant Workers

New economically privileged groups have emerged within the Chinese working class since the reform, leading to a highly heterogeneous and stratified class. In the Mao years, China had a countrywide standardized wage system for all the ordinary workers and management. Because seniority and skill mastery were the two major factors determining the level of wages then, in a few enterprises some senior and highly skilled workers' wages might be even higher than the enterprise heads'. The general wage gap between ordinary workers and management and among workers was very small. The reform has significantly increased and institutionalized the wage gap between different subgroups of the Chinese working class.

The increasing wage gap between the large SOEs' higher level management and ordinary workers has become a hotly debated issue in recent years. The Chinese media reported many cases of extremely large wage gap in some SOEs. In some cases, the enterprise head's annual wages was 100 times more than workers',[2] which is quite controversial in a country with a long egalitarian tradition. In September 2009, it was reported that the Chinese government passed a regulation to set the maximum gap between the SOE head's wages and workers' to 20 times.[3] Even among ordinary workers, wages vary greatly by region, industry and enterprise ownership. Not surprisingly, workers in more developed regions such as the east coast and the industries monopolized by large SOEs, such as finance, energy, telecom, tobacco, and power industries earn much more than those in other regions and industries. In terms of wage difference by enterprise ownership, as Figure 1 shows, SOE workers' average annual wages had always been lower than non-public owned enterprises workers' from 1990 through 2002. However, since 2003 SOE workers' average annual wages have been higher than non-public owned enterprises workers'. This probably shows the improved competiveness of SOEs as a result of mass lay-off, re-structuring and enhanced monopoly in the early 2000s. Among all the SOEs, those owned by the central government, namely, central enterprises, offered highest wages to their employees in recent years. It was reported in August 2010 that the central enterprise employees' average annual wages was about RMB54,000,[4] much higher than SOE and private enterprise employees' which was about RMB35,000 and 18,000 in 2009, respectively.[5] Workers in collective-owned enterprises have always received the lowest wages since 1990.

Relatively and generally speaking, SOE workers are still the most fortunate subgroup within the Chinese working class, because SOEs have been regulated more strictly by the government on wages, benefits, and other labour rights. In other words, SOE workers' labour rights have been violated less frequently and severely because of the government's closer supervision.

Figure 1 Chinese Workers' Average Annual Wages in Different Types of Enterprises, 1990-2007



Source: Data from *Chinese Trade Unions Yearbook, 2008*, p. 501.

There are much more violations of labour rights in non-public owned enterprises which employ the majority of Chinese working class.[6] In 2009, over 70 per cent of workers worked in non-public owned enterprises including private, foreign funded, joint-venture, other share-holding enterprises, and so on.[7] According to an investigation conducted by All China Federation of Trade Unions (ACFTU) in late 2007 in ten cities including Shanghai, Wuxi and Lanzhou, private enterprises had the lowest implementation level of labour contract system (Han, 2008). The national investigations on the implementation of Labor Law and Labor Union Law conducted by the National People's Congress (NPC) in 2005 and 2009 also showed that labour rights violations, such as extremely low wages, overtime without payment, payment in arrears, lack of major insurances and safety protection, abuse of probationary and short-term contracts, were especially common in non-public owned enterprises.[8]

Migrant workers, who constitute almost half of the whole Chinese working class, are the most disadvantaged subgroup. They were not officially recognized as part of the working class until 2003.[9] In 2008, there were 287 million urban workers, of whom 140 million were migrant workers. In addition, over 85 million peasant workers worked within their respective townships.[10] Migrant workers account for more than half of industrial and service workers in China.[11] But they have been subjected to the most

frequent and severe violations of labour rights: half of them were not employed officially (i.e., without labour contracts), 89 per cent of them had no unemployment insurance, 83 per cent had no pension, 70 per cent had no medical insurance, and finally, 65 per cent had no work accident insurance.[12] In Guangdong province where almost one-third of Chinese migrant workers stayed in 2005, about 76 per cent of them received monthly wages of less than RMB1000 when their basic monthly living cost was about RMB500. Their average monthly wages were only about 55 per cent of Guangdong workers'. Migrant workers' average monthly wages increased by only RMB68 in twelve years from 1993-2005 in the Pearl River Delta, while China's average annual GDP increase rate was about 10 per cent and average annual inflation rate was about 5.5 per cent during the same period.[13] Labour activists thus called China a sweatshop.

4. Chinese Workers' Political Conditions: Rising Population but Declining Political Representation

The population of Chinese working class increased constantly from about 95 million at the beginning of the reform in 1978 to 287 million in 2008.[14] However, the representation of ordinary workers in the highest organ of state power, the National People's Congress (NPC), has declined significantly since 1978. Specifically, as shown in Table 1, the percentage of ordinary worker deputies in the NPC decreased from 26.7 per cent in 1978 to 10.8 per cent in 2003. Peasant representation also has a similar declining trend since

Table 1 Occupation Composition of NPC Deputies, 5th (1978) NPC – 10th (2003) NPC

	Total Deputies	Worker Deputies		Peasant Deputies		Cadre Deputies		Intellectual Deputies	
		No.	%	No.	%	No.	%	No.	%
Fifth (1978)	3500	935	**26.7**	720	20.6	468	13.4	523	15.0
Sixth (1983)	2978	443	**14.9**	348	11.7	636	21.4	701	23.5
Seventh (1988)	2970	Worker and peasant deputies were 684 (23%) in total				733	24.7	697	23.4
Eighth (1993)	2978	332	**11.2**	280	9.4	842	28.3	649	21.8
Ninth (1998)	2981	323	**10.8**	240	8.0	988	33.2	628	21.1
Tenth (2003)	2985	322	**10.8**	229	7.7	968	32.4	631	21.2

Source: Guo (2009).

the reform. Similarly, the percentage of ordinary workers in the Chinese Communist Party (CCP) has also declined. It was 18.7 per cent in 1978 (Wang, 2003), but only 9.7 per cent in 2008.[15] Furthermore, of the newly recruited CCP members in 2008, only 7.5 per cent were ordinary workers.[16]

Chinese workers' economic and political status has thus declined significantly since the reform. A nationwide investigation of the Chinese working class by the ACFTU in 2007 showed that 69.5 per cent of workers and 67.3 per cent of migrant workers were dissatisfied with their social status. Workers' dissatisfaction was especially prominent in restructured SOEs and non-public enterprises (Zhang, 2009a).

5. Labour Disputes and Unrest

Labour disputes seem to be the unavoidable consequence of deteriorating labour conditions and workers' dissatisfaction. From 1995 when the Chinese Labor Law became effective nationwide through 2006, the number of labour dispute cases increased from 33,030 to 447,000, or by over 12 times, and the number of dispute cases per million workers increased from about 48 to 585, or by over 11 times (Wang, 2008). In almost every single year, the majority of these cases were collective disputes which involved three or more workers. These were labour disputes that went through the institutional channel, the Labor Dispute Arbitrational Committees (LDAC), for resolutions.

Chinese workers also expressed their dissatisfaction through a variety of non-institutional channels such as protests and lodging collective complaint to the government. As early as 1989, when the anti-corruption and pro-democracy movement spread across China, workers in many cities participated in the movement actively. Especially in Beijing, workers motivated by the student movement established the Workers' Autonomous Federation (WAF) to express their anger over deteriorating labour conditions and management corruptions (Nham, 2007; Zhang, 2009b). From 1993 through 2003, the number of "mass incidents" (*quntixing shijian* 群体性事件) in China increased from 10,000 to 60,000 and the number of participants increased from 730,000 to 3.07 million. In 2003, 1.44 million Chinese workers participated in mass incidents as the largest participating group, accounting for about 47 per cent of total participants (Qiao, 2007). In recent years, more migrant workers used "suicide show" to call for government's help on their payment in arrears. For instance, the fire department in Wuhan city reported in 2006 that about 80 per cent of public suicide committers were migrant workers who wanted to get their due payment from their employers through suicide shows.[17] Therefore, various labour unrest and other social problems caused by labour rights violations have become one of the largest threats to the construction of a "harmonious society".

Unsurprisingly, worldwide financial crisis in the past two years has only worsened labour relations and led to significantly rising labour disputes in China. For instance, in Guangdong province, there were 669 and 786 cases of absconding employers who failed to pay due compensation to their workers in 2006 and 2007, respectively. In 2008, the number of such cases significantly increased to 1985, involving about 206,000 workers and RMB600 million in arrears.[18] Nationwide, in 2008 there were more than 280,000 legal cases of labour disputes, a 94 per cent increase from 2007. In the first half of 2009, the number of such legal cases had already hit 170,000, a 30 per cent increase from the same time period in 2008. Seventy-nine per cent of labour disputes were largely over wages, social insurance and welfare, and other compensations.[19] As only labour disputes unsolved by the LDAC go through the legal process, there were actually more labour disputes in China in the past two years than indicated by official statistics on legal cases.

Deteriorating labour relations have not only threatened political and social stability in China, but also become one of the major obstacles to transforming China's economy from export-driven to domestic-consumption-driven. Most Chinese workers' consuming power is very low due to the low wages they receive. Wages constitute less than 10 per cent of total cost of Chinese enterprises, while that for developed countries is about 50 per cent.[20] In the Pearl River Delta, productivity is about 17 per cent that of the US, but workers' wages are only about 6.7 per cent that of the US. From 1990 through 2005, labour remuneration as proportion of GDP declined from 53.4 per cent to 41.4 per cent in China. From 1993 through 2004, while Chinese GDP increased by 3.5 times, total wages increased by only 2.4 times.[21] From 1998 to 2005, in SOEs and large scale industrial enterprises, the percentage of total wages/profit dropped significantly from 240 per cent to 43 per cent.[22] Therefore, most Chinese workers' income has not only been low, but also increased extremely slowly. This is partly why it is so difficult for China to depend on its domestic consumption to drive the economy.

There are at least three major reasons for the hard labour conditions, which led to the rise of labour disputes and unrest. At the national level, labour supply in China, especially those low skilled workers, seems to be unlimited. Employers can always find workers who accept low wages and difficult working conditions. In addition, for the Chinese central government, higher employment has always been a more urgent priority than higher wages. The Chinese government believes that to maintain social stability, that 100 people having jobs, even with very low wages and miserable working conditions, is much better than only 50 people having better paid jobs. At the local level, the Chinese local governments have been driven by "GDPism" in the past decades. Local government leaders' performance is usually evaluated by the performance of their economy and the maintenance of social stability.

Since capital (investment) shortage is a major concern to local governments in developing the local economy, local governments tend to favour capital at the expense of labour rights. The long-term labour surplus in almost every Chinese region has exacerbated this capital favouritism. Some local governments even did nothing to improve minimum wage rates for years to please employers. Facing the strong alliance between government and capital, Chinese workers have been an unorganized political force since the reform, and have little power to bargain with employers for higher wages and better working conditions. The ACFTU is the only legal trade union in China to represent and protect Chinese workers' interests. But it has basically been incapable of significantly improving China's labour conditions due to many institutional constraints.

Improving labour conditions has become the consensus among the Chinese government and scholars. The Chinese central and local governments have been taking various measures to address this issue. To improve ordinary workers' wages, local governments in 27 provinces and municipalities have improved or plan to improve local minimum wage rates by ten to over thirty per cent in 2010.[23] Now the highest minimum wage rate in China is RMB1120 in Shanghai and the lowest is RMB560 in Anhui province. It was also reported that the number of ordinary worker deputies increased significantly in the 2008 11th NPC. In addition, for the first time three migrant workers were selected to represent China's 140 million migrant workers in the 11th NPC.[24] The ACFTU has also endeavoured to protect workers' interests more effectively in recent years. It contributed greatly to the drafting and promulgating of the Labor Contract Law of 2008 which is strongly pro-labour. Furthermore, in the 2008 15th National Congress of Chinese Trade Unions, 47 migrant workers were selected for the first time to represent 65 million migrant worker members of trade unions.[25] Nevertheless, Chinese trade unions have been under severe criticism by labour scholars and activists for its failure in protecting Chinese workers' interests.

6. Chinese Trade Unions under Criticism

Since the 1980s, union movements in most developed countries have generally declined as indicated by the constantly dropping union density (i.e., percentage of employees belonging to unions) in each country (Table 2). For example, the union density in the UK and the US decreased by 22.7 per cent and 10.7 per cent, respectively, from 1980 to 2007. In contrast, the union density in China has increased significantly in the last decade. Table 2 shows that it increased by 21.4 per cent from 2000 to 2007. In 2008, the All China Federation of Trade Unions (ACFTU), as the sole legal trade union in China, had 212 million members and a union density of 73.7 per cent, which made it

Table 2 Union Density in Developed Countries and China, 1980-2007 (%)

	1980	1990	2000	2007
UK	50.7	39.3	29.6	28.0
Germany	34.9	31.2	24.6	19.9
France	18.3	10.3	8.3	7.8
US	22.3	15.5	12.8	11.6
China	58.1	59.5	44.5	65.9

Notes: 1. Union density = union membership/total employees eligible for union membership
2. Data for the four developed countries from Rampell (2009).
3. 1980-2000 data for China from Metcalf and Li (2005), Table 1. China's union density in 2007 calculated from data in *Zhongguo Gonghui Tongji Nianjian* 中国工会统计年鉴 [Chinese trade union statistics yearbook], 2008.

the world's largest union with more members than that of the rest of world's trade unions put together.[26]

However, as in many similar development cases in China's reform and opening era, ostensibly glorious numbers often cannot speak much about the underlying reality. Chinese and foreign labour activists and scholars have unanimously criticized the ACFTU for its inability to protect Chinese workers' rights. Chinese trade unions function differently from western unions. They are not autonomous labour organizations representing workers' interests, but one of the state apparatuses serving governmental goals through mediating labour relations in China. Together with the China Communist Youth League and the All-China Women's Federation, the ACFTU is defined by the CCP as an important social pillar for its regime stability.[27]

In theory, being an arm of the state and a junior partner of the CCP does not necessarily mean that the ACFTU has no motivation, opportunity and power to protect Chinese workers' interests. Indeed, the ACFTU has placed more emphasis on its role as workers' representative in recent years and tried to protect labour rights through various ways including unionization, legislation and labour disputes resolution. It has become increasingly apparent to both the CCP and the ACFTU that ignoring rising tensions in labour relations would only threaten social and political stability. Nevertheless, as one of the government agencies, the ACFTU and its local branches are able to protect labour rights only to the extent that the government allows. For most local governments, labour relation is of a much lower priority than developing local GDP. If they have to develop local economy at the expense

of labour rights, they usually would not hesitate to do so. Therefore, the major role of the ACFTU and its local branches is to help the governments achieve economic goals through maintaining stable labour relations. The grassroots trade unions at the workplace level are supposedly under the jurisdiction of the ACFTU's local branches. Like ACFTU and its local branches, which are subordinated to the government at the same level, workplace unions are actually controlled by the workplace management. As a result, they also lack motivation and power to proactively protect workers' interests in their respective workplaces.

In summary, Chinese trade unions' over-dependence on the government and workplace management is the root cause for their incapability in protecting Chinese workers' interests. Independent trade unions, although illegal and quickly persecuted, have emerged in China since the 1980s, which challenged the ACFTU's monopoly of the labour movement. The Chinese government and the ACFTU are wary of the possible emergence of a Polish Solidarity-type independent trade union in China; however if they cannot break this institutional framework of over-dependence or find creative ways within this framework to more effectively represent workers' interests, the independent labour movement will gain momentum from the rising tensions in labour relations.

7. Chinese Trade Unions' Transformation: from "Transmission Belt" to "Society Stabilizer"

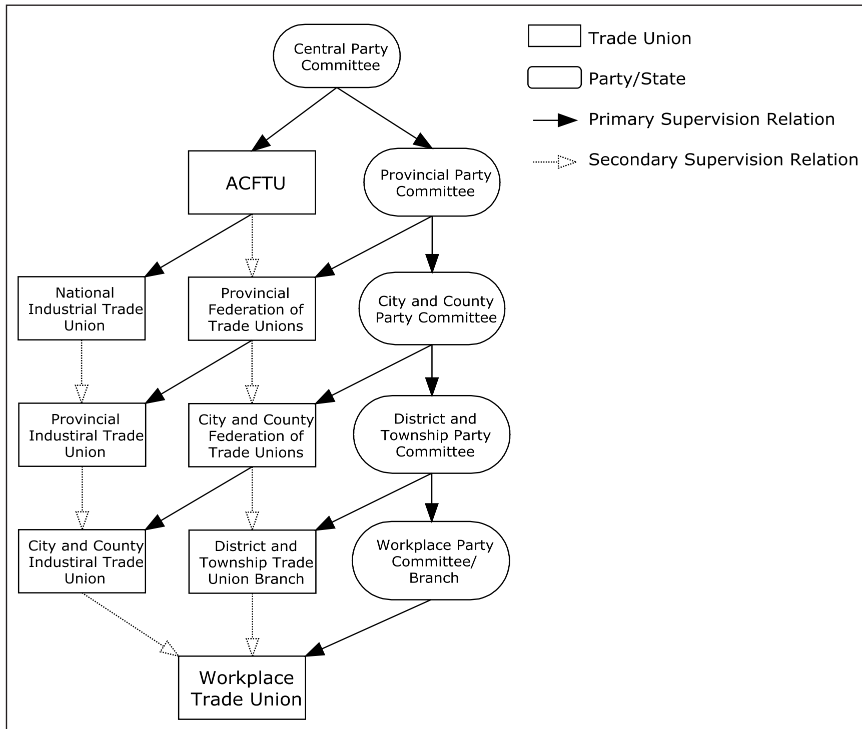
Since the establishment of the People's Republic of China (PRC) in 1949, the ACFTU has been a state apparatus well integrated into China's party-state structure. According to Lenin's idea, the ACFTU was defined as the two-way "transmission belt" between the party and workers. On the one hand, it transmits the party's ideas and orders to workers and mobilizes them to work hard for the new socialist state; on the other hand, it also transmits workers' ideas and interests to the party for its consideration in making policies. However, during Mao years, the top-down transmission of the party's orders to workers had always suppressed the bottom-up transfer of workers' voice to the party (Chan, 2008). During the 10-year Cultural Revolution, the ACFTU completely ceased functioning. According to the socialist ideology, there were no capital-labour conflicts in China and the CCP would fully represent and protect Chinese workers' interests; therefore, having the ACFTU as the middleman for the party and workers was unnecessary.

The ACFTU resumed its function after the Cultural Revolution and helped the Chinese government restore industrial order and promote economic reforms. As an important pillar of the CCP regime, its organizational principles and structure have been carefully maintained without profound reforms. The

hierarchy of Chinese trade unions generally corresponds with the party-state hierarchy at each level (Figure 2), with the ACFTU at the top under the leadership of the Secretariat of CCP Central Committee. Under the ACFTU, in addition to 31 federations of trade unions at the provincial level, there are also 10 national industrial unions.[28] Correspondingly, the local branches of these federations of trade unions and industrial unions are established at each government level. At the grassroots level are the workplace trade unions under the nominal leadership of the upper level union and the appropriate industrial union in the same region.

There are two regular sources of union revenue. The most important is the 2 per cent payroll levy from the unionized workplaces. About 60 per cent of this levy will be returned to workplaces and the remaining 40 per cent will be allocated among unions at different levels. The union's second income source is a levy of 0.5 per cent of individual union member's wage. Moreover, many unions own properties (e.g., cinema, cultural activity centre) and other

Figure 2 ACFTU's Dual Structure of Organization and Its Relation with the Party-State



Note: Illustrated by the author.

business (e.g., employment service centre) which can bring extra income. Local governments also occasionally provide financial aid to the unions.

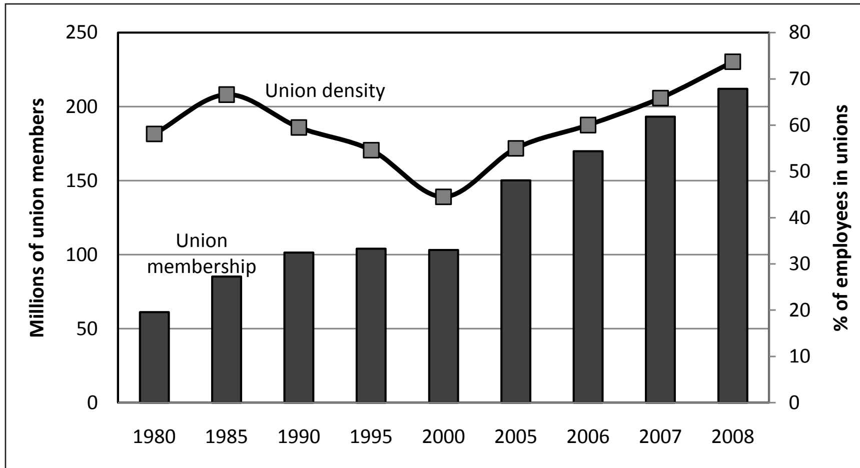
Since the reform and opening in the late 1970s, the ACFTU has gained in importance. The rise of the ACFTU's institutional status may be indicated by the rising level of its chairmen in Chinese political hierarchy. During Mao years and before the Cultural Revolution (1949-1966), the three ACFTU's chairmen were only members of the CCP's Central Committee. When ACFTU was reactivated in 1978, a member of the CCP's Politburo, Ni Zhifu, became the ACFTU's first chairman after the Cultural Revolution. From 1993 to 2002, the chairman was an even higher-ranking official, Wei Jianxing, a member of the party's Politburo Standing Committee from 1997-2002. This was a period of SOE restructuring and privatization, leading to the layoff of 30 million SOE workers. The ACFTU was expected to help the Chinese government survive this critical period of economic reform through addressing laid-off workers' dissatisfaction and protests. Wei Jianxing was succeeded by Wang Zhaoguo, a member of the Politburo and also the vice president of the Standing Committee of the National People's Congress (NPC).

The rise of ACFTU has actually been driven by profound changes in the Chinese working class and labour relations since the reform. First, as mentioned previously, the number of urban Chinese workers increased from 95 million at the beginning of the reform in 1978 to 287 million in 2008. Labour relation has become the most important economic relation with great political implications for the Chinese government. The Chinese government has to use its trade union system to supervise workers' political activities if any. In other words, the ACFTU must consolidate its monopoly of labour issues to stem independent labour movements. Second, the economic reforms, especially SOE restructuring and privatization since the late 1990s, victimized many Chinese workers and created widespread grievance in China, which required the ACFTU to take actions to help the government maintain social stability. China's pro-capital and anti-labour economic regime has also generated more and more labour disputes and unrest, forcing the ACFTU to mediate in various labour issues. In a word, the Chinese government expects the ACFTU to be a stabilizer and mediator among the government, capital (employers) and workers. The ACFTU fulfills its role mainly through unionization, legislation and labour disputes resolution.

8. Growth of Chinese Trade Unions

Figure 3 shows ACFTU's unionization efforts. In 2008, there were about 1.73 million grassroots trade unions and 212 million union members in China – both doubling the numbers in 2000. The union density also increased by 29.2 per cent from 2000 to 2008. Now the ACFTU is the world's largest union

Figure 3 Union Membership and Union Density in China, 1980-2008



Source: 1980-2000 data from Metcalf and Li (2005), Table 1; 2005-2007 data from *Zhongguo Gonghui Tongji Nianjian* 中国工会统计年鉴 [Chinese trade union statistics yearbook], 2006, 2007, 2008 and 2009.

with more members than that of the rest of world's trade unions put together (Metcalf and Li, 2005). Foreign enterprises used to be much less unionized in China. In 2003, only 33 per cent of them established trade unions. Since 2006, ACFTU has achieved great results in its campaign to unionize foreign enterprises. The most successful was the establishment of a trade union for world leading retailer, Wal-Mart, a staunch anti-union believer; this trade union for its Chinese store was actually its first trade union in the world. By the end of 2007, 80 per cent of foreign enterprises in China had established trade unions.[29]

To improve labour conditions, the ACFTU has also a part to play in drafting labour legislations. From 2001 to 2005, the ACFTU participated in drafting over 100 national laws and regulations, and together with other governmental agencies, it also issued more than 30 circulars on the protection of workers' rights. The ACFTU's branches at the provincial level also produced 1,264 local regulations on labour affairs (Chen, 2009). The three most important laws concerning labour rights are the Labor Law of 1994, the Trade Union Law of 2001, and the Labor Contract Law of 2008. In particular, the ACFTU had contributed significantly to the drafting and promulgating of the Labor Contract Law of 2008 with its strong pro-labour position. Both foreign and Chinese business communities strongly opposed the issuance of this law for its bias toward workers, possibly reducing the

competitiveness of enterprises in China and driving foreign investment away from China (Wang, 2008). The ACFTU's local branches have also established many legal service centres to assist workers in labour disputes. From 2000 to 2007, legal service centres increased from 2,363 with 4,960 staff to 6,178 with 18,433 staff in China.[30] Trade unions' legal consultation has contributed to a high percentage of workers winning in labour dispute cases. In 2008 and the first half of 2009, workers completely or partly won 85 per cent of labour dispute cases.[31]

9. Chinese Trade Unions in Dilemmas

Although the ACFTU has achieved visible progress in unionization, legislation and labour disputes resolution, it still has a long way to go in protecting workers' interests. Labour scholars and activists pointed out that the progress made by the ACFTU could not substantively improve labour conditions in China. First, a higher union density does not necessarily mean that more workers are protected; if the unions are not on the side of the workers, union membership is just a game of numbers. Second, as the ACFTU does not have sufficient power, resources and capability to enforce those high standard law and regulations, promulgating new labour law and regulations are only good for the ACFTU's image building. Finally, labour disputes resolution is a reactive way to solving labour issues. The ACFTU's more important role is to act proactively to address workers' grievance and avoid conflicts in labour relations. A study of work accidents in Pearl River Delta shows that among 582 injured workers surveyed, only 1.9 per cent of them received care from trade unions.[32] Another report shows that when workers were unfairly treated by their employers, only 8.2 per cent of them approached trade unions for help.[33] This shows that Chinese workers have very little confidence in trade unions. On the other hand, as previously discussed, labour disputes and unrest have been rising in the past decades. For example, from January to September 2008, almost half of the mass incidents in Guangdong were organized by workers to get their back wages from employers.[34] Though the ACFTU and its local unions do not support workers' unrest, they are unable to contain labour unrest through significantly improving labour conditions.

The problem with the ACFTU is that although it has many grassroots unions and members, high standard labour laws, and the provision of legal aid to workers, its primary goal is not to protect workers' interests but to consolidate the CCP's regime through stabilizing labour relations and maintaining industrial order. To ensure that the ACFTU does not deviate from this stabilizer role, the ACFTU and its branches have been institutionally tied to the government at the same level to do their work. Both the Labor Union

Law and the ACFTU's Constitution emphasize CCP's leadership in Chinese trade unions. The ACFTU has a bureaucracy that is well integrated into the Chinese government structure at each level. To ensure that the ACFTU's local branches are subordinate to the government and the party at the same level, its chairman is usually a relatively higher-ranking official in the government and the party of the same level. Similar institutional arrangement works for unionized workplaces. Party or management officers have been assigned to chair their workplace trade unions to ensure trade unions' subordination to workplace management. As workplace trade union is usually on the side of capital (employer), workers cannot expect it to protect their interests in a conflict with the employer. For those government trade unions above the workplace level, their officers are government staff who have no direct and common interests with workers. These officers' job performance is evaluated by government leaders at the same level, and as a result, they are not accountable to workers but to the government. Therefore, government trade unions work to protect workers' interests to as far as the government allows.

As previously discussed, Chinese local governments have been driven by GDPism in the past decades. The performance of local government leaders is usually evaluated against the success they develop their local economy and maintain social stability. Since capital (investment) shortage has been a major concern to local governments in developing local economy, local governments tend to favour capital at the expense of labour rights. The long-term labour surplus in almost every Chinese region has exacerbated this bias toward capital. Government-business alliance is common in many Chinese regions and putting workers in a very disadvantaged position. As long as there is no serious labour unrest, government trade unions usually do not take the initiative to fight employers for workers' interests. When labour unrest emerges, government trade unions usually play the role of a moderator to pressure both the employer and workers for a compromise.

In 1997, China signed the International Covenant on Economic, Social and Cultural Rights (ICESCR) which provides workers with the right to strike. However, Chinese workers' right to strike, which was removed from the 1982 Constitution, has yet to be restored. Although the Constitution grants Chinese citizens freedom of demonstration, applications for demonstration and mass gathering are rarely approved by the police bureau. Leaders of unapproved labour demonstrations were charged and jailed. Self-organized labour organizations such as independent trade unions have always been banned and their leaders arrested by the government. The ACFTU is the only legal channel that Chinese workers can rely on, but it is still a question whether the ACFTU can fulfill its role of society stabilizer when it is always on the side of the government. The Chinese government faces a dilemma in its handling of the

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Chinese trade unions. While the Chinese government is wary of the growth of potential political forces such as independent trade unions generated by the market economy, it sees the well-functioning market economy as the major source for its legitimacy; on the other hand, the relatively independent trade unions are usually believed to be an inherent component of a matured market economy. Is a well-functioning market economy without autonomous trade unions possible? This is still a serious question for the Chinese government. The most recent wave of worker strikes across China in May-June, 2010 has once again demonstrated the Chinese trade unions' dilemma in dealing with serious labour issues. For example, in the strike of Foshan Honda plant, the trade union staff from the local government clashed with the striking workers, apparently due to the workers' anger with the union staff's support for the employer. In their letter to the public, the workers severely criticized the government trade union and insisted that the factory trade union should be established through elections by all workers.[35]

10. Concluding Remarks

While the historical transformation of Chinese working class in the post-Mao era may indicate how much China's economic system has changed, the dilemma of Chinese trade unions in contrast show us how much China's political system has remained the same as before. The great transformation from the planned economy to the market economy in China during the past three decades has been constantly generating unprecedented challenges to the CCP's authoritarian regime, and to deal with these challenges and maintain regime stability, the CCP has repeatedly announced that profound reforms in the political system is necessary as well.[36] However, as this paper shows, although problems and challenges from the Chinese working class have been accumulating, the major political apparatus supposed to address all these problems and challenges, that is, Chinese trade unions, has not initiated substantial reforms to break conventional institutional constraints and better fulfill its role of society stabilizer. Obviously, we cannot simplistically say that the reforms are delayed because the Chinese working class's problems are not serious enough and challenges not strong enough to the Chinese government. Then what factors account for the delayed reforms in Chinese trade unions? This is a question unanswered by this paper but deserves further studies. A systematic study of this question may provide some important clues for us to understand why political reforms in China are so difficult to start.

In the past several years, the Chinese government and many scholars seem to pay more attention to social reforms as an alternative to political reforms for addressing China's various social problems and challenges. It is believed

that the essential issue underlying most of these problems and challenges is the issue of Chinese people's livelihood. Specifically, addressing Chinese people's livelihood issues mainly includes reducing social inequality through a better income and wealth (re)distribution system, providing every Chinese people with fair access to housing, education, healthcare and other social welfare programmes, and so on. It is suggested that social policy reforms are the most effective way to address all these issues of people's livelihood. Additionally, social reforms are also important for China to transform to a more sustainable economic development model. It is argued that significantly improved livelihood with higher income and better social welfare system for ordinary Chinese will greatly improve people's consumption power and tendency, which will in turn help transform China's economic development model from export-driven to domestic-consumption-driven. Finally, social reforms will harmonize and stabilize state-society relations, and as a result, enhance Chinese top leaders' confidence in introducing more profound political reforms at various levels. Therefore, the era of social reform will be the necessary transition period for China to move from its current economic reform to future political reform.

Social reforms are certainly imperative for China, and practically speaking, they are much easier than political reforms to be initiated. However, it is hard to believe that social reforms would succeed without political reforms. For example, in the case of Chinese working class and trade unions, we have seen that China has already established a series of high standard and progressive laws, such as Labor Contract Law of 2008, and numerous trade unions to help implement these laws, but the reality is that neither these laws nor trade unions function well to protect workers' interests. Therefore, the problem is not that China does not have good social policies, but that the Chinese government is not able to implement these policies to a full extent. China certainly need more progressive social policies, but if without effective implementation, all the good policies will be only good for the Chinese government's image building. To better implement social policies, China needs wide reforms in its political system. On the other hand, there is almost no social issue without political implications, especially in authoritarian states like China. Essentially, social policies are the way to balance conflicts of interests among different social groups, which inevitably involve struggles among different political forces. The political system provides a set of "rules of the game" to regulate who can participate in the struggles and how to perform these struggles. To a large extent, the policy outcomes of these struggles are determined by these rules. Therefore, to change the conventional policy outcome, it is often necessary to change the "rules of the game". In other words, political reforms are usually needed to successfully initiate and carry on profound social reforms.

Notes

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Stumbling on the Rocky Road: Understanding China's Middle Class+

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Abstract

The evolution of Chinese class structure since economic reform has followed a pattern similar to what is found in modernized industrial societies. This is evident in the advancement of occupational structure and particularly the expansion of middle class strata in the past three decades. The emerging middle class has also attracted the attention of both policy-makers and the academia, and China is expected to become a middle class society in the foreseeable future. In this paper, I study China's middle class by looking at its composition and growth, consumption behaviour, and life satisfaction and social-political attitude based on the data drawn from the national probability surveys and official figures.

Keywords: *China, class structure, middle class, consumption, life satisfaction, sociopolitical attitude*

1. China's Rising Middle Class

China's rising middle class has attracted the attention of both policy-makers and the academia. In a mature industrial society, middle class is the mainstream. It is not only the major source of consuming power, but also the stabilizer of the society, providing an ideal buffer zone between the upper class and the lower class.

China is still far from being a middle class society. In the Mao era, class structure remained as simple as the "alliance" of workers, peasants, and intellectuals. Since the 1978 economic reform, the middle class has emerged and gained in number, complexity, cultural influence and sociopolitical prominence amidst rapid industrialization and urbanization. This growth momentum is likely to continue in the 21st century. Indeed scholars from the Chinese Academy of Social Sciences (CASS) have claimed that the 21st century will be the "golden age" for the growth of China's middle class.

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Table 1 Changing Class Structure in China, 1949-2006 (column %)

Class Structure	1949	1952	1978	1988	1991	1999	2001	2006
Leading cadres and government officials	0.5	0.5	1.0	1.7	2.0	2.1	2.1	2.3
Managerial personnel	0.4	0.1	0.2	0.5	0.8	1.5	1.6	1.3
Private entrepreneurs†	0.4	0.2	0.0	0.0	0.0	0.6	1.0	2.6
Professionals	2.6 (Professionals and Clerical workers combined)	0.9	3.5	4.8	5.0	5.1	4.6	6.3
Clerical workers		0.5	1.3	1.7	2.3	4.8	7.2	7.0
Self-employed (*getihu* 个体户)	*3.7*	*4.1*	*0.0*	*3.1*	*2.2*	*4.2*	*7.1*	*9.5*
Sales and service worker	0.5	3.1	2.2	6.4	9.3	12.0	11.2	10.1
Manual worker	2.9	6.4	19.8	22.4	22.2	22.6	17.5	14.7
Agricultural labour	88.1	84.2	67.4	55.8	53.0	44.0	42.9	50.4
Semi-/Unemployed	1.3	–	4.6	3.6	3.3	3.1	4.8	5.9
Total population (N unit: billion)	**0.54**	**0.57**	**0.96**	**1.11**	**1.16**	**1.26**	**1.28**	**1.31**

Note: † The notion of "private enterprise" and "private entrepreneur" is still ambiguous in the Chinese context. Here, the definition of government commonly used by Chinese and Western scholars is utilized: private enterprise (*siying qiye* 私营企业) in a broader sense refers to an individually owned, family based or shareholding firm with eight or more employees. However joint ventures and wholly foreign-owned firms are also included. In fact, the focus is on Chinese domestic, private entrepreneurs (also known as *minying qiyejia* 民营企业家). Conversely, individual entrepreneurs who employ fewer than eight employees are classified as self-employed (*getihu* 个体户), although the real situation is much more complex than what a scale portrays.

Source: Figures collected from *Report on Social Class Study in Contemporary China* (2002), and *Social Structure of Contemporary China* (2010), both edited by Lu Xueyi, Institute of Sociology, CASS.

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Table 1 shows the changing class structure in China. From 1949 to 2006, agricultural labour decreased from 88.1 per cent of the population (0.54 billion) to 50.4 per cent (1.31 billion) while occupational groups expanded between 2.6 times (self-employed) and 22.4 times (sales and service workers).

In China, the pace of social change is so rapid that scholars are now differentiating between "new" middle class and the "old" middle class like those in Western societies during the industrializing period. The "old" middle class mainly refers to the self-employed, small merchants and manufacturers grown out of China's early market liberalization in the 1980s. Into the 1990s, the "new" middle class of mainly salaried professionals and technical and administrative employees who work in large corporations ushered in its initial expansion and soon overshadowed the "old" ones in terms of status and prestige.

Unlike its Western counterpart, the Chinese burgeoning capitalist class – mostly owners of small- or medium-sized enterprises, constituting 2.6 per cent of the total population in 2006 – is usually regarded as part of the new rising Chinese middle class. Therefore, China's middle class composes of not only the majority of white-collar workers and well-educated professionals, but also those at the top of the social hierarchy in terms of wealth. Except for the new middle class who exhibits the most democratic mentality compared with the other two groups, China's middle class as a whole has yet to hold a distinctive sociopolitical ethos, be it directed at self or others. Their acknowledgement of the state authority is similar to that accorded by the rest of the society. As long as the majority of the middle class are able to maintain their current lifestyle despite the social policy reform, the force of democratization is unlikely to become strong.

2. Composition of China's Middle Class

China's middle class is heterogeneous.[1] CASS scholars divide it into three echelons based on occupation, education, and income: "New middle class", "Old middle class" and "Marginal middle class" (Table 2). According to the CASS study, new middle class includes party and government officials, enterprise managers, private entrepreneurs, professionals, and senior-level clerical workers; old middle class is self-employed personnel, and marginal middle class is people working as lower entry level routine non-manual workers and/or employees in the sales and service sector. It is also not surprising to see more people from the new middle class obtaining quality education and higher income compared with the other two groups.

The growth of middle class is evident. From 1949 to 2006, the middle class increased from 7.9 to 39.1 per cent, with 12.5 per cent of new middle

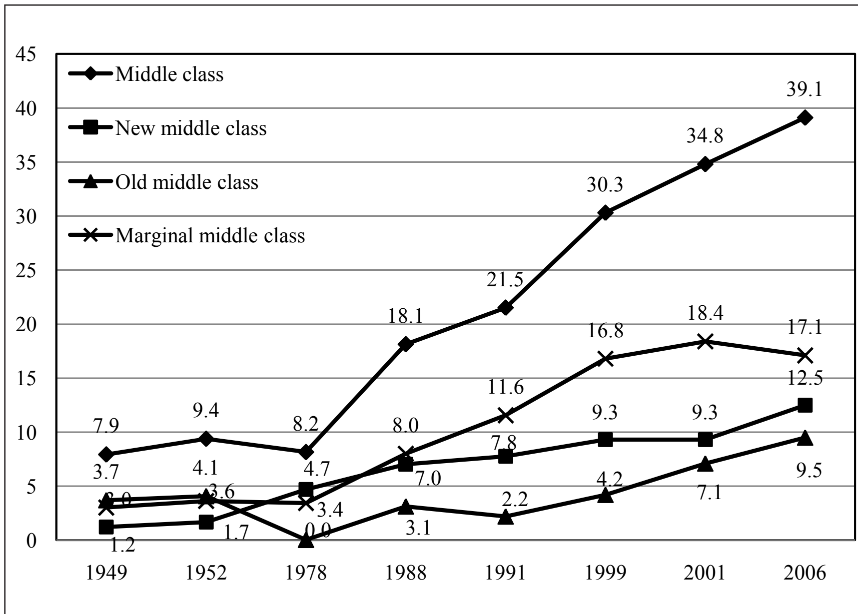
Table 2 Components of China's Middle Class by Occupation, 2006

	By Occupation	Nationwide %
New middle class	Leading cadres and government officials	12.5
	Managerial personnel	
	Private entrepreneurs	
	Professionals	
	Clerical workers (senior level)	
Old middle class	Self-employed	9.5
Marginal middle class	Clerical workers (middle/lower level)	
	Sales and service workers	17.1

Note: Levels of clerical worker cannot be distinguished in the China General Social Survey, 2006 (CGSS2006). Since the financial situation of the majority of clerical workers is similar to the marginal middle class, they were combined here. Therefore, the actual proportion of new middle class should be a bit higher and correspondingly, the marginal middle class should be a few percentages lower.

class, 9.5 per cent of old middle class and 17.1 per cent of marginal middle class.[2] Since 1978, the proportion of middle class has steadily increased by 1 per cent each year for over 30 years (see Figure 1). Based on data taken from China General Social Survey (CGSS) conducted by Renmin University and Hong Kong University of Science and Technology in 2006, the new middle class and old middle class, together constituted about 22.0 per cent of the total population, is predicted to reach 23 per cent in 2010. However, the definition of middle class varies widely between different studies. As a result, estimate of the share of Chinese middle class within academia ranges from 4.1 per cent to 23 per cent for the country as a whole, and from 11.9 per cent to 48.5 per cent in urban areas (see Table 3). McKinsey presents a more optimistic prediction on the growth of the middle class[3]: in 2015, upper middle class households, which have a disposable income of ¥40,001 to ¥100,000, will increase to 21.2 per cent of urban households, and the lower middle households, which have a disposable income of ¥25,001 to ¥40,000, will reach half the number of the urban households. And in 10 years' time, the proportion of upper middle class households will exceed the lower middle class household and occupy around 60 per cent of urban households in China.

Figure 1 Expansion of China's Middle Class, 1949-2006 (%)



Source: National Bureau of Statistics and China General Social Survey (by CASS) 2006.

Similarly, GMI (Global Market Institute) of Goldman Sachs (see Table 3) also anticipates that in 5 years' time until 2015, with rapid income growth, 60 per cent of China's population will move up to middle class, a big jump from 37 per cent in 2009. And in the subsequent decade from 2015 to 2025, three-quarters of China's population should reach middle class income levels. According to the report on "The rise of Asia's middle class" recently released by Asian development bank, the size of China's middle class based on purchasing power parity (PPP) per person per day (US$2-20) has accounted for 62.68 per cent of the total population in 2005 (Asian Development Bank, 2010: 8), and estimated to exceed 80 per cent in the year of 2030 (*ibid*.: 17). There are no universal criteria shared among the policy-makers, academia, and investors to capture the middle class due to its heterogeneous nature. However, we can see from the research results summarized in Table 3 that various resources have projected China's middle class to rise and grow into a major component in urban China in years to come. They are believed to be a major force shaping China's economic and political future. In fact, their consuming power has already been widely recognized.

Table 3 Estimation of the Size of the Middle Class in China, 1997-2030

		Measurements	Nationwide %	Urban %	Based on
Academic estimation[†]					
1997	Zhang Jianming, Hong Dayong (1998)	Socioeconomic index (based on education, income, and occupation)	–	48.5 (Beijing)	Survey in Beijing
2001	Zhou Xiaohong (2005)	Income, occupation, education, social attitudes	–	11.9 (Big cities)	Survey in 5 cities
2001	Li Chunling (2005)	Occupation, Income, Consumption, and Self-identification	4.1	12.0 (Big cities)	Nation-wide survey
2004	Liu Yi (2005)	Income, occupation and consumption	–	23.7 (Pearl-river delta)	Survey in Pearl River Delta
2005	Li Qiang (2005)	Occupation	15	–	Subjective prediction
2006	Li Peilin; Zhang Ji (2008)	Occupation, income, and education	12.1	25.4	Nationwide survey
2010	CASS (2010)	Occupation, income, and education	23	–	Nationwide survey
Estimation by financial sector[††]					
2005	McKinsey Quarterly (2006 special edition)	Income	–	9.4 (upper); 12.6 (lower)	Data from national bureau of statistics
2005	Asian Development Bank (2010)	PPP	62.68		China Household Income Project 1995 and 2007
2009	GMI Goldman Sachs (2009)	Income based on PPP (US$6,000-30,000)	37	–	World Bank
2015		Income based on PPP (US$6,000-30,000)	60	–	

Table 3 (continued)

		Measurements	Nationwide %	Urban %	Based on
2015	McKinsey Quarterly (2006 special edition)	Income	–	21.2 (upper); 49.7 (lower)	Data from national bureau of statistics
2025		Income	–	59.4 (upper); 19.8 (lower)	
2030	Asian Development Bank (2010)	Baseline income distribution (per person per day $2 and above) for consensus real GDP growth trends	80+		Historical income distribution data and real GDP from independent sources

Notes: † [In Chinese]: Hong Dayong and Jianming Zhang (1998), "The Middle Class in Urban China", *Journal of Renmin University of China*, No. 5, pp. 62-67; Zhou Xiaohong (ed.) (2005), *Survey of the Chinese Middle Class*, Beijing: Social Sciences Academic Press (China); Li Chunling (2008a), "The Growth and Present Situation of the Chinese Middle Classes", *Jiangsu Social Sciences*, No. 5; Liu Yi (2006), "Index Definition and Empirical Study on Middle Class – Case of Pearl-River Delta", *Open Times*, No. 4; Li Qiang (2005), "Theories and Present Situation of Middle Class", *Society*, 1; Li Peilin and Ji Zhang (2008), "Size, Identity and Attitudes of Chinese Middle Class", *Society*, 28; Lu Xueyi (ed.) (2010), *Social Structure of Contemporary China*, Social Sciences Academic Press.

†† The McKinsey Quarterly (2006), *The Value of China's Emerging Middle Class*, special edition; Global Markets Institute (GMI) of Goldman Sachs (2009), *The Power of the Purse: Gender Equality and Middle-class Spending*; The McKinsey Quarterly (2006), *The Value of China's Emerging Middle Class*, special edition; Asian Development Bank (2010), *Key Indicators for Asia and the Pacific 2010 Special Chapter: The Rise of Asia's Middle Class*.

3. China's Middle Class Consumers

China's middle class has grown to become a major component in urban China. The size of the middle class indicates how sustainable the economic growth has been. Modern political economists consider a large middle class, equipped with better education and understanding of democracy and politics, as well as their capability of self-justification, to be a beneficial and stabilizing influence on society. And the relatively open mobility within the entire middle class provides a perfect buffer-zone for the confrontation of the top and bottom, which further maintains political stability.

3.1. Basic Household Expenditures

The emerging middle class represents China's fast economic growth and accumulation of social wealth. The lifestyle and consumption patterns practiced and promoted by middle class households are most influential and most likely to be adopted by the whole society. Despite its heterogeneity, China's middle class displays certain similarities in household consumption.

For example, from 2000 to 2007, the average annual income of Beijing residents and nationwide urbanites both achieved double-digit growth rates, with the former constantly doubling the latter (see Table 4). Among Beijing residents, average annual income of middle class individuals steadily decreased from 2.2 times of the overall average in 2000 to around 1.6 times

Table 4 Average Annual Income (unit: RMB ¥1,000)

	Beijing						National Urbanites	
	MC Individual		MC Household		Beijing Residents			
	Avg.	Growth Rate	Avg.	Growth Rate	Avg.	Growth Rate	Avg.	Growth Rate
2000	36.4	–	60.4	–	16.4	–	9.3	–
2001	37.5	3.0	67.7	11.7	19.2	17.1	10.8	16.1
2002	40.5	8.0	71.6	6.2	21.9	14.1	12.4	14.2
2003	44.5	10.0	77.4	8.0	25.3	15.5	14.0	12.9
2004	49.2	10.5	82.1	6.2	29.7	17.4	15.9	14.0
2005	52.6	6.8	89.4	8.8	34.2	15.2	18.2	14.3
2006	60.8	15.7	102.0	14.1	39.7	16.1	20.9	14.6
2007	74.9	23.2	144.2	41.5	45.8	15.4	24.7	18.5

Note: 1) MC= Middle Class; 2) Data Sources: Lu Xueyi (ed.) (2010), *Social Structure of Contemporary China*, pp. 404-405 (Beijing middle class); *China Statistical Yearbook*: 2001-2008 (average salary of Beijing residents and urbanites).

in 2007. Accordingly, average annual income of middle class in big cities like Beijing has always been about three times of the urbanites in general. It is evident that the potential of consumption largely lies among urban residents, particularly the middle class of the big cities.

Table 5 shows the breakdown of living expenditure of urban household by three major income clusters: the highest 10 per cent, middle 20 per cent, and lowest 10 per cent.[4] Throughout the past decade, with reasonable variations in weight of each consumption item in annual living expenditure, the consumption structure of urban household and its changing patterns appear to be similar across the income clusters.

From 1998 to 2008, after allowing for considerable deductions ranging from 5.8 per cent to 7.2 per cent, basic food and clothing consumption still constituted over half of total household living expenditure of middle (down from 58 to 51 per cent) and lowest (down from 63 to 57 per cent) income urban households. For the highest income cluster, basic food and clothing consumption constituted 39 per cent (down from 46 per cent in 1998) of the total living expenditure in 2008. In the same year, consumptions with the most increase among the highest income household cluster were education (19 per cent) and housing (15 per cent).

On the contrary, consumption on education and cultural recreation services exhibits a minor decrease of 0.9 per cent for middle-income household (from 11 per cent to 10 per cent) and 2 per cent for lowest-income household (from 10 per cent to 8 per cent). In general, educational and cultural consumption barely constitutes 10 per cent of total living expenditure of middle income and poor families, while it constitutes nearly 19 per cent of rich families. Unlike richer households, the poorer households tend to invest more on improving the living conditions than on buying new flats. Expenditure on household facilities and services tripled among the poorest households. Meanwhile, the corresponding proportion for middle and highest income clusters fluctuates around 10 per cent of total living expenditure.

In terms of healthcare, around 7 per cent of total living expenditure of the highest income household is for medicine and medical service, while the proportion stays around 4 per cent for middle and lowest-income households. Middle class lifestyle and consumption patterns in urban and developing regions from north-east to south-east China, however, may vary due to the income disparities and local cost of living.

3.2. Housing Consumption

Housing consumption is particularly appealing in China because the financial sector offers few other investment options, and the population cannot fully rely on state pensions and other social security benefits. Housing consumption

Table 5 Lowest-, Middle- and Highest-income Household Annual Living Expenditures Breakdown in 1998, 2003, and 2008

Consumption Items	Lowest 10 per cent			Middle 20 per cent			Highest 10 per cent		
	1998	2003	2008	1998	2003	2008	1998	2003	2008
Food	54.3	47.7	48.1	46.2	39.2	40.4	35.1	29.8	29.2
Clothing	8.4	7.8	8.8	11.6	10.6	11.0	11.1	8.8	9.8
Education, Cultural and Recreation Services	10.4	12.8	7.6	11.3	13.9	10.4	12.7	15.2	18.5
Housing	10.9	12.1	9.4	9.1	10.1	11.3	9.6	12.4	14.7
Household Facilities and Services	4.0	3.6	12.3	7.0	5.9	10.3	13.7	8.1	9.9
Medicine and Medical Services	4.8	6.9	4.2	4.7	7.1	6.0	4.8	7.4	7.1
Transport, Post and Communication Services	4.0	6.8	7.1	5.9	10.2	7.2	7.0	14.3	5.9
Miscellaneous Commodities and Services	3.1	2.4	2.5	4.0	3.1	3.4	6.1	4.0	4.9

Source: *China Statistical Yearbook*, 1999-2009.

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Table 6 Commodity Housing Consumption, 2000-2009

	Turnover (100 billion ¥)	Growth Rate (%)	Saleable Size (10 million m^2)	Growth Rate (%)	Average Price (¥/m^2)
2000	14.5	23.1	44.7	14.7	2226.1
2001	4.6	29.4	20.8	22.3	2291.3
2002	5.7	23.7	25.0	20.2	2378.8
2003	7.7	34.1	32.2	29.1	2713.9
2004	10.4	30.0	38.2	13.7	3242.0
2005	18.1	26.9	55.8	15.3	3382.9
2006	20.5	18.5	60.6	12.2	3885.4
2007	29.6	42.1	76.2	23.2	3919.0
2008	24.1	–19.5	62.0	–19.5	3882.4
2009	44.0	75.5	93.7	42.1	4694.7

Source: Figures for 2000-2007: Lu Xueyi (ed.) (2010), *Social Structure of Contemporary China*, p. 406. Figures for 2008-2009: national statistical bureau report <*http://news.xinhuanet.com/house/2010-01/19/content_12835380.htm*>

for middle-income families is a way of saving as well as investment for the future. From 2000 to 2009, both the saleable size and the average price/m^2 in real estate market had doubled, and the annual turnover of the commercial housing market tripled from ¥1,448 billion to ¥4,399 billion (See Table 6). However, the growth rates of housing price in big cities such as Beijing and Shanghai have far outpaced the national average rate.[5]

For example, DPI (Disposable Personal Income) reached ¥26,738 in Beijing and ¥28,838 in Shanghai, both 8.1 per cent up from 2008. However, in November 2009, the average price of new homes in urban Shanghai and Beijing stood at ¥31,209 and ¥22,798/m^2, which imply growth rate of 68.0 per cent and 66.0 per cent as compared to the same month in 2008 respectively. Over the past year, Shanghai and Beijing topped housing price and growth rate in China.[6] Over 4/5 of new middle class and 2/3 of marginal middle class owned a property in 2005 and on average over 40 per cent of them purchased the commodity house (see Table 7). Though the housing market has become overheated since 2006, in 2007, there were still over 1/5 of new middle class in Beijing who were reported to own more than one property. Similarly, according to an online survey on Tianjin real estate market, 12 per cent of residents own more than one property.[7]

General proportion of the housing loan usually accounts for about 20 per cent to 30 per cent of household income. Therefore, the housing price-

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Table 7 Ownership of Private Housing

Year	Housing Type	Nationwide	Urban		
			New MC	Marginal MC	Working Class
2000	**Total per cent:**	**86.3**	**80.6**	**68.3**	**70.2**
	Self-built	72.7	11.5	19.9	28.2
Source:	*Commodity*	5.6	24.0	18.2	14.0
	Public	8.0	45.0	30.2	28.0
2005	**Total per cent:**	**88.0**	**80.6**	**64.5**	**59.8**
	Self-built	71.6	14.8	19.1	28.6
Source:	*Commodity*	7.5	36.7	24.5	15.1
	Public	8.9	29.1	20.9	16.1
2007	1 property	–	60.8	51.1	–
Beijing	1+ property	–	21.9	6.5	–
2008	1 property	–		42.0	
Tianjin	1+ property	–		12.0	

Source: Li Chunling (2008a), "Growth and Present Situation of the Chinese Middle Class", *Jiangsu Social Sciences*, No. 5. For private entrepreneurs in Beijing, ownership of one property reaches 100 per cent and that for second property 60 per cent. Figures for the old middle class are missing.

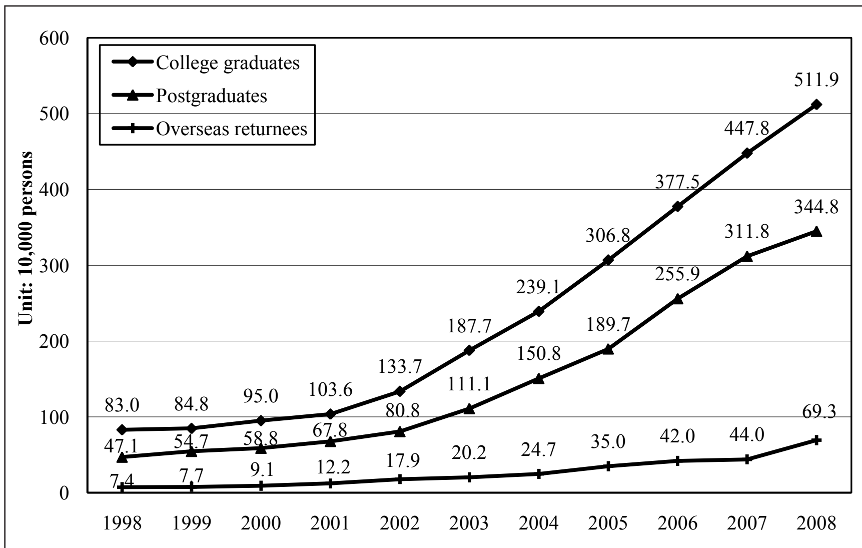
income ratio normally falls within the range of 3-6.[8] However, in 2008, the average Chinese housing price-income ratio was 15 and that for Beijing had reached 23.[9] According to an online survey conducted by *Sina.com.cn* in 2009, over 50 per cent of respondents in Beijing had to rely on their parents' savings for housing purchase. Still, most people cherish the traditional concept of possessing their own homes. Therefore, a strong market demand will continue to push up housing prices, even though the central government took measures such as advising commercial banks to tighten lending for second homes, withdrawing resale tax incentive introduced the year before, imposing minimum 50 per cent as down payment upon the land purchase of the developers to cool the market. In this case, even if a tax on the value of property holdings may reduce estate speculators, the strong demand for housing will continue to maintain and the housing prices are likely to remain on an upward trend. Taking Beijing and Shanghai as extreme examples, housing consumption has inevitably become a major financial burden for the Chinese middle class, particularly for the younger generation (Li, 2010).

3.3. Expansion and Increased Cost of Higher Education

Higher education in China has undergone massive expansion in the past decade since the implementation of the Ministry of Education (MOE)'s policy of expanding high education enrolment in 1999. In 2009, the gross enrolment rate (GER)[10] of higher education nationwide reached 24 per cent, which is estimated to rise to 26 per cent in 2010, and 43 per cent in 2020 (Feng, 2009). In the meantime, due to the planned-birth policy, the number of middle school graduates had slipped from 25 million during the peak years to 18 million in 2008; the figure is expected to have gradually stabilized around 17 to 19 million since then.

With fewer registrants for colleges and MOE's incessant expansion of higher education and international cooperation among educational institutions, the younger generation certainly have better opportunities and alternatives for more adequate education to become competitive candidates for the domestic or even the global labour market. Figure 2 illustrates the aforementioned trend in the past decade. The number of Chinese college graduates increased 5.2 times, from 0.8 to 5.1 million; the number of postgraduates (masters and PhDs) increased 6.3 times from about 0.5 to 3.4 million, while the number of overseas returnees increased 8.4 times from about 0.07 million to 0.7 million.[11]

Figure 2 Number of College Graduates, Postgraduates and Overseas Returnees, 1998-2008



Source: *China Statistical Yearbook 2009*.

In 1997 the original dual-track enrolment policy was withdrawn and students had to pay tuition fees to attend higher education. The cost in higher education has increased 25 to 30 times since then. An estimation of the expenses of higher education in China is shown in Table 7. The approximate medians of the reported cost within each category are presented in Table 8.[12] According to the list, it takes roughly ¥30,000 to ¥100,000 to complete higher education in China, excluding costs in previous education (from kindergarten to high school) or any fees for cram school and extracurricular activities related to the accumulation of children's human capital. Attending a prestigious primary school or high school may cost no less than college expenses.[13]

The quality of higher education has always been an issue. To improve their competitiveness in the domestic labour market, an increasing number of college graduates would choose to pursue postgraduate degrees from overseas institutions even if it is self-funded. The overall expenses before and

Table 8 Estimated Expenses of Higher Education in China, 2009 (unit: RMB ¥)[†]

		Public			Private	
		Low	Moderate	High	Low	High
Instructional	Tuition	2,500	5,000	10,000	5,000	10,000
	Books and others	250	500	1,000	500	1,500
	Subtotal	*2,750*	*5,500*	*11,000*	*5,500*	*11,500*
Living Cost	Lodging	500	800	1,200	500	1,200
	Food	3,500	6,000	6,000	3,500	6,000
	Transportation	300	600	1,000	300	1,000
	Other	1,000	1,500	2,000	1,000	2,000
	Subtotal	*5,300*	*8,900*	*10,200*	*5,300*	*10,200*
Total		8,050	14,400	21,200	10,800	21,700

Note: [†] "Low Public" includes major subjects in public institutions that charge low tuition fees, such as teacher training, agriculture, forestry, and navigation; "High Public" includes major subjects that charge high tuition fees in public institutions, such as arts, performing art, music programmes, international accounting, software engineering (in junior and senior years); "Moderate Public" includes most major subjects in public institutions that do not fall under "Low Public" and "High Public" categories.

Source: The compilation of this table is based on a thorough study of tuition and dormitory costs of all higher education institutions listed on the websites of <*http://gkcx.eol.cn/z/sfbz.html*> and <*http://edu.people.com.cn/GB/4590244.html*>.

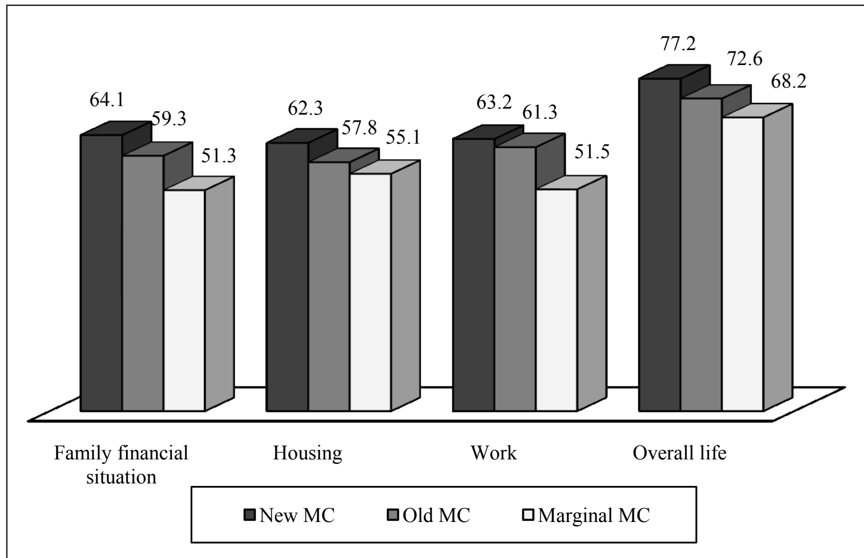
after higher education therefore could be enormous and difficult to capture. Apparently, children's education has always been the priority if not the top of total household expenditure even if it means making an investment in the purchase of a house near key elementary or middle schools, attending cram schools, participating in extra-curriculum activities, etc.

4. Life Satisfaction of China's Middle Class

As the majority of the middle class are business professionals, government officials and intellectuals, most of them ranked career and professional life highly in their social life. They ordinarily expect long term employment and regard working life as one of the top priorities. They are dependent on the current economic system and generally have savings in banks, and lead a comfortable life (Zhou (ed.), 2006: 111-135).

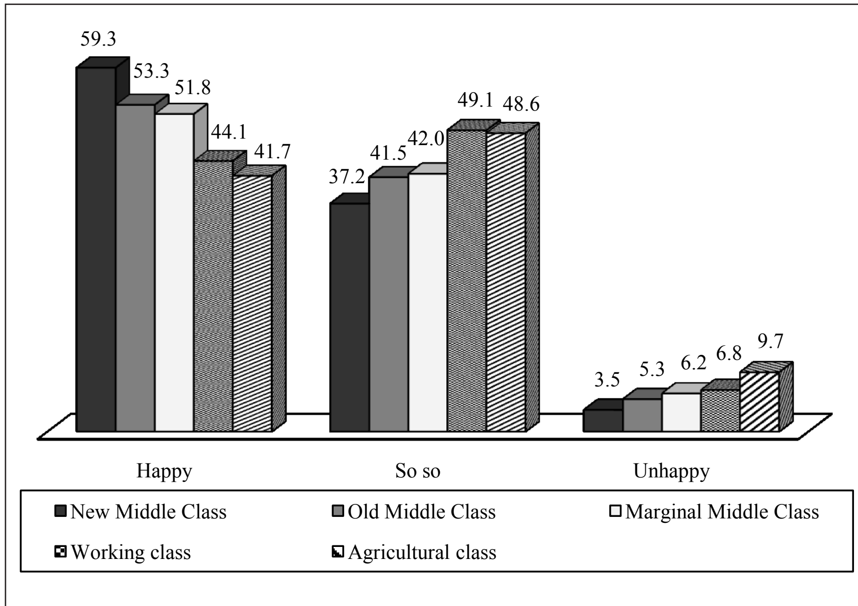
Figure 3 shows that about 77 per cent of new middle class are satisfied with their current life, in comparison with 73 per cent of old middle class and 68 per cent of marginal middle class. Similar patterns are also found in some particular aspects of life such as family financial situation, housing, and their current jobs. More new middle class claim satisfaction with their life than old and marginal middle class.[14]

Figure 3 Proportions of New, Old, and Marginal Middle Class's Satisfaction with Life, 2006 (%)



Source: China General Social Survey (CGSS) 2006.

Figure 4 Happiness of Chinese People, 2006 (%)



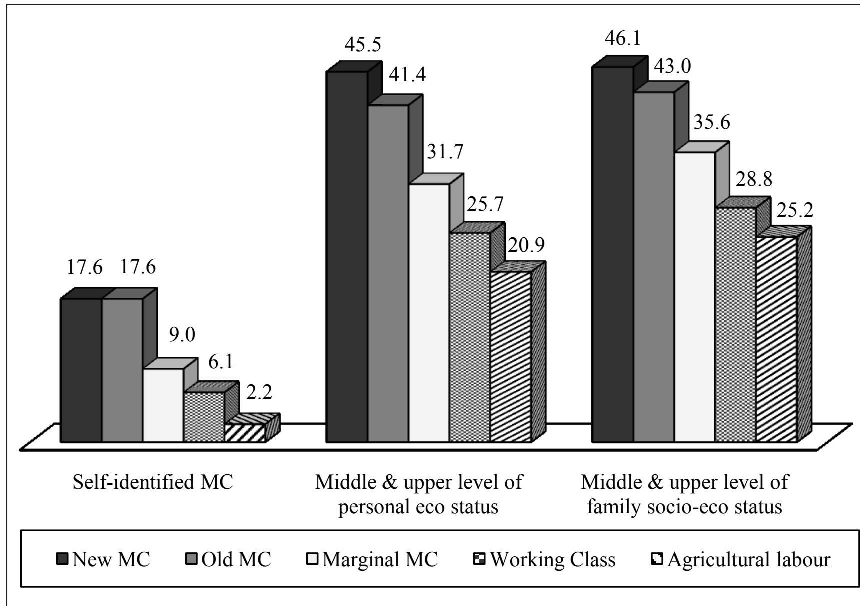
Source: China General Social Survey (CGSS) 2006.

Therefore, in terms of happiness (see Figure 4), on average, over 50 per cent of middle class are happy with their life, compared with around 44 per cent of working class and 42 per cent of agricultural labour. Of the middle class, the new middle class is again found to be the happiest group.

Respondents were fairly humble when they were asked to rank their personal economic status and family socioeconomic status in society, as shown in Figure 5. About 46 per cent of new middle class and 42 per cent of old middle class ranked their personal economic status as well as their family socioeconomic status middle or upper level of Chinese society. Meanwhile, for the less confident marginal middle class, both figures drop to around 30 per cent. However, very few people defined as middle class actually claimed themselves representing middle class. As shown in Figure 5, only 17.6 per cent of new and old middle class identified themselves as middle class, and the proportion drops to 9.0 per cent for marginal middle class.

In fact, 54 per cent of new middle class claimed themselves as working class, while the proportion increased to 76 per cent among the marginal middle class, with around 11 per cent of both groups claiming to be agricultural labour. At the same time, for the old middle class, about 41 per cent claimed to be of the working class while about 35 per cent claimed to be

Figure 5 Socioeconomic Status Self-ranking of Chinese People, 2006 (%)



Source: China General Social Survey (CGSS) 2006.

agricultural labour. There are two possible explanations to this phenomenon. One is modesty. The respondents could be too humble to label themselves as middle class. The second is this genuine feeling of inadequacy brought about by the heavy burden of housing loans and high costs of living.

Some commentators have warned that if the increase in housing price keeps out-pacing the growth of income or savings, in 5 to 8 years' time, the majority of urban middle class in China will be gradually left out of the housing market. The majority of middle class will slip to a vulnerable position as in the case of Japan.[15] The social structure would then be the shape of "工" instead of an "olive' or "onion".

The identity of China's middle class has yet to be formed, resulting in a discrepancy between objective and subjective middle class groups. Soaring housing prices and costs of living strongly affect people's perception of their own class status and their sociopolitical preferences. It is evident that a number of China's middle class are still struggling to make ends meet. Nonetheless, some segments, particularly the financially more secured new middle class, are becoming more confident. It would benefit the Chinese government if this group continues to grow and becomes a stabilizing force, and provides mainstream values to the rest of the society.

5. Sociopolitical Attitudes of China's Middle Class

With the rapid growth of China's middle class, there has been growing interest in the sociopolitical attitudes of this rising group since the 1980s. Early studies of the emerging middle class described them as the most active pursuers of democracy. In the 1990s, mainstream perception had it that middle class was supportive of government policies and economic reform, as well as politically conservative; they would therefore become a strong stabilizing force of the society (Li and Ji, 2008).

Most recent research shows that China's middle class actually hold a mix of both liberalistic and conservative views due to their divergent backgrounds and life experiences (Li Chunling 2009). They tend to have more positive feelings about democracy and high expectation of social justice, and show more confidence in participating in politics. Most of them hope to benefit from the economic growth and maintain their current lifestyle; they are therefore more prepared to be subservient to an authoritarian state for economic security and sociopolitical stability (see Table 4).

Table 9 shows that middle class as a whole appears to be more open-minded regarding the pursuit of democracy (S1), and shows higher confidence in participating in politics (S4) than working class and agricultural labour class. They are aware of the income gap and agreeable to taxing the rich to help the poor; they also show a higher rate of acceptance on the pursuit of profit to sustain economic growth.

Within the middle class, there are differences in sociopolitical attitudes. The new middle class with more cultural capital shows most democratic consciousness. The old middle class tends to be more mindful of its own financial situation. They hold relatively conservative political views and are more likely to support state authoritarianism and have the least consciousness of social inequality and justice. The marginal middle class is comparatively more vulnerable and therefore more sympathetic toward the lower class, exhibiting stronger sense of social justice and democracy than the old middle class.

In China as in elsewhere, education is positively correlated to liberalism. Younger people have displayed more democratic consciousness and lower confidence in the government. Seen in this light, whether the rising middle class is a stabilizer or a challenger will depend on whether the political system can accommodate their political demands (Li, 2008b).

The rise of the bourgeois is also regarded as a potential driving force for democratization. Some scholars speculate that continued economic growth and the increasing scale and scope of state enterprise privatization might ultimately lead to political changes initiated by private entrepreneurs.

Some scholars however believe that China's private entrepreneurs are too heterogeneous to form a cohesive identity. For the past three decades, the CCP government has been slowly whittling away the institutions that

Table 9 Percentages of Agreements on Sociopolitical Issues: Middle Class (MC) vs. Working Class and Agricultural Labour Class (WC + ALC)

	% of Agreement among MC				% of WC+ALC
	New	Old	Marginal	All MC	
I. Regarding democracy and political participation					
S1: Democracy is not necessary with sustainable economic growth	33	40	37	36	44
S2: The richer have more rights to speak on public issues than the poorer	39	47	41	41	43
S3: Only professionals can exercise the rights of decision-making	50	54	50	51	54
S4: Politics is too complicated to understand	43	54	51	48	59
S5: Rights to appeal regarding inadequate local policies	85	83	84	84	81
II. Regarding current government					
S6: Insufficient policies are key reasons for poverty	72	70	75	73	73
S7: Obedience to government never goes wrong	56	55	58	57	61
S8: Operation of law requires government's support and coordination	79	81	84	81	81
III. Regarding social inequality					
S9: No social development without pursuit of profits	76	72	77	76	69
S10: Enlarging rich-poor gap stimulates positivity at work	59	59	60	59	58
S11: Lack of education is a key reason for poverty	60	63	61	61	65
S12: Tax the rich to help the poor	76	73	79	77	77

Source: China General Social Survey (CGSS) 2006.

defined the planned economy to embrace market mechanisms. This has reinforced property relations between central and local governments, and further engendered cooperative relationships between local officials and businesspeople. Therefore, class formation has not occurred within this group, and it is unlikely for private entrepreneurs to promote democratization in China in the near future. Along with these changes and gradual privatization was the central government's strategy for granting greater autonomy over the local economy to local governments. This transformed the relationship between local officials and private entrepreneurs from critical to an interdependent patron-client relationship.

Chinese entrepreneurs have also adopted a series of adaptive strategies and close ties with local government officials, which essentially prevent them from being a force for change.[16] As long as private entrepreneurs share the same interest in promoting economic growth, "many will rely heavily on government patronage for their success in making profits", and "they are among the party's most important bases of support" (Dickson, 2007). Consequently, both sides in this debate commonly agree on the Party's embrace of the private sector and the impact of entrepreneurs as a new social group.

6. Conclusion: The Vulnerable Middle Class

China's middle class is still a diverse group of people with various life experiences and consumption philosophy. Common middle class lifestyle and consumption culture have yet to be formed. The Chinese consumer market is young and developing fast with potential purchase power.

Most middle class families are financially burdened by housing loans and the cost of their children's education. They are in serious doubt of their middle class status and believe they have been wrongly endowed with a "middle class identity" (*bei zhongchan* 被中产). To the younger generations, they are merely a member of the "ant family" (*yi zu* 蚁族)[17], and are more like "mortgage slaves" (*fang nu* 房奴), and "child slaves" (*hai nu* 孩奴).

China's middle class families, especially households formed by double-income young couples with kid(s), are facing tremendous difficulties in the real estate bubble.[18] With soaring housing prices, most young couples choose to cut other expenditures such as groceries, automobiles, and leisure activities. The lucky ones would turn to their parents for financial support, mainly for the housing loan.

White-collar migrants in tier-1 cities and the "ant family" who could not afford the cost of living in the city would move to tier-2 and tier-3 cities, or their hometown where they could keep their middle-class lifestyle and yet have some savings.

Most families particularly in the big cities where the competition of entering key elementary and middle school is severe would not cut expenditure on education. A considerable number of middle class people would postpone buying a house in exchange for better educational opportunity for their children. Young employees would invest their first couple of years' savings on short-term training programmes or education overseas.

To create a better living circumstance for the young Chinese middle class, the Chinese government would do well to deal with the real estate bubble and rebalance resource allocation for refining the welfare system. The nation needs to overcome pressing challenges to usher in a middle class society.

Notes

+ This paper is based on two *EAI Background Briefs* written by the author: No. 557 "China's Emerging Middle Class and Its Socio-political Attitude", No. 558 "Middle Class Consumers in China", 2nd September 2010.

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1. For more details, please read Yan (2006).
2. Due to the system of occupational coding, levels of clerical workers are not distinguishable in the data; therefore, according to the report by a research fellow of CASS, Dr Li Chunling (2008b), "Conservatism or Liberalism? A Study on Sociopolitical Attitudes of Chinese Middle Class", the proportion of marginal middle class should be around 14 per cent of the total population.
3. They build a proprietary database of information on Chinese income, savings, and consumption patterns using primary data from the National Bureau of Statistics of China and other sources. They focused mainly on urban Chinese consumers. For variables such as GDP growth and inflation, a base case scenario resting on a mutually consistent set of consensus estimates had been formulated. They assumed an absence of major exogenous shocks to the economy and average

growth of 6.5 per cent in per capita GDP from 2005 to 2025, with higher annual growth initially but slowing after 2015.

4. *Total Expenditure of Urban Households* refers to all expenditure of households except expenditure on lending. It includes expenditure on consumption, purchasing or building houses, transfers and social security.
   Urban Households by Income Group: All households in the sample are grouped, by per capita disposable income of the household, into groups of lowest income (10 per cent), low income (10 per cent), lower middle income (20 per cent), middle income (20 per cent), upper middle income (20 per cent), high income (10 per cent) and highest income (10 per cent). The lowest 5 per cent of households are also referred to as poor households.
5. Figures released by local statistical bureaus. (Beijing: <*http://www.bjstats.gov.cn/tjzn/mcjs/200902/t20090203_135797.htm*>; Shanghai: <*http://www.shanghai.gov.cn/shanghai/node2314/node2315/ node4411/userobject21ai391385.html*>)
6. "China Property Market Watch", Issue 1, Newmark Knight Frank, 2010. <*http://www.newmarkkf.com/home/research-center/global-market-reports.aspx?d=1366*>
7. Figures are collected from online survey conducted by China Reality Research Centre, "2009 Tianjin Real Estate Market Report", and released on 26th February 2010. However, of note is that web-based survey data are likely to be biased due to non-random sampling.
8. From "Vanished Middle Class", <*http://www.Chinanewsweek.net*>, 13th January 2010.
9. *Ibid*.
10. GER is a statistical measure used in the education sector and by the UN in its Education Index, which is calculated by expressing the number of students enrolled in primary, secondary and tertiary levels of education, regardless of age, as a percentage of the population of official school age for the three levels.
11. Graduates from regular institutions of higher education, adult graduates and graduates from Internet-based programmes are excluded. Degrees are not specified among overseas returnees.
12. The figures for tuition and boarding costs are more accurate than living expenses, for the latter are from students' self-reports and may vary significantly with the actual financial condition of the students' family.
13. *Legal Evening Paper*, 18th November 2009. <*http://xsc.juren.com/news/200911/182773.html*>
14. The middle class as a whole has also expressed its satisfaction with other aspects of life such as health, family and social relationships, etc., not displayed in Figure 3.
15. Series of discussion by social scientists and commentators can be found on the official news websites and their blogs such as: "China Turning into M-shape Society" (11th June 2010, <*http://theory.southcn.com/c/2010-06/11/content_12773336.htm*>), "Housing Price Might Accelerate the Pace for China to Become a M-shape Society" (29th July 2010, <*http://blog.soufun.com/28801581/10293189/articledetail.htm*>), "Mass Consumption is Irrelevant with the High Housing Price in China's M-shape Society" (5th November 2009, <*http://finance.ifeng.com/opinion/fhzl/20091105/1432318.shtml*>), etc.

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16. Based on data taken from a nationwide survey on "2008 Private Entrepreneurs and Enterprises in China", by the end of 2007, over 62 per cent of entrepreneurs were members of All-China Federation of Industry and Commerce, 33.5 per cent were CCP members (compared with approximately 5.6 per cent of CCP members nationwide by the end of 2007), and 10.3 per cent of non-CCP members had submitted application, 30 per cent were Politburo members and 12 per cent were members of People's Congress (of all administrative levels).
17. *Yi zu* 蚁族 ("Ant family") is a term first used in a documentary report of same title in 2009. It describes a special marginal group of "low-income fresh college graduates" residing in low-cost urban suburbia, who have gradually formed a unique "inhabited village". In contrast to the ordinary needy people such as peasants, migrant workers, and laid-off workers, the members of "ant family" are young and well educated. They are usually between 22 to 29 years old and hold a college degree. Most of them are primarily engaged in full-time or part-time job in insurance marketing, electronic equipment sales, advertising sales, catering services, or even unemployed underemployed. Their average monthly income is around ¥2,000, and the vast majority have no work insurance or labour contracts. The appearance and quick expansion of "ant family" reflects the increasing pressure of under-employment and poverty of fresh college graduates in big cities.
18. <*http://www.Chinanewsweek.com.cn*>, 13th January 2010.

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Social Change, Collective Action and Nationalism

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Three Waves of Nationalism in Contemporary China: Sources, Themes, Presentations and Consequences+

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Abstract

After China's defeat in the Opium War of 1839-42, Chinese elites began to develop a mind-set of "Saving the Chinese Nation". In their struggle with imperialism, both Western and Japanese, and building a new nation-state, Chinese elites have effectively employed this mind-set to mobilize the Chinese. After the establishment of the People's Republic of China (PRC) in 1949, the CCP government continued to utilize nationalism to mobilize the Chinese for various campaigns. Since it has initiated its reform and open door policy, China has experienced three distinctive waves of nationalism. The first wave of nationalism, liberal nationalism, was active during the 1980s. The second wave of nationalism, patriotic nationalism, appeared during the 1990s. The current and third wave of nationalism appeared at the turn of this century. This latest wave of nationalism represents the voices of the marginalized. Its backbone is made up of Internet savvy youths known as "Fen Qings" (愤青).

Keywords: *Nationalism, Fen Qing, Unhappy China, Internet*

1. Introduction

With the publication of the bestseller *Zhongguo Bu Gaoxing* 中国不高兴 [Unhappy China] in the summer of 2009, the world witnessed the rise of yet another wave of Chinese nationalism. Given the fact that the *Fen Qings* (愤青, literally, "angry youth") are the main driving force behind this new wave of nationalism, there are growing concerns about the future of China in international affairs. Many questions can be raised. What role will China play in international politics with the growth of an increasingly confident young generation? What will their world view be? And what attitude will they have towards other countries? The fact that China is now an integral part of the international community and whatever happens inside China will have a major external impact justifies these concerns on Chinese nationalism.

The rise of Chinese nationalism following the country's reform and opening policy in the late 1970s has been regarded as one of the most important events in international relations in late 20th century and beginning of the 21st century. Over the years, the scholarly community has closely watched the wax and wane of Chinese nationalism and accordingly there is a fast growing body of literature on this subject. There are scholarly works with a focus on the historical development of Chinese nationalism.[1] Some scholars have attempted to spell out the domestic implications of rising nationalism, particularly, in terms of nation-identity building and democratization.[2] There are scholars who have attempted to spell out the manners in which Chinese nationalism has affected China's foreign policy[3] and others that have demonstrated the linkages between domestic development, nationalism and international relations.[4]

All these previous studies are helpful in improving our understanding of Chinese nationalism. However, one important link is missing in many writings on Chinese nationalism is how nationalism are presented in different time and space. While there is an abundance of historical and contemporary materials on nationalism, it is the manner in which nationalism is organized and presented that determines its relevance in both domestic and international politics. By exploring this aspect of nationalism, two issues become important. The first is to identify the organizers and presenters of nationalism and the second is to identify the manner in which nationalism is organized.

This paper attempts to explore Chinese nationalism in the context of state-society relationship by focusing on the development of nationalism in the contemporary era. We argue that the significance and implications of nationalism is dependent on the state and society's interaction. We have divided Chinese nationalism into three periods based on different patterns of state-society interaction. In other words, we believe that China has experienced three waves of nationalism since its reform and opening policy with each wave having its own distinctive features. The first wave of nationalism took place between the late 1970s when China began its reform and opening policy and the government's crackdown on the pro-democracy movement in 1989. The theme of this wave of nationalism is to seek China's rise by learning from the West. We call it "liberal nationalism". The second wave of nationalism took place during the era of Jiang Zemin 江泽民 (1989-2002). During that period, the communist regime initiated a regular campaign of patriotism movement in the aftermath of the June-Fourth crackdown while Chinese intellectuals sided with the regime in the face of international sanctions against China. We name this "patriotic nationalism". The third wave of nationalism started since Hu Jintao 胡锦涛 came to power. This third wave of nationalism distinguishes itself from others in that its targets are not just foreign entities. The Chinese youths are, in fact, unhappier with the domestic

situation of China than with the foreign entities. Specifically, the unhappy youths have resented the various social ills (for e.g. income disparities, eco-pollution and social polarization) brought about by the neo-liberal economic policies implemented since the 1990s. Hence, the greatest characteristic of this wave of nationalism is its clash with China's neo-liberal economic policies. While nationalism in the 1990s had a complementing effect on China's foreign policy, the current nationalism reflects the differences between the public and government on both domestic and foreign policies. We call this latest wave of nationalism "social nationalism" due to two main factors. First of all, the popularity of the Internet has facilitated Chinese nationalism to reach out to a broader social base and various sector of the society can now take part in any nationalistic expressions. Secondly, this wave of nationalism has set the society on a collision course with the state regime.

One important caveat needs to be added here. Today's China is a multi-facet society with a variety of ideologies and nationalism is merely one of the many voices of the country. While the velocity in which nationalistic sentiments surge recently demands closer attention into its causes, this does not mean that nationalism is dominant in China's ideological realm. In fact, different discourses are contesting for influence. By focusing on nationalism, this paper aims to show, first, dynamics of ideational changes in contemporary China in the context of state-society relations; second, the changes that have taken place in the context of nationalism from one stage to another; and third, the implications of Chinese nationalism for state-society relations in China and international relations.

From the perspective of state-society relations, we have three main arguments on the dynamics of Chinese nationalism. First, the state and society are rational actors in pursuing their materials and non-material interests. They promote and employ nationalism as a political source to serve their aims and purposes. The state and society however, may not necessary always share common goals. Second, when the goals of the state and society overlap, nationalism tends to be reinforced and become powerful. So when the two actors have common interests in promoting and employing nationalism, nationalism becomes influential in China's domestic and international affairs. And, third, when the goals of the state and society conflict with one another, nationalism tends to be constrained. In other words, the state and society's effort to promote or employ nationalism to pursue their different goals will restrict each other.

After the introduction, this paper is divided into five sections. The first section (Section 2) gives a brief discussion of the development of Chinese nationalism since China began its reform. The subsequent three sections focus on three waves of nationalism, respectively, and to examine our main arguments in the context of the evolution of nationalism. And the concluding

section spells out implications of the changing patterns of state-society relations for the future of Chinese nationalism.

2. The Three Waves of Nationalism

After China's defeat in the Opium War of 1839-42, Chinese elites began to develop a mind-set of "Saving the Chinese Nation" (*jiuguo tucun* 救国图存) and "Rich Nation, Strong Army" (*fuguo qiangbing* 富国强兵) among the Chinese. National survival is the theme of Chinese nationalism proposed by Dr Sun Yat-sen 孙中山. For Sun, nationalism's chief concern was to ensure the survival of the Chinese nation because it had suffered from foreign aggression. In their struggle with imperialism, both Western and Japanese, and building a new nation-state, Chinese elites have effectively employed this mind-set to mobilize the Chinese. During the 20th century, nationalistic answer to the call of "Saving the Chinese Nation" could be observed in events such as the 1911 Revolution, the May-Fourth Movement, China's resistance against Japanese aggression and the Civil War between the KMT (Nationalist Party) and the CCP (Chinese Communist Party). To a great degree, the Communists won the civil war not because they have utilized communism as an effective mechanism for mobilization, but their self-portrayal of being more nationalistic than the Nationalists. After the establishment of the People's Republic of China (PRC) in 1949, the CCP government continued to utilize nationalism to mobilize the Chinese for various campaigns. Examples include the Korean War in the early 1950s and Mao's mobilization of the Chinese to "surpass UK and US" (超英赶美) in the late 1950s; the call for self-sufficiency and resisting "America's Imperialism and Soviet's Revisionism" in the 1960s. In all these waves of nationalism, the targets were always foreign countries and the purpose was to serve domestic development.[5] Even during the thirty years of China's reforms (1978-2008), nationalism remains one of the prime motivating forces behind the country's rapid development.[6] Therefore, while concerns over nationalism have been raised, the key issue for the scholarly community is not whether Chinese nationalism will continue or not, but what role it has played and what changes have taken place and will continue to take place in the context of nationalism in its march into the future.

While nationalism has been in existence throughout China's modern history, its sources, forms of presentation, themes and consequences differ from each period as the domestic and international situation at a given time and space changes. Since it has initiated its reform and open door policy, China has experienced three distinctive waves of nationalism. These waves of nationalism share a common linage and the common aim of strengthening China, but they are different from each other.

The first wave of nationalism, liberal nationalism, was active during the 1980s. It represented China's thirst to "learn from the West" and the nationalists were especially pro-West. During this wave of nationalism, there were identical goals between the Chinese reformist leadership and the society to engage in domestic reform and open China's door to the West. Both parties were very friendly to the West. Reciprocally, the American-led Western countries also displayed a great amount of goodwill to China. The Chinese media scheduled various programmes, introducing Western politics, economy and society to the Chinese audience. At the same time, re-examining and reflecting China's established institutions systems became a popular theme in the Chinese media and scholarly community. Both the CNN and BBC became important windows for the Chinese youths to glimpse into democratic experiences in the West. This wave of nationalism cumulated into a pro-democracy movement and ended in the Tiananmen 天安门 crackdown of 1989.

The second wave of nationalism, patriotic nationalism, appeared during the 1990s. The rise of this wave of nationalism was largely caused by the sudden changes of the West's China policy, leading to a change in China's external environment, China's domestic economic development and the rise of the New Left in China. During this wave of nationalism, the government and people were on the same page with regards to China's foreign policy but differ on domestic issues. The government-led patriotic movement became the main driving force of nationalism.

The current and third wave of nationalism appeared at the turn of this century. This latest wave of nationalism represents the voices of the marginalized. Its backbone is made up of Internet savvy youths known as "Fen Qings" (愤青). The Fen Qings' proficiency in the Internet technology gave the nationalistic movements an extra shot of vitality and resulted in the coordination of like-minded participants both in and outside of China. The entities of worship during the first wave of nationalism such as the CNN and other major foreign media now became targets as the wave of nationalism is notorious for its anti-West attitude. The nationalists also resent the CCP government's pro-Western policies and other mainstream neo-liberal economic policies. On the other hand, the government's interaction with the West generally remains friendly. Therefore, there is a widening gap between the government and society. While the Internet has widened the social base of nationalism, the purpose of nationalism is no longer identical between the government and society. We thus call this wave of nationalism "social nationalism."

Generally speaking, liberal nationalism is characterized by its openness; patriotic nationalism by its defensive approach and social nationalism is offensive in both international and domestic front. The different characteristics of

each wave of nationalism were due to China's changing domestic environment and its interactions with the West. Changes in China's domestic environment and its interaction with the West lead to changes in the interaction pattern between the state and society. Nationalism can thus be regarded as outcomes of the interaction between the state and society.

3. The First Wave of Nationalism: Learning from the West

The first wave of nationalism is characterized by a desire to learn from the West, particularly the United States. Reforming China with western methods became a common pursuit of the reformist leadership and liberal intellectuals in the 1980s. To the vast majority of the intellectuals, to reform China following the western model was the only means for China to become a strong nation state. Such a pro-western attitude was very much related to the international and domestic environment that China was in at that time. In other words, the rise of liberal nationalism is due to the friendly China policy on the part of liberal democracies in the West.

In the 1980s, China's external environment was in favour of the rise of liberal nationalism. The 1970s was a turning point for China's international environment. Following US President Nixon's visit to China, the two countries established diplomatic relationship. Soon, Sino-Japanese relationship was also normalized, various friendly agreements were signed between China and western countries, and the PRC replaced the Republic of China as the permanent member in the UN Security Council. All these foreign relationship breakthroughs for China took place within that decade. This provided China with a benign external environment for its "reform and open up" policy. Between the periods in which China decided to open up and the Tiananmen crackdown of 1989, western societies had adopted a very friendly attitude toward China. China's opening policy led the western societies to believe that economic liberalization and development could cause China to walk the path of democracy. Despite US's arms sale to Taiwan continuing to be a thorn in the flesh, the general trend of China-US relationship's development has been encouraging. This is especially true in the mid 1980s when China-US leaders had frequent exchanges and the US placed more items on the list of technology transfer to China. China-US economic cooperation and civil use of technologies were also increasing. By 1988, the US became China's third largest trading partner (Xie, 2004: 371). The third wave of democratization which spread across the globe at the same time had hyped up the Western societies' expectation of China to democratize.

The domestic environment also tended to be supportive of liberal nationalism. In the 1980s, the reformists were the mainstream voice within the Chinese government despite the existence of opposing conservative

forces. In the mid-1980s, Deng Xiaoping 邓小平 began to actively promote political reforms and he raised the idea that the core of political reform is to separate Party from Government (Chen, 1990: 102). Subsequently, the central government established a political reform discussion group, headed by then General Party Secretary Zhao Ziyang 赵紫阳, and various subordinate offices to discuss the issue of China's political reform. In addition, relevant research topics were assigned to different research institutes to be looked into and large numbers of officials were sent overseas to observe and learn from foreign experience (Chen, 1990: 106-112)[7]. The rapid institutional built up of reformists facilitated the growth of the reform campus, and a heated debate on democratization soon followed within the government. The 1980s can be said to be an era when political discussion on political reforms was the most comprehensive and most daring in the history of the People's Republic of China. Such top-down reform initiatives effectively mobilized social forces which were in favour of fast political changes in China. The pro-western attitude of the nationalism then was as much caused by the government's attempt at political reform as the people's general desire to learn from the West.

The liberal nationalism of the 1980s was also partially caused by attempts on the part of the reformist leadership to learn from the mistakes of the Maoist leadership during the Cultural Revolution. The idolization of western societies and the sense of national crisis of the intellectuals of the 1970s and 1980s bear great similarities to intellectuals in the late 19th century and early 20th century. Once China opened its doors, the Chinese quickly realized that during the times in which China was undergoing "class struggles" and other political campaigns under the Maoist rule, the perceived "decaying and soon to be replaced by Communism capitalist countries" such as Japan and the US were developed to a stage unattainable to China and their notion that "socialist system and Communism would be the ultimate system for humanity" was nothing more than a self-comforting myth. The scepticism toward their present state and anxiety over the backwardness of their nation caused the Chinese intellectuals, much akin to their predecessors of the late 19th century and early 20th century, to place their hope toward the West. They hoped that by learning from western technologies and political thoughts, they could save China and build a strong nation again.

At the societal level, two types of intellectuals led this wave of nationalism. The first were those who experienced hardship during the Cultural Revolution in their middle age. All kinds of authoritarian measures against the people and the degradation of human rights during the Cultural Revolution led them to voluntarily choose western democracy and freedom as their goal. The other type was youths who grew up during the Cultural Revolution years. They were ideologically indoctrinated from a young age to believe that socialism was the supreme system. Yet, when the doors opened, reality proved

otherwise. Their scepticism and resentment led them to naturally look towards the West. The eagerness of Chinese liberals to learn from the West is reflected in the emergence of various cultural fads during that decade.

Fascination with western ideas. During the 1980s, numerous Western classics such as Nietzsche, Kant, Weber and Kafka were translated into the Chinese language and introduced to the Chinese audience. At the same time, Chinese intellectuals produced enormous publications, focusing on western politics, economy, society and culture. The series of book, "Marching towards the Future Series" (*Zouxiang Weilai Congshu* 走向未来丛书), edited by a liberal scholar Jin Guantao 金观涛, published 74 volumes within a period of 5 years from 1984 to 1988. For his role in introducing various western modern thinking, especially on the three theories (Theory of Control, Theory of Information and Theory of System), incorporating humanities and science, Jin was regarded as the vanguard of China's enlightenment movement in the 1980s.[8] Also, the book series "Culture: China and the World" (*Wenhua: Zhongguo yu Shijie* 文化: 中国与世界) and magazines such as "Reading" (*Dushu* 读书), edited by Gan Yang 甘阳, another then liberal scholar, also played a major role in China's enlightenment movement. The Shanghai-based "World Economy Herald" (*Shijie Jingji Daobao* 世界经济导报), which daringly discussed China's political and economic reforms, had a circulation volume of 300,000 in its heyday.[9] These publications replaced the old standard communist media and became the best selling publications. In the midst of a great debate mood and under the slogan of "No Restriction Zone in Reading" (*Dushu Wu Jinqu* 读书无禁区), China was engulfed in a reading frenzy for almost 10 years. Books were being sold at volume unimaginable today.

The university forum craze. Since China began its reforms, the influence of pro-western intellectuals grew fast. These intellectuals experienced the Maoist dictatorship which reached its peak during the Cultural Revolution and they developed a deep sense of anxiety for the widening gap between China and the West on all fronts. They believed that the only remedy was to reform China's political and economic system. The university forums were outlets in which they would express their dissatisfaction with the current situation, criticize their country's current policy situation and promote "economic liberalization and political democratization" (经济自由化和政治民主化). Liberals such as Liu Binyan 刘滨雁, Yan Jiaqi 严家琪 and Fang Lizhi 方励之 were popular public intellectuals in these forums who had influenced a generation of youths. In the 1980s, active institutes such as Beijing University would have multiple forums within a single day. The thinking of these intellectuals and the cultural fad of that period influenced vast numbers of youths of the day (Zhao, 2007: 45).

A dream for democracy. During the 1980s, what Samuel Huntington called the "third wave of democratization" swept across the globe and

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affected many countries (Huntington, 1991). China's neighbour South Korea was democratized; Taiwan lifted its ban on political parties and the media; and Eastern Germany and the Soviet Union were also democratizing. The globalization of democracy also affected the Chinese government and people, especially during the mid 1980s when there were heated debates over China's political reforms in both the governmental and private sectors. The "World's Economy Herald" raised the idea in 1988 that if China failed to reform its political system, it would be stripped of its earth citizenship (*qiuji* 球籍) (Huntington, 1991: 43). The heated discussions on China's earth citizenship successfully mobilized Chinese nationalistic feeling. The siege mentality of the intellectuals set in and had once again become the focal point of China's politics and the slogan of "Saving the Chinese Nation" resurfaced. Many active tertiary institutes became the saloon[10] for talks on democracy and discussions on western democratic systems were the central topic.

An obsession for the Voice of America. The 1980s was a special period in which new ideas clashed with China's own tradition, be it its grand imperial tradition or little communist tradition. On one hand, many western ideas and thoughts were being introduced into China and social forces were mobilized to pursue political changes. On the other hand, the old traditional system was still influential. The domestic media, being the voice of the ruling party, was regarded as incapable of bearing the social responsibility of promoting reforms and as having lost credibility among the people with its "false, exaggerating and empty" propaganda style of reports. Hence, foreign broadcasts which covered China such as the Voice of America and BBC became the main source of information for those who cared about politics and contemporary events outside China. These foreign media also actively promoted democratic ideas among the Chinese and played an important role in facilitating China's "peaceful evolution" (*heping yanbian* 和平演变) to democracy.

With the inflow of western ideas into China, they influenced both the state and society in China. As one China scholar points out, "at the beginning of China's reform and opening policy, western social and institutional structures and its value system had an important impact on our line of thinking about China's future." (Sun, 1996: 17) Up to the mid-1980s, most Chinese showed their strong preference for western culture. According to a national survey in 1987, 75 per cent of the Chinese welcome the inflow of western ideas, and 80 per cent of CCP members showed a similar attitude. (Zheng, 1999: 50) Understandably, while their identification with western ideas increased, their loyalty towards the existing regime declined. Throughout the 1980s, individuals' loyalty to the socialist state was weakened seriously and the ruling Party was criticized. For example, while 30 per cent of the Chinese believed that the CCP's performance was satisfactory, 62 per cent thought

otherwise (Zheng, 1999: 50). Popular dissatisfaction exerted increasingly high pressure on the reformist leadership to engage in political reforms and make the Chinese state more democratic.

However, precisely because the liberal intellectuals' pro-western views were built on their resentment against their present system and their isolation from the rest of the world, their knowledge about the rest of the world was rather limited and their understanding of the western society were somehow idealistic. These had a major impact on their views and stands. For example, in the late years of the 1980s, economic reforms came to a standstill and political reforms were not making progress, while inflation, income disparities, corruption and other social ills caused widespread resentment. The conservatives within the Party believed that these were caused by the pro-West reforms, while the pro-western liberal intellectuals believed that these were due to the lack of thorough reforms. Hence, the reformists pressured the government to make further reforms (Chen, 1990: 145-148). The combination of the reformist leadership and liberal social forces produced a powerful force moving China's political reform forward.[11] The "learning from the West movement" or the enlightenment movement eventually led to the rise of the pro-democracy movement in 1989.

4. The Second Wave of Nationalism: China Can Say No

In contrast to the first wave of nationalism, the second wave of nationalism was basically anti-Western. It was a reaction against the changed attitude of the West toward China in the aftermath of the June-Fourth crackdown and the reflection of their idolization of western democracy on the part of Chinese intellectuals during the 1980s.

In 1996, a book which best represents the second wave of nationalism, "China can say No" (*Zhongguo Keyi Shuo Bu* 中国可以说不), became an instant bestseller and caught the attention of the international community. The authors were a few youths born in the mid or late 1960s and were then in their 30s. The book prophesized the rise of anti-Americanism among the people and clearly announced the end of their generation's idolism of the US in the 1980s. There were signs that the second wave of nationalism was already active in the early 1990s, years before the book was published. The "Yinhe" (银河) incident of 1993 had provoked nationalistic sentiments among the Chinese. The accidental bombing of the Chinese Embassy during the Kosovo War in 1999 pushed nationalistic sentiments to their peak causing a nationwide anti-America protest.

Unlike the pro-West liberal nationalism of the 1980s, the second wave of nationalism is characterized by patriotism which was promoted by the state and followed by social forces. In the first wave of nationalism, both the

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state and society had common interests in their learning from the West. But in the second wave of nationalism, both the state and society had an identical goal of resisting the influence of the West. Like the first wave of nationalism, the rise of this second wave was also due to China's changing external and internal environments.

Externally, changes to western states' China policy led to the rise of nationalism hostile to the West. After the 1989 Tiananmen crackdown, the US and other Western nations took a harder stand against China and enforced various sanctions against China. Facing the increasingly high pressure from the West, the Chinese government initiated a long nationwide campaign of patriotism. After the crackdown of the 1989 pro-democracy movement, the Chinese government repeatedly emphasized the use of patriotism to oppose the West's strategy of "peaceful evolution" toward China, a strategy that was perceived to have led to the pro-democracy movement. Jiang Zemin, then CCP General Secretary, argued that patriotism was mainly manifested in devotion to building and safeguarding the course of socialist modernization and the motherland's unification and that patriotism could be transformed into an efficient weapon against "peaceful evolution". The government also initiated a campaign against the West's "peaceful evolution."[12] The Chinese were told that the international bourgeois hostile forces headed by the US had adopted an undisguised and evil strategy against China. In October 1991, Yang Shangkun 杨尚昆, State President, speaking at the meeting commemorating the eightieth anniversary of the 1911 Revolution, emphasized not only the importance of patriotism in promoting socialist development, but also its effectiveness in resisting any external pressure or difficulty. In September 1994, the CCP's Propaganda Department issued an important document titled, "The Outline of the Implementation of the Education of Patriotism". At the same time, the Party also published a collection of major leaders' speeches on patriotism to popularize the movement.[13] In many occasions, Jiang called for both Party cadres/government officials and the general public to use "political means" to resist political pressure. He argued that "western hostile forces want to westernize and divide us and to impose their type of 'democracy' and 'freedom' on us." The leadership believed that only by promoting patriotism within could China resist political pressure without and that patriotism could provoke and strengthen people's confidence toward the government in dealing with the outside world.[14]

China's worsening external environment also led the Chinese intellectuals to identify with the government in resisting the influence of the West. In the 1990s, not only was China's human rights issue heavily criticized by the West, China's bid to enter the World Trade Organization (WTO) was also obstructed by the US on many occasions. China's 1996 bid to host the Olympic Games was also met with opposition from the US. On the Taiwan issue, the US was

perceived to have supported Taiwan's pro-independence faction and sold armament to Taiwan. All these developments contributed to nationalistic resentments among the Chinese youths. The US's refusal to negotiate with China on intelligent property issues because it deemed China as a "rogue country" was especially hurting to many youths in China who once held the US in very high regard (Song *et al*., 1996: 318). Various versions of "China threat" theory circulating in the West during the 1990s further pushed Chinese youths from US lovers to US haters.

Meanwhile, China's rapid economic development and domestic success created an internal condition which was in favour of patriotism. After Deng Xiaoping's southern tour in 1992, China not only did not halt its pace of reform, but had in fact accelerated the process. The continuous growth of China's economy provided the CCP with the legitimacy to rule. At the same time, the failure of Russia's political reforms also led Chinese intellectuals to rethink about China's political reforms. The improvement in the standard of living also justified the government's strategy of "economic reform first and political reform later". At the same time, many intellectuals also benefited from the economic development. While many liberal intellectuals were forced into exile in different parts of the West, many others who had previously promoted market economy and democratic politics turned to actively support the government's strategy of the reform. Frequent travels also broadened the people's knowledge of the world and they started to re-assess their understanding of the West. Furthermore, the return of Hong Kong and Macau drastically boosted national pride. The humiliation from US's hard-line China policy and the fast rising national pride of China's achievement became the catalyst for this wave of Chinese patriotism.

An even more important intellectual development was the rise of the New Left. The New Left is a collective term for intellectuals advocating for more socialistic reforms. Leftist intellectuals were marginalized following China's decision to shift to a market economy in the 1980s. Following the Tiananmen crackdown of 1989, however, the New Left began to draw most of its ranks from society. In the 1990s, following a surge in various social issues in China, the New Left called to put a halt to China's capitalistic reform and recentralize power to the central government.[15] Their views attracted a number of followers and they were able to debate heatedly with mainstream liberal intellectuals on China's future policies. These New Leftists were the primary organizers of many protests and social movements against the West during the 1990s, including the nationwide protest against the US following the accidental bombing of the Chinese embassy in Kosovo. Today, the New Leftists have recouped much of their lost prestige and while they are still marginalized by most mainstream intellectuals and are not well represented in the government, they are a prominent voice on the Internet. The website,

Utopia, is a popular gathering place for New Leftists and has more than 100 million hits every day.[16]

Generally speaking, the second wave of nationalism is a defensive form of nationalism. This defensive pose is a response to China's setbacks in the international arena. To the pro-America youths of the 1980s, the very fact that they were being criticized by their idol – the West – was enough reason to turn anti-West. The development of their country's economy and its eventual victory in the WTO negotiations gave encouragement to these youths who were egoistically hurt by the West. During this second wave of nationalism, the government and social groups had an identical goal in terms of China's foreign policy, namely, resisting the influence of the West, especially in the aftermath of the Tiananmen crackdown. Their joint forces were equally powerful, just as in the case of the liberal nationalism in the 1980s. Of course, the purposes of these two waves of nationalism differed, with liberal nationalism being pro-West, and patriotic nationalism anti-West. Nevertheless, the government had to adopt a flexible approach toward nationalism, taking advantage of it and suppressing it at times. In other words, while the government was able to employ patriotic nationalism to resist pressure from the West, it had to control and even suppresses nationalist movements when the latter affected social stability. The goal of the state and society in promoting and employing nationalism began to diverge when China was increasingly integrated into the international community. This is reflected in the rise of the third wave of nationalism.

5. The Third Wave of Nationalism: The Unhappiness of "Fen Qings"

The main participants of the current third wave of nationalism are the "Fen Qings". Since the late 1990s, the Fen Qing has become an often used phrase on both newspapers and Internet. In China, the Fen Qing refers to youths born after the 1980s who possess both a cynical and critical view of the world and express them freely on the Internet. As some of these Fen Qings were also actively involved in nationalistic movements, the term "Fen Qings" evolved to refer to nationalistic youths (Wu, 2007).

The Fen Qing-led nationalism was already catching attention in the early years of the current century. The examples include the anti-America protests following a China-US military plane collision incident in Hainan province in 2001 which resulted in the death of a Chinese pilot; the nationwide anti-Japanese protests around the same period; and anti-Korea movements following a dispute over the ownership of the Dumpling Festival. However, it was their massive worldwide protests over biased reports on the Tibet issue in the West in 2008 and perceived unfriendly actions toward China's Beijing Olympics that shocked the world. For example, the "anti-CNN" website,

set up by a 23-year-old graduate of Qinghua University Rao Jin 饶谨, has used convincing pictures and videos to refute biased reports by mainstream Western media such as CNN, Fox, BBC, Times, RTL and N-TV. This website effectively united Chinese both inside China and overseas to jointly pressurize the western media. Eventually, some foreign media had to correct their reports and some of them officially apologized.[17] This immensely powerful and influential force enticed the foreign media and research institutes to study the Fen Qings in greater details. Many questions have been raised: Will the Fen Qings be able to influence China's domestic and foreign policy? How has the western countries' policies invited such dramatic response from these Fen Qings? And what can the West do to pacify these Fen Qings?

The third wave of nationalism is facilitated by a number of factors. There existed two psychological gaps among the Chinese, especially the youth. The first psychological gap is the imbalance between the Fen Qings' expectation of China's international status and the actual prestige awarded to China by the international community, especially the West. China's economic growth had boosted the national pride of its people. The Fen Qings, mostly of the post 1980s generation, have grown up when China was experiencing exponential economic growth. They are the generation that has witnessed China's preparation for the Olympics. Throughout most of their growing-up years, China was experiencing double-digit growth. They share similar consumption pattern with their western counterparts, some of them were even enjoying a higher standard of living than that of the average in western societies. Furthermore, events such as the hosting of the Olympics and the successful launch of Shenzhou 7 demonstrated the growth of China's comprehensive strength. Growing up in such an environment, the Fen Qings have less reason than their two generations of predecessors to idolize western societies or feel inferior. Given China's achievements, the Fen Qings feel that China deserves a relatively high international status. Yet, in reality, many western societies were not psychologically prepared to rationally award China with that prestige. For more than a century, the Chinese had accepted this treatment because China was weak. Today however, the Fen Qings feel justifiable to demand more respect from the international community. When this respect is not given, the psychological gap between the expectation and reality stimulated nationalistic sentiments.

The second psychological gap is related to the first, but different. It is a psychological gap between the Fen Qings' idealistic understanding of the international community and reality. To the average Chinese, the significance of hosting the Olympics is extraordinary. Hosting that event signifies the departure of the term, "sick man of Asia," bidding farewell to a century of humiliation and rejoining the international community as an equal major power. The Olympics bear the dreams of several generations of the Chinese.

One of the main motives of hosting that event was to raise the international status of China. The Fen Qings mistakenly believed that the world would share its joy of fulfilling their Chinese dream. So when massive anti-China protests broke out in many western societies, these anti-China voices became one of the most powerful sources of provocation.

Apart from these two psychological factors, the euphoric factor also plays a role. After the US-induced subprime crisis spread across the globe, many people in China believed that the "Washington Consensus" is finally to be replaced by the Beijing Consensus.[18] Some also believed that thenceforth the US economy is going downhill and China will become the next hegemony. The perceived US downfall has generated a strong euphoric moment among Chinese youth. *Unhappy China* clearly demonstrates this arrogance. For example, the book proposed that China should "rid the world of bullies", "manage more resource than China currently possess and bring about happiness to everyone in the world." (Ramo, 2004: 77)

Moreover, this wave of nationalism is also associated with globalization. As with the second wave of nationalism, nationalists are often against globalization of their country. While globalization becomes inevitable, the globalization of China has changed the country's relationship with the rest of the world and impacted immensely on Chinese nationalism. While China's entry into the WTO has brought about economic opportunities and benefits to China, the country has also officially become a trade competitor to many other countries. As trade volume increases, so do the conflicts of interests between China and others. A conflict of trade interests can often arouse nationalistic sentiments among the people. Also, globalization has also been regarded as a major factor widening income disparities in China. In these cases, nationalists, especially the New Left, often cite the negative effects of globalization to justify their nationalistic course.

Also important is the long period of marginalization of the Fen Qings and the New Left after the mid-1990s. The marginalization has caused deep resentment among these social groups. To achieve rapid development, the Chinese government under Zhu Rongji 朱镕基 implemented some radical reform policies such as corporatization and privatization. The government also made great efforts to promote the country's integration with the world economy and globalization (e.g., China's entry into WTO). In the course of these reforms, the government had marginalized the New Leftists. The Fen Qings may have reasons to be unhappy with external entities, but they are more resentful about being marginalized.

Needless to say, the rise of youth nationalism is due to rapid changes in China since the reform and opening policy. The new generation has grown up in a completely different environment from their father's generation and as such, the nationalism that they are leading possesses very different

characteristics. Compared to the previous two waves of nationalism, the third wave of nationalism possesses many unique characteristics.

Internet savvy youths as the most active nationalists. For example, in the protest against biased reports on the Tibet issue, many web masters were only youths in their 20s. The producer of the youtube video, "Tibet WAS, IS, and ALWAYS WILL BE a part of China" (the hit rate reached a million in two days and there were more than 10,000 comments)[19], is a 22-year-old student studying in Canada and goes by the nick "NZKOF". A young student studying in Germany was responsible for the youtube video, "Riot in Tibet: true face of the western media" (the hit rate reached a million within a very short time and there were more than 30,000 comments)[20] and the producer of the video, "2008 China stands up" (hit rate reached 1 million in one and half weeks and more than a million positive comments)[21] was CTGZ, a 28-year-old philosophy doctorate.

Effective coordination of Fen Qings in China with their overseas counterparts. From the 2008 protests, we can also observe that the nationalists overseas are in communication with their counterparts in China. They were able to exchange messages via the Internet, provide mutual support and even organize transnational activities. According to Rao Jin's reply to an interview by the *People's Daily* (人民日报), his website received huge support from overseas students and the main forces in the Internet were overseas students.[22] While the Fen Qings in China turned up in numbers in many of the protest in 2008, young overseas Chinese students were also able to make a great impact due to their linguistic abilities and accessibility to western media. When the western media first produced inaccurate reports on Tibet, it was the overseas students who responded first on the Internet. During the relay of the Olympic Torch, Chinese students in various countries took to the streets to protect the torch, reflecting the trans-national nature of this wave of nationalism.

The Internetization of protests. The Fen Qings are made up of people from all walks of life with different educational backgrounds, experiences and computer literacy levels. Generally speaking, however, the Fen Qings are Internet savvy and use the Internet as their common platform. In China, the Internet is fast evolving into a virtual reality public forum with effects similar to that of a real one. This can be observed from two points. First, the Internet has become the *de facto* public speech platforms (e.g., *www.anti-cnn.net*, www.fenqing.net, *www.wyzxsx.com* and *www.tianya.net*). Second, while going to the street is still the main form of protest, the E-social movements in recent years have grown to deliver an immeasurable impact.[23] Many protests in 2008 were executed entirely on the net. Examples include the anti-CNN signatures protest and the MSN red heart patriotism movement. Since its establishment, the anti-CNN net had already organized many

online protest movements. One of the most common methods of protest was to get every participant to send a protest email to the target.[24] In Internet protests, opposing forces may debate heatedly over an issue and may resort to Internet violence such as flaming and hacking into a rival's webpage to edit or obstruct opposing websites from functioning. For example, *www.anti-cnn.com* was hacked by an unknown hacker.[25] In April 2008, Internet wars of various scales could be observed in both China and overseas Internet forums.

The Fen Qings' protests were not limited to the cyberspace; their street protests were often planned and organized via the Internet. For example, the boycott of Carrefour was organized and mobilized by using instant messaging and SMS. Hence, the popularity of modern communication technology, namely the Internet and mobile phone, plays a crucial role in the rise of these Fen Qings. The Internet and SMS are able to increase both the efficiency and size of the mobilization by breaking space and time restriction. Not only has it become easy for the movements to become transnational, the use of the cyber space platform has also greatly lowered the cost of these protest movements.

The ability and willingness to utilize China's growing economic power. Judging by the actions of these Fen Qings, such as the boycott of Carrefour, it can be observed that they have fully utilized the growing economical influence of China. The West enforced a hardline economic and foreign policy against China in the aftermath of the Tiananmen crackdown. The Fen Qings today are also actively proposing that China exploit its economic advantages in coping with international pressure and in advancing its national interest on the international stage.

It is important to point out that during this wave of nationalism, Fen Qings are not just unhappy with western societies, they are also unhappy with their domestic situation. The book, *Unhappy China*, clearly shows that while the Fen Qings are unhappy with the perceived unfair treatment of China by the West, U.S. hegemony and monopoly of multi-national companies, they are also dissatisfied with the Chinese government's adoption of a pro-West orientation in its policy making and the country's rapid integration with the international system. The Fen Qing therefore is also against the neo-liberalism economic policy which they believed to have guided China's reforms and open door policy. They advocate a stronger stand on "doing business with a sword in hand" and believe that income disparities within China are caused by over-marketization and commercialization (Song *et al*., 2009). *China Can Say No* of the 90s was written for foreign readers; it expressed the authors' discontentment with western societies. In contrast, *Unhappy China* was meant for domestic readers, specifically the government and mainstream intellectuals. One of the authors, Wang Xiaodong 王小东, had explicitly said

on the Phoenix TV programme, "Yihu Yixi Tan 一虎一席谈", that the book was written for the domestic intellectual elites. The book was meant to convey the authors' dissatisfaction of China's domestic situation.[26]

6. Nationalism and Its Future in China

The three waves of nationalism are unique but share a common linage. Chinese youths' nationalism has evolved from a desire to "learn from the West" to being "anti-West." Both China's domestic development and its external environment such as the growing sense of national pride due to the increasing comprehensive strength of China and the unfair treatment of China by Western nations, especially the perceived "demonization" of China by western media, have contributed to this evolution. To a certain degree, the current anti-West sentiment in China is a direct product of the western media. In this sense, while this new wave of nationalism has been offensive, it is also reactive, responding to the perceived unfair treatment of China by the West.

Since the Tiananmen crackdown, the western media has become biased in its reporting of China. While China has made tremendous efforts to learn from the West, the western media has continued to stand on perceived moral high ground in criticizing China. This becomes increasingly unacceptable to the educated and learned Chinese audience. Western journalists would criticize China on human rights issue at every given opportunity. This is especially obvious on minority issues in China. The reports on Tibet in 2008 were ridiculously inaccurate and had incurred the wrath of the Chinese. In the reports following the Xinjiang incident on 5th July, the western media had learned not to make the same mistakes but their stand is still largely the same.

Meanwhile, the Chinese, especially the youth, are increasingly proud of their country. For the past thirty years, China's economy had developed at an amazing speed. In the course of such a major shift, relationships between China and the West will have to be continuously redefined and recognition of China's status on the part of the West will have to be adjusted to match the changing relationships (Deng, 2009). To a great degree, the evolution of nationalism in China reflects the evolution of relationship between China and the West-led international community. To China, the western society represents modernity and is a role model. But in the process of integration, the Chinese have found that their country will have to face rejection and discrimination by the West. On the other hand, it seems that western societies have yet to reach a consensus on whether to regard a fast rising populous China as a threat or an ally. Essentially, western societies are also undergoing a phase of psychological adjustment. China's youth nationalism

is a reaction to the friction encountered in this integration. The development of nationalism will hence depend on the continuous interactions between China and the West.

So, what influence will nationalism have in the foreign and domestic policies of China? Just like previous waves of nationalism, the third wave of nationalism will inevitably have an impact on China's policies. Nationalism is the materialization of one sector of public opinions. As China's economy and society develop, the Chinese government will find it increasingly difficult to disregard public opinions. The Internet-based nationalism is more capable of mobilizing and arousing public sentiments. Chinese leaders, including Hu Jintao 胡锦涛 and Wen Jiabao 温家宝, had shown their concern for Internet discussions on many occasions. They had even personally participated in Internet discussion with their people as it is becoming very difficult for them to ignore the voices on the Internet.[27] On every occasion, nationalism claims to fight for the national interest of the country, thus providing nationalism with some moral currency. In the Chinese political context, if the government pays attention and addresses the issue seriously, nationalism might be a contributing force to social stability. However, if the leadership ignores these voices, their legitimacy to rule will be questioned.

Nevertheless, the power of nationalism should not be overestimated. With its rapid development, China is fast becoming an increasingly pluralistic society. Nationalism is only one of the voices. Also, different social groups motivated by various social interests might appeal to nationalism for different purposes (Shen, 2007). These different social forces acted against each other in their dealings with nationalism.

The Chinese government serves a more serious and institutional constraint on nationalism. As mentioned earlier, when the goals of the state and society are identical, the power of nationalism tends to be strong. But when their goals are different, the power of nationalism will be constrained. Nationalism does not always complement the interest of the government. The government and social forces might perceive and define China's national interest differently. If the government does not control or guide various nationalistic forces with care, the greatest impact will be dealt on China's domestic policies rather than on the external front. From the point of view of international relations, while nationalism has the effect of forcing China's hard-line critics to restrain themselves, it is unlikely to have a major impact on China's overall strategy. After its reform, while China has experienced many waves of nationalism, there has been no major shift in China's foreign policies. Due to globalization, China is already integrated with the international system. While China can no longer close its door, it has been greatly "socialized" by the West (Johnston, 2007). An over-zealous nationalism will hurt the interest of China. China can only be solved problems with the international community within the

framework of the international system. In this context, Chinese nationalism only serves as a "voice" to rather than an "exit" from the international system (Zheng, 1999).

Similarly, on the domestic front, China is facing multiple issues during the course of its reforms. The discontentment demonstrated by the nationalists is understandable. Yet, these problems can only be solved by continuing its reform. Without social stability, China's sustainable development will become problematic. Once nationalism begins to have a negative impact on social stability, China's development will be obstructed. Hence, in the long run, nationalism is against China government's interest.

As in any other country, nationalism in China will not go away despite globalization. Nationalism and the government will continue to interact with each other. Cooperation between the two is necessary, but tension is also inevitable. What is crucial to the Chinese government is to effectively manage nationalism. Over the years, the Chinese government has become increasingly experienced in managing nationalism. Hence, while nationalism will prevail, its impact on China's domestic and foreign policies will continue to be limited.

Notes

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10 The democracy saloon at Beijing University often invited liberal scholars to speak on western political systems. The saloon played an important role in the Tiananmen Incident.

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15. There is a growing body of New Left literature in China. For the New Left reflections on the reform policy and globalization, for example, see Wang Hui, *China's New Order: Society, Politics, and Economy in Transition*, edited by Theodore Huters (Cambridge, MA: Harvard University Press, 2003); Wang

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Shaoguang and Hu Angang, *The Political Economy of Uneven Development: The Case of China* (Armonk, NY: M. E. Sharpe, 1999). This book is the English translation of their earlier book in Chinese, Wang Shaoguang and Hu Angang, *Zhongguo Guojia Nengli Baogao* [A study of China state capacity] (Shenyang: Liaoning Renmin Chubanshe, 1993). The report presented strong arguments for re-centralization on the part of the government. For a discussion of the New Left, see Yongnian Zheng, *Globalisation and State Transformation in China* (Cambridge: Cambridge University Press, 2004), Chapter 8.

16. <*http://www.wyzxsx.com/Article/Class22/200909/102601.html*>.
17. <*http://www.anti-cnn.com/track*>.
18. "Beijing Consensus" refers to an alternative economic development model to the "Washington Consensus", which was a United States-led plan for reforming and developing the economies of small, third-world countries. While the term had existed for some time in the 1990s, its inclusion to the mainstream political lexicon was in 2004 when the United Kingdom's Foreign Policy Centre published a paper by Joshua Cooper Ramo titled *The Beijing Consensus*. In this paper, he laid out several broad guidelines for economic development based on Chinese experience (see Joshua Cooper Ramo, *The Beijing Consensus*, London: The Foreign Policy Centre, 2004). In China, the New Left has welcomed and accepted this term and has often employed it in forming its discourse on China's reforms. However, the liberals have raised serious questions about this term.
19. <*http://www.youtube.com/watch?v=x9QNKB34cJo*>.
20. <*http://www.youtube.com/watch?v=uSQnK5FcKas&feature=related*>.
21. <*http://www.newyorker.com/reporting/2008/07/28/080728fa_fact_osnos?currentPage=all*>.
22. <*http://www.anti-cnn.com/forum/cn/thread-124384-1-1.html*>.
23. The rapid development of modern communications technologies such as the Internet and mobile phones has effectively changed the interaction pattern between the state and society. These new forms of technologies have served platforms of public discussions and facilitated Internet-facilitated protests, including nationalism (see Xu Wu, *Chinese Cyber Nationalism*; Yongnian Zheng, *Technological Empowerment: The Internet, State and Society in China*, Stanford, CA: Stanford University Press, 2008; and Xiaoling Zhang and Yongnian Zheng (eds), *China's Information and Communications Technology Revolution: Social Changes and State Responses*, London: Routledge, 2009).
24. <*http://www.anti-cnn.com/track*>.
25. <*http://www.anti-cnn.com/track*>.
26. <*http://www.openv.com/play/PhoenixTV1prog_20090411_7025583.html*>.
27. In June 2008, the CCP General Secretary Hu Jintao fielded questions from Chinese netizens through the Strong China Forum (强国论坛), an online bulletin board of the *People's Daily*. In February 2009, Chinese Premier Wen Jiabao participated in his first online chat jointly hosted by the websites of the Chinese government and the official Xinhua News Agency. See, Lye Liang Fook and Yang Yi, "The Chinese Leadership and the Internet", *EAI Background Brief*, No. 467, East Asian Institute, National University of Singapore, 27th July 2009.

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Large-Scale Mass Incidents and Government Responses in China[+]

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Abstract

Most large-scale mass incidents revolved around economic or social grievances which are generated by the rapid socioeconomic transformation and the poor quality of local governance. With the passing of the economic distresses over time, occurrences of large-scale mass incidents are on the decline. The more dangerous trend is the increasing social disturbances and riots triggered by minor incidents which later snowballed to uncontrollable scale. The participants usually have no direct interests involved in the incident, but take the chance to vent out their anger against the authorities. Contrary to the view that authoritarian regimes tend to suppress social protests by force, the Chinese government has tolerated most large-scale mass incidents and rarely applied force. Further more, the government has also accommodated close to 30 per cent of the large-scale mass incidents with economic compensation. The Chinese political system is able to learn and make institutional adjustment from its own experiences. While the authorities hardly ever admit to wrong doings or offer any apologies, they certainly correct their mistakes. Failed policies would be revoked or changed due to persistent social protests, such as the abolition of agricultural tax and the increase in retirement pension for SOE retirees. This mechanism of social protests ensures rather than undermines social stability in China.

Keywords: *mass incidents, disturbances, social stability, governance, accountability system*

1. Introduction

Ever since China embarked on the course of socioeconomic transformations in the late 1970s, social protests have accompanied the processes every step of the way just like inseparable shadows. Redistribution of wealth and power inevitably produces winners and losers. The further and deeper

the transformations proceed, the more social protests break out. The types of social protest range from tax riots to land and labour disputes and from environmental protests to ethnic clashes. According to various sources and calculations, the collective protest incidents had increased from 8,700 in 1994, to 90,000 in 2006, and to an unconfirmed number of 127,000 in 2008.[1]

To be sure, these social unrests exemplify the pains and challenges associated with China's development. To certain extent, they are normal symptoms for any society that experiences profound social and economic transformation. Yet the prolonged and wide spread social unrests may very well trigger regime transition (O'Donnell and Schmitter, 1986; Przeworski, 2000). Because social unrests are believed to be the expression of intense social discontent and barometers for regime stability, the study of social protest in contemporary China has become a rapid-growing industry among social scientists (Perry, 2008).

This growing body of literature includes the discussion of labour protests and pension protests followed the SOE reforms (Chen, 2000; Hurst and O'Brien, 2002; Lee, 2003; Gallagher, 2005; Cai, 2002 and 2005; Su and He, 2010); tax protests and land disputes in rural areas (O'Brien, 1996; Bernstein and Lu, 2002; Ho, 2003; Guo 2001; and Zweig 2003); and environmental protests over serious pollution caused by the reckless developmental frenzy (Jing, 2003; and Tong, 2005). While most of the students of Chinese protest have documented harassment, intimidation, and arrest as the common state responses to social protests (Lee, 2003; Shirk, 2007; Cai, 2008), some scholars have started to examine a more dynamic and accommodating state power (Tanner, 2004 and 2005; Su and He, 2010).

All these scholarships have significantly advanced our understanding of social protests in China. However, as most of the research works were based on case studies or small-scale opinion surveys, the existing literature has left ample space for further inquiries. We remain unable to gauge a big picture of the social protests in China. For example, how widespread exactly are the social protests in China? What is the proportion of each type of the protest on a national scale? Are there any changes over the years with regard to content, strategies, and types, and participants? How do we explain the paradox that the Communist regime continues to be stable despite these social protests?

In order to obtain the big picture that characterizes the cost of China's epochal socioeconomic transformation and to generate data that is as systematic as possible, we have adopted a compromised research strategy. Instead of collecting the information on all social protests in China, we chose to focus on large-scale mass incidents only.[2] This would greatly reduce the difficulties in collecting a more or less complete data set while at the same time not losing our sight of the big picture. By "large-scale mass incident," according to the Ministry of Public Security, it refers to a mass incident with

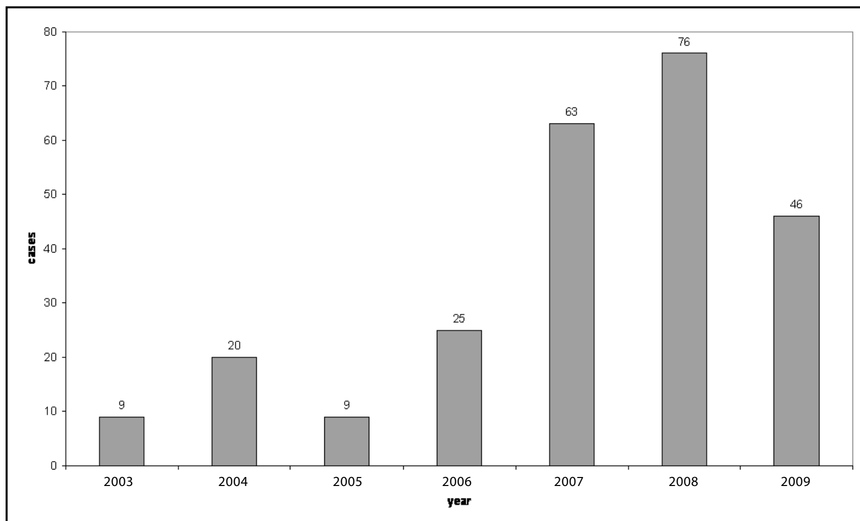
more than 500 participants (Chen, 2004: 32). Usually, mass incident of this scale is hard to be covered up by local authorities. It would appear in the public sphere one way or another through domestic or international news media, personal blogs, or Internet discussion forums. Therefore it is more manageable to collect information on large-scale mass incidents. Moreover, issues or problems that could inspire large-scale mass incidents are more reflective of the acute social tensions in contemporary China and have larger impact on the stability of the system.

The sources of our data are from the following channels: media reports (both Chinese and international), personal blogs from activists, Internet public discussion forums, reports from China Labor bulletin (a Hong Kong-based NGO), and personal field work. For the convenience of analysis, we count the recurring mass incident over a single issue in one location within a year as one incident. The eruption over the same issue in another year will be counted as another case. We will also count the mass incident over a single issue but spread over multiple counties as one incident.

2. An Overview of Large-Scale Mass Incidents in China

We have recorded 248 large-scale mass incidents since 2003. Figure 1 shows that there is a huge upsurge of large-scale mass incidents in the years 2007 and 2008, jumping from 25 cases in 2006 to 63 in 2007 and 76 in 2008. Then there is a downturn in 2009.

Figure 1 Large-Scale Mass Incidents by Year, 2003-2009



Source: Authors' database.

Table 1 Frequencies of Large-Scale Mass Incidents by Province, 2003-2009

Province	Number	Province	Number	Province	Number
Anhui 安徽	8	Heilongjiang 黑龙江	5	Shaanxi 陕西	11
Beijing 北京	7	Henan 河南	8	Shandong 山东	13
Chongqing 重庆	9	Hubei 湖北	17	Shanghai 上海	3
Fujian 福建	3	Hunan 湖南	15	Shanxi 山西	5
Gansu 甘肃	7	Jiangsu 江苏	8	Sichuan 四川	13
Guangdong 广东	54	Jiangxi 江西	8	Tianjin 天津	2
Guangxi 广西	6	Jilin 吉林	1	Tibet 西藏	1
Guizhou 贵州	3	Liaoning 辽宁	3	Xinjiang 新疆	4
Hainan 海南	8	Neimenggu 内蒙古	2	Yunnan 云南	10
Hebei 河北	6	Qinghai 青海	1	Zhejiang 浙江	7

Source: Authors' database.

Table 1 presents the distribution of large-scale mass incidents by province. Guangdong has the most incidents with 54, three times that of the next province in line, Hubei, which has 17 cases. With its physical proximity to Hong Kong, Guangdong naturally has large foreign investment and consequently the most number of labour disputes in the country. Similarly, as an industrializing region, the land requisition issue has generated a lot of land disputes in the province. In contrast, Jiangsu Province, which is at comparable level of socioeconomic development, has much less large-scale mass incidents.

3. Category of Large-scale Mass Incidents

Surging mass incidents are the product of mounting social discontent and rising tensions between citizens and the authorities. Major types of mass incidents include labour disputes, land and relocation disputes, disturbances, pollution disputes, ethnic conflicts, etc. (Table 2).

3.1. Labour Disputes

Labour disputes are the most frequent protests, constituting 45 per cent of the total large-scale mass incidents. They could be subdivided further according to their origination: SOEs and non-state sectors. Generally, the first sub-category of labour disputes is generated by the structural change of the SOEs (*guoqi gaizhi* 国企改制), reflecting the uneasy transitions of the SOEs and their social costs.

The structural reform primarily includes introducing private shareholders into the SOEs, selling SOEs to private companies, and buying out the position

Table 2 Large-Scale Mass Incidents by Type

	2003	2004	2005	2006	2007	2008	2009	Total
Labour								
SOE	6	9		5	24	12	8	64
Non-State		2	1	1	8	28	4	44
Land	1	2	3	4	8	6	2	26
Disturbance/Riot		1	1	5	5	13	14	39
Pollution			1		3	3	5	12
Ethnic		1			1	2	2	6
Student	1		1	2	2		1	7
Taxation		2						2
Relocation	1	1				1	1	4
Veteran			1		2	1	1	5
Corruption		1		3	1		1	6
Family planning					2			2
Peasant vs. Co.				2	2	2	2	8
Other		1	1	3	5	8	5	23

Source: Authors' database.

of unnecessary employees. These measures affected the welfare and benefit of the SOE workers. Many were bought out at a low price and lost medical care and pension. Some were even unable to collect the buy-out money in full. The losers in the structural change therefore mounted protests, demanding their due benefits. Because of the scale of the SOEs, the number of protesters is often in the thousands. This type of labour protests peaked in 2007 and progressively declined thereafter.

One tragic case of this kind of mass incident occurred in Tonghua Iron and Steel Company (Tonggang) in Jilin Province. Tonggang was a state-owned enterprise before the Provincial government decided to let a private company become the majority shareholder in 2009. After taking control of Tonggang, the private company made several major changes, including the appointment of a new general manager. Rumors were circulating that there would be large-scale lay-offs. The workers were unhappy about the privatization and preferred to keep the SOE status. They started to riot after the news broke out, with participants close to ten thousands. The newly appointed general manager from the private company was beaten to death by the workers on the first day of his appointment. The government was forced to cancel the deal with the private company.

Labour disputes that occurred in non-state sector are different in nature. With loose government regulations and the absence of labour unions, workers in private enterprises usually enjoy few benefits and suffer worse working conditions than SOE employees. In most disputes, workers are requesting better working conditions or wage increase. The majority of such cases took place in Guangdong where most of the enterprises are foreign-owned or joint ventures.

An interesting case is that of two toy factories in Zhangmutou 樟木头 Township of Dongguan 东莞 County, Guangdong Province. The two factories declared closure in October 2008. Workers had not received wages for about 2 months and the managers were nowhere to be found at the time of closure. All together, the two factories owed workers back wages in the amount of 24 million RMB. In desperation, 7,000 employees protested in front of the township government. The township government, originally hoping to mediate the dispute, failed to reach the general manager. In the end the government paid the workers out of its own pocket (of course with the expectation to be repaid later by the closing enterprises).

Large-scale mass incidents in this category topped all other protests in 2008. Surprisingly, contrary to the anticipation of more labour unrests due to the slow-down of export demand, the occurrence of labour protests in non-state sectors (export-oriented) dropped dramatically, from 28 in 2008 to 4 in 2009.

3.2. Land and Relocation Disputes

Because of high economic growth, land requisition of industrial or commercial uses has expanded rapidly. Land requisition and subsequent relocation are some of the main causes of large-scale mass incidents. The disputed issue was mostly on the compensation for the requisited land, which was often considered unfair by the affected population.

A well known case of land dispute occurred in Hanyuan 汉源 County of Sichuan Province. Local villagers were forced to surrender their land and relocate to other places to make way for the building of a hydroelectric plant. Many relocated farmers did not receive proper compensation and the newly allocated land was of lower quality. A mass incident involving more than several tens of thousands of people broke out eventually in October 2004. The angry peasants started to attack the electricity plant and government buildings and also detained the governor of Sichuan Province, who went to the scene in an attempt to reconcile the dispute, for more than 10 hours. The conflict resulted in several deaths and many injuries. The event startled the central government and an investigation group was dispatched. The investigation group announced that the electricity plant would be temporarily closed until the relocation disputes are settled.

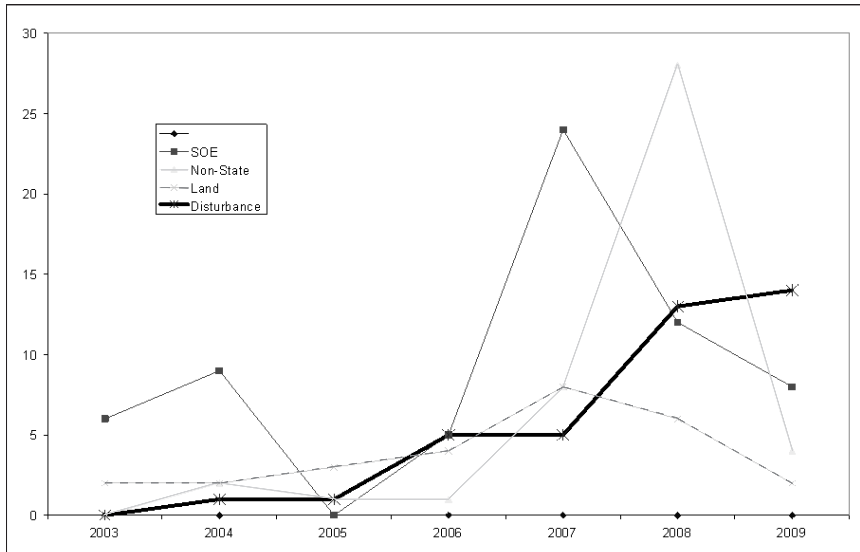
Another case is the large-scale mass incident in Dongzhou 东洲 village, Shanwei 汕尾 County of Guangdong Province. The electricity plant built in 2002 occupied a large land area in Dongzhou village. The villagers believed that they were not properly compensated and protested. They built sheds outside the factory and attempted to stop the construction. The arrest of three villagers during the effort to demolish the sheds escalated the protest and the rank of protestors soared to several thousands. Armed police was dispatched. Tear gas was used to dispel the crowd and the riot became violent in December 2006. There were explosions and the major part of the plant was blown away. In the end the armed police opened fire, leading to several deaths and injuries. This is the first time since 1989 that the government opened fire during a citizen-government confrontation. Since then, violent protests have recurred many times. The dispute has not been resolved so far.

Overall, land and relocation disputes erupted at a lower rate than labour disputes, and also demonstrated a descending trend in 2009.

3.3. Disturbances and Riots

The occurrence of all major types of large-scale mass incidents declined in 2009 except for disturbances and riots (Figure 2). Compared to mass incidents triggered by specific economic grievances, the increase of social disturbances

Figure 2 Frequencies of Major Large-Scale Mass Incidents by Year



Source: Authors' database.

and riots that are not economic interest oriented is alarming. By disturbance we refer to mass incidents that have the majority of their participants not having a particular demand or direct interest, but simply wanting to disturb the public order. A riot is the more radical form of disturbance in which gathering crowds are committing acts of violence. As Figure 2 indicated, disturbances/riots became the most frequent large-scale mass incidents in 2009, surpassing both labour and land disputes. These disturbances were often triggered by minor incidents but rapidly became confrontational between citizens and government.

One such case is the Weng'an 瓮安 incident in Guizhou Province. On June 22nd, 2008, a teenage girl was drowned in a river while she was hanging around with three other teenagers. The girl was from a poor peasant family and her parents refused to accept the police conclusion that their daughter committed suicide for no apparent reasons. Several biopsies were performed by different agencies and conclusion remained that the girl was drowned. Then a rumor started to circulate that she was raped. This soon turned into a riot with tens of thousands involved. The participants believed that the government was trying to cover up the rape case for the probable reason that some government officials were involved in the rape. The burning and looting lasted for about 7 hours; county government headquarters were destroyed and police station was smashed. About 150 people were injured during the incident. The incident caught the attention of General Secretary Hu Jintao 胡锦涛 who made several instructions for the resolution of the riot. The Minister of Public Security, Meng Jianzhu 孟建柱, led the entire operation to quell the riot by phone.

Another case is the Shishou 石首 incident in Hubei Province. On June 17th, 2009, a worker was found dead in front of the hotel where he had been working. The police determined that it was a case of suicide. Yet the relatives and the public were not convinced. They blocked police effort to remove the dead body, which led to a large scale riot. Rumors about more bodies being found in the hotel were rife, fanning the imagination of the crowd. The incident lasted for more than 80 hours with several tens of thousands of participants. The hotel was burned down and police vehicles were destroyed. It is the social disturbance with the most participants since 1989.

3.4. Ethnic Conflicts

There were only six large-scale ethnic conflicts in this period (2003-2009). However, once erupted, ethnic conflict is often characterized by violence, expanding quickly to attract huge crowds. There are mainly two types of ethnic conflict. One is a random type which is often ignited by a minor incident that turned into large-scale disturbance. Because of the rigidity of

ethnic identities, it is easier to generate the "us" vs. "them" sentiment among different ethnic groups. It is similar to a disturbance of public venting along ethnic lines. In one case, an accident in which a taxi driver of Hui ethnicity hit a girl of Han ethnicity in Henan Province later led to large-scale violent fighting between the two ethnic groups.

The other type of ethnic conflict is much more comprehensive, organized, and involves political agendas. The incidents in Lhasa in March 2008 and in Urumqi in July 2009 belonged to this category. Both had international background and explicit or implicit separatist agendas.

A random Uyghur-Han conflict that occurred on 26th June 2009 in Shaoguan 韶关 County of Guangdong served as a pretext for the eruption of the 5th July Urumqi Incident. In the beginning, there was a rumor that one of the Uyghur workers raped a girl of Han ethnicity in a toy factory. Then massive fighting between the Han and Uyghur workers broke out. Two Uyghur workers were killed and 120 (Uyghur 81, Han 39) injured.

The authorities were blamed for failing to handle the Shaoguan Incident in a fair manner; the Uyghurs in Urumqi of Xinjiang Autonomous Region launched a large scale protest in July 2009. The organizers never intended it to be a peaceful protest and turned the city into a killing and burning field. According to the official report, 197 people were killed in the riot. Among them, 156 were innocent citizens (Han 134, Hui 11, Uygur 10, and Man 1). It was believed that the World Uyghur Association, a strong advocator of Xinjiang Independence, was the behind-the-scene organizer.

Ethnic conflicts are usually not caused by economic grievances, as economic cleavages cross-cut ethnic lines. Ethnic differences are the most difficult to reconcile and are therefore the most persistent cause of social frictions and the most effective means in political mobilization.

3.5. Protests from the Middle Class

Most of the mass incidents were launched by disadvantaged social groups, such as laid-off workers and peasants. They were fighting for their right to subsistence. Yet there were a couple of large-scale mass incidents that was mainly participated by the new middle class in the cities. Two were related to environmental protection (anti-maglev protest in Shanghai and anti-PX plant protests in Xiamen 厦门) and the other was the anti-dog killing gathering in Beijing.

The protest in Xiamen was against the building of a para-xylene chemical plant near Xiamen city. A chemistry professor at Xiamen University warned that the chemical might cause cancer among nearby residents. On 1st June 2007, citizens of Xiamen launched a "walking" protest against the project, eventually forcing the government to relocate the project.

The protest in Shanghai was against the building of a magnetically levitated train between Shanghai and Hangzhou 杭州. The reason for the protest was the anticipated radiation effect from the magnet. On 12th January 2008, protesters in Shanghai took the form of strolling to voice their concerns. As the maglev is a huge developmental project and the Shanghai government has already committed to it, the protest did not achieve its goal. But the incident had delivered a message to the authority that more scientific research and public hearing are needed for any such big project.

The protest in Beijing was against the killing of dogs that were homeless or exceeded the officially prescribed height and weight. Thousands of participants gathered in front of the Beijing Zoo on 11th November 2006 with the "Protect the animals" slogan. The anti-dog killing protest successfully forced the termination of the dog killing campaign in Beijing.

These protests reflect certain post-modern values of citizens. Environmental awareness usually emerges when a society has reached a high stage of economic development. The new middle class is the beneficiaries of the economic boom in China. Therefore their concerns are primarily about the quality of life. Unlike the protests against pollutions that directly threatened the survival of affected population, the protests in Shanghai and Xiamen are against the potential future threat, reflecting the educational and knowledge level of the urban middle class. These types of protests are rare, but have demonstrated the different features of mass incidents in China. All three mass incidents were peaceful in style. Thousands of people were mainly mobilized by cell phone or Internet messages.

3.6. Disappearing Types

Certain types of mass incidents that were popular in the past had disappeared in recent years. Mass incidents against excessive taxation in rural areas were frequent in the 1990s. The most typical case was the mass protest in Renshou 仁寿 County of Sichuan Province in 1993.

There were only two such instances in 2004. Both instances were against excessive taxation and spread to multiple counties with more than 100,000 participants. For example, in Henan Province, Anyang 安阳, Puyang 濮阳, Hebi 鹤壁, and Kaifeng 开封 counties, nearly 200,000 peasants had continuously demonstrated, gathered, and occasionally occupied the office buildings of several township governments. They made large banners with slogans like "resist taxation, resist exploitation, and resist land requisition". In Jiangxi Province, Yichun 宜春, Xinyu 新余, and Jian 吉安 counties also had large scale peasant mass incidents. Mass incidents against excessive taxation were usually intense and violent.

The abolition of the agricultural tax, effective on January 1st, 2006, removed the structural cause for such rural protests. The protests against excessive taxation in rural areas have largely disappeared.

4. Origins of Social Protests

The overall upsurge of large-scale mass incidents in recent years is a reflection of increased social tensions in China due to the structural changes of SOEs, the widening income disparities, and the growing rights awareness on the part of the population. It is too early to say whether the drop in the frequencies of large-scale mass incidents in 2009 represents a short- or a long-term trend. If the decline is mainly caused by tighter government control in preparation of the 60th anniversary of the PRC, then it could be a short interval before another outburst. If the drop is primarily due to improved socioeconomic conditions and local governance, then it could signal a long term trend decline.

Our data does not support the view that the economic slowdown in China would trigger more social unrest. It was expected that the brunt of the world economic slowdown would hit China's export sector from September 2008 to the entire year of 2009. Yet from September to December 2008, there were only 7 cases of large-scale mass incidents as a result of factory closures. The protests spread out to various places: 2 in Guangdong, 2 in Jiangsu, and one each in Shanghai, Hunan, and Zhejiang. The overall number of large-scale labour unrests decreased even further in 2009. Altogether there were only 4 large-scale labour protests in non-state sector with three of them related to factory closures in Guangdong. These numbers are far from adequate to substantiate arguments for widespread labour unrest in China due to world economic recession.

Large-scale mass incident over land requisition issues is a major type of social protest. Despite the impression generated by the media that large-scale mass incidents over land disputes were widespread, such incidents occurred much less frequently than labour disputes in reality. This is because land requisition is necessary only in rapid developing areas or places where there are mining discoveries. Furthermore, as the peasants are usually not well organized due to their mode of production, they are unable to organize effective protests even if they are deprived. However, protests over land disputes, if organized, could be fierce.

Most land disputes share a similar pattern. On the surface, the conflict over land requisition was between farmers and companies that use the land. However, because the related industrial projects often times are part of the official development plan, the companies involved in the project had strong government backing. In order to push for their development plan, local governments had an inclination to use force on behalf of the companies. In

the case of Dingzhou 定州, Hebei Province, the city government even quietly allowed the company to hire gangsters to beat up and kill villagers to force the relocation. As a result, land disputes often turned into confrontations between the peasants and the government.

The increasing social disturbances may be a dangerous signal for the central government. Non-economic interest driven mass incidents are not easy to appease. Tens of thousands of participants were just angry, discontent, and took any opportunity to vent out their anger against the authorities. There is a strong "us" versus "them" sentiment in the crowd, which is one of the symptoms of profound social grievances. Just one minor spark could cause the cumulated anger to erupt. This could include those who do not have any direct interest in the incident, those who are influenced by the "square effect" and those who have some sort of psychological identification with the victim.

How did minor incidents cause social disturbances of such magnitude? It may be due to the confluence of several factors. First, social tensions had been brewing for a long time in these locations. For example, because of the discovery of mines in Weng'an region, there were a lot of forced relocations and consequently a lot of disputes over relocation. A large number of relocated migrants, forced out of their residence on unfavourable conditions, had been grumbling and unsettling.

Second, local governments and police force were generally perceived as corrupt and incompetent. The fact that the police force were often dispatched in favour of the capitalists who have close relationship with the government whenever there was a dispute between peasants and the companies reinforced the public perception. There was a profound distrust of the government.

Third, the root cause of the social tension and distrust of the government is poor local governance. For example, several large-scale disturbances were triggered by conflicts between staff members of the city management agency (*chengguan* 城管) and illegal vendors on the street. The cleaning up of the illegal street peddlers was prescribed by official regulations and legit. Yet the public sympathy was with the illegal vendors, as *chengguan* staff is perceived as local bullies because of their rude manners. The government was also awfully ineffective in communicating with the masses in crisis times. For example, during the Shishou Incident, amidst a plethora of rumors, the government statements about the incident were few and vague. This does not help the authority to quiet down the angry population.

5. Government Responses to the Large-scale Mass Incidents

Most observers in the West have primarily focused on the protesters, especially their grievances. Very few have paid attention to how the Chinese government has reacted to these mass incidents. The general assumptions are

that the outbreaks of social protests are caused by socioeconomic illnesses, and a communist authoritarian regime would crush these unrests which would further destabilize the political system.

However, if one looks at the issue of political stability from the perspective of how the government has responded to mass incidents, the conclusion would be different. Socioeconomic protests are rarely system-threatening and the political system in China is capable of making self-adjustment and responding to socioeconomic problems.

The central government will do well to capitalize on the frequency and scale of social protests as an effective performance indicator to keep the local governments on their toes and press for improving governance, reducing corruption, and perfecting crisis management. Beijing could step in as the arbitrator if social protests became uncontrollable to further strengthen its legitimacy.

6. Non-Threatening Mass Incidents

6.1. Political Tradition

A salient feature of Chinese political tradition is, as Mencius emphasized, the responsibility of the government in the provision of people's welfare. Such political culture encourages and empowers protesters to rise up from the bottom of society to challenge government leaders. Claims to a basic subsistence that stay within local confines have seldom been deemed threatening by the Chinese regime. Only when the rulers repeatedly failed to respond to subsistence demands were they doomed.

A well known social protest scholar, Elizabeth Perry at Harvard University, has long argued that social protest in China is one of the major components of social stability. They serve as checks against the abuse of power by the leaders and as mechanisms to ensure the accountability of the government. In an authoritarian polity where elections do not provide an effective check on the misbehavior of state authorities, protests can help to serve that function, thereby undergirding rather than undermining the political system (Perry, 2002 and 2008).

Most of China's 248 large-scale mass incidents were driven by economic grievances, and therefore fit into the above category. These economic grievances were generated either by the misconduct of local officials or the process of socioeconomic transformation when there was a lack of experience in handling these problems or the lack of proper regulations.

These economic protests do not threaten the regime for two reasons. First, if the protest has economic demands, it involves expectations for government action. By asking the government to "enforce justice" (*zuozhu* 做主), the protests themselves provide legitimacy to the regime. In other words, if people

are counting on the government to solve their problems, they are endorsing the authority of the government.

Second, economic demands are most likely to be satisfied when the state has plenty of financial resources. If the state could respond to these demands, it further consolidates its legitimacy.

6.2. The Passing of Economic Distress

As China is in the process of socioeconomic transformation, the causes for certain grievances that have arisen during the process would also disappear as the process evolves. In other words, many forms of grievances are developmental, and they will be solved by further development. For example, the taxation disputes, once a cause for fierce mass movement, have totally vanished from the scene.

Some of the current causes of large-scale mass incidents may be on the passing soon. The most frequent large-scale mass incidents are labour disputes of state-owned enterprises (SOEs). In these cases, the government is directly responsible for the grievances generated by the structural changes. However, structural changes to the SOEs may have passed their most difficult period. In today's China, the SOEs have become the equivalent of the rich with huge surplus in savings. They are able to settle financial disputes with their employees more easily than before. Other social security mechanisms have also matured over time and are likely to reduce large-scale mass incidents.

The second type of labour dispute is in the non-state sector. Labour disputes with foreign or private investors do not directly involve the government. Therefore these kinds of mass incidents do not threaten regime stability. Sometimes, the government has to step in to be the mediator between the workers and the investors. At other times, the government has to even provide financial assistance to calm down the angry workers. This would only further strengthen the legitimacy of the government.

Land disputes are more complicated. Land disputes usually occur between peasants and developers or business companies. However, as developers or business companies are typically backed by the local government, these land disputes often evolved into a confrontation between the peasants and the government. Some of the resistance was fierce. However, land disputes only occur in selected areas. If it is a matter of economic compensation, it is not difficult for the government to put down the resistance.

Ethnic conflicts are caused by different rationales. Yet economic distress such as income disparities has compounded ethnic conflicts. Continued economic prosperity will ease certain ethnic frictions. Moreover, although conflicts of different ethnic identities are hard to reconcile, they are mainly confined to minority areas.

The most system-threatening mass incident is disturbances and riots with no specific economic demands. The outburst of disturbances is often the product of broad and diffused social grievances over a variety of issues ranging from inequality, corruption and social injustice to increasing drug addiction. Disturbance is often triggered by poor local governance, especially the misconduct of *chengguan* or the police. In these cases, social anger, not economic demands, is directed at the authorities. These incidents could be system-threatening because they are challenging rather then endorsing regime legitimacy. Reduction of disturbances requires the improvement of local governance.

7. Types of Government Responses

Contrary to common belief that an authoritarian regime would suppress mass protests, the regime in China has shown a considerable degree of tolerance toward protests by farmers and workers if they remain clearly bounded in both scale and aspirations (Table 2).

The multi-layered administrative structure of the Chinese state has provided a favourable mechanism to mitigate the impacts of large-scale mass incident. The targets of the protests were mainly local authorities, which serve as a cushion for the central government. The central government can not only use these opportunities to check on the misconducts of local officials, but also step in as the arbitrator for justice rather than the blame bearer.

7.1. Tolerance

About 60 per cent of large-scale mass incidents were tolerated (152 out of 248). The government would watch the development of the mass incident closely but refrain from using force. The police sometimes may detain a

Table 2 Government Reactions to Large-Scale Mass Incidents

Year	2003	2004	2005	2006	2007	2008	2009	Total	% of Total
Cases	*9*	*20*	*9*	*25*	*63*	*76*	*46*	*248*	
Tolerance	5	8	3	17	46	46	27	152	61%
Accommodation	4	11	3	4	16	24	10	72	29%
Discipline	1	2	4	0	2	5	6	20	8%
Force	0	0	2	4	0	2	2	10	4%

Note: In some cases, the government used more than one method. Therefore the summation of different methods is slightly larger than the total number of cases.

couple of activists but would release them soon after the incident without any charges. Local government officials usually would not be held accountable for these incidents. Yet the protests would not receive much compensation.

For protests that are not particularly targeted at government, such as the labour disputes within foreign ventures, anti-Japanese student demonstrations, or student protests against school administration, the government has typically stayed out of the disputes.

In 2008, the Ministry of Public Security had issued several documents, repeatedly emphasizing that local governments should deploy their police force with caution (*shenyong jingli* 慎用警力). The police have been instructed not to carry weapons and not to fight back if attacked. Sometimes the caution in dispatching police forces has received sharp criticisms. There have been complaints that the armed police was dispatched way too late in the Lhasa and Urumqi incidents which led to unnecessary deaths and injuries.

7.2. Accommodation

The government is also willing to accommodate to the demands raised by the protestors. Accommodation has been the second most frequently used method in large-scale mass incidents (29 per cent). Using money to pacify unrest has become possible only after the central government has accumulated enough financial resources after the taxation reform of 1994. Some rich local governments are also able to do so. But this is not a viable solution in the poor areas.

All five veteran protests were solved with economic compensation. One third of the disputes in SOEs received some kind of economic accommodation (21 out of 64). Sixty per cent of the land disputes ended with monetary compensation (16 out of 26).

Half of the labour disputes in the non-state sector received economic compensation (23 out of 44). Most of the compensation was paid by the enterprises with government supervision. Occasionally, if the enterprise is bankrupt, the government would shoulder the financial burden. One such example is the case in Dongguan County of Guangdong Province. When the Hong Kong investor deserted the factory and disappeared, the township government paid the workers their wages.

7.3. Disciplining Officials

Since protests are mainly targeted at the local government, local officials sometimes are held accountable for either the outburst or mishandling of the incident. The central government would discipline local officials to calm down the social unrest. In 20 out of 248 incidents (8 per cent), local officials were sacked afterwards.

The occurrence of large-scale disturbance and riot is an indicator of poor governance. Without exceptions, local leaders would be disciplined (dismissed) if a large-scale disturbance accelerated into mass riot. Typical cases are Weng'an and Shishou incidents. All major leaders from these counties were removed from their offices.

In general, government officials would be disciplined under any of the following conditions: 1) there is a large number of participants in mass incidents; 2) the participants have assaulted government institutions or transportation hubs; 3) there are deaths and injuries; 4) the incident occurs on the eve of important holidays or event (e.g. National Day, or Olympic Games); and 5) the incident has attracted intense pressure from the public.

7.4. Application of Force

The government has been avoiding the application of force as a solution to mass incidents. The overwhelming majority of the incidents were not forcefully repressed and few activists were arrested. But this does not mean that the government has no teeth. There were cases where the government deployed the police force. From 2003 to 2009, the government has used force in 10 of the 248 large-scale mass incidents (4 per cent).

The preconditions for applying force are 1) police officers are attacked in their efforts to keep order; 2) violent acts such as killing, burning, looting, and smashing; and 3) the political purposes and goals of these incidents. Large-scale ethnic riots were typical cases where force was used.

In general, there are several ways of applying forces: 1) Opening fire on site, such as the case of Dongzhou Village when police was under attack; 2) Arresting those who have participated in killing, looting, burning, and smashing, such as the case in Urumqi; and 3) Investigating criminal liability after the mass incident has quieted down, which often means making delayed arrests (*qiuhou suanzhang* 秋后算账), such as the case in Shishou.

8. Learning Capability of the Political System

The willingness of the central government to respond to some of the protesters' key grievances points more toward political flexibility than toward fragility. Moreover, the Chinese political system is able to learn from its own experiences. The governments have been learning to prevent and deal with mass incidents in a more effective manner.

8.1. Training Programme for Local Officials

After the Weng'an Incident, the central government has organized training programmes for over 3,000 county party secretaries and chiefs of public

security bureaus. The training programme focuses on ways to deal with "emergency incidents" (*tufa shijian* 突发事件). The central theme is to conciliate first and refrain from using force. This may help to explain the reduction in number of large-scale mass incidents in 2009.

Yet, in some places, such as Shishou (where the largest riot occurred one year after the Weng'an Incident), the training programme did not seem to work. Web bloggers commented that officials from Shishou were too dumb to learn and deserved to be sacked.

8.2. Accountability System

After the Shishou Incident, on 13th July 2009, the central government enacted an "accountability system" for officials above the county level government, including the central government. It stipulates that if the misconduct of the officials leads to the outburst of mass incident or the officials mishandled the mass incident, they would be held accountable. Depending on the seriousness of the incident, the officials will have to either make public apologies, or resign, or be dismissed.

Similar systems have been implemented at local levels as well. For example, in Jiangxi Province, the standards for the township governance evaluation are, in descending order, 1) zero petition visit to Beijing; 2) zero mass incident; 3) family planning; 4) environmental protection; and 5) solicitation of outside investment. Among them, not only the economic development listed the last, the first two could trump all the others. Other provinces have also set comparable criteria.

This kind of accountability system is different from the system in democracies in which elected officials are accountable to voters. However, as long as the officials are held accountable for their mistakes, the Chinese system is equally effective. It has obviously provided incentives for local officials to annihilate any potential mass incidents as the political careers of the local government leaders are at stake.

8.3. "Harmony Bonus"

With these political incentives, local governments have designed various schemes to prevent mass incidents. An interesting example is that of the "harmony bonus" established by the government of Minhang 闵行 District of Shanghai. If a village has no mass incident during land requisition process, in addition to land and relocation compensation, every family will receive a harmony bonus of 8,000 RMB each, to be delivered in installments in two and a half years. Any mass incidents within this period will deprive the entire village of its harmony bonus.

8.4. Improving Governance

As the government is tolerative of most mass incidents, it has been adjusting its policies. The government is well aware that the persistence of protests of a same type indicates serious problems that need to be addressed.

Policy adjustment ranges from issues as big as the abolition of agricultural tax to matters as small as the termination of a dog-killing campaign. Another example is that the consecutive waves of protests by laid-off SOE workers in Northeast China had forced the central government to appropriate huge funds to renovate the shabby houses of laid-off workers to survive the harsh winter season.

In December 2009, the State Council decided to raise the retirement pension of SOE retirees for six consecutive years. This had alleviated the pain caused by the structural changes of the SOEs and would significantly reduce the labour disputes arising therefrom. The housing relocation regulation is also under revision to ease the friction during such a process.

The manner in which the government deals with social protests has improved in some places. A case in point was the taxi drivers strike in Chongqing in 2008; the taxi drivers were complaining about the high rent imposed by taxi companies and the illegal competition from unlicensed taxis. Party Secretary of Chongqing city, Bo Xilai 薄熙来's direct dialogue with the taxi drivers was broadcast live on television. Bo promised to reduce the rent and remove unlicensed taxis from the market. His effort was well received by the public.

Other cities took the cue from Chongqing. The Beijing Municipal Government for the first time has allowed taxi drivers to charge a fuel tax (*ranyou fei* 燃油费) while the Shanghai Municipal Government has also invited the taxi drivers to voice their concerns. The eagerness to wipe out unlicensed taxis led to schemes such as the so-called "fishing."[3] In Shanghai, one such fishing effort hooked the wrong guy, and the public security bureau had to make public apologies to the victim.

9. Conclusion

All large-scale mass incidents, except for a couple of ethnic conflicts and student anti-Japanese demonstrations, revolved around economic or social grievances. These grievances were generated by rapid socioeconomic transformation on the one hand, and poor local governance on the other. Most large-scale mass incidents are localized and isolated incidents, except for a number of protests that occurred simultaneously in multiple adjacent counties, such as the teachers' strikes in Sichuan Province, and taxation protests in Henan and Anhui.

Economic grievance driven mass protests will not threaten regime stability. Most of the causes for economic grievances that have arisen during the process of socioeconomic transformation are on the passing soon. Increasing financial capabilities also enable the government to ease the economic pains of the transformation and significantly reduce the occurrence of large-scale mass protests.

The most dangerous trend is the increasing social disturbances and riots triggered by minor incidents which later snowballed to uncontrollable scale. While it seems that the participants had no particular purpose or interest, these incidents reflected profound and broad social grievances that are not easy to address. Social protests in China are one of the major components of social stability. They serve as checks against the abuse of power by the leaders and as mechanisms to ensure the accountability of the government. Large-scale mass incidents driven by economic grievances are likely to decline in the coming years. Most of the causes of economic grievances that have arisen during the process of socioeconomic transformation may be on the passing soon. Increasing financial capabilities also enable the government to ease the economic pains of transformation.

Contrary to the view that the authoritarian regime tends to suppress social protests with force, the government has tolerated most of the large-scale mass incidents and rarely applied force. The government has accommodated close to 30 per cent of the large-scale mass incidents with economic compensation.

The Chinese political system is capable of learning from its own experiences. In order to deal with large-scale mass incidents, the central government has established training programmes for leading officials from local governments. The central government has also established an accountability system holding officials accountable for the outbreak and mishandling of mass incidents. The institutional innovation may be crucial to reducing the occurrence of large-scale mass incident. While the authorities never admit wrong doings or apologize for them, they do correct their mistakes. Failed policies would be revoked or changed due to persistent social protests. This mechanism of social protests ensures rather than undermines social stability in China.

In order to minimize the likelihood of the most destabilizing disturbances and riots, governments at all levels need to design more institutional mechanisms to improve governance, such as reducing corruption, increasing public trust, and better communication with the population. Training programmes could be extended from teaching local leaders on how to cope with emergency incidents to training the entire government staff on the manner of governance. A clean, effective, and civilized government is the key to long-term social stability.

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Notes

+ Some parts of this article have been published in *East Asian Policy*. See Tong Yanqi and Lei Shaohua, "Large-scale Mass Incident in China", *East Asian Policy*, Vol. 2, No. 2, April/June 2010, pp. 23-33. The entire article will be part of our coming book on social protest in China which will be published by Routledge Press.

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1. The figure for 2008 was an "estimate" reported by Andrew Jacobs, "Dragons, Dancing Ones, Set-off a Riot in China", *New York Times*, 10th February 2009. In another news report, an estimate of 90,000 such incidents annually for 2007, 2008 and 2009 was quoted from a Chinese insider by John Garnaut, "China Insider Sees Revolution Brewing", *Sidney Morning Herald*, 2nd March 2010.
2. In China, mass protests are usually termed "mass incidents" by official documents. It first appeared in official document in the 1990s, there has not been a complete official definition for the term. Summarizing several similar definitions provided by scholars, we hold in this paper that a mass incident generally refers to any of the following activities that involve more than 10 participants: 1) collective petition visit to upper level government offices and sit-ins; 2) illegal assemblies, parades, and demonstrations; 3) strikes (labour, merchant, student, teacher, etc.); 4) traffic blocking; 5) disturbances; 6) surrounding or attacking party/government buildings; 7) smashing, looting, and burning; and 8) obstructing the performance of government administration.
3. Referring to plain-clothed police officers who pretended to be customers and tricked private car drivers into taking passengers.

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Explaining Ethnic Protests and Ethnic Policy Changes in China

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Abstract

Why were there violent ethnic riots in Tibet and Xinjiang? After the riots, how did the Chinese government adjust its ethnic policies, and will those new policies solve the problems? This article argues that multiple factors have contributed to those riots, including economic inequalities, lack of religious freedom, and incompetence of local governments. The new policy package focuses on boosting economy in minority areas and improving the livelihood of ethnic minorities. Promising in the short run, the new policies may face challenges domestically and internationally in the long run.

Keywords: *ethnic issues, ethnic policies, Tibet, Xinjiang, Chinese politics*

1. Introduction

The past two years have witnessed two major ethnic protests in China. In July 2009, there was a bloodshed conflict between the Uyghurs and Han Chinese in the northwestern province Xinjiang. Almost 200 were killed, the deadliest ethnic violence since 1949 in the country. The riots, called by some Chinese commentators as the Chinese version of "9/11"[1], have taken Beijing by surprise and shocked the top leadership, so serious and critical that President Hu Jintao 胡锦涛 had to cut short his Europe tour and cancelled his participation at the G8 summit.

In March 2008 riots broke out in Lhasa and other Tibetan-populated areas in China. Eighteen people were killed and hundreds of shops and stores run by Han Chinese in Lhasa were burn to ashes.[2] The government crackdown on the riots evoked protests against the Beijing Olympic torch relay from London, Paris, to Tokyo, and New Delhi. China's global image dropped to a record low in recent years.[3]

More than one year after the Xinjiang riots, observers still found that "resentment simmers" in this region.[4] People from one ethnic group felt

unsafe to go to the neighbourhood of another group, as they perceived the other group as frightening and untrustworthy. Even two years after the rioting in Tibet the cross-group tension and distrust were still evident. In April 2010, a deadly earthquake nearly flattened the predominantly Tibetan city Yushu 玉树 in Qinghai Province. Beijing made a very quick response and immediately sent thousands of soldiers and truckloads of food in recue and relief. Thousands of the injured were taken to hospitals in the provincial capital 500 miles away or even to Beijing hospitals. President Hu Jintao cut short a state visit to Brazil and flied home to lead the relief efforts. Premier Wen Jiabao 温家宝 postponed his own visit to Indonesia and went to the quake stricken area. However, these high profile efforts looked not successfully enough to win trust from Tibetans.[5]

These ethnic riots and lack of trust revealed deep-rooted ethnic tensions in western China and called into question the underlying principles of Beijing's ethnic policies. Based on the system of regional autonomy for ethnic minorities, the Chinese government has promoted a series of preferential policies (of particular importance is economic development) for minority groups. Thousands of billions of dollars have been channeled to ethnic areas in the past two decades on the presumption that ethnic minorities with improving material conditions would eventually legitimize Beijing's rule in those areas.

Since the middle of the 1990s GDP in minority areas has grown more rapidly than the national average. In 2000 Beijing launched the western development programme and in 2005 a "flourishing borders and prosperous people" programme. These programmes subsequently gave ethnic regions a larger edge over the nation in growth. To a large extent this policy turns out to be successful as most of the 55 ethnic groups in China seem contented and have apparently accepted the existing regime (Lai, 2009).

To tap the Tibet issue, from 1980 to 2001, the CCP had held four top level work conferences.[6] In each of these conferences the Party leaders promulgated new policies and development plans in Tibet. From the very first conference leaders in Beijing saw the solution to the Tibet problem as one of "supplying creature comforts". They set the theme of Tibet policy as "development and stability".

Socioeconomically, this policy has made great achievements. The annual GDP growth rate in Tibet from 2001 to 2008 was 12.4 per cent. In the same time period, the central fiscal transfer was RMB¥154.1 billion, occupying 93.7 per cent of total revenue in Tibet (CCTS, 2009). After the third Work Conference Beijing invested RMB¥8 billion in 62 projects; after the fourth Conference, RMB¥31.2 billion were invested on 70 projects. In 2007, the Chinese government made a more ambitious plan, decided to invest RMB¥778.8 billion in 180 projects by 2010 (*ibid*.).

In the end of 2008, all counties in Tibet were finally communicated by highways. And the first railway on the Tibet Plateau, the Qinghai-Tibet railway was opened in 2006. Beijing's also made efforts in social welfare of Tibetan people. Medical care is free for farmers and herdsmen in Tibet. Urban Tibetans enjoy more governmental subsidies in healthcare than Han Chinese. Children of farmers and herdsmen enjoy the "three covering" programme in their elementary and high school education – covering food, covering lodging, and covering tuition by the government. By the end of 2009 there were 270,000 students in Tibet enjoying the "three covering" programme and 200,000 receiving grants.[7]

While in Tibet the Chinese government has been promoting an economy-centred policy for decades, situation in Xinjiang was different. Due to a series of turbulences and bloodsheds launched by Uyghur separatist and Islamic extremist organizations in 1980s and 1990s[8], the Chinese government has adopted a policy of "stability above all else" in Xinjiang. Economic development has been of only secondary importance in the region.

Yet in the past decades the government has still invested a lot in infrastructure and heavy industries in Xinjiang. Each year since 2003 (except 2009) the region's GDP growth has been higher than that of China as a whole (*China Statistical Yearbook*, 2001-2010).

Apparently, ethnic policies in China are benevolent and generous. Then why were there such violent riots in Tibet and Xinjiang? In this study I want to address two questions. First, what are the underlying reasons for ethnic protests in China? Second, after the series of riots, the Chinese government has adjusted its ethnic policies. What are the new policies, and are they going to resolve the ethnic issues in China? In the following sections the paper will first go through the theories on collective protests, then those theories will be applied to the Chinese context to see if they explain ethnic riots. Followed will be a discussion on ethnic policy adjustments and their challenges.

2. Three Theories of Political Contentions

In the existing literature, there are three lines of theory dealing with collective conflicts. The first is the "greed" theory. It argues that contentious politics is a product of cost and benefit calculations (Collier and Hoeffler, 2000). If people expect looting can generate profits, for instance, control over certain natural resources, gain from financial subsidies, preferential policies, and so forth, people would go to violence. In this sense, ethnic contentions are "motivated by greed, which is presumably sufficiently common that profitable opportunities for rebellion will not be passed up" (Collier and Hoeffler, 2001: 2).

Grievance theory argues that political contentions result from dissatisfaction and resentment (Collier and Hoeffler, 2000; Bodea and Elbadawi,

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2007). If an individual or group is treated unfairly in political or economic spheres, this individual or group would tend to resist with force. Reasons for grievance include political exclusion, ethnic discrimination, income inequality, lack of religious freedom, etc.

De Tocqueville stated the thesis that "almost all of the revolutions which have changed the aspect of nations have been made to consolidate or to destroy social inequality" (1961: 302). A number of empirical studies revealed the relationship between distributional inequality and political violence. Growth without a just distribution tends to undermine mass support for a regime and push the disadvantaged to change the status quo in a contentious way. Some observers argued that inequality is "at least part of the explanation for the Iranian revolution of 1978-79" (Muller, 1985: 47).

Lack of political rights, for instance, the freedom of religion or protection of ethnic culture, is another reason for grievance (Fearon and Laitin, 2003). People take offence if their beliefs and values are not respected by the authorities or other groups. Once the grievance is sufficiently acute people may engage in violent protest. This type of collective action is not dependent on economic gains, but on the desire to preserve one's ethnic identity. People may fight even when there are not explicit material interests (Sambanis, 2001: 266).

The third model is opportunity theory, which maintains that collective action cannot be possible without certain resources or opportunities. For instance, to what extent state power can control the grassroots largely determines the probability of collective action in the society. If the state at the grassroots level is able to detect potential unrests effectively, and to manage any possible collective action from the very beginning, it is not likely for the action to be escalated into large scale violence (Hegre, 1999). Another important opportunity variable is elite. Whether an ethnic group can be organized to take collective action largely depends on whether this group has capable and devoted elites: "Ethnic sentiments and identity are frequently manipulated and promoted by a political elite that seeks to lead its reference community in opposition to other groups" (Shultz, 1995: 78). With the leadership of elites, a group is more likely to be mobilized into political contentions.

Demographic composition in ethnic areas also matters. Previous research found that a society composed of two major ethnic groups is more likely to face ethnic conflicts than a society consisting of a number of small groups (Reynal-Querol, 2002). When there are a dominant group and a large minority group side by side in an area, it is very likely to have large scale ethnic mobilization. To mobilize a large minority group into contentious actions against the majority group is not as costly as to mobilize a number of small groups into the same kind of actions (Fearon and Laitin, 2003: 78).

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3. Explaining Ethnic Protests in China

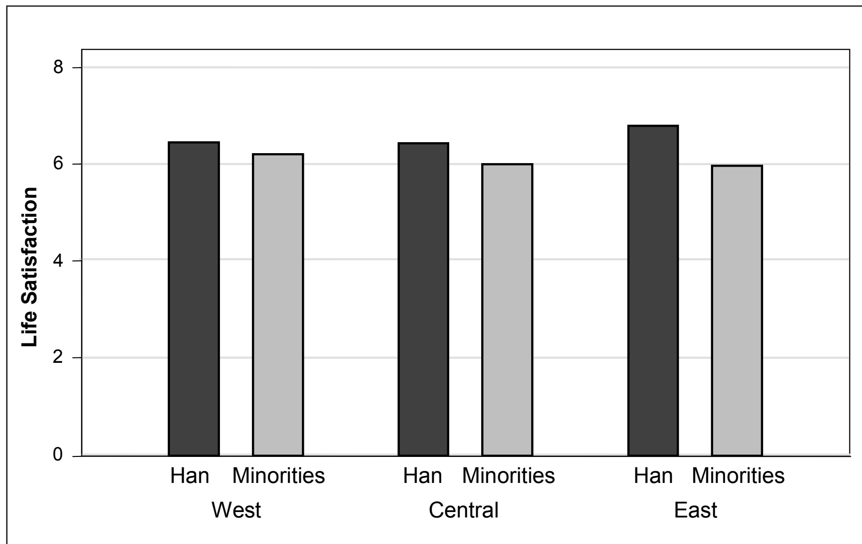
Now let us see what kind of factors contribute to riots in Tibet and Xinjiang. In these incidents, we did not see protestors gained any material interests through the conflicts. And we did not see they were purposely hunting for any material goods. On the contrary, rioting and looting destroyed local business and brought material loss to both Han majority and ethnic minorities. The greed model hence looks inappropriate here.

3.1. Grievance Model

Grievance model assumes dissatisfaction or discontentment. Let us first see if there is grievance existing within ethnic minorities in China. Figure 1 reports data from a national public opinion survey in 2008 regarding people's life satisfaction[9]. The respondents were selected by random sampling. We divided the Chinese provinces into three groups: west, central, and east.[10] According to the figure, all over the country minority people are less satisfied with their life than Han people.[11]

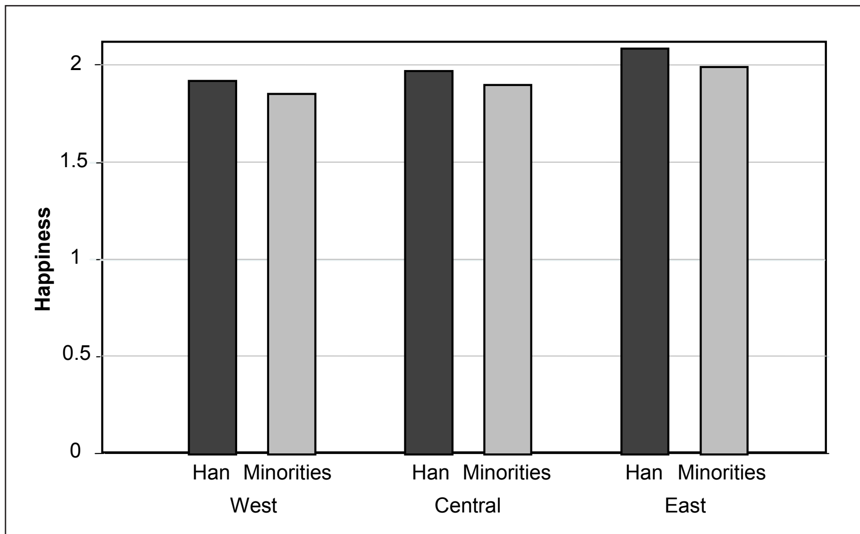
There is a similar pattern for happiness level. From Figure 2 we can see across regions in China, members of minority groups have lower level of happiness than their Han neighbours. In short, minority people are less

Figure 1 Life Satisfaction of Ethnic Minorities and Han Chinese



Source: Asian Barometer, 2008.

Figure 2 Happiness of Ethnic Minorities and Han Chinese



Source: Asian Barometer, 2008.

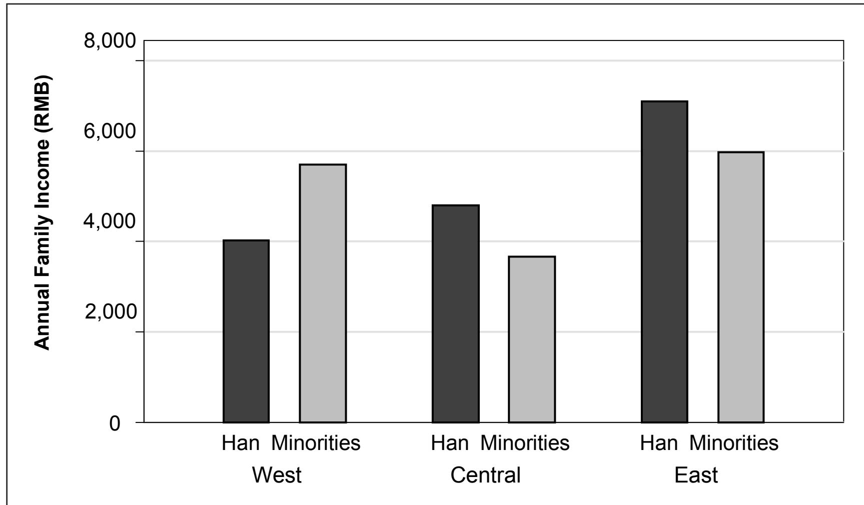
satisfied and feel less happy than the dominant Han. These findings provide supporting evidence that grievance exists among ethnic minorities in China.

There could be two reasons for minority's grievance. The first is income gaps between minority groups and Han Chinese. The rapid economic growth in western China actually increased the income gaps between Han and local minorities. The modern industries brought by Han depressed many traditional farming or handicrafts of local minorities. Local ethnic groups tend to perceive economic growth as beneficial only to Han and believe them are victims of Han exploitation (Shan and Chen, 2009).

Market economy has also weakened minority people's job security. Since the late 1970s, local state-owned enterprises (SOEs) have been required to employ at least 60 per cent of minority employees. However, in the recent decade many local SOEs went bankrupt, leading to a great laid-off of minority employees. Now most enterprises are privately owned and not bound by the official regulations. Private owners in western provinces are inclined to hire Han Chinese workers instead of local Uyghurs or Tibetans who are disadvantaged in language and technical skills (Shan and Weng, 2010).

To promote economic development in southern Xinjiang, where most Uyghurs live, Beijing has encouraged large-scale SOEs to invest in that area since the late 1990s. These large companies, most of which are energy tycoons like PetroChina and Sinopec, however, prefer to hire Han workers for

Figure 3 Family Income of Ethnic Minorities and Han Chinese, 1993



Source: China Survey, 1993.

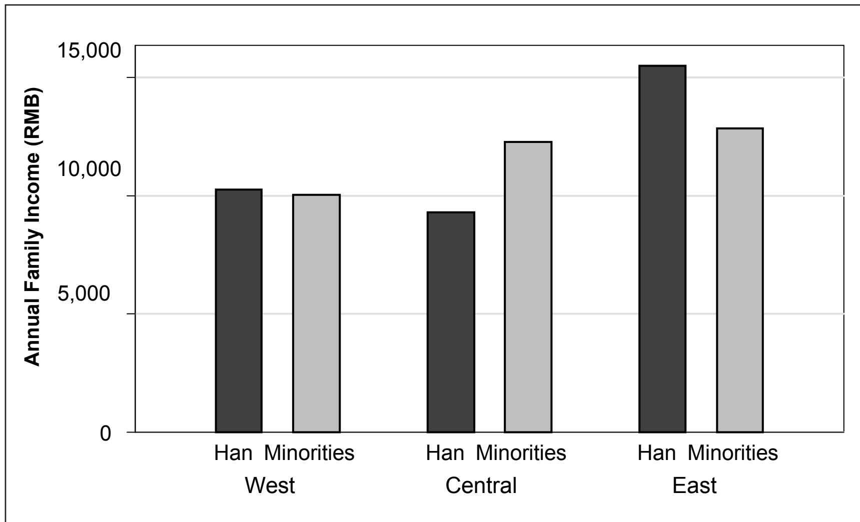
their technical skills. Moreover, they do not pay income tax to the Xinjiang government, but to Beijing or Shanghai, as they are registered in Beijing and their oil and gas pipeline subsidiaries registered in Shanghai (Shan and Weng, 2010).

Figure 3 reports income levels of Chinese people from a 1993 national survey[12]. In the early 1990s minority groups in the west actually had higher family income than Han. At that time most minorities were herdsmen or handicraftsmen and tended to make more money than traditional farming, in which most Han people were engaged.

In the following decade, the situation changed dramatically. Figure 4 provides family income of Chinese respondents from another national survey held in 2002.[13] As the rapid industrialization went on, income levels of Han Chinese caught up with those of ethnic minorities and even surpassed the latter.

Another possible reason for grievance is the religion policy in minority areas. Among the 55 officially recognized minority groups in China, only 5 of them are politically important, namely, Tibetan, Uyghur, Mongolian, Hui, and Kazak. They are important mostly because they are "religious minority" (Tang, 2009). The majority of Tibetans and Mongols are Buddhists, while most Uyghur, Hui, and Kazak are Muslims. Their values and belief systems are essentially different from the official ideology of Beijing and the culture of Han.

Figure 4 Family Income of Ethnic Minorities and Han Chinese, 2002



Source: China Survey, 2002.

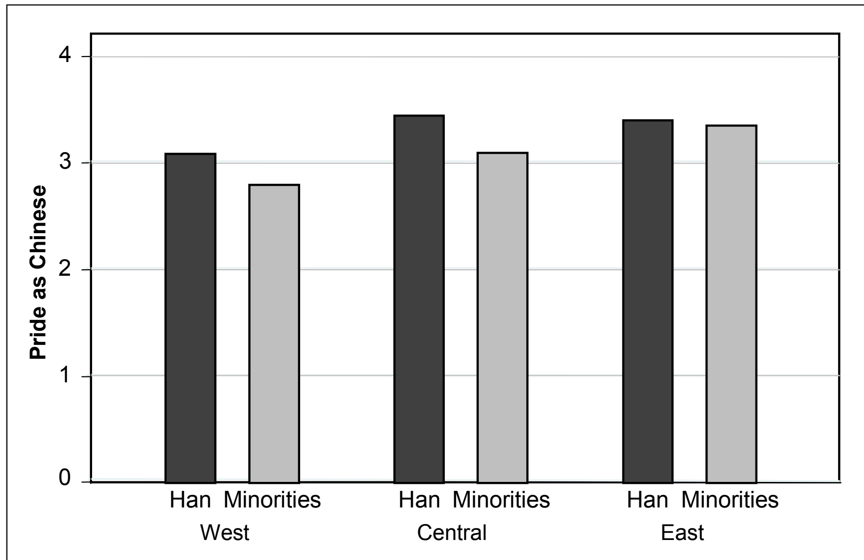
Religious beliefs facilitate the formation of ethnic identity, enhance the emotional ties and group cohesion, and distinguish group members from other groups. Observers found that in rural area of Xinjiang, people tend to establish their social networks on the basis of religious identity and alienate those who have different religious background (Pan and Long, 2008: 49).

In this sense, we anticipate religious minorities, mostly residing in western China, have lower level of identity with the Chinese Nation (*zhonghua minzu* 中华民族) than other groups. Figure 5 is the finding from the 2008 national survey regarding the question: "To what degree do you feel pride as a Chinese, not pride at all, not pride, pride, or very pride?" from the figure we can see ethnic minorities in western provinces reported the lowest level of pride as Chinese, which confirms our expectation.

For Tibetans, the overwhelming majority are Buddhists. In Xinjiang there are believers of Islam, Buddhism, Taoism, Christianity, etc. In 2005, 58 per cent of population in Xinjiang were Muslims, which occupied 97 per cent of minority population (Pan and Long, 2008). Buddhism and Islam have deep influence in these restive regions.

Yet Beijing's religion policy in these regions has manifested grievances within the minority community (Shan and Chen, 2009). Tibetans and Uyghurs take offence at government attempts in constraining their religious practices. But the Chinese leaders have been adamant about controlling religious

Figure 5 Chinese Identity of Ethnic Minorities and Han Chinese



Source: Asian Barometer, 2008.

activities, especially in Xinjiang and Tibet. Their anti-religious attitudes have been enhanced by their perception that religious organizations are often involved in separatist activities instigated and organized by exiled leaders abroad, posing a major threat to China's national security.

Heavy-handed restrictions on religions have radicalized many ethnic minorities, as some observers argued.[14] Because of the restrictions, some Tibetans ran away from their hometown to India to join Dalai Lama's exile camp. Many Muslims in Xinjiang join underground Koran study groups, where the imams teach the divine scripts as well as the political blueprints of an independent East Turkestan.

3.2. Opportunity Model

Opportunity model gives emphasis on conditions based on which collective action could be mobilized. Before the riots in Tibet and Xinjiang, there were certain "opportunities" in favour of collective actions. First, both Uyghurs and Tibetans have committed and capable elites. We do not have enough information about how much the Dalai Lama's exile government or the World Uyghur Congress played a role in the protests, but there is no doubt that they had influence on their ethnic fellows. Their political programmes

and blueprints certainly facilitated collective protests against Han Chinese and the government.

Secondly, demographic structure in Tibet and Xinjiang is favourable to ethnic conflicts. As we've discussed, when there are only two major groups, it is most likely to develop cross-group conflicts and intra-group mobilization. Among the 21 million residents in Xinjiang, around 46 per cent are Uyghurs, 39 per cent are Hans, and 7 per cent are Kazaks; the other 44 ethnic groups take up the rest 8 per cent. In the capital city of Urumqi, however, the majority is Han Chinese (73 per cent), while the Uyghurs only account for 12.3 per cent of the total population (*Xinjiang Statistical Yearbook 2008*). In both entire Xinjiang and in Urumqi, Han and Uyghurs take up 85 per cent of total population.

In Tibet most Han are concentrated in Lhasa. According to official statistics in 2007, Tibetan residents occupied 88.9 per cent while Han only took up 10.5 per cent, yet these numbers did not count in temporary residents, mostly Han workers or business people.[15] Some researchers revealed that in 2000 Han people already constituted 34.34 per cent of Lhasa population (Su, 2006). Some others believed that Han population in Lhasa was larger than Tibetans.[16] In short, in both Urumqi and Lhasa, there are two major groups standing side by side, which promoted intra-group cohesion and inter-group antagonism.

Finally, the Chinese state capacity in the grassroots was not effective enough to stop ethnic conflicts. In both Lhasa and Xinjiang riots, local governments responded in a tardy and inefficient way, leaving time for the escalation of violence. Before the Urumqi bloodshed, there were a lot of discussions in Uyghur-language Internet forums about possible attack toward Han, many general public felt something would happen in early July. Yet the local authorities did not take any effective action to prevent violence.

4. New Policies[17]

After the bloodshed violence in Tibet and Xinjiang, Beijing began to change its policy in these two regions. As the prelude to adjustment, some major personnel change took place. In early January 2010, the Chairman of the Congress of the Tibet Autonomous Region, Legqog, retired. Champa Phuntsok resigned his governorship and took the place of Congress Chairman. Padma Choling, 58 years old, was elected the new governor. Born into a serf family, staying in the People's Liberation Army for seventeen years, Padma is believed by some observers to be a loyalist to Beijing's policy.[18]

In April 2010, the Xinjiang party secretary, Wang Lequan 王乐泉, was replaced by Zhang Chunxian 张春贤, then the party chief of Hunan Province.

Wang promoted the stability-first policy and enforced it with iron hand, which won him the nickname "secretary of stability" (*wending shuji* 稳定书记). It is believed that Zhang is relatively softliner and moderate. His amiable and responsive style to journalists makes him popular.[19] Hong Kong media once voted him as the "most open-minded party secretary".[20] Based on his experience in state companies and economic-related ministries, people expect Zhang will promote a development-centred and softliner policy.[21]

The Tibet Work Conference and the Xinjiang Work Conference, the joint conferences of the Chinese Communist Party's central committee and the State Council, were held in January and May 2010 respectively. The new policy packages in Tibet and Xinjiang were made and promulgated in the conferences.

Almost the entire top leadership group was present in these conferences. The attendee list included the State President and Premier, the whole politburo, all the relevant cabinet ministers, provincial leaders, as well as military leaders and chiefs of the armed police.

In both Tibet and Xinjiang the top leadership believed that the "major contradiction" is between the increasing material demands of the people and the less developed social productivity, while there is also a "special contradiction" between "the people of all ethnicities in Tibet" and the separatist "Dalai Lama clique", as well as a struggle against separatism in Xinjiang.[22] Based on the contractions, the focus of governmental endeavour in these regions has to be on economic development, with consideration given to political stability.

To achieve "leapfrog development," the top leaders set specific goals. For Tibet, by 2015 the income gap between local farmers and herdsmen and the national average should be significantly reduced; in 2020 the average net income of farmers and herdsmen in Tibet should be close to the national average, with basic public services significantly enhanced, ecological environment further improved, infrastructure projects considerably promoted, and the society more harmonious and stable, and hence set a solid foundation for a "moderately prosperous society" (*xiaokang shehui* 小康社会).[23]

A more ambitious goal was made for Xinjiang. By 2015, per capita GDP in this region should catch up with the country's average level and the residents' income and their access to basic public services should reach the average level of the country's western provinces. During this period, "marked" improvement must be achieved in the region's infrastructure, self-development capacity, ethnic unity, and social stability. Xinjiang should accomplish a "moderately prosperous society" in all aspects by 2020. Efforts should be focused on improving people's living standards and building an eco-friendly environment, as well as ensuring ethnic unity, social stability, and security.[24]

4.1. Balanced and Sustainable Development

There are three aspects of policy adjustment. First, Beijing has decided to promote a more geographically balanced and environmentally sustainable development in the west. In the past most industries and investment went to urban areas of Tibet and the northern part of Xinjiang, where most Han live; whereas, most local minorities reside in rural areas of the Tibetan Plateau and southern Xinjiang. Geographical inequality has widened income gaps across ethnicities. Chinese leaders planed to fix the problem by introducing more investment to rural areas, to farming and livestock husbandry, and to southern Xinjiang, such as Kashgar and Hotian.

For the first time the four neighbouring provinces with significant Tibetan population, Sichuan, Yunnan, Gansu, and Qinghai, have been included in the Tibet development plan. The four provinces are required to give priority to the development of the Tibetan-populated areas and ensure that people in these areas are not left behind in pursuit of rapid economic growth. It is a big step forward for Beijing to seek coordinated development of the whole Tibetan-populated regions, making Tibet and its neighbouring regions more integrated politically and economically.[25]

Ecological security, or environmental protection, is for the first time included in this top level policy agenda. In 2006 the ambitious Qinghai-Tibet railway project received a lot of criticisms from the international society. One of the major criticisms was targeted at the environmental consequences of the project. This time Chinese leaders have demonstrated their concern for the environmental costs of modernizing Tibet and Xinjiang.

4.2. New Focus of Investment

Second, the focus of governmental financial transfer and aid is changed from infrastructure and heavy industry projects to local people's livelihood. The previous development plans gave priority to infrastructure projects. These projects, while setting a foundation for economic growth, were largely done by Han workers who tend to be more skillful than their local ethnic counterparts. It is hard for minorities to benefit directly from those projects. As we have discussed, this is one of the major reasons for minorities' anger at the modernization brought by the Han.[26]

In the new plan, the government will spend more resources in public services, social welfare, healthcare, education, and environmental protection. More central financial aid will go to improving social welfare and livelihood, and helping in agriculture and animal husbandry. The government will take efforts to create job opportunities and vocational training for all ethnic groups, and devote more resources to training and grooming cadres and professionals

and attracting more talented people from developed provinces. In Tibet a new pension system for rural residents will be in place by 2012.[27] Beijing will keep promoting the "three-cover" programme for children of farmers and herdsmen in their basic education. Also free medical care has been provided in farming and pastoral areas.

4.3. More Government Investment and Aids

The third and also the most significant part of the new package is to increase fiscal subsidies and investment in Tibet and Xinjiang. Xinhua News Agency reported that the Chinese government has invested $45.6 billion in Tibet since 2001. GDP in this provincial unit, approximately $6.4 billion in 2009, has increased 170 per cent since 2000.[28] Beijing has vowed to pour more money and aid into Tibet and other Tibetan populated areas in the next 10 years. In addition, the "pairing assistance" model (*duikou zhiyuan* 对口支援)[29] between Tibet and other provinces will be reinforced. The rest of the provinces in the country are required to introduce more professionals, funds, and technology into this less developed region.

In the Xinjiang conference, the Chinese leaders made an even more ambitious and specified plan to boost economy in this northwestern province. Premier Wen Jiabao told the meeting that the fixed asset investment for the region in the next five-year plan beginning in 2011 would be more than double the amount in the current plan[30], which means investment from 2011 through 2015 could run to 2 trillion yuan[31]. Besides, there are 19 provinces and cities that joined the "pairing assistance" programme with Xinjiang. They are required to grant 0.3 per cent to 0.6 per cent of their annual budget to Xinjiang every year. Joint-equity commercial banks, foreign bank, and banks of various kinds are encouraged to open outlets and branches in remote areas, mostly in southern Xinjiang, and provide more loans to local people and enterprises.[32]

Moreover, the current tax system will be changed in favour of local government. The most striking reform is to change the way tax is charged on natural resources including oil and gas from a quantity-based to price-based levy. As oil and gas are taxed according to the volume of output, Xinjiang has yet to benefit from the growth of prices in the international market. With the new resource taxation, this autonomous region may receive 8 billion yuan to 10 billion yuan of additional fiscal revenue annually.[33]

Enterprises in less developed southern Xinjiang will enjoy favourable "two-year exemption and three-year reduction" (*liangmian sanjianban* 两免三减半) tax policy, which was applied only to foreign invested companies in the past. In the first two years after the enterprise begins making profit, it is completely exempt from income tax; in the following three years it is allowed a 50 per cent reduction.[34]

Finally, a new Special Economic Zone is to be established in Kashgar, the hub in south Xinjiang where 90 per cent of its residents are Uyghurs. The Special Economic Zone usually enjoys preferential policies in industries, taxation, finance, land use, and trade, which are especially conducive to doing business. In the 1980s and 1990s, Special Economic Zones such as Shenzhen 深圳, Zhuhai 珠海 and Pudong 浦东 were engines of China's economic miracle. Observers anticipate Kashgar to play the same role in Xinjiang's growth.[35]

5. Conclusion: Future Challenges

As we have seen in the previous sections that there may be multiple factors underlying ethnic riots in Tibet and Xinjiang, including economic inequalities, lack of religious freedom, incompetence of local government, ethnic composition, and so forth. It looks that the Chinese leaders gave priority to economic issues and decided to focus their efforts on boosting economy in minority areas, while ignoring other issues.

In the short and medium term, this economic therapy may take effect as livelihood of ethnic minorities is getting better and public services are improved. The income inequalities across groups may gradually diminish. Minority people may generally become less likely to support extremism or terrorist attacks (Shan, 2010).

Yet the development process itself could bring trouble, as the process may rekindle ethnic loyalties and anti-modernization sentiments. Economic modernization brings a lot of rural residents into cities. Urban setting put formerly isolated populations into contact so that those migrant workers easily develop ethnic networks of information, jobs, and housing (Olzak, 1983: 367). These new migrants move to the city usually with unrealistically high expectations. They are likely to be frustrated and become particularly hostile to some cultural aspects of modernization, and therefore "ripe for radicalization" (Richardson and Sen, 1997). For instance, many rioters in the Lhasa or Urumqi violence were newly urbanized youth from rural areas in south Xinjiang. The ethnic conflict provided them with a vent of their grievances resulting from economic growth.[36]

In the long run, there are more challenges the Chinese leaders may have to face. People who are economically better off and better educated are more likely to give attention to their own history, culture, languages, and religions, and hence are more likely to strengthen their ethnic identity. Academic research has revealed repeatedly that when people are economically better off, their identity with their ethnic background is actually getting stronger, and they are more committed to their own languages, cultures, and religions, as well as human rights issues.

But the new policies largely ignore the identity issue, and particularly, the religion issue. In the last Tibet Work Conference in 2001, the official statement claimed "protecting freedom of religious belief and legal religious activities … actively guiding Tibetan Buddhism to be adapted into the socialist society".[37] By contrast, in this latest conference the CCP announced, "maintaining the normal order of Tibetan Buddhism, and guiding Tibetan Buddhism to be adapted into the socialist society".[38] The freedom of religion was dropped and control over religious activities will still be there.

In the Xinjiang Work Conference President Hu's keynote speech had only one sentence related to religion, "fully implement the Party's ethnic policy and religion policy, fully strengthen and improve propaganda and ideological work …".[39] There is no sign that the exiting religion policy will be changed.

It looks like the CCP leadership has yet to figure out a new way to handle religion issues. But this is a challenge they cannot evade. Heavy-handed restrictions on religious practice have exasperated many Muslim Uyghurs and Tibetans and pushed them to radical anti-governmental actions.[40] The CCP in turn takes it as a justification for more harsh control over religion. To achieve "lasting stability" in minority areas, Beijing may need to break this vicious circle and find out a way to accommodate religion in its system.

Also it is unclear how Beijing would establish an identity of the Chinese nation among the Muslim Uyghurs, Buddhist Tibetans, and other groups and achieve national integration. Hu called for comprehensive education about ethnic unity in order to help local people identify with the "great motherland, the Chinese nation, Chinese culture, and a socialist development path with Chinese characteristics".[41] But on the other hand, he said that the Party will stick to the existing system of regional autonomy for ethnic minorities, a system that has politically sharpened ethnic divisions and weakened the Chinese identity (Shan and Chen, 2009). How to promote integration among various ethnic groups based on the exiting system remains a question.

Another challenge is the possible radicalization of the overseas Tibetan camp. While the Dalai Lama has been proposing a moderate approach, not all Tibetans buy into his proposal. The Tibetan Youth Congress[42], which is under the leadership of the Dalai Lama's exile government, has its own political agenda and is increasingly diverted from the moderate approach. Since 1974 the Dalai Lama has given up the independence goal and promoted a "highly autonomous Tibet within China". The TYC, however, believes that only through independence can the human rights issues in Tibet be resolved. Once the Dalai Lama passes away, the TYC may play a more central role in the exiled Tibetan camp and push the policy to more radical and confrontational.[43]

There are also challenges from the international society.[44] The US has been underpinning the exiled Tibetan camp since 1950s. About a month after

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the Tibet Work Conference, US President Barack Obama met the Dalai Lama to show his support. Beijing appeared very angry, but there was little Beijing could do to completely disengage the US and the Dalai Lama camp. The Tibet issue will remain a major challenge to the Chinese government in its relations with western nations. Xinjiang will also remain as an issue between China and the US, although it may not be as controversial as the Tibet problem. While the Obama Administration's response toward the Xinjiang riots was cautious, the US still underlies certain overseas Uyghur movements. Uyghur American Association and the World Uyghur Congress, two major Uyghur organizations in the western world, receive financial support from the National Endowment for Democracy, an American organization financed by the US Congress.[45] The US also brings up Xinjiang as an issue of concern in its human rights talks with Chinese officials.[46]

The riots in Tibet have made Indians uncomfortable. As cracking down the disturbances, China's military presence in Tibet was strengthened. While those troops were not there directly against India, "it may not be surprising that the Indians found them threatening" (Mackerras, 2010). India hosts the government of the exiled Tibetans, which made China unhappy.

However, both countries look to realize that it is their interest to get on well with each other. They need to cooperate in a wide range of issues from trade, the Pakistan issue, to climate change issue in the Copenhagen Conference. That is why India handled the protests against the 2008 Olympic torch relay very carefully. The police frustrated efforts of Tibetan groups in India to embarrass the Chinese torch relay.

Turkey is another country that has adamant interest in the Xinjiang issue, due to its cultural and linguistic linkages with Uyghurs. It made the strongest reaction to the Xinjiang incident.[47] Turkey by itself may not constitute a major challenge to China. But it has significant impact on the Turkic, also Islamic states in Central Asia, including Azerbaijan, Kazakhstan, Turkmenistan, Uzbekistan, and Kyrgyzstan.[48] China's any imprudent move in Xinjiang, if being interpreted as anti-Turkic or anti-Islamic, might spark off chained reactions in those countries and make Xinjiang a matter full of knots.

Notes

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Cultural Heritage Tourism and the Ancient Tea Horse Road of Southwest China

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Abstract

Thirty years of "reform and openness" have brought great changes to the People's Republic of China. On the positive side the living standards of a vast proportion of the population have dramatically improved and China has now realized the long cherished dream of the 20th Century to become "rich and powerful" (*fuguo qiangbing* 富国强兵). On the negative side China has experienced the same forms of environmental and cultural destruction that all nation-states undergo as they "modernize". In terms of "cultural heritage" China has in recent decades lost a great deal of tangible heritage as the bulldozers of urbanization "destroy the old to make way for the new" (*pojiu lixin* 破旧立新). In terms of intangible cultural heritage, whilst there has been a major revival in some areas after the turmoil of the Cultural Revolution (1966-1976), many traditional cultural practices have begun to disappear from everyday life and are in danger of becoming "museum relics" or vanishing altogether. This paper examines the possible role tourism may play in the cultural heritage preservation of China's "Ancient Tea Horse Road" (*chama gudao* 茶马古道). It is argued that whilst tourism can play an important role in socioeconomic development and cultural heritage preservation it can also be a very destructive force in its own right.

Keywords: *China, tourism, cultural heritage, Ancient Tea Horse Road, Yunnan*

1. China's Modernization and Cultural Heritage

The story of the People's Republic of China's rise to power and prominence over the last three decades is well known. Insofar as in involves more than a quarter of humankind it *is* the story of our time. China entered the 20th Century as a "celestial empire" in the last stages of dynastic death throes, a painful and tumultuous end to a sociopolitical system that had survived

relatively intact for well over two thousand years. It exited the 20th Century as a "nation-state" that, after much devastation and woe, had finally crossed the threshold of modernity and realized the long cherished dream of 20th Century reformers and revolutionaries for China to become "rich and powerful" (*fuguo qiangbing* 富国强兵). Whilst in China much of the 20th Century was devoted to finding an alternative to capitalism, in the final analysis, and with much irony, China has emerged in the wake of the Global Financial Crisis as "the saviour of capitalism". How did this happen?

After emerging from the turmoil of the Cultural Revolution (1966-1976) China's leaders and elite realized that rather than making the gains in industrialization and modernization that Maoist-Leninist socialism had seemed to promise, China had in fact stagnated and fallen behind the technological-scientific and industrial gains made in the advanced industrialized countries since the conclusion of the Second World War. It was thus with a sense of urgency that in 1978 Deng Xiaoping launched the combined policies of "reform and openness" (*gaige kaifang* 改革开放). Without fully realizing the ultimate consequences of these policies, or indeed the precise direction they would take China and the Communist Party of China (CPC), Deng Xiaoping unleashed social and economic forces that would not only reshape the "face" of contemporary China but of the very world we all call "home".

The story of China's remarkable transformation over the last three decades is well known and does not, and indeed cannot, be fully elaborated here. Suffice to say that it is still a "work in progress", an ongoing project in social, cultural and economic transformation in which the CPC needs to constantly work to adapt its style of political governance and social surveillance (a task it seems to have accomplished with some measure of skill and dexterity). On the positive side a vast proportion of the population have experienced dramatic improvements in basic living standards. Hundreds of millions of people have been lifted out of poverty. Tens of millions of people have now become consumers in China's rapidly developing market consumer economy. Chinese people enjoy more "freedom" than at any time in living memory. On the negative side of the ledger China has been unable to avoid the pitfalls of "modernization". Like other nation-states that have passed through the fires of modernity, China too has in the last three decades suffered from the excesses of rapid development. Environmental pollution and destruction have accompanied rapid industrialization and urbanization. Many social ills absent (or "underground") during the Maoist period have reappeared: drug addiction, prostitution, corruption, and epidemics such as HIV AIDS have created new challenges in a now highly mobile population. The very success of Deng's policy to "let some people get rich first" has led to an increasing income and social services gap between the rich and poor, between the urban and the rural, and between eastern and western China. Closing the gap and building a

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"Harmonious Society" (*hexie shehui* 和谐社会) is now the top priority of the Hu Jintao/Wen Jiabao government.

"Modernization" thus brings many benefits and conveniences. But it is also very destructive. In terms of cultural heritage, China, in the course of the 20th Century, has suffered greatly.[1] Yet as long as road and transport networks were relatively undeveloped, tangible and intangible culture managed to survive the wrecking balls. When compared to the Maoist period, and even despite the tragic and barbarous acts of cultural destruction during the Cultural Revolution, the period of "reform and openness" has witnessed the largest losses in terms of cultural heritage ever in the history of China. Certainly there was much tangible cultural destruction during the "Cultural Revolution" but it was mainly confined to defacing statues and temples. As one informant from Xi'an relayed to me, during the Cultural Revolution they chiselled out the face of the Buddha, but now in the contemporary period they raze the entire temple complex! Rapid urbanization and the booming property market have meant that many historic buildings and precincts have been bulldozed to make way for apartments and shopping malls. The ever expanding network of highways and expressways has meant that it is easier than ever to reach the once inaccessible places to plunder cultural artefacts. Once sleepy towns have caught the urbanization bug and have "redeveloped" themselves on the format of their "bigger brothers" so that China's urban landscape seriously risks becoming a uniform scene of concrete high-rises and drab public squares and shopping malls. Indeed, the State Administration for Cultural Heritage announced in 2009 that over 30,000 items on the 1982 list of cultural heritage sites in China no longer exist, they have been forever erased from the face of the earth (cited in Branigan, 2009).

In terms of intangible cultural heritage the Maoist period was very destructive indeed. The CPC came to power with an agenda to dramatically reshape all facets of Chinese culture. It waged a war on what it regarded as "feudal" and "superstitious" practices and traditions. "Only socialism can save China", so the famous refrain from a popular revolutionary song goes. And thus whatever was deemed not to be "socialist" was liable to be regarded as an obstacle in the way to China's progress. During the Maoist period many cultural and religious practices were attacked, suspended and even in some cases totally eradicated. Coming into the period of reform many communities underwent major cultural and religious revivals and this has been well documented by contemporary researchers (Jing, 1998; Yang (ed.), 2008; Chau, 2008). Now the danger to intangible cultural heritage is no longer from a rampant Maoist ideology but rather from the extension of modern ways of commerce and living that breakdown the former day-to-day cycles of rural life which have been the basis for much cultural ritual and custom for hundreds if not thousands of years.

A great deal of effort has since been exerted by all concerned to revive and preserve various folk crafts, cultural practices and so on. In June-July 2004 China hosted the 28th Congress of UNESCO's World Heritage Committee in Suzhou. The China Heritage Quarterly, the official newsletter of The Australian National University's China Heritage Project, heralded the Congress as a "watershed in the development of heritage concerns in the People's Republic of China" (*China Heritage Quarterly*). The first "China Cultural Heritage Day" was launched in 2006 to educate and raise awareness of the issue amongst the general public. Yet at the same time the very success of development and its ever expanding penetration into all corners of China has meant that "traditional" lifestyles are giving way to "modern" lifestyles and in the process many communities are forever transformed and "something" is lost. In areas where ethnic minorities predominate the locals refer to this process as "becoming Han" (*hanhua* 汉化) (Sigley, 2007). One particular incident that has caught the attention of the world's media in recent times is the plans to demolish the old city centre of Kashgar (Wines, 2009).

At the core of this process is the uneasy relationship between the party-state as at once the driving force of modernization and the now self-appointed cultural custodian of Chinese culture. Deng Xiaoping famously described economic development as a "fundamental fact" (*fazhan cai shi ying daoli* 发展才是硬道理) in which the means, including the loss of cultural heritage, justify the end. This has entailed privileging a techno-scientific view of social development (Sigley, 2009) in which "feudal" and "superstitious" cultural practices were to be eradicated and replaced by the instrumental vision of scientific modernity. Yet during the course of the first two decades of reform the party-state, confronted with the reality of a large-scale grass-roots revival of popular culture and religion, begins to see merit in mobilizing "tradition" to replace the waning influence of Marxism-Maoism as the key national unifier and force for hierarchy and stability. As Børge Bakken (2000) has forcefully argued, the party-state now views traditional culture as an effective brake on a rapidly changing society, as a useful force for stability and continuity. This does not, of course, mean accepting traditional cutlure "as it is" but rather channelling and shaping tradition to suit the purposes and agenda of the party-state. As Anne E. Mclaren (2010: 31) has recently argued in relation to the preservation of cultural heritage:

> … contemporary China is seeking a balance between the Marxist ideology of the recent past and its new identity as custodian of China's traditional civilisation. This balance is often an uneasy one, where the state seeks to both transmit and recreate 'traditions' in line with new economic and national imperatives.

As I mentioned above, the party-state launched the reforms without fully realizing the unintended consequences or forces that would be unleashed.

Thus whilst Mclaren (*ibid*.) is right to suggest that the party-state "seeks to both transmit and recreate 'traditions' in line with new economic and national imperatives" it is now doing so in a context in which its agenda of national unity and stability under the leadership of the CPC must take into active consideration the internal dynamics and logic of commercial development. By this I mean that whilst there are certainly well intended efforts at cultural heritage preservation these sit very uneasily next to, or indeed beneath, the commercial imperative to develop the economy and, to put it bluntly, turn a profit. It is to this uneasy relationship that I turn to in the next section through examining the case of the Ancient Tea Horse Road (*chama gudao* 茶马古道).

2. The Ancient Tea Horse Road

Professor Fei Xiaotong 费孝通, the famous pioneering Chinese antropologist/sociologist and student of Bronisław Malinowski, noted that ancient China had two major trading and cultural corridors. One was the passageway along the upper reaches of the Yellow River, located in what are now known as Ningxia Hui Autonomous Region, Gansu Province, and Xinjiang Autonomous Region. The other covered the mountainous terrain of Yunnan and Sichuan provinces, and the Tibet Autonomous Region, home to all of China's great rivers (and indeed of many that flow into India and mainland Southeast Asia). The former is known as the "Silk Road". The latter the "Ancient Tea Horse Road".

Many people will be familiar with the famous "Silk Road" (*sichou zhi lu* 丝绸之路). The Silk Road is a trading passage across central Asia that for centuries served as an important land bridge between China and Europe, and of course all those civilizations and societies in between (some of which were more important and powerful than many a kingdom in Europe at the time). In recent years a great deal of work has been devoted to the research and preservation of tangible and intangible cultural heritage along the Silk Road.

By contrast, not many people will be familiar with the "Ancient Tea Horse Road" (*chama gudao* 茶马古道), sometimes erroneously referred to as the "Southern Silk Road" (*nanfang sichou zhi lu* 南方丝绸之路). The Ancient Tea Horse Road is a network of roads and routes that crisscross Tibet, Qinghai, Gansu, Sichuan, Guizhou, Guangxi and Yunnan.[2] Unlike the "central plains" (*zhongyuan* 中原) of eastern China which relied heavily upon water networks (*shuilu* 水路) such as the Grand Canal (*dayunhe* 大运河), much of western China, being extremely mountainous, had little recourse other than to depend on the trusty horse and mule as the principal means of long distance logistics (sometimes camels and yaks were used in certain regions, and of course human porters were also common in places).

Although, as archaeological evidence testifies, there have been trails and trading routes in the region for thousands of years, it was not until the Tang Dynasty (618-907) that more formal and large-scale trade began to occur (Chen, 2004). As the name suggests "tea" was one of the major commodities being traded. Other commodities were also traded, such as horses (mainly for military use), salt, medicinal herbs, and so forth, but tea was certainly the dominant item. Much of the trade was between the tea producing regions of Yunnan, Sichuan, and Guizhou and Tibet (and such regions where tea cannot be cultivated due to altitude and/or latitude). For many centuries successive dynastic governments maintained a tight monopoly on the tea trade and used it as a means to "buy peace" with certain "unruly" ethnic groups.

The regions through which the tea road traverses include many populated by ethnic minority groups. Indeed, much of the tea was cultivated by ethnic groups themselves, and many caravans (*mabang* 马帮) were organized and led by Han and non-Han teams alike. Indeed, unlike the Silk Road, the Ancient Tea Horse Road was, up until relatively recently, still used by horse and mule caravans to transport tea and other commodities to communities still inaccessible by modern transport. So therefore, unlike the Silk Road, there remain many living cultural practices relating to the culture and social life associated with the use of horse and mule caravans, and of course to tea cultivation, production and consumption.

Yet as the road network in China continues to expand the demise of the tea road is inevitable. At this point in time the long distance horse and mule caravan is now but a fading memory. Mule teams are still used for short distances, typically from mountainside communities to the nearest public road and market. But the days of the long distance caravan are now well and truly over. The development of a modern road network has seen to that. A popular saying in China tells us that if you "want to get rich, build a road" (*yao zhifu*, *xian xiulu* 要致富, 先修路). Indeed the authorities take road building in China very seriously, as John M. Flower describes:

> In contemporary China, road construction is a top priority for state economic planners as part of the effort to build "material civilization" (*wuzhi wenming*). Roads, however, also invoke the discourse of "spiritual civilization" (*jingshen wenming*) in that roads can transport the "peasant" out of his backward conservatism by integrating him with a progressive global economy. The civilizing mission of the road construction creates an emerging border – physical and conceptual – between the new cosmopolitan China and its backward hinterland.
>
> (Flower, 2004: 649)

Ironically, it is at this point in time when the tea road has just been "extinguished" that scholars and cultural preservation officials in China have

mobilized to preserve the tangible and intangible remnants of the Ancient Tea Horse Road. In June 2010 an important meeting was convened by the State Administration of Cultural Heritage (*guojia wenwuju* 国家文物局) and the People's Government of Yunnan (云南人民政府) in Puer, Yunnan. The meeting was titled "China Cultural Heritage Protection: The Puer Forum on the Ancient Tea Horse Road Heritage Protection" (中国文化遗产保护: 普洱茶马古道遗产保护论坛). This was the first meeting ever convened to specifically discuss the cultural heritage protection and preservation of the Ancient Tea Horse Road, and the first formal step towards an application for "World Heritage" status. Delegates came from local government, research centres and various local, provincial and national levels of the cultural heritage protection authorities from Yunnan, Sichuan, Gansu, Guizhou, Qinghai and Tibet. The author was privileged to be the only international representative. The Head of the State Administration of Cultural Heritage, Mr Shan Jixiang 单霁翔, gave the opening address in which he outlined the overall case for "World Heritage" and the steps that would be involved to reach the point of a formal application (which is quite a complex and laborious process). The various representatives from around China gave reports on the state of the "Ancient Tea Horse Road" in their respective jurisdictions, and thus for the first time bringing a fuller picture of the tea road into sharp view. The task of protection is enormously challenging as the "tea road" is not located in any single location. It comes under the banner of a relatively new area in the field of cultural heritage projection known as "cultural route heritage" (*wenhua luxian yichan* 文化路线遗产). It will be a fascinating study to continue to observe the process of cultural heritage protection of the Ancient Tea Horse Road in the years to come as I am sure it will reveal much concerning the politics of cultural and national identity in contemporary China.

China is at present experiencing something of a "World Heritage application rush". At the time of writing China has 38 sites listed at UNESCO as World Heritage (27 cultural, seven natural, and four mixed cultural/natural) (UNESCO China). In the cultural category these include the Imperial Palaces of the Ming and Qing Dynasties in Beijing and Shenyang, The Great Wall, and Mausoleum of the First Qin Emperor (Xi'an). In the natural category they include the Sichuan Giant Panda Sanctuaries (Wolong, Siguniang and Jiajin Mountains) and the Jiuzhaigou Valley Scenic and Historic Interest Area (Sichuan). The mixed category includes famous sacred and scenic mountains areas such as Mount Emei (Sichuan) and Mount Huangshan (Anhui). Yunnan, where much of my research is focused, has three sites listed as World Heritage: The Old Town of Lijiang, the Three Parallel Rivers of Yunnan Protected Areas, and the South China Karst (notably the Stone Forest near Kunming, but this also includes the karst areas in Guilin). There are currently fifty-five sites on the tentative list (with one in Yunnan, the

Hani Terraces of Honghe). Two of these, the China Section of the Silk Road and the Grand Canal, represent the first submissions in the "cultural route heritage" category.

It therefore seems that the cultural heritage authorities in China are now making serious efforts to preserve the Ancient Tea Horse Road. In the meantime a great deal of basic research needs to be conducted in order to fully catalogue and outline the scope of the tea road across China. That is precisely the next phase of the project of preservation within which the author is actively involved. Ironically, however, acknowledgement of cultural heritage value does not amount to immediate protection. Indeed, in the rush to develop tourism some cultural heritage sites find that "protection" is a double-edged sword.

3. Tourism and Cultural Heritage Conservation in China: An Oxymoron?

Other than the intrinsic benefits of preserving cultural heritage, one of the key motivating factors leading to preservation efforts across China is the potential to develop tourism. Indeed, as Jones and Munda (2001) and Rodwell (2001) argue, the lure of the "tourism dollar" is one of the major motivating factors involved in the application frenzy for "World Heritage" status worldwide. In China, tourism, understood broadly as "economic development", along with the international recognition conferred by World Heritage status, makes such applications very appealing to local government cadres and tourism developers. The Ancient Tea Road is no exception. Local governments and tourism business developers are eagerly eyeing the remnant tea road and historic caravan staging posts with a view to creating employment and income through tourism. And fair enough, as local communities deserve the right to develop resources in their jurisdictions. But do "mass commercial tourism" and "cultural heritage preservation" make good bedfellows? Perhaps most importantly, are we certain that local communities benefit from tourism development? That is what I explore in this section.

China has well and truly joined the age of mass domestic tourism. As household incomes increased during the course of the 1980s, and especially the 1990s and into the 2000s, more and more Chinese consumers have taken part in domestic tourism. The growth in domestic tourism, and the leisure economy more generally, over the last two decades has been phenomenal and the projections are that it will continue to expand strongly into the decades to come as China's "leisure economy" grows and matures. Domestic tourism has been hailed as an effective means to redistribute income from the more prosperous areas of eastern China to the much less prosperous regions of western China. Following the example in other countries, in order to stimulate

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domestic tourism in 2000 the Chinese authorities created two "golden week" (*huangjinzhou* 黄金周) national holiday periods (one week during the "Spring Festival" (*chunjie* 春节) which falls sometime in January/February depending on the Lunar Calendar, and one week coinciding with National Day (*guoqingjie* 国庆节) which falls on 1st October). The policy was hugely successful with over 120 million people travelling, for tourism and family reunion, in 2007.[3] It would seem to be a win-win situation in which eastern China has the growing number of consumers with the disposable income and leisure time to engage in tourism and leisure activities, whilst western China has the natural scenery, cultural heritage and "exotic" ethnic minorities to constitute tourist attractions.

Domestic tourism has certainly brought many benefits in the form of employment, income generation, and the building of infrastructure (roads, railway, airports, and so on). It can also be argued that tourism in ethnic minority regions has assisted in the revival of cultural traditions as it is precisely these "traditions" that inbound tourists wish to "consume". At the same time, however, it can also be argued that large-scale commercial tourism can be very destructive, both on the physical environment (especially in ecologically sensitive areas) and on local cultures and communities (the later in the form of drugs and prostitution, amongst other things). Some would argue, and I tend to agree in some cases, the mass tourism actually leads to a crass commercialization and distortion of local cultural traditions rather than "preservation" as the locals "reshape" and "repackage" their traditions to suit the consumptive desires and gaze of the inbound tourist.

More importantly many local communities where mass tourism is developed do not even directly benefit. Many local governments and tourism authorities prefer to work directly with tourism developers and contract out the rights to develop tourist sites without adequate consultation or involvement of local communities. John Flower (2004) in his study of roads, temples and markets in Ya'an (Sichuan), which is a major tea producing area and important point on the Sichuan-Tibet tea road, has made the following observations:

> The tourist development was a joint venture between the city and township governments and a private company headquartered in Chongqing … All revenue went to the company and state; few villagers benefited from the development. On the contrary, those living within the park's boundaries were relocated, and villagers in the surrounding area who had previously used the area's resources were now charged admission (which they could not afford) and were fined for grazing animals or cutting wood in the park.
>
> (Flower, 2004: 679)

I have witnessed similar circumstances in field sites in Anhui and Yunnan, the former with regards to the "Ancient Anhui-Hangzhou Road" and the latter

the “Ancient Tea Horse Road”, and have heard this “story” repeated many times by colleagues working in the field of community development and tourism throughout China. This is not to suggest that all tourism development projects at the grass-roots level are like this. On the contrary, I have also encountered a number of fine examples of community participation and management. But unfortunately these seem to be too few. In order to challenge and change the mindset of mass commercial tourism and move towards more culturally sensitive forms of community-based sustainable tourism, I would argue we need to target the four major participants in the production and consumption of tourism, that is, government (especially local government), tourism operators and developers, local communities in the tourist zone, and the incoming tourists themselves.

We need to remember that in China the “departments” of tourism and cultural heritage protection are completely separate. The former, the China National Tourism Administration (*guojia lüyouju* 国家旅游局), is much more commercially orientated and closely integrated into local and provincial plans for economic development (it also oversees, interestingly, outbound tourism from China). Whilst not quite the same rank as a full ministry, the Tourism Administration, at both central and provincial levels, has quite a bit of clout, especially with regards to the process of approving tourism plans (and therefore quite important as far as tourism business developers are concerned). It is quite clear from my interviews with tourism office officials in Anhui and Yunnan that cultural heritage protection, community participation and the potential for poverty alleviation, are not high on their list of priorities. By contrast the State Administration of Cultural Heritage is a department within the Ministry of Culture. It has much less influence and clout when compared to the tourism authorities. Agencies of cultural heritage protection at the grass-roots are underfunded and understaffed, and cannot hope to compete with local government officials concerned primarily with “economic growth”. The only silver lining is the growing interest in cultural heritage tourism and the frenzy surrounding applications for World Heritage status. But as I have noted here the danger is that cultural heritage protection will be used as a tool for commercial development rather than seeking to serve the interests of cultural heritage protection itself.

In terms of the Ancient Tea Horse Road allow me to make a few preliminary observations about the development of tea horse road cultural heritage tourism in Yunnan. Puer is the home of the famous “puer” tea. Puer is a form of tea (either “raw” or “fermented”) that is steamed and compressed into brick form thus making it conducive to storage (it keeps very well, and in many cases actually “matures” with age) and transportation. It has long been a favourite of Tibetans and it was through long-distance trade between Puer and Lahsa (over 3,000 kilometres) that one of the major routes of the “Ancient

Tea Horse Road" was created. Along this trading route are many "exotic" and "colourful" ethnic communities that have already made a major mark for themselves in terms of tourism. Of noteworthy mention are Dali, Lijiang and Shangrila.[4] In 2007 Yunnan itself attracted 90 million domestic tourists and 2.2 million international tourists (Yunnan Province Statistical Bureau, 2008). With the growth in domestic interest both in the *chama gudao* and in Puer tea (which went from relative obscurity in the 1990s to one of the hottest trends in tea consumption and investment in recent years) tourism authorities (government and business developers) have been keen to "develop" tourism sites and activities that link directly to the Ancient Tea Horse Road.

Puer has not been as successful as Dali, Lijiang and Shangrila in developing tourism. But there are plans to change that. Puer has developed a tourist plan which puts the focus squarely on tea and the *chama gudao*. The county of Ninger (Ning'er Hani and Yi Autonomous County) sits within Puer (which is officially classified as a "prefectural level city", but is still very "rural" in its nature). Ninger is marketing itself as the "birthplace of tea" and the "starting point of the Ancient Tea Horse Road" (*cha zhi yuan*, *dao zhi shi* 茶之源, 道之始). A tourist development plan has already been completed and it seems the first stages are in implementation. Ninger has announced that it will host the "Inaugural China Puer Ancient Tea Horse Road Festival" later this year (2010). Ninger has also developed the first "Ancient Tea Horse Road Themepark" in the village of Nakeli. Nakeli is famous for being a major staging post on the tea road. It is strategically located between Puer and Ninger. To this day it still sits on an important transport route. Standing on one section of the remnant tea road you can see National Highway 213 on one side, and further up on the hill the Kunming-Bangkok International Expressway is in the final stages of completion. Unfortunately, Nakeli is also well known for a devasting 6.4 magnitude earthquake that struck the region on 3rd June 2007. Most of the village houses and buildings were damaged beyond repair and were destroyed, to be rebuilt using modern materials. At the point of the staging post (*yizhan* 驿站) nothing remains, so they have rebuilt a number of buildings in the "old style". The feeling is distinctively "themeparkish" and one cannot help but wonder that the only real value is Nakeli's proximity to the road network. In effect there is no "real" tangible cultural heritage in Nakeli other than a small section of cobblestone tea road which passes through fields with views of the highway and expressway on either side.

Admittedly more research needs to be conducted in Puer to establish a fuller picture of the relationship between "cultural heritage", "tourism" and the "Ancient Tea Horse Road". We need to better understand the role the local community in Nakeli has played in the planning and development of the village as a tourist site and also the relationship between the local county

government and tourism developers. I have only provided Nakeli here as an example of how the imperative for tourism development can override authenticity when it comes to cultural heritage preservation.

4. Conclusion

China's claim to be a living "civilization of 5000 years" will ring hollow if tangible and intangible cultural heritage continue to be lost at the current rate. Government at all levels is now mobilizing to save what is left and China is currently in the grips of a "World Heritage Application Fever". Unfortunately the desire to cash in on "World Heritage" status and develop mass commercial tourism may actually have a negative impact. Local communities also may not directly benefit from whatever "development" takes place and will be disenfranchised. The Ancient Tea Horse Road is set to be the next big item on China's "World Heritage" list. This is a cultural route of enormous significance to the many different ethnic groups in southwest China. It is also within the sights of local government and tourism developers as the next big "opportunity". I have outlined here the first stages in putting the Ancient Tea Horse Road on the path to World Heritage application and outlined some of the challenges in balancing cultural heritage preservation and tourism development. The development of the Ancient Tea Horse Road is a work in progress and will be the focus of growing research in the years to come. It affords an excellent opportunity to research the links between cultural heritage, tourism development and ethnic identity.

Notes

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1. Prasenjit Duara (1988) has outlined in detail the first "stages" of cultural destruction in the wake of the collapse of the Qing Dynasty and the transition towards a modernizing "secular-scientific" nation-state during the Republican Period.

2. Other provinces and regions could also be added but this seems to be the currently accepted parameters of the "Chinese" Ancient Tea Horse Road. Martha Avery (2003) has written an excellent account of the "tea road" as it relates to the trade in tea between China and Russia (and the peoples in between). However, other than two interesting and informative travel accounts by Jeff Fuchs (2008) and Laichung Nangsa (2007) virtually nothing of a more scholarly nature has been written in English on the Ancient Tea Horse Road.
3. There was an additional "Golden Week" beginning on May 1st (International Labour Day), but it was abolished in 2007 to make way for a number of traditional festivals to become official holidays, namely, the Mid-Autumn Festival, Dragon Boat Festival, and Qingming Festival. This represents another step forward in the "rediscovery" of "traditional Chinese culture".
4. There is a growing body of research on the socioeconomic and cultural impacts of tourism in Yunnan. Some recent research includes Hillman (2003), Bai (2007), Donaldson (2007) and Mattison (2010).

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China's Media Initiatives and Its International Image Building

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Abstract

China has embarked on a national effort to build up a positive image of itself on the international stage. This paper focuses on some of the key media initiatives that China has undertaken to proactively shape how others view it. The author argues that these media initiatives are best understood within the context of China trying to lay the foundations of its soft power. This, however, will require much time and effort to carry out, and the challenges are numerous. China is fully aware that given the vagaries of the international environment, there will be ebbs and flows in how others view China. However, China is determined to be involved to actively shape this process.

Keywords: *media initiatives, image building, soft power, news briefing and spokesman system, Olympics, international presence*

1. Introduction

In recent years, China has proactively been shaping a positive image of itself on the international stage. China wants others to view itself as a progressive, prosperous, culturally advanced and peace-loving country. The underlying message that China seeks to convey is that its rise neither threatens the existing international order nor is directed at any country. To this end, China has focused on promoting the softer or non-threatening aspects of its power as opposed to its harder facets such as economic prowess and growing military presence.

There are several reasons behind China's preoccupation with how others perceive it. Foremost among them is that China's rapid rise on the world stage in virtually all spheres – political, diplomatic, economic, social-cultural and even military – does not appear to be supported by a corresponding or commensurate positive image. While some are receptive to its rise, many others are critical of it. They have variously criticized China for its apparent

lack of democracy, alleged abuse of human rights and lack of press or religious freedom. More significantly, China's spectacular economic rise under an authoritarian political system undercuts the traditional capitalist model that combines the merits of democracy and market economics. The model that China is blazing, though officially denied, seems to offer an attractive, alternative path forward. This has understandably elicited jitters, even concerns, in a number of developed countries that the traditional capitalist model may eventually lose its legitimacy. What China does or does not do has suddenly come under even tighter scrutiny. A serious mismatch thus exists between China's new found status and its perception by others.

In the past, China could pay little heed to external perception as its involvement and interdependence with the international community was minimal. Today, China's participation is regarded as critical in addressing several worldwide issues such as tackling global warming, restoring world economic recovery, fighting international terrorism and piracy. Also, any actions taken by China have implications for other countries. There are now more substantive reasons for China to be more attuned to how others view it.

This paper examines one important dimension of China's international image building – the media initiatives undertaken by China that are intended to positively influence how others view China and hence relate to China. Media initiatives in this paper broadly refer to those media-related actions sanctioned or approved by either the Chinese Communist Party (CCP) or state and carried out by either the CCP or state or their approved bodies that are geared towards shaping a positive image of China. The platforms use may include various media channels such as televisions, radios, publications, Internet and even institutes of learning.

For purpose of analysis, these initiatives can be divided into external media initiatives, i.e. those that are carried out beyond China's borders, and internal media initiatives, i.e. those that are launched within China. As the term implies, the external media initiatives are essentially directed at foreign audiences. As for the internal media initiatives, they are invariably also intended for the external audience in addition to meeting the needs of the local audience. In today's inter-connected world, whatever is implemented within the shores of one country would have implications beyond one's borders. In this regard, China is fully aware that whatever media initiatives it introduces within the country will be closely scrutinized by foreign audiences for signs of progress or backtracking.

The central argument of this paper is that these media initiatives can be better understood within the context of China trying to lay the foundations of its soft power. Already, these media initiatives are driven by a national and long-term effort to proactively shape how others view China. They are necessary to address perception gaps or counter negative views of China as

China is involved more and deeper on various issues in the international arena. However, rather than expect a big bang approach, China will proceed in its international image building in an incremental manner. The process will not be smooth and China will find itself criticized by others along the way.

After the introduction, this paper is divided into four sections. Section 2 will examine how China's quest to improve its international image falls under the current debate on China's soft power. The author is of the view that although China has embarked on a concerted effort to favourably influence how it is being perceived, this is not tantamount to having soft power per se. Rather, a more accurate description of China's current efforts is to argue that China is laying the foundations of its soft power. Section 3 will highlight the major external media initiatives that China has introduced. These include holding international media-related outreach conferences, encouraging its media bodies to establish a stronger international presence and promoting its language and culture overseas.

Section 4 will look at the key internal media initiatives that have been launched. These include introducing and improving the news briefing and spokesman system, and introducing regulations to improve the overall environment for foreign journalists in the country. The media authorities have also shown greater openness in managing ad hoc events that show they are more conscious of how China would be perceived by others. Section 5 will elaborate on some of the main challenges that China faces as it strives to improve its international image. This would suggest that the road ahead remains wrought with challenges. Nevertheless, China will most likely press on with this unenviable task.

2. China's Soft Power: Myth or Reality?

Joseph Nye has described soft power as "indirect or co-optive power behavior", which is to get others "to want what you want" rather than "to do what you want". It is in contrast to the traditional type of command power that rest on inducements (carrots) or threats (sticks). The soft power as defined by Nye is derived from "intangible power resources" such as culture, ideology and institutions (Nye, 1990: 31-32). In another publication, Nye further argues that the soft power of a country rests primarily on three resources: its culture (in places where it is attractive to others), its political values (when it lives up to them at home and abroad), and its foreign policies (when they are seen as legitimate and having moral authority) (Nye, 2004: 11).

This paper uses Nye's definition of soft power to refer to the intangibles power resources mentioned above and which may also include the component of ideas that other countries find attractive and would want to adopt and follow. Among the three resources mentioned by Nye, that of culture is

particularly relevant here since the discussion is focused on China's media initiatives and how China is perceived by others.

How then are China's efforts at international image building related to soft power? To be sure, merely having a foreign country or organization possess a positive image of China does not equate to China having soft power. It can more accurately be described as a step forward in the direction of having soft power. In other words, having a positive image of China is a necessary (but not sufficient condition) for other countries and parties to want to understand China more, i.e. how and why it does things in a certain way.

By promoting a better understanding of China via the various media initiatives, China would like these foreign audiences to be more receptive to China or even to view China more on its own terms rather than through tinted lens. In this manner, China is laying the groundwork for others to view its culture, ideology, institutions and all that it stands for in a more "objective" light as viewed by China. Ultimately, and perhaps the most important objective of all, China would want to be able to convert its soft power resources (particularly the appeal of its culture) to realized power by effecting a change in behaviour on the part of other countries in a direction that these countries would want and which would also be in China's interest. In short, for others to have a positive image of China is only half the battle won. But to succeed in having others want what China wants is tantamount to securing an unmitigated victory.

In this paper, I argue that China is still some distance away in making others want what it wants. While China's rise, in all sense of that word, has been spectacular and indeed has engendered much awe, it is still at the nascent stage in building up its soft power. After more than three decades of open door and reform policy, China has only in the past few years openly talked about the importance of soft power. This is meant to assuage foreign concerns that China's rise would pose a threat to their interests. By stressing its softer side, China seeks to convince others that its rise would bring about mutual benefits to other countries and the international community. Hence, China has embarked on a concerted effort to lay the foundations of its soft power through various means and in particular via several media initiatives which is the focus of this paper.

To be sure, the building up of China's soft power has been sanctioned at the highest levels by the CCP and the government. In February 2007, in an article published by the *People's Daily* (the CCP's mouthpiece), Wen Jiabao 温家宝 said that China should "expand cultural exchanges with other countries". In his view, "cultural exchanges are a bridge connecting the hearts and minds of people of all countries and an important way to project a country's image".[1] Later in the same year, in a keynote address to the 17th CCP Congress in October 2007, General Secretary Hu Jintao 胡锦涛 said that

"culture has become a more and more important source of national cohesion and creativity and a factor of growing significance in the competition in overall national strength". Hu added that China must "enhance culture as part of the soft power of our country to better guarantee the people's basic cultural rights and interests". He expressed confidence that the "great rejuvenation of the Chinese nation will definitely be accompanied by the thriving of Chinese culture", and that China will publicize the fine traditions of Chinese culture and enhance the influence of Chinese culture worldwide.[2]

More recently, in his work report to China's National People's Congress in March 2010, Premier Wen Jiabao vowed to attach more importance to cultural development and promote cultural exchanges with foreign countries so as to enhance the international influence of Chinese culture. In addition to this external orientation, Wen also stressed the importance of strengthening and promoting the cultural industry within China. In his view, to develop China and rejuvenate the nation, China must not only be "economically strong, but more importantly, be culturally strong".[3] Therefore, from the perspective of its leaders, the basis for an influential China cannot rest on hard economic prowess alone but will have to be buttressed by a strong cultural element.

In a report by the Chinese Academy of Sciences, an official government think-tank, China was ranked 7th (ahead of the US, Germany, England, France, Italy and Spain) in terms of cultural influence among 131 countries assessed in 2005. This was a marked improvement from 1990 when China was ranked 11th. Over the same period (1990 to 2005), China's ranking in Asia in terms of cultural influence rose from 2nd place to the 1st.[4] One may question the degree of validity of such an overly optimistic assessment, but it does indicate an incontrovertible trend – China's rise has positively enhanced the appeal of Chinese culture. And this has created favourable conditions for China to lay the foundations for its soft power (of which culture is an integral part).

However, the growing appeal of Chinese culture does not necessarily mean that other countries or organizations will necessarily have a positive view of China. In fact, a few studies have shown that the perception of China has fluctuated over time.[5] According to a Pew Research Center Survey, the percentage of respondents from a list of surveyed countries who have a favourable opinion of China has experienced both ups and downs in 2010 compared to 2005 (see Table 1).[6] Those countries that witnessed a rise in their positive perception of China over this period include the US, Pakistan, Brazil, Argentina, Jordan, Poland, Kenya and Nigeria. Among these countries, Pakistan (85 per cent), Kenya (86 per cent) and Nigeria (76 per cent) have a favourable rating of China of above 75 per cent in 2010. The countries that have experienced a drop in their favourable rating of China in 2010 compared to 2005 include Britain, France, Germany, Spain, Lebanon, Egypt, Turkey,

Table 1 "Do you have a favourable or unfavourable view of China?" (Percentage Responding Favourable)

	2005	2006	2007	2008	2009	2010	% Change (comparing 2010 with 2005)*
China	88%	94%	93%	95%	95%	97%	7%
Europe							
Russia	60%	63%	60%	60%	58%	60%	same
Britain	65%	65%	49%	47%	52%	46%	–19%
France	58%	60%	47%	28%	41%	41%	–17%
Germany	46%	56%	34%	26%	29%	30%	–16%
Spain	57%	45%	39%	31%	40%	47%	–10%
Poland	37%	N.A	39%	33%	43%	46%	9%
Central Asia & Middle East							
Lebanon	66%	N.A	46%	50%	53%	56%	–10%
Egypt	N.A	63%	65%	59%	52%	52%	–11%
Jordon	43%	49%	46%	44%	50%	53%	10%
Turkey	40%	33%	25%	24%	16%	20%	–20%
Africa							
Kenya	N.A	N.A	81%	N.A	73%	86%	5%
Nigeria	N.A	59%	75%	79%	85%	76%	17%
South America							
Argentina	N.A	N.A	32%	34%	42%	45%	13%
Brazil	N.A	N.A	50%	47%	50%	52%	2%
Mexico	N.A	N.A	43%	38%	39%	39%	–4%
East, Southeast & South Asia							
Japan	N.A	27%	29%	14%	26%	26%	–1%
South Korea	N.A	N.A	52%	48%	41%	38%	–14%
Indonesia	73%	62%	65%	58%	59%	58%	–15%
India	56%	47%	46%	46%	46%	34%	–12%
Pakistan	79%	69%	79%	76%	84%	85%	6%
US	43%	52%	42%	39%	50%	49%	6%

Note: * For % change over time, the comparison is usually between 2010 and 2005 figures. If 2005 figures are not available, then the next available figure will be used.

Source: Pew Global Attitudes Project 2009 – Key Indicators Database at <*http://pewglobal.org/database/?indicator=24*>.

Mexico, Japan, South Korea, Indonesia and India. Among these countries, Turkey (20 per cent), Japan (26 per cent), Germany (30 per cent) and India (34 per cent) have the least favourable rating of China in 2010 of below 35 per cent.

A separate poll by the BBC World Service indicates that negative perception of China among the public across 21 countries has generally increased in 2009 compared to 2008.[7] The results show that public perception of China has eroded substantially so that views are now generally divided compared to 2008 when they were predominantly positive.[8] The poll showed that negative views of China have grown most notably in European countries, including France, Italy, Germany and Spain. Other countries that have seen views of China worsen considerably include Turkey, the Philippines, Egypt and Australia (see Figure 1 and the Explanatory Notes in the Appendix). No reasons were given for these results.

Although not exhaustive, the results of the Pew Research Center Survey and BBC World Service Poll show that a considerable gap exists between China's new found status as an international player and how other countries and organizations view it. The results further reinforce the point made earlier that while China's rise may have enhanced the appeal of Chinese culture, they do not automatically mean that China has soft power. China will need to do more to build up its soft power. Already, it has realized the importance of making a concerted effort to shape how others view it. It has further launched a number of media initiatives, both externally and internally, over the past few years to proactively shape its international image.

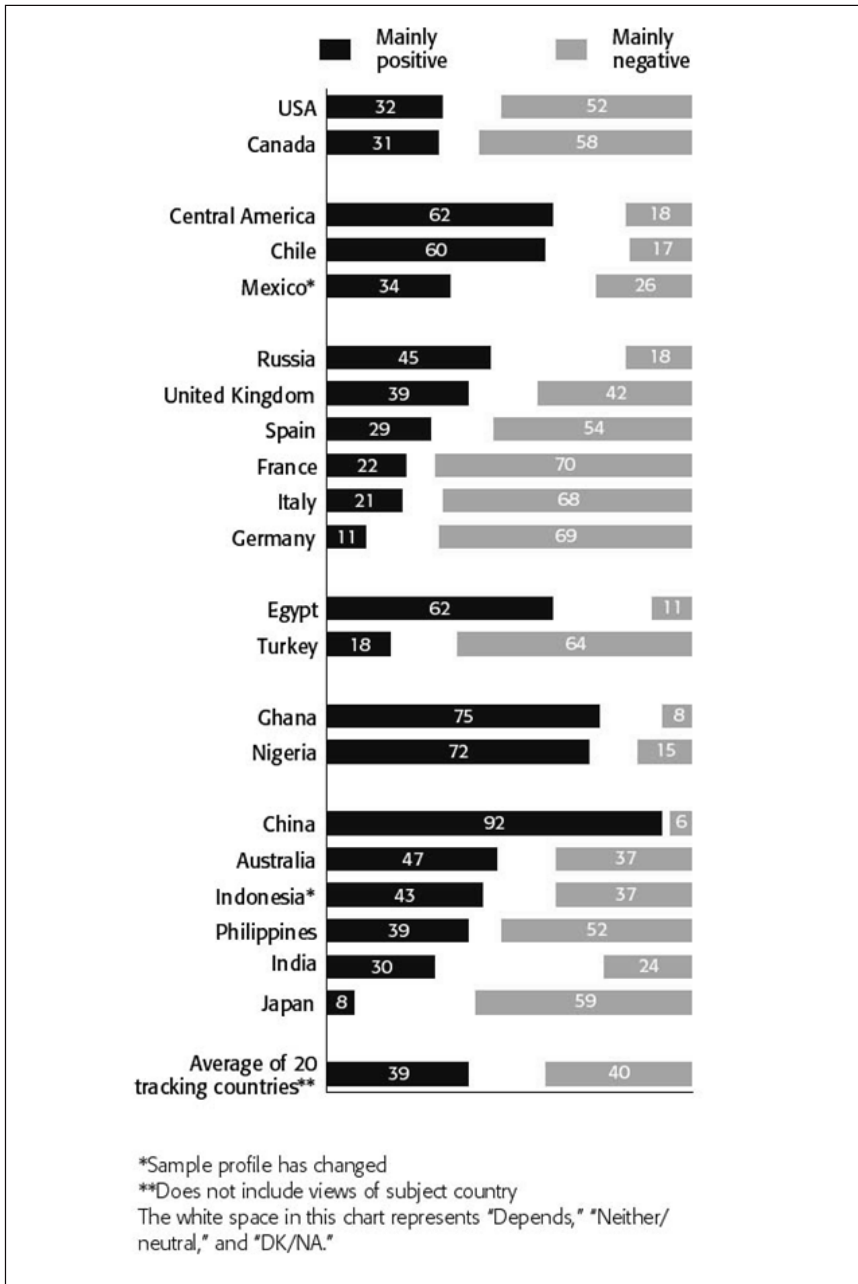
3. China's External Media Initiatives

For the purpose of analysis, China's strategy to improve its international image can be divided into both external and internal dimensions. This section will highlight the key external media initiatives that China has undertaken in this regard. These initiatives include proactively engaging the international media organizations, building up an alternative Chinese perspective and expanding the reach of Chinese language and culture.

3.1. Engaging International Media Organizations Proactively

One of the key initiatives that China has launched is to proactively engage international media organizations in an effort to urge or cajole them to be more professional or "objective" in their reporting on China. Most notably, Xinhua News Agency (China's official state media) hosted the first ever World Media Summit in October 2009 attended by about 300 representatives from more than 170 media outlets from around the world.[9]

Figure 1 Country-by-Country Perception of China's Influence (January 2009)



Notes and source: Please refer to the Explanatory Notes in the Appendix.

Underscoring the importance China attached to this summit, President Hu Jintao gave the opening speech where he urged the world media to respect "each other's practical situations, respond to each other's appeals through consultation, take into account each other's interests, keep a balance between competition and cooperation, and strive to be mutually complementary, helpful and beneficial".[10] Clearly, Hu was making a pitch for the world media to understand China on its terms and to be more objective in their reporting on China.

The exhortation by Hu Jintao comes in the wake of past incidents of perceived unfair reporting of China by foreign media organizations. Most notably, during the unrest in Lhasa (Tibet) in March 2008, there were instances of foreign reports that "unfairly" portrayed developments there. CNN had a footage that showed army trucks moving into the streets of Lhasa, giving the impression of a military crackdown. In reality, the footage had been cropped, leaving out dozens of Tibetans pelting stones at the army trucks. Separately, N-TV (a German television news channel) used TV footage showing police manhandling protestors in a report on the unrest in Tibet. In reality, the footage used was shot in Nepal, and the police were Nepalese.[11] To be sure, "unfair" reporting of China has been a common occurrence, with a tendency by foreign media organizations to highlight negative news to boost sales. What is new is that China has taken it upon itself to counter such biased reporting by engaging the foreign media organizations instead of shunning them or engaging in diatribe against them. It has further sought to buttress its cause by appealing to the universal notion of reporting the facts and not fabricating them.

3.2. Building Up an Alternative Chinese Perspective

Complementing its efforts at reaching out to foreign media organizations, China has simultaneously tried to build up an alternative Chinese perspective to the Western-dominated view of the world. It has actively supported its state-controlled media organizations to strengthen their international presence. Augmenting its existing English, French and Spanish international channels, CCTV launched an Arabic channel on 25 July 2009, targeting a viewership of nearly 300 million people throughout the Middle East, North Africa and the Asia-Pacific region. Less than two months later, on 10 September 2009, CCTV launched its Russian channel with a potential viewership of an additional 300 million in the 12 nations of the Commonwealth of Independent States, Eastern Europe and the Baltic states. In December 2009, CCTV launched a national Internet television service with the domain name of CNTV.cn. Available in all five foreign languages and Chinese, the Internet television service boasts the ambitious tagline of "one click, one world", meaning that users of this service

can understand the world by just clicking on the news, entertainment, sports and video products offered.[12]

Separately, Xinhua News Agency announced in July 2009 an ambitious plan for a 24 hour international television news service known as China Xinhua News Network Corporation (CNC). Described in some quarters as the Chinese version of America's CNN, the goal is to broadcast both domestic and international news round the clock to viewers worldwide through various platforms such as TV stations, websites, outdoor screens and mobile phones.[13] CNC began broadcasting to the Asia-Pacific region and some European countries in Chinese from Beijing in January 2010.[14] Since July 2010, CNC launched its worldwide English language television service (known as CNC World) that broadcasts English news programmes 24 hours a day, covering breaking news and major political, economic and cultural events worldwide. The purpose of this television service as stated by Xinhua President Li Congjun was for CNC to "present an international vision with a China perspective. It will broadcast news reports in a timely way and objectively and be a new source of information for global audiences".[15]

Changes have also been introduced at the *People's Daily*, the CCP's mouthpiece. In April 2009, *Global Times*, a publication under the *People's Daily* that focuses on international news, launched its English edition nationwide. Instead of a translated version of its Chinese newspaper, the English edition prides itself on carrying accounts of international news based on an independent team of local reporters, editors and foreign experts.[16] Also, the *People's Daily* underwent a revamp on 1st July 2009[17] by increasing from 16 pages to 20 pages, adding three pages on domestic and international news, and one page on theoretical studies, art and literature reviews. It also plans to beef up its 72 domestic and overseas branches.[18]

The overseas expansion initiatives by the CCTV, Xinhua News Agency and *People's Daily* described above are reportedly supported by a war chest of 45 billion yuan (US$6.6 billion) provided by the government to boost China's global image and media influence.[19]

In addition, *China Daily*, the official Chinese government English newspaper that reaches 105 countries, has undergone a revamp with changes to its editorial, content and design since 1 March 2010. The most obvious feature is the new masthead. The Chinese characters "中国日报" (*Zhongguo Ribao*), previously in red and appearing prominently above the English name "China Daily", has been significantly reduced in size and relegated beneath the English name. Also, the Chinese name now appears in blue, a more neutral color as opposed to the original red color that is closely associated with the CCP.[20] In terms of layout, the revamped newspaper has a cleaner look, with more use of white space that creates a visually more appealing page layout.[21] In terms of content, the revamped *China Daily* has fine-tuned its

reporting mix, giving breaking news and instant updates to its website and beefing up in-depth investigations and analyses for its print version. Going beyond its previous slogan of being China's "national English language newspaper", *China Daily* has set the goal of being a "world-class newspaper commensurate with China's global stature". All these changes are intended to make *China Daily* more appealing to English speaking audiences within and outside China.[22]

China Radio International (CRI), China's external radio station, has also opened up more channels in Australia, the United States and Mongolia in 2010.[23] In the US in particular, CRI has been broadcasting since 1993 usually by buying one or two-hour chunks of air time on local stations. However, in January 2010, CRI scored a milestone by leasing a KGBC radio station in Galveston (Texas, US), thereby becoming the first radio station in the US to begin broadcasting 24 hours a day.[24] CRI had reportedly made a lucrative offer which the owners of the KGBC radio station found hard to resist as it had not been able to secure enough financial support from advertisers.

3.3. Expanding the Reach of Chinese Language and Culture

China has further been active in expanding the reach of its language and culture. For instance, it was invited as Guest-of-Honor at the Frankfurt Book Fair in October 2009. China reportedly pumped in US$7.5 million, including putting up an impressive-looking pavilion (featuring a winding wall made of thousands of books or what is known as the "Olympics of books")[25] and sponsoring the translation of more than 100 Chinese books into German and English for sale at the fair.[26] Although there were some disagreement between China and the German organizers on the Chinese writers that could best represent China at the fair, the event underscored growing overseas interests in China's language and culture. China lost no time in leveraging on this valuable platform to promote its rich traditions and culture.[27]

Most notably, the Confucius Institute, another important platform for the spread of Chinese language and culture, has opened up more overseas branches. Table 2 shows that there were 282 Confucius Institutes and 272 Confucius Classrooms (making up a total of 554) in 88 countries and regions by November 2009.[28] Between 2009 and 2008, the number of Confucius Institutes and its classrooms witnessed impressive growth in the US, Central and Latin America (225 per cent), Europe (24 per cent) and Oceania (20 per cent). To extend the reach of the Confucian Institutes, scholarships have also been offered since 2009 to train non-native Chinese language teachers as well as students.

Many foreign scholars and observers hold the view that China's promotion of its language and culture especially through the setting up of Confucius

Table 2 Number of Confucius Institutes and Classrooms

Countries	Confucius Institutes and Classrooms 2008	Confucius Institutes and Classrooms 2009	Percentage increase in 2009 over 2008	Confucius Institutes 2009	Confucius Classrooms 2009
Americas	81	263	224.7%	87	176
Europe	103	128	24.3%	94	34
Africa	21	23	9.5%	21	2
Asia	90	97	7.8%	70	27
Oceania	10	12	20.0%	10	2
Others*	0	31	N.A	0	31
Total	305	554		282	272

Note: * Burma, Mali and the Bahamas have independent Confucius Classrooms, not affiliated with an institute.

Source: Various publications of the Confucius Institute at <*http://college.chinese.cn/en/node_1974.htm*>.

Institutes and Classrooms are attempts at projecting its soft power. It is hard to deny that there is an element of truth to their assertions and especially when top leaders in China have emphasized the importance of projecting China's soft power. The issue is whether the projection of China's soft power is intended to be aggressive in orientation and whether China seeks to become a dominant superpower. At this juncture, this does not appear to be so.

Putting the issue of soft power aside, one should not deny the fact that the growing interest in learning Mandarin has a certain practical value – that it would help those with mastery of the Chinese language to open doors when they conduct their business in China. Indeed, Madam Xu Lin, the head of the Confucius Institute in Beijing, has asserted that China has never wanted to influence others or sought supremacy over the rest of the world through the setting up of these institutes and classrooms. Instead, China wants the world to know "what sort of country it really is by promoting the learning of its language, culture, history and the values the Chinese people have lived for centuries".[29] In other words, China's emphasis is on promoting a better understanding of China.

4. China's Internal Media Initiatives

Complementing its external media initiatives, China has introduced internal media initiatives that are also intended to improve its international image. These initiatives can be examined from the institutional perspective, the regulatory perspective and the authorities' ad hoc response to events.

4.1. Institutional Innovations

At the institutional level, China has improved the news briefing and spokesman system (新闻发布制度) introduced in 2004 to provide timely and accurate information to the foreign media and public.

Table 3 shows that the number of news briefings (comprising regular and impromptu ones) conducted by the central and local government and party organizations have steadily increased over the years. In 2009, there were a total of 1,646 press conferences, compared to 1,587 in 2008, 1,408 in 2007, 1,321 in 2006, 1,088 in 2005 and close to 900 in 2004. The number of press conferences held at the provincial level is also noticeably on an upward trend, increasing from 789 instances in 2007, to 983 in 2008 and to 1,013 in 2009. This indicates a greater effort by local governments to disclose information of interest to the public.

In May 2008, the erstwhile secretive Ministry of Defense unveiled its first ever press spokesman who immediately got to work by informing the public of the disaster relief measures the People's Liberation Army was taking to help the victims of the Wenchuan 汶川 earthquake in Sichuan province.

At the CCP level, improvements have also been made to the news briefing and press spokesmen system over the years. In 2006, the Party took a significant step forward by announcing the names of the press spokesmen for six departments under the Party. Most recently, in June 2010, Wang Chen, Director of the International Communication Office, introduced the spokesmen for all 11 departments of the CCP.[30] This move is intended to make the Party more open and transparent in its affairs.

China has also continued the practice of publishing white papers on major issues which are of much interest to the international community. In June 2010, it released the first ever white paper on the Internet in China. It describes the state of the Internet development in China, China's basic policies on the Internet and stand on related issues.[31] In 2009, China published five white papers on national defense, disaster prevention and reduction, ethnic policy, development and progress in Xinjiang and democratic reforms in Tibet.[32] In 2008, there were four white papers published on promoting the rule of law, the effort on drug supervision, policies and actions in addressing climate change and the protection and development of Tibetan culture.

4.2. Regulatory Improvements

At the regulatory level, the general trend appears headed in the direction of a more conducive environment for foreign journalists operating in China. For instance, in the run-up to and during the Olympic Games in August 2008, China permitted foreign journalists to travel freely to most parts of China for interviews as long as they had the prior consent of the interviewees.[33]

Table 3 Overview of China's News Briefing and Spokesman System

Year	No. of Press Conferences Held			Party Organizations	Total No. of Press Conferences Held (A+B+C)
	State Council Information Office (A)	Various Departments under the State Council plus Party Organizations (B)	Provincial Governments† (C)		
2010	N.A.	N.A.	N.A.	All 11 Party Organizations with 11 spokesmen	N.A.
2009	60	573	1,013	As below	1,646
2008	83	521	983	As below	1,587**
2007	72	547 (involving 74 departments with 96 spokesmen)	789 (involving 31 provincial governments with 60 spokesmen)	Involving 6 organizations with 7 spokesmen*	1408
2006	58	506 (involving 74 departments with 91 spokesmen)	757 (involving 31 provincial governments with 52 spokesmen)	Involving 6 organizations with 7 spokesmen*	1321
2005	68	390 (involving 69 departments with 86 spokesmen)	630 (involving 27 provincial governments)	Nil	1088
2004	60	270 (involving 62 departments with 75 spokesmen)	> 460 (involving 23 provincial governments)	Nil	Close to 900
2003	41	N.A.	N.A.	Nil	N.A.

Notes: † Provincial governments here refer to the provinces, autonomous regions and municipalities.
* The six Party organizations here include the Central Commission for Discipline Inspection, the United Front Work Department, the International Department, the Taiwan Work Office, the Literature Research Center and the History Research Center.
** This figure excludes the more than 300 media briefings related to the Beijing Olympics and Paralympics in 2008.

Source: Authors' own compilation from the China Internet Information Center at <*http://www.china.org.cn/e-news/*>.

Previously, foreign journalists had to go through a more laborious process to apply for permission at the local foreign affairs office. This liberalizing measure was regularized after the Olympic Games.[34]

During the Olympic Games, China also went all out to make foreign journalists feel at home. Foreign journalists were offered a one-stop service centre by the Beijing Olympic Media Centre that allowed journalists to have access to enquiry, application, review, approval and reply services under one roof. They were also given a service guide containing useful information such as accreditation, custom clearance for reporting equipment, driving in China, radio frequencies, insurance and taxation. The high standards set by China in handling foreign journalists will serve as a benchmark for future similar events. Barring any unforeseen circumstances, China is expected to maintain these standards.

4.3. Ad hoc Adjustments

There have also been noticeable changes in China's handling of ad hoc events. During the Sichuan earthquake in May 2008 for example, China broke new grounds when it allowed foreign and local media a relatively free hand to report on developments in the disaster zones.[35] State media channels such as Xinhua News Agency and CCTV led the way by round the clock reporting on the latest developments in the disaster area. As expected, their reports prominently played up the government and Party's committed response to the earthquake and efforts to help survivors.

China's State Council Information Office also held numerous press conferences involving officials and experts from the relevant ministries and agencies as well as Sichuan leaders to provide up-to-date information on the disaster and disaster relief efforts.[36] Such pro-activeness stands in stark contrast to China's almost dismissive response in the 1976 Tangshan earthquake that reportedly claimed over 240,000 lives and left millions more injured or homeless. At that time, Xinhua News Agency reportedly only made a cursory mention of a quake that occurred in a city 180 kilometers to the west of Beijing.[37]

There have also been some changes in China approach to handling the ethnic unrest in Xinjiang in July 2009. It has been observed that Chinese state media channels such as Xinhua News Agency and CCTV were quick to report on the unrest to put forth their version of events.[38] Separately, Human Rights Watch (HRW), which has been generally critical of China's human rights record, has admitted that the Chinese government allowed "significantly greater foreign media access to Urumqi following deadly rioting there on 5-7 July 2009, than it did to Tibet during the unrest that began there in March 2008".[39]

5. Putting Things in Perspective

While the various media initiatives outlined above are to be welcomed and indeed show how far China has progressed, they should be set in context. For one, China is still a highly authoritarian state that maintains a relatively tightly control over what can and cannot be carried by state media organizations. In particular, the government and especially the CCP will only liberalize at a pace they are comfortable with and will not want to be seen as giving in to external pressure.

In the run-up to and during key anniversaries, such as the 20th anniversary of the Tiananmen incident and the 60th anniversary of the founding of the People's Republic of China in 2009, Beijing noticeably tightened its control over the media. Also, at important events, such as President Obama's visit to China in November 2009, restrictions were imposed to ensure that the impact of any sensitive remarks made by him in public would be limited. For example, Obama's question and answer session with students in Shanghai was not broadcast live on China's official state network.[40] In the lead-up to the transition of power from the fourth generation to the fifth generation leadership in 2012, we can expect the relevant authorities to tighten the political atmosphere in the interest of ensuring a smooth leadership transition. During these sensitive periods, stability would triumph over all other considerations.

Beijing is also prepared to punish those it regards as deliberately trying (and even working with foreign elements) to erode the Party's authority. In February 2010, a Beijing court rejected an appeal against an 11-year jail sentence for "incitement to subversion" meted out to Liu Xiaobo 刘晓波, a prominent Chinese human rights crusader. Liu had co-authored Charter 08 (零八宪章), an online petition for political freedom and an end to the ruling Party's monopoly of power. By mounting a public campaign, Liu had overstepped the line. Critics have conveniently seized on this example to argue that little has changed in China.

Most recently, Google's decision in March 2010 to shut down its Chinese-language search engine (*google.cn*) in mainland China had presented another public relations challenge to China.[41] Commendably, China has maintained a level-headed response to Google's decision to shut down its Chinese-language website. While the US State Department and even the White House have weighed in on this matter, the Chinese have cast it as a commercial issue which should not affect Sino-US relations. China has further argued that while it welcomes foreign businesses to China, they have to abide by Chinese laws. This episode seemed to have past for now as China has renewed the operating license for Google in China for another year following Google's decision to stop the automatic re-directing of users to its unfiltered Hong Kong website.

Despite China's more restrained response, it still faces an uphill battle to convince its critics. In its 2010 World Report, HRW has observed that Chinese citizens "face significant limits on freedom of expression, association, and religion; government surveillance and censoring of Internet communications is far reaching". It further said that while China's international profile and economic clout are growing, "it is also drawing increasing international scrutiny for a foreign policy that fails to prioritize civil and political rights", a reference to China's diplomatic and financial support of dubious regimes like Burma, Zimbabwe and Sudan.[42]

In its 2009 Press Freedom Index, Reporters Sans Frontiers (RSF) gave China a dismal ranking of 168 out of a total of 175 countries. It observed that although the foreign press is supposed to enjoy freedom of movement and interview rights, they find themselves obstructed and even becoming targets of violence as soon as they begin to take an interest in sensitive matters like Tibet, dissidents or the Aids epidemic. RSF said the Foreign Correspondents' Club of China "recorded 178 cases of interference with foreign media during 2008, 63 of which were during the holding of the Olympic Games". The Chinese authorities also "threatened several foreign correspondents with non-renewal of their press visas at the end of 2009".[43]

To be sure, there remains a strong "anti-China" bias in other countries' perception and foreign media coverage of China. The effort to counter this bias is wrought with challenges as many players and factors are involved that could easily skew their perception of China. Foremost among them is the fact that China is not a democracy and will constantly have to grapple with the penchant by foreign governments, non-governmental organizations and even individuals to judge what is happening or will happen in China according to certain established Western standards or norms. China will have its hands full to convince them that there is indeed a Chinese way forward, one which will go against their existing value system and beliefs.

The strong state role behind the overseas expansion plans of China's state media organizations, while ensuring that there is strong political support and financial muscle, actually has a downside. It reinforces the impression that these media agencies are not driven primarily by commercial reasons (unlike other foreign media organizations) but are conscious agents of the state. In this sense, there will always be doubts about the actions and real intentions of these corporations.

Despite these challenges, China appears determined to press on with this unenviable task. As compared to the past, it now has more resources and stronger reasons to shape an international image that is commensurate with its new found status on the world stage. It is fully aware that given the vagaries of the international environment, there will be ebbs and flows in how others view China. The most important is for China to be involved in actively shaping this

process. It is realistic of what it can achieve in the short run and will be patient enough to wait for more favourable results to come to bear in the future.

There are two major events occurring in China where Beijing will want to put its best foot forward. The first is the Shanghai World Expo that began on 1st May and will last till 30th October 2010. It is the largest event ever since the Olympic Games to again showcase China, together with the progress it has made, to the world and to its own people. It also provides an important platform to build better understanding among the more than 200 countries and international organizations participating at the expo. The number of visitors to the World Expo has so far exceeded 20 million.[44] Another event is the 16th Asian Games 2010 to be held in Guangzhou from 12th to 27th November 2010. The Guangzhou Asian Games Organizing Committee is expecting 10,000 media representatives.[45] China will want to be a good host to participants and spectators from the region.

6. Final Remarks

This paper has examined the media initiatives China has undertaken to improve its international image. These media initiatives are driven by a national and long-term effort to proactively shape how others view China. They can be divided into external media initiatives, i.e. those implemented beyond China's borders, and internal media initiatives, i.e. those introduced within China. Even for those initiatives that are internally directed, they are also intended for the external audience.

The author has argued that these media initiatives can be better understood within the context of China trying to lay the foundations of its soft power. Officially, China has asserted that its soft power is intended to show that China's rise will not be disruptive but will instead bring about mutual benefits to the rest of the world. However, its critics are convinced that China intends to use its soft power to influence others or worse, to seek supremacy over the rest of the world. At this juncture, it is hard to assess which view will ultimately prevail. What is definitive is that China is determined to build up its soft power regardless of the views of the naysayers.

Many of these media initiatives are still in their nascent stages and are in the process of being strengthened. It is premature and unrealistic to conclude that they have succeeded in portraying a positive image of China. For one, the building-up of a country image, and for that matter a positive one, will require much time and effort. Also, the process may not necessarily proceed in a linear direction. Along the way, challenges or events will crop up that may either set back the process or push it forward. Whatever the challenges ahead, China will most likely press on with this gargantuan task of improving its international image.

Appendix

Explanatory Notes to Figure 1: Country-by-Country Perception of China's Influence

(The China portion below is extracted from the BBC World Service Poll Report)

While views of China were predominantly positive in 2008, they have eroded substantially so that views are now generally divided. On average, in 2008, 45 per cent had a positive view while 33 per cent had a negative view. But now positive views have slipped six points to 39 per cent, while negative views have risen to 40 per cent. While in 2008 16 countries had a predominantly positive view and five had a negative view, now 10 countries' views of China's influence are mainly positive, while in nine they are mainly negative and in one, they are divided.

Negative views have grown most significantly in European countries over the past year, including France (70 per cent, up from 46 per cent), Italy (68 per cent, up from 50 per cent), Germany (69 per cent, up from 59 per cent), and Spain (54 per cent, up from 32 per cent), with corresponding drops in positive views. Positive attitudes among Britons have also dropped (39 per cent, down from 48 per cent) while 42 per cent now say China has a negative influence in the world, making attitudes in the United Kingdom divided.

Other countries that have seen views of China worsen considerably include Turkey, the Philippines, Egypt, and Australia. Turkey has shown a dramatic decrease in positive views of China (18%, down from 30%) while negative views have increased (64 per cent, up from 58 per cent). A majority in the Philippines now sees China's influence as mainly negative (52 per cent, up from 30 per cent), while positive views have dropped also (39 per cent, down from 48 per cent). Egyptians have seen positive views of China drop 20 points (62 per cent, down from 82 per cent), though negative attitudes remain stable (11 per cent). While Australians most commonly still see China as a positive influence, positive attitudes have decreased (47 per cent, down from 60 per cent), while negative attitudes have grown (37 per cent, up from 28 per cent).

Attitudes about China in the United States have remained somewhat stable. While a majority (52 per cent) in the US continues to view China's influence as mainly negative, there has been little change in both positive and negative attitudes over the previous year.

Eight countries continue to show positive views of China's influence, including large majorities in Ghana (75 per cent, up from 56 per cent), Nigeria (72 per cent), and Central America (62 per cent). A majority in Chile has a favourable view (60 per cent), while Mexicans lean positive (34 per cent positive to 26 per cent negative), as do Indians (30 per cent positive to 24 per cent negative). In Russia, attitudes have remained largely stable with most saying China has a positive influence rather than negative (45 per cent positive to 18 per cent negative).

Source: "Views of China and Russia Decline in Global Poll", 6th February 2009, BBC World Service Poll at <*http://www.globescan.com/news_archives/bbccntryview09/backgrounder.html*>.

Notes

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6. The Pew Research Center's Global Attitudes Project conducts public opinion surveys around the world on a broad array of subjects ranging from people's assessments of their own lives to their views about the current state of the world and important issues of the day. More than 240,000 interviews in 57 countries have been conducted as part of the project's work. For further information on which countries are surveyed and sample sizes please refer to <*http://pewglobal.org/database/about/*>.

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9. The theme of the World Media Summit was "Cooperation, Action, Win-Win and Development". The idea to hold this summit arose from a series of talks held during the Olympic Games in Beijing in August 2008 between Xinhua News Agency President Li Congjun and News Corporation Chairman and CEO Rupert Murdoch, Associated Press President and CEO Thomas Curley, Reuters News Editor-in-Chief David Schlesinger, BBC Director-General Mark Thompson, Kyodo News President Satoshi Ishikawa and ITAR TASS News Agency President Vitaly Nikitich Ignatenko.
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Ethnoregional Disparity, Ethnoterritoriality and Peripheral Nationalism: Socioracial Dilemmas in Contemporary China

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Abstract

While Chinese economic reform in the recent decades has brought about stunning economic miracles, it also aggravated the problems of unemployment, poverty and inequality that continue to plague China in her politico-socioeconomic development into the new millennium, and with poverty having the properties of being concentrated in the western region and in the ethnic minority areas, ethnoregionalization of poverty inevitably ensues, presenting the country not only with economic challenges but also long-term sociopolitical uncertainties. Focusing on the involuted nexus between the challenges posed by central-peripheral conflicts, ethnoterritorial aspirations, income and wealth inequalities and interregional economic disparity exacerbated by the country's "retreat from equality" over the recent decades, the revival of old regionalisms, the creation of new regionalisms brought about by increased local autonomy, as well as the evolving role of the one-party State in the economy and society, this paper proceeds to ponder the pitfalls and prospects of further decentralization and contemplates the feasibility of the road beyond fiscal federalism. While the alleviation of the multi-faceted problem of poverty in China is inevitably linked to the country's regional and minority policies and hence may call for a stronger emphasis on the elements of decentralization and localization, the paper does caution that the same problem with its ethnoregional dimension may also add to decentralization the threat of centrifugal tendencies especially if decentralization leads to a politics of cutthroat competition instead of a decentralized politics of accommodation and the resultant provincial protectionism intensifies local particularism and precipitates secessionistic ethnogenesis or reethnicization.

Keywords: *ethnic diversity, ethnoterritoriality, national question, peripheral nationalism, ethnoregionalism, intergroup relations*

1. Introduction

In terms of the link between ethnic diversity and public policy, the outwardly homogeneous China shares with a country like multiethnic Spain in their common majority-minority ethnic configuration, as compared to, say, countries like the mainly bi-ethnic Belgium and Malaysia which are characterized by a "precarious balance" in intergroup relationship[1]. While the development of the Spanish political reform is influenced by the dominant group's reaction to subordinate groups' aspirations and that of Belgium or Malaysia is shaped more by intergroup competition and variations in the balance of power, China is unique due to her long-running absolute Han predominance in demography and political configuration, with her minority ethnic groups – while large in absolute numbers – as a whole not even reaching a critical mass as a proportion of the country's total population. Yet multiethnic countries like Spain and China share much in terms of the territoriality of their ethnic divisions, homeland nature of all the major ethnic factions, though not level of economic affluence and political democracy and any common strategy of adopting some form of political decentralization and fiscal federalism during the last few decades in response to the exigencies engendered by their respective patterns of ethnic conflicts.

2. Ethnic Identity and the Nationality Question

The fact that China is technically speaking, if one follows the critical mass approach[2], not a multiethnic country, with the majority Han constituting 92 per cent of the population, often obscures the fact that the ethnic minorities are huge in absolute numbers – about 110 million in total, including the 16 million Zhuang, 10 million Manchu, 9 million Hui, 8 million Uygurs, 5 million Mongols and 5 million Tibetans – although they are practically dwarfed almost to invisibility by the sheer size of the Han population. Although the race-neutral[3] policy of the Chinese State does contain certain elements of affirmative action in favour of the minorities, poverty is still highly concentrated in the ethnic minority areas[4] and ethnic regions in western China are clearly disadvantaged for both historical (being marginalized by centuries of Han-Chinese imperial expansion[5]) and geographical (e.g. terrains which are mountainous, desertified, environmentally fragile) reasons. Despite that, these ethnic minorities' pattern of habitation should no doubt be of strategic concern for the central government, for the country's over 21000 km land frontier borderline region is basically populated with these minorities who are also distributed over 64 per cent of the whole country (Chen, Wang, Chen and Fang, 2007: 61). In general, China's ethnic distribution simultaneously shows patterns of concentration as well as intermingling.

There is wide geographical distribution of each ethnic group, showing a pattern of wide scattering with small concentrations – the Hui, for instance, who are distributed across most provinces/zizhiqu and most cities, towns and counties of the country, relatively more so in Ningxia, Gansu, Henan, Xinjiang, Qinghai, Yunnan, Shandong, Anhui and Liaoning, but with a sixth of the total population concentrated in the Ningxia Hui Zizhiqu; or the Manchu who are distributed among over a thousand cities, towns and counties across the country, but with relative concentration in the Northeast and with over 50 per cent of the total population inhabiting the Liaoning province, over 2.11 million in Hebei, 1.03 million in Heilongjiang and 0.99 million in Jilin; or the Zhuang with 87 per cent of the total population of over 16.17 million

Table 1 China: Ethnic Composition – The National Picture (percentage)

1	Han 汉	92	29	Tu 土	0.017
2	Zhuang 壮	1	30	Xibe (Xibo) 锡伯	0.015
3	Manchu (Man) 满	0.9	31	Mulam (Mulao) 仫佬	0.014
4	Hui 回	0.8	32	Kirghiz (Kirgiz) 柯尔克孜	0.013
5	Miao 苗	0.7	33	Daur (Tahur) 达斡尔	0.0108
6	Uyghur (Uygur) 维吾尔	0.63	34	Jingpho (Jingpo) 景颇	0.0106
7	Yi 彝	0.58	35	Salar (Sala) 撒拉	0.0077
8	Tujia 土家	0.51	36	Blang (Bulang) 布朗	0.0073
9	Mongol 蒙古	0.43	37	Maonan 毛南	0.006
10	Phöpa (Zang/Tibetan) 藏	0.41	38	Tajik 塔吉克	0.0029
11	Bouyei (Buyi) 布依	0.23	39	Pumi 普米	0.0026
12	Dong 侗	0.22	40	Achang 阿昌	0.0025
13	Yao 瑶	0.19	41	Nu 怒	0.0024
14	Chosŏn (Korean) 朝鲜	0.17	42	Evenki (Ewenki) 鄂温克	0.0023
15	Bai 白	0.14	43	Kinh (Vietnamese) 京	0.0017
16	Hani 哈尼	0.11	44	Jinuo (Jino) 基诺	0.0016
17	Li 黎	0.0985	45	De'ang 德昂	0.0014
18	Kazakh (Kazak) 哈萨克	0.0983	46	Uzbek (Ozbek) 乌孜别克	0.0013
19	Dai 傣	0.091	47	Russki (Russian) 俄罗斯	0.0012
20	She 畲	0.06	48	Yugur (Yugu) 裕固	0.00109
21	Lisu 傈僳	0.05	49	Bonan (Bao'an) 保安	0.00103
22	Gelao (Gelo) 仡佬	0.039	50	Oroqen (Olunchun) 鄂伦春	0.00062
23	Lahu 拉祜	0.036	51	Moinba (Menba) 门巴	0.00066
24	Dongxiang 东乡	0.033	52	Drung (Dulong) 独龙	0.00052
25	Wa (Va) 佤	0.0312	53	Tatar (Tartar) 塔塔尔	0.00045
26	Sui (Shui) 水	0.0307	54	Hezhen (Hezhe) 赫哲	0.00038
27	Nakhi (Naxi) 纳西	0.025	55	Gaoshan 高山	0.00025
28	Qiang 羌	0.018	56	Luoba (Lhoba) 珞巴	0.00021

Source: Computed with census data.

Table 2 China: Ethnic Distribution[#] by Province/Zizhiqu/Zhixiashi[+]

	Province/zizhiqu/zhixiashi	*Ethnic distribution*
1	***Qinghai****	Han 汉 54%; Tibetan 藏 23%; Hui 回 16%; Tu 土 4%; Salar (Sala) 撒拉 2%; Mongol 蒙古 2%
2	***Xinjiang**** (Uygur Zizhiqu)	Uyghur (Uygur) 维吾尔 45%; Han 41%; Kazakh (Kazak) 哈萨克 7%; Hui 5%; Khalkh 1%; Mongol 1%
3	***Guangxi**** (Zhuang Zizhiqu)	Han 62%; Zhuang 壮 32%; Yao 瑶 3%; Miao 苗 1%; Dong 侗 1%
4	***Guizhou****	Han 63%; Miao 12%; Bouyei (Buyi) 布依 8%; Dong 5%; Tujia 土家 4%; Yi 彝 2%; Gelao (Gelo) 仡佬 2%; Sui (Shui) 水 1%; Bai 白 1%
5	***Yunnan****	Han 67%; Yi 11%; Bai 4%; Hani 哈尼 3%; Dai 傣 3%; Zhuang 3%; Miao 2%; Hui 2%; Lisu 傈僳 1%; Lahu 拉祜 1%; Wa (Va) 佤 1%; Nakhi (Naxi) 纳西 1%
6	***Ningxia**** (Hui Zizhiqu)	Han 65%; Hui 34%
7	***Inner Mongolia**** (Mongol Zizhiqu)	Han 79%; Mongol 17%; Manchu (Man) 满 2%; Hui 1%
8	Hainan	Han 83%; Li 黎 16%; Miao 1%; Zhuang 1%
9	Liaoning	Han 84%; Manchu 13%; Mongol 2%; Hui 1%; Chosŏn (Korean) 朝鲜 1%
10	Hunan	Han 90%; Tujia 4%; Miao 3%; Dong 1%; Yao 1%
11	Jilin	Han 91%; Korean 4%; Manchu 4%; Mongol 1%
12	***Gansu****	Han 91%; Hui 5%; Tibetan 2%; Dongxiang 东乡 1%
13	***Xizang/Tibet**** (Tibetan Zizhiqu)	Tibetan 93%; Han 6%
14	***Chongqing**** (Zhixiashi)	Han 94%; Tujia 5%; Miao 2%
15	***Sichuan****	Han 95%; Yi 3%; Tibetan 2%
16	Heilongjiang	Han 95%; Manchu 3%; Korean 1%
17	Hubei	Han 96%; Tujia 4%
18	Hebei	Han 96%; Manchu 3%; Hui 1%
19	Beijing (Zhixiashi)	Han 96%; Hui 2%; Manchu 2%
20	Tianjin (Zhixiashi)	Han 97%; Hui 2%; Manchu 1%
21	Fujian	Han 98%; She 畲 1%
22	Guangdong	Han 99%; Zhuang 1%

Table 2 (continued)

	Province/zizhiqu/zhixiashi	*Ethnic distribution*
23	Henan	Han 99%; Hui 1%
24	Zhejiang	Han 99%
25	Shandong	Han 99%; Hui 1%
26	Anhui	Han 99%; Hui 1%
27	Shanghai (Zhixiashi)	Han 99%
28	***Shaanxi****	Han 100%
29	Jiangsu	Han 100%
30	Shanxi	Han 100%
31	Jiangxi	Han 100%

China as a whole – Han 92% + 55 other "nationalities" (*minzu* 民族) including Zhuang 1%, Manchu 0.9%, Hui 0.8%, Miao 0.7%, Uygur 0.68%, Tujia 0.65%, Yi 0.63%, Mongol 0.47%, Tibetan 0.44%, etc.

+ Decimals are rounded to the nearest. Ethnic groups below 1 per cent are not shown.

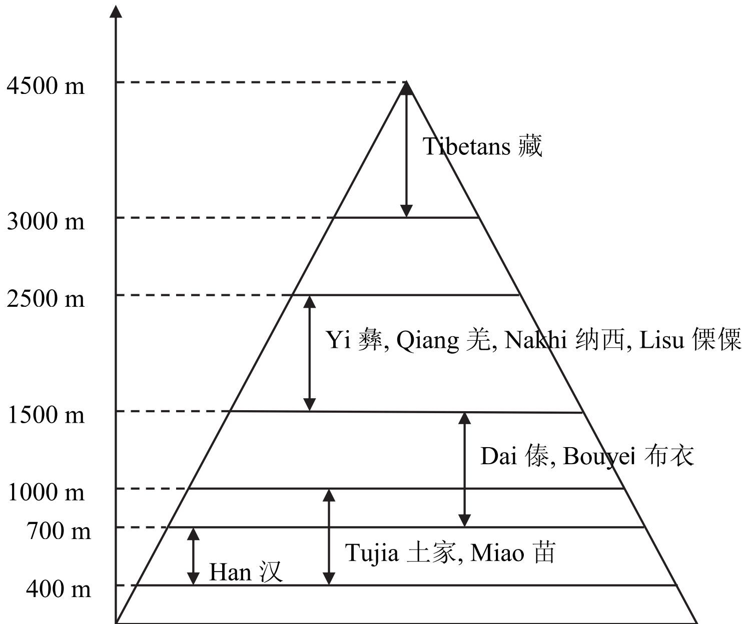
* ***Provinces, zizhiqu, and zhixiashi now classified as the "western region"***.

Source: Computed with census data.

concentrated in Guangxi Zhuang Zizhiqu and the rest distributed in the adjacent areas of Yunnan and Guizhou; or the Dong who are concentrated in the adjacent areas of Hunan, Guizhou and Guangxi; or the Miao with half of the total population of 8.9 million inhabiting Guizhou and the rest distributed among the province's surrounding areas in Yunnan, Guangxi, Hubei, Hunan, Chongqing and Sichuan; or the Yi who mainly populate Yunnan and Sichuan, but also Guizhou (*ibid*.).

A distinctive feature of the distribution of China's ethnic minority communities is that they are mainly found in the mountain areas. Other than some minorities like the Manchu and the Hui who traditionally stay on the plains and in the cities, the majority of China's ethnic minorities are staying on the plateaux and in the remote mountain areas, and out of the total of 106.43 million ethnic minority population (8.41 per cent of China's total population), over 50 per cent are staying in the country's mountainous southwestern and northwestern regions (*ibid*.: 62). Besides, there is an apparent ethnic distribution by degree of elevation. Take the southwestern mountain area as an example (*ibid*.: 45): the Han are mainly living on the plains and in the hilly areas of an elevation of 400-700 metres, Tujia and Miao at 400-1000 metres, Dai and Bouyei (Buyi) at 700-1500 metres, Yi, Qiang, Nakhi (Naxi) and Lisu at 1500-2500 metres, and Tibetans at 3000-4500 metres (Figure 1).

Figure 1 China: Vertical Distribution of Ethnic Groups in Southwestern Mountain Region



Source: Chen, Wang, Chen and Fang (2007: 45).

As noted by Gladney (1991: 6-7), due to the interchangeability of the terms "ethnicity" and "nationality" in the literature, there is much confusion over minority nationality identity in China. The term *minzu* 民族 is used for both concepts of nationality and ethnicity (or *zhongzu* 种族) in China, the former being what the Chinese State has designated "56 nationalities". While "ethnicity" should more rightly refer to an individual's self-perceived identity, it is also often influenced by State policy. Gladney pointed out that in contrast to the limited term *minzu* ("nationality"/"ethnicity") used in China, Soviet ethnological vocabulary distinguished in Russian between *ethnos*, *nationalnost*, and *narodnost* ("ethnicity", "nationality", "peoplehood") (*ibid*.: Chapter 1, note 19). In China, "nationality" (*minzu*) is what the Chinese State has conferred upon the 56 ethnic groups identified mainly in the 1950s (*ibid*.: 6). This historical background explains a lot about China's "national" policy till today.

Leaving aside the Han-non-Han dichotomy, even the so-called "Han Chinese" as a homogeneous ethnic group, whether phenotypically or culturally, may not be what it has always been taken for granted. The great diversity of the mutually unintelligible regionalects is well known. The speakers of many of the Chinese regional languages are in fact simply

too numerous for the word "dialects" to be used as an appropriate term to designate their languages. For instance, the number of speakers of either Cantonese/*Yue* 粵 or Hokkien/Fujianese/*Min* 閩 is larger than the number of speakers of either Polish or Ukrainian, the two East European/Slavonic languages with most numerous speakers except Russian, or the speakers of Dutch, Danish, Norwegian and Swedish combined. In China, regional differences, including the distinction between the wheat-eating northerners and rice-eating southerners, have always been observed, or as one observer noted, the *Hanjen* 漢人 and the *T'angjen* 唐人, plus "national minorities" who have to different extents been Sinicized:

> The contradistinction between Han Chinese and national minorities repeatedly made [...] suggests that the Han Chinese constitute a homogeneous, discreet community from whom the national minorities are readily distinguishable. In fact, however, the cultural gap between "Han Chinese" and "minority" is often no greater than that between Han Chinese of different regions. There is an almost continuous ethnocultural spectrum extending from the northern, wheat-eating, Mandarin-speaking Chinese at one end to, at the other, the dark-skinned K'awa in the south who are primitive food-gatherers and speakers of a language of the Mon-Khmer family. In between are the more than 100 million "Han" Chinese of south-coastal China who speak dialects other than Mandarin and who, in fact, sometimes refer to themselves as *T'ang-jen* (men of T'ang, after the T'ang dynasty, seventh to tenth centuries) rather than as *Han-jen* (after the Han dynasty, third century B.C. to third century A.D.) and the more than ten million persons of the "national minorities" in south China who have been to varying extents acculturated to Chinese ways – to the point, in some cases, that they had no awareness of being different, of being a "minority," until they were informed of the fact by workers from the Chinese Academy of Sciences who came to their areas after 1949.
>
> (Moseley, 1966: 8-9)

While ethnic diversity may affect the role of the State, whether in terms of the various aspects of decentralization or the trend and pattern of budgetary policy, it is not the ethnic composition *per se* but its interaction with the socioeconomic structure of the society concerned that really matters. The Weberian approach views ethnic group as being not "natural" (as kinship group is) but "rational" and primarily political:

> Ethnic membership (*Gemeinsamkeit*) differs from the kinship group precisely by being a presumed identity, not a group with concrete social action, like the latter. In our sense, ethnic membership does not constitute a group; it only facilitates group formation of any kind, particularly in the political sphere. On the other hand, it is primarily the political community, no matter how artificially organized, that inspires the belief in common ethnicity.
>
> (Weber, 1968 tr.[6]: 389)

Contrast the Weberian approach with Geertz's approach in his 1963 paper on the effect of "primordial sentiments" on civil politics:

> By a primordial attachment is meant one that stems from the "givens" – or, more precisely, as culture is inevitably involved in such matters, the assumed "givens" – of social existence: immediate contiguity and kin connection mainly, but beyond them the givenness that stems from being born into a particular religious community, speaking a particular language, or even a dialect of a language, and following particular social practices. These congruities of blood, speech, custom, and so on, are seen to have an ineffable, and at times overpowering, coerciveness in and of themselves.
>
> (Geertz, 1963: 109)

Today, studies on intergroup relations usually see ethnicity not as a "'given' of social existence", but a political construct linked directly to power relations and resource competition. The boundary marker of ethnicity is frequently mobilized to meet the rising need of identity investment for economic and political purposes (the "situation theories" of ethnicity, see Barth, 1969). Heiberg (1979) observed that for political purposes, descent has never been regarded by the Basques in Spain as a sufficient criterion for ethnic inclusion. "Basqueness" is measured instead in terms of the adherence to certain morally-loaded political and social prescriptions, or more specifically, whether one is a Basque nationalist.[7] Thus it is as an instrument for political mobilization that ethnicity often plays a key role in the interplay between group activities and public policy[8] which again is apparent in the case of the Uyghurs' ethnic identity in Xinjiang, as lucidly described by Gladney (2003: 3-4):

> Chinese histories notwithstanding, every Uyghur firmly believes that their ancestors were the indigenous people of the Tarim basin, which did not become known in Chinese as "Xinjiang" ("new dominion") until the eighteenth century. Nevertheless, the identity of the present people known as Uyghur is a rather recent phenomenon related to Great Game rivalries, Sino-Soviet geopolitical manoeuvrings, and Chinese nation-building. While a collection of nomadic steppe peoples known as the "Uyghur" have existed since before the eighth century, this identity was lost from the fifteenth to the twentieth century […] The Islamicization of the Uyghur from the tenth to as late as the seventeenth century, while displacing their Buddhist religion, did little to bridge their oases-based loyalties. From that time on, the people of "Uyghuristan" centred in Turpan, who resisted Islamic conversion until the seventeenth century, were the last to be known as Uyghur. The others were known only by their oasis or by the generic term of "Turki". With the arrival of Islam, the ethnonym "Uyghur" fades from the historical record.

The emergence of a modern "Uyghur" ethnic identity is thus basically a political construct:

> Competition for the loyalties of the peoples of the oases in the Great Game played between China, Russia and Britain further contributed to divisions among the Uyghur according to political, religious, and military lines. The peoples of the oases, until the challenge of nation-state incorporation, lacked any coherent sense of identity. Thus, the incorporation of Xinjiang for the first time into a nation-state required unprecedented delineation of the so-called nations involved. The re-emergence of the label "Uyghur", though arguably inappropriate as it was last used 500 years previously to describe the largely Buddhist population of the Turfan Basin, stuck as the appellation for the settled Turkish-speaking Muslim oasis dwellers. It has never been disputed by the people themselves or the states involved. There is too much at stake for the people labelled as such to wish to challenge that identification. For Uyghur nationalists today, the direct lineal descent from the Uyghur Kingdom in seventh century Mongolia is accepted as fact, despite overwhelming historical and archeological evidence to the contrary.
>
> (Gladney, 2003: 4-5)

Similarly, answering the question "Who are the Chinese?", Moseley observed that "Han Chinese" as an ethnic marker began with its use for political mobilization linked to the May Fourth Movement:

> Psychologically, the Han Chinese only became a nation in response to Western imperialism; culturally, this movement was greatly reinforced by the literary reform movement led by Hu Shih and others. And nationalism has been a dominant feature of Chinese Communism. Yet much of China's heterogeneity – in speech, diet, and physical appearance – so often remarked upon by foreign visitors still remains. With reference to its ethnic component, being "Chinese" is a dynamic quality. "Chineseness" may be likened to a geographical zone, a blurred place on the map, through which an unending stream of peoples has filtered in a north-south direction […] On the whole, this southern movement was gradual and piecemeal, being characterized by an influx of Chinese colonizers from the north who mixed with the local people […] The indigenous populations that have remained unabsorbed sometimes live side by side in discreet communities with the Chinese, sometimes retreat back into the hills, and sometimes attempt to emigrate southward. Thus, in any given national minority region of south China today there is a whole range of comparative "Chineseness" among the inhabitants which altogether eludes the dichotomy, "Han Chinese"-"national minority."
>
> (Moseley, 1966: 10-13)

The above description does not apply to Xinjiang – China's "wild west" – and Tibet, in contradistinction to the southern regions or, with Chinese colonization greatly facilitated by railroads built by the Western powers, Inner

Mongolia to the north and the northeastern region formerly being Manchuria. Incidentally, Inner Mongolia had already been overwhelmingly Chinese by the time the Inner Mongolia Autonomous Region was created in 1947, and in the case of the northeast "the Manchus disappeared and Manchuria became safely Chinese, dooming in advance the Japanese attempt to establish an independent 'Manchukuo'" (*ibid*.: 13). In this contradistinction lies the root of the Chinese government's present problem of Xinjiang and Tibet:

> Outer Mongolia, Sinkiang, and Tibet retained their uniqueness: although held by successive Chinese dynasties, the imperial administration was always unstable because it lacked the ballast of a sizable Han Chinese community.[9] They were tied to China without ever becoming Chinese. Outer Mongolia broke away altogether and succeeded in establishing an independent state […] With the modern transportation and communication facilities[10] developed by the Chinese Communists, the colonization of Sinkiang and Tibet is now proceeding, although it has encountered bitter resistance.
>
> (*ibid*.)

3. Socioracial Fragmentation and Ethnoregional Dilemmas

If widening socioeconomic inequality and deepening corruption are the two most prominent manifestations of the internal structural contradictions of the path of policy development of the CCP post-1989 – not least of which is the authoritarian political centralism amidst *de facto* fiscal federalism and economic decentralization – a third manifestation, as mentioned earlier, social and socioracial unrest, closely linked to the previous two, is becoming an increasing headache for the ruling regime, rapidly growing with worrying frequency and escalating scale. While social unrest in general has been so frequent that they have grown into almost a part of daily life, those with a socioracial flavour[11] should be the most worrying for the ruling CCP including the recent two ultra-serious incidents of ethnoregional disturbance – the 14th March 2008 riots in Tibet and the 5th July 2009 riots in Xinjiang, with the latter claiming almost 200 lives, mostly Han, according to the Beijing government or as least 500, mostly Uyghur, dead[12] and nearly 10,000 Uyghur "disappeared" as alleged by Rabiyä Qadir 热比娅[13]. Whether the riots and racial attacks had been triggered by the police and army firing on unarmed Uyghur protesters – in other words, a mini-Tiananmen – as alleged by Rabiyä Qadir and Örkesh Dölet 吾尔开希 or simply Uyghurs going on a rampage against Han interests as claimed by the government, the ethnoregional content of this latest, probably the most deadly, incident of social unrest is unmistakable.

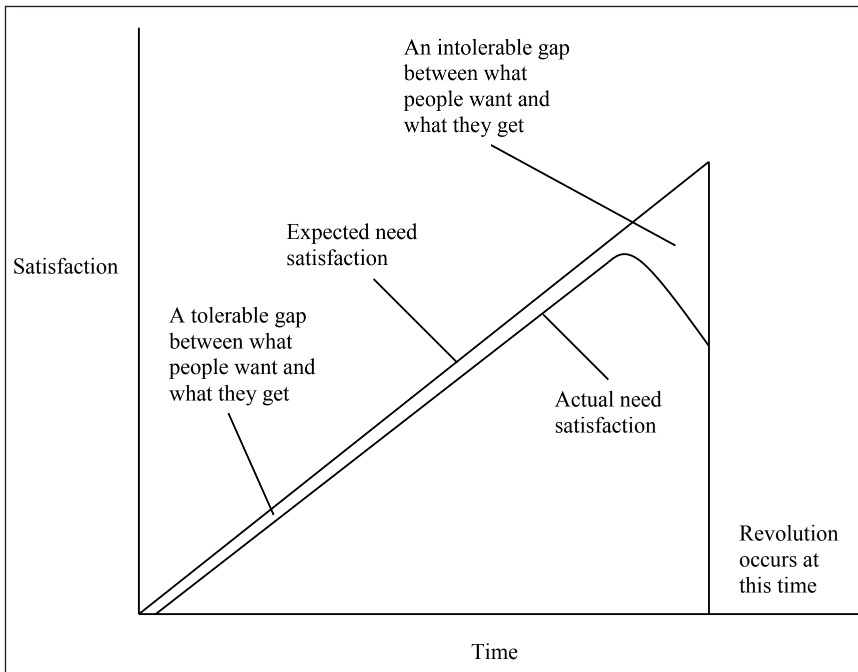
While the July Fifth riots in Ürümqi was triggered by the June 26th Uyghur-Han brawl – which was in turn triggered by the alleged rape of two

Han female factory workers by six Uyghur workers which the government condemned as an ill-intentioned rumour – at a Shaoguan 韶关 (Guangdong province) toy factory involving hundreds and ending up in the death of two Uyghurs, reciprocal resentment towards immigrants or settlers is equally familiar in the ethnic homeland regions of China, typically Tibet and Xinjiang. Such resentment of the local ethnic communities against large-scale migration of the country's Han majority into her ethnic regions is nothing peculiar. Such outburst of resentment, long suppressed under authoritarian rule, has become more and more a rule rather than exception in the major formerly Communist Party-ruled countries including the former Soviet Union and those in Eastern Europe. Similar conflicts, albeit with differing characteristics, are also witnessed all over the post-Cold War World, whether in Darfur or in Irian Jaya, whether stemming from the rise of ethnoreligious bigots or on the contrary, the demise of authoritarian rule that makes way for the spread of free market democracy (see, e.g. Chua, 2003)[14]. Similar development can be observed in the case of China, which can be explained by the underlying, natural and inevitable tendency of the development of "antisystem" in the overall social change referred to earlier in the special issue's prologue on a changing China, which a ruling regime may sometimes find it "inconvenient" to recognize:

> [Some groups] may oppose the concrete levels at which the [values and] symbols are institutionalized [i.e. common norms established and legitimized] by the elite in power and may attempt to interpret them in different ways. They may not accept the models of cultural and social order that they think are upheld by the "center" as the legitimator of the existing distribution of power and resources, and they may uphold cultural orientations different from or counter to those upheld by the center. Other groups may develop new interpretations of existing models […] Even if for very long periods of time a great majority of the members of a given society may identify to some degree with the values and the norms of the given system and be willing to provide it with the resources it needs, other tendencies develop in connection with intergroup conflicts, demographic changes, and the development of heterodox ontological visions and these changes may give rise to changes in the initial attitudes of any given group to the basic premises of the institutional system.
>
> (Eisenstadt, 1992: 417)

Thirty years of economic reform, by bringing about a sea change in economic life and rule of game, has unleashed forces and momenta – whether in March-June 1989, March 2008 or July 2009, whether with or without an ethnoregional content – that had caught the ruling establishment by surprise and overtaken its ability to catch up and understand and to effectively accommodate. Raised expectation of what is now perceived to be possible

Figure 2 Davies's J-Curve Theory of Revolution



Source: Vander Zanden (1988: 584), Figure 21.2 (adapted from Davies, 1962: 6, Figure 1).

– paradoxically a result of the almost no-holds-barred shedding of egalitarian "socialist" State monopolistic central-planned "*chi daguofan* 吃大锅饭" [eating from one big wok] economic system for an unabashed rugged capitalist about-face (or, officially, "socialism with Chinese characteristics") – has fuelled the passion for speedier targeted change (see Figure 2 on typology of political action in the issue's prologue on China's social transformation) and in the context of ethnicity or ethnoterritoriality brought back the long-suppressed ghost of identity investment which the ruling establishment could be ill-prepared to accommodate (as depicted in Davies's J-curve shown in Figure 2).

4. Peripheral Nationalism and the Ethnoregional Troubles

On the other hand, recent years have witnessed increasing nationalist sentiment tacitly encouraged by the Han political centre – especially among the young, many born or grew up after 1989, very much encouraged by China's increasing international standing spurred by her new-found,

astounding economic strength and political and military might – a “centralist nationalism” that serves the CCP well. The “hundred years of national humiliation” stigma has been used time and again to explain or justify the upsurge of nationalism and the obsession over territorial integrity. Unity has been the greatest concern of the generation that holds dear to the conviction that China’s shameful defeat at the hands of Western and Japanese colonizers would never be allowed to be repeated, and that, though not often explicitly stated, high degree of regional autonomy especially in the non-Han ethnic regions like Tibet and Xinjiang could be the prelude to separatism and pave the way to China’s disintegration, as the cases of the former Soviet Union and Yugoslavia have amply attested to.[15]

To understand fully the Chinese central State’s unwavering position regarding such ethnoregional separatist sentiments, it is inadequate to attribute it, as quite often done, to “China’s obsession with national security and the integrity of its historical borders” (Cook and Murray, 2001: 147). Instead, one needs to go back to the fundamental tenets of Marxism-Leninism:

> Marxist-Leninist theory on the national question defines a methodology for dealing with specific questions concerning the status of communities called nations or nationalities […] According to Communists, the fundamental cleavages of world society are along class rather than national lines. “Nations” are artificial units which came into being with the rise of capitalism and which are destined to disappear when capitalism is replaced with Communism; nationalism is a club used by capitalists to keep the world proletariat divided and subdued. When the proletariat seizes power throughout the world, then, according to the theory, nations and nationalism will vanish.
>
> (Moseley, 1966: 4-5)

Related to this, it is apparent that the national question has been central, not peripheral, to the revolutions in both Russia and China:

> […] the national question has been used by the Communists in both countries to promote the attainment of revolutionary goals as interpreted by Great Russians and Han Chinese, respectively. And when one realizes that more than half the population of Russia at the time of the October Revolution consisted of peoples other than the Great Russians, and that more than half the territory of China “liberated” in 1949-1950 was inhabited by peoples other than Han Chinese, it will be appreciated how immensely important the national question was to the success of both revolutions […] In concrete terms, what “Marxist-Leninist theory on the national question” as applied in Russia and China really means is that claims for national independence on the part of minorities in socialist countries is [sic] counter-revolutionary, and only in capitalist and colonial countries are such claims correct. Once the Communist Party, the vanguard of the proletariat, seizes

> power, then the oppression of one nationality by another is impossible; anyone still demanding independence, therefore, can only be an agent, witting or unwitting, of world imperialism and therefore an enemy of "the people." By similar arguments it is demonstrated that national minorities do not need their own Communist parties, since their interests are abundantly guaranteed by the unique Communist Party of the country.
>
> (*ibid*.: 6-7)

A correct perspective on the issue of ethnoregionalism and the root cause of ethnoregional secessionism and the accompanying peripheral nationalism – long regarded by the Party-State as irrational, ungrateful and unfathomable – free from the preconceived bias of "centralist nationalism" is important to understand the complexities of Xinjiang, Tibet, Taiwan and other chasms[16], for as Eisenstadt noted, such conflicts are but part and parcel of pluralism:

> Conflict is inherent in any setting of social interaction for two basic reasons. The first reason is the plurality of actors in any such setting. The second reason is the multiplicity of the principles inherent in the institutionalization of any such setting – the multiplicity of institutional principles and of cultural orientations – and the power struggles and conflicts among different groups and movements that any such institutionalization entails.
>
> (Eisenstadt, 1992: 416)

On the other hand, the whole idea of the Confucian grand unity (*datong* 大同) in the Cultural China construct should not be taken for granted without paying due consideration to the will of all groups, whether dominant or subordinate, in the People's Republic of China. This so-called "grand unity" emphasized in the Cultural China construct, far from being a voluntary federalization by amalgamation, has always been a top-down arrangement in the millennia of China's history, shaped mostly by conquest and domination. As Mikhail Gorbachev pointed out in the case of the former Soviet Union, the disintegration of such an entity represents the dissolution not of a country, but of the command structure that has long gone against the genuine will of the constituent nationalities of the empire (Gorbachev, 1991).[17]

According to the 2000 census, Uyghurs are but only 45 per cent of the population of Xinjiang although the region was organized as a "Uygur Autonomous Region". Even if we add on the Kazakhs (7 per cent) and the Hui (5 per cent), Uyghurs and their Muslim co-regionalists contribute only to about 57 per cent of the population. Lin Huihsiang, writing in 1936, provided the following information:

> Today's Hui 回 (Muslim) *tsu* 族 (nationalities) are mainly found in Hsinchiang 新疆, Kansu 甘肅 and Shaanhsi 陝西 – and mostly in Hsinchiang […] the T'uchüeh 突厥 (i.e. Turk) *tsu* were earlier found to the north of the Hsiungnu 匈奴 (Huns), later moved southward into Mongolia.

> After the conquest of Huike 回紇 by Hsiachiaszu 黠戛斯 (Kirghiz), they moved southwest into the regions of Hsinchiang and Kansu. After the suppression of the Muslim rebellion, Hsinchiang was changed into a province in the Eighth Year of the Reign of the Ch'ing dynasty Emperor Kuanghsü 清光緒八年 (i.e. 1882). Today the Muslim population there still constitutes eighty per cent.
>
> (Lin, 1936: 42-43)

If Lin's data were accurate, today's Uyghur (and other Muslim) population in Xinjiang is a far cry from that in the 1930s. On another note, the history of Xinjiang is a history of continuous rebellion and imperial, often brutal, suppression. Lin (1936) wrote:

> Islam's entry into Hsinchiang 新疆 began in early 11th Century, but then it was limited to the southwestern corner of the region. The expansion became rather rapid by the Yüan dynasty 元朝. By the time of early Ch'ing dynasty 清朝 the southern part was completely populated by Muslims, who came to expand into the region's north after the time of Emperor Ch'ienlung 乾隆 […] Since the conquest of Huike 回紇 by Hsiachiaszu 黠戛斯 (Kirghiz), Muslims had migrated southwest from the north to south of the T'ienshan (天山) mountain. Since then the T'uchüeh 突厥 (Turk) people have been mostly residing in Hsinchiang. After the conquest of Weiwuerh 畏吾兒 (i.e. Uighur) by the Mongols, it belonged to Mongol's Chagatai Khan. During the Ming dynasty (明朝) located in this region were Hami 哈密, Huochou 火州, T'ulufan 土魯番 (i.e. Turpan) etc. which were semi-independent, among which the strongest being T'ulufan whose population, other than Muslims, also consisted of Ch'iang 羌, T'ufan 吐蕃 and Mongols […] By the time of Emperor Ch'ienlung, Amusana 阿睦撒納 of the Chunkeerh 準葛爾部 (i.e. Dzungaria) rebelled against the Ch'ing government; Muslim leader Hechomu 和卓木 took the opportunity to lead the Muslims to fight for independence from the Ch'ing court but was defeated and killed. Hence the Muslim region again came under Ch'ing rule in the 24th Year of the Reign of Emperor Ch'ienlung 乾隆二十四年 (i.e. 1759) […] The next rebellion came in the 25th Year of the Reign of Emperor Chiach'ing 嘉慶二十五年 stemming from Ch'ing officials' persecution of the Muslim people. This revolt led by Changkeerh 張格爾, offspring of Hechomu, was finally crushed by the Ch'ing army in the 7th Year of the Reign of Emperor Taokuang 道光七年 […] Muslim uprising occurred again in the 1st Year of the Reign of Emperor T'ungchih 同治初年 and Shaanhsi, Kansu and Hsinchiang almost all achieved independence. Shaanhsi's and Kansu's independence movements were crushed by Tso Tsungt'ang 左宗棠 who was sent in the 7th Year of the Reign of Emperor T'ungchih to the western region, who proceeded to crush the independence movement of Hsinchiang in the 2nd Year of the Reign of Emperor Kuanghsü 光緒二年.
>
> (Lin, 1936: 37-41)

That said, the case of Xinjiang is still much more complicated than a simple Muslim struggle for independence against Han colonizers, as Gladney (2003: 24-25) cautioned:

> The problems facing Xinjiang, however, are much greater than those of Tibet if it were to become independent. Not only is it more integrated into the rest of China, but the Uyghur part of the population is less than half of the total and primarily located in the south, where there is less industry and natural resources, except for oil […] however, unless significant investment is found, Tarim oil and energy resources will never be a viable source of independent wealth. Poor past relations between the three main Muslim groups, Uyghur, Kazak, and Hui, suggest that conflicts among Muslims would be as great as those between Muslims and Han Chinese. Most local residents believe that independence would lead to significant conflicts between these groups, along ethnic, religious, urban-rural, and territorial lines.

In fact, influx of ethnic Han into Xinjiang intensified only after the establishment of the People's Republic, with the numbers of Han settlers in Xinjiang rising from less than half a million in the early 1950s to 7.5 million by 2000 and 8.1 million by 2006.[18] On a historical timeline, Han Chinese colonization of the region has only been quite a recent phenomenon with large-scale Han migration into the region in the mid-19th century:

> […] it was not until 1760, and after their defeat of the Mongolian Zungars,[19] that the Manchu Qing dynasty exerted full and formal control over the region, establishing it as their "new dominions" (*Xinjiang*), an administration that had lasted barely 100 years, when it fell to the Yakub Beg rebellion (1864-1877) and expanding Russian influence. Until major migrations of Han Chinese was [sic] encouraged in the mid-nineteenth century, the Qing were mainly interested in pacifying the region by setting up military outposts which supported a vassal-state relationship. Colonization had begun with the migrations of the Han in the mid-nineteenth century, but was cut short by the Yakub Beg rebellion, the fall of the Qing empire in 1910 […]
>
> (Gladney, 2003: 4)

Such independence movements have not ended with the overthrow of the Manchu dynasty in 1911, as the ensuing warlord era dismembered the region and the nascent republican China faced the danger of losing the territory on various occasions – the short-lived East Turkestan Islamic Republic in 1933 and East Turkestan Republic in 1944 which lasted till 1949 when the People's Liberation Army entered Xinjiang ("peaceful liberation") and the region was incorporated as part of the new People's Republic, later established as the "Xinjiang Uyghur Autonomous Region" on 1st October 1955.

As the Uyghur population dwindled to just 45 per cent today (compare this with Lin's nineteen-thirties figure of about 80 per cent) while large-

scale Han Chinese settlement has caused the latter's proportion to burgeon to 41 per cent[20], Uyghurs' resentment against what they perceive as the Han Chinese empire's internal colonization and the exploitation of the region's rich resources by the Han Chinese central State is inevitable. Large-scale demographic transfer of members of a country's dominant ethnic group into a minority ethnic region of the country inevitably, for the ethnic minority, raises the spectre of internal colonization, plundering of local resources, dominant cultural assimilation, and unequal resource contest. In the case of Xinjiang, adding to such perception is the historical legacy left by China's use of Xinjiang as the testing ground for its nuclear weapons programme from 1964 to 1996, which according to recent Japanese research results by Professor Jun Takada 高田純, a physicist at the Sapporo 札幌 Medical University, have probably resulted in a "conservative minimum" of 194,000 deaths from related illnesses out of the 1.48 million people who were exposed to radioactive fallout from the testings, 1.2 million people afflicted with leukaemia, solid cancers and fetal damage, including 35,000 newborns who were deformed or handicapped. The 46 nuclear testings over the span of 32 years at Xinjiang's Lop Nur have been disastrous in particular for the ethnic minorities including Uyghurs and Tibetans as wind direction had brought nuclear dust to the Silk Road cities and townships in Xinjiang and Gansu, bringing about cross-generational legacy of cancer affliction – with Xinjiang's cancer rates allegedly 30 to 35 per cent higher than the national average – birth deformities and shorter lifespan.[21]

Similar phenomenon can be observed in Tibet. The Sinicization of Ürümqi is paralleled by the Sinicization of Lhasa 拉萨. The official population figures for Tibet differ much from certain unofficial ones. The official figures have been disputed by the Tibetan government-in-exile who claimed that "accelerating Han population transfer into Tibet […] has reduced the Tibetan people to a minority in their own land [… and today] there are over 7.5 million non-Tibetan settlers in Tibet including Chinese and Hui Muslims, compared to six million Tibetans" (Cook and Murray, 2001: 141). However, such allegations of population transfer were rebutted by the Beijing government – according to whose official figures Tibetans constitute 93 per cent of the Tibet's total population – who argued that "the only Han Chinese living in Tibet are specialists who have gone there voluntarily to help in the region's development [… and they] make up less than five per cent of the population and many of the people are there for only a few years before returning home" (Cook and Murray, 2001: 141). The figure of 93 per cent Tibetans was one given by the 2000 Census. In fact, official data for the year 2005 gave the proportion of Tibetans as high as 95.28 per cent and that of Han as only 3.91 per cent of the total population of Tibet.[22]

5. The Inverted Paradigm: State Policy-Induced Ethnogenesis, Reethnicization and Polarization

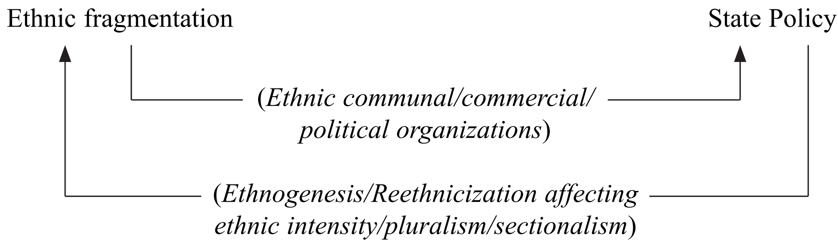
J'accuse. [I accuse.]

Émile Zola (1840-1902), *L'Aurore*, 13th January 1898

As a comparison with the case of China, let us look at an inverted paradigm in contrast to the discussion so far, using the case of Spain's Andalucía. Andalucía, of course, is Castilian. Nevertheless, what uneven development and public policy can do to fuel regional separatist sentiments is evident even in Andalucía where the population has little ethnolinguistic differences from the Spanish (Castilian) political centre, for while government responds to challenges from ethnic community organizations that seek to influence public policy, "within an inverted and complementary paradigm [...] ethnic communities take shape as response to stimuli which induce a process of ethnogenesis" (Gheorghe, 1991: 842-843). The shockingly rapid emergence since the late 1970s (with the advent of the *Comunidades Autónomas* project) of a politically disciplined and powerful regional cultural identity in Andalucía, which Greenwood (1985) argued to be as authentic as the Basque or Catalan ethnic movement, basically stems from the local people's grievances that they have been subjected to centuries of exploitation not merely by Andalucian capitalists, but by the Castilian political centre as well. This interesting phenomenon of public policy-induced ethnogenesis evident in the large southern impoverished region of Andalucía, which shares the linguistic identity of the Spanish (Castilian) centre, is the direct result of the post-Franco *Comunidades Autónomas* project. "The rapidity with which a politically disciplined and powerful regional cultural identity has emerged in Andalusia shocked everyone", commented Greenwood (1985: 222-223), "[...] the idea that the Andalusian movement is something qualitatively different from the 'true' ethnic movements in the Basque Country and Catalonia must be exploded."[23]

This phenomenon of public policy-induced ethnogenesis is also evident in the increasing support since the 1980s for Italy's *Lega Nord* (Northern League), whose leader has declared the aim to set up a state called "Padania" free from Rome's rule and from union with the poorer South.[24] Such centrifugal development in Italy, of course, reflects the increasing resentment of the more prosperous North for having to subsidize the poorer South and a tax revolt against Rome.[25] Although from the ethnolinguistic perspective the country is relatively homogeneous (with small Sard, Friul, German and Occitan minorities), Italy's late but rapid unification has left a legacy of widespread "pseudo-ethnic" sectionalism, which is no less ascriptive than that Greenwood found in Andalucía, across its numerous regions and compartments, partly reflected linguistically in the local *dialetti* or koinés.

Figure 3 Interrelationship of Ethnic Fragmentation and State Policy



In the case of China, such public policy-induced ethnogenesis is evident in, for instance, the most assimilated of minorities, the Zhuang whose ethnic consciousness was virtually created by the Han-dominated central Communist Party-State in the early 1950s[26], who have begun to press for preferential treatments from the central government, as the country's deadly race towards economic prosperity continues to widen economic disparities between the ethnic minorities and the Han majority, making it more and more challenging to manage ethnic nationalism and ethnoregionalism in the People's Republic (Figure 3)[27], as well as having dire implications for the prospects and consequences of further decentralization and possible federalization, a critical dimension to which this paper will later return.

6. Western Regional Development Programme

It is a fact that Beijing has been intensifying efforts in developing the western region of China, including Xinjiang, in particular after the launching of the Western Regional Development Programme (*xibu dakaifa* 西部大开发). However, such heavy economic support and financing of disputed or ill-integrated regions for national territorial cohesion is nothing unique. For instance, ethnopolitical conflict brought about by the annexation of East Timor obviously had an effect on fiscal allocation in Indonesia in the years before Timor-Leste (East Timor) officially freed herself in May 2002 from more than two decades of Indonesian occupation and became a sovereign state. In fact, as Shah and Qureshi (1994) showed, the Indonesian "province" of Timor Timur (East Timor) received the highest per capita general-purpose central transfer among all Indonesian provinces (Shah and Qureshi, 1994: 62). Timor Timur, together with Irian Jaya (a province with strong secessionist sentiment), also received special preference in SDO ("subsidy for autonomous regions") grant allocation (*ibid.*: 65). It could of course be argued that Timor Timur was Indonesia's poorest "province" – both Timor Timur and Nusa Tenggara Timur had the lowest per capita non-oil Gross Domestic Product (GDP) of just about

Table 3 China's Western Region: Major Economic Indicators, 2005

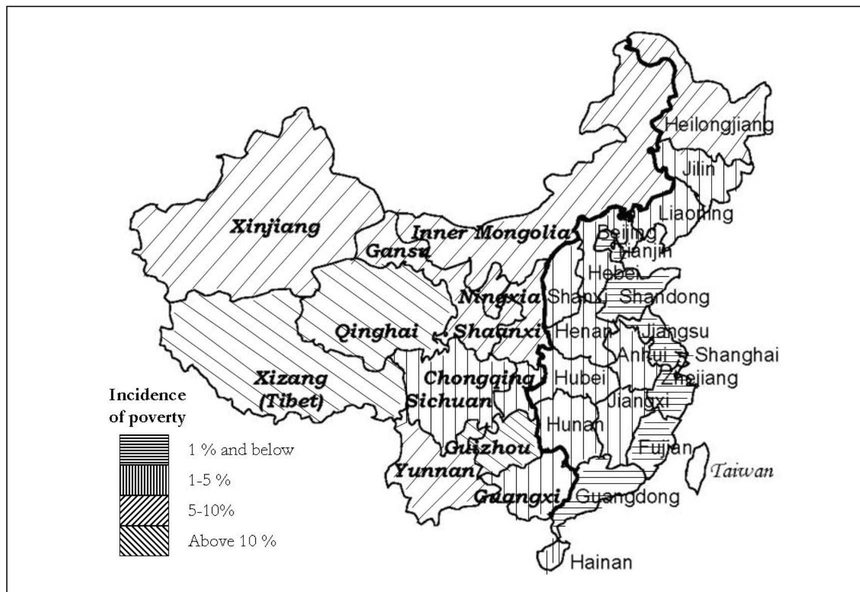
	GDP (hundred million yuan)	*GDP growth (%)*	*GDP per capita (yuan)*	*Fixed capital formation (hundred million yuan)*	*Urban income per capita (yuan)*	*Urban income per capita growth (%)*	*Rural income per capita (yuan)*	*Rural income per capita growth (%)*
Sichuan	7385.1	12.6	8440.1	3462.1	8386.0	8.8	2802.8	8.6
Guangxi	4063.3	12.7	8762.0	1775.9	8916.8	9.0	2494.7	8.2
Inner Mongolia	3822.8	21.6	16026.0	2687.8	9137.0	10.3	2989.0	14.7
Shaanxi	3674.8	12.6	9844.0	1980.5	8272.0	9.4	2052.0	6.9
Yunnan	3472.3	9.0	7833.0	1743.0	9265.9	4.5	2041.8	6.5
Chongqing	3069.1	11.5	10978.0	2006.3	10244.0	10.2	2809.0	11.9
Xinjiang	2609.0	10.9	13030.0	1352.3	8100.0	8.0	2482.0	10.6
Guizhou	1942.0	11.5	4957.0	1014.7	8147.1	10.6	1877.0	5.2
Gansu	1928.1	11.7	7341.0	874.5	8086.8	9.6	1980.0	6.9
Ningxia	599.4	10.3	10308.0	444.7	8093.6	12.1	2509.0	6.3
Qinghai	543.2	12.2	10043.0	367.2	8057.9	10.1	2165.1	8.0
Tibet	250.6	12.2	9098.0	196.2	8411.0	2.6	2078.0	11.7

Note: Rural poor for whole of China in 2004 totaled 26.10 million, with incidence of poverty 2.8 per cent.
Source: *Zhongguo Fazhan Shuzi Ditu*, 2006, p. 225, and *Zhongguo Xibu Jingji Fazhan Baogao (2007)*, p. 39, Table 5.

360,000 rupiah or US$180 (*ibid*.: 54, 254, Tables 3.8, A5.10). Furthermore, Timor Timur (and Irian Jaya) had the lowest proportion of own-source receipts in total current receipts and Timor Timur had the lowest proportion of aggregate own revenues of local governments in total current revenues and proportion of own revenue in total receipts (*ibid*.: 84, 86) that qualified the "province" for higher central transfers[28], but the continuing destitution of the poverty-stricken region was very much a result of the occupation and brutal military campaign against the independence movement.

It is also a fact that Xinjiang has not fared badly in development and modernization in recent years. In terms of GDP, Table 3 shows that Xinjiang has had a moderate performance among the provinces/zizhiqu/zhixiashi of the western region and fared much better than Tibet which has been the worst performer. In terms of GDP per capita, Xinjiang is the best among them. Rural poverty is still a serious problem for Xinjiang, with rural incidence of poverty in the bracket of 5-10 per cent but not as bad as Tibet and Qinghai whose rural incidence of poverty is above 10 per cent (Figure 4). In terms of urbanization, Xinjiang is also a moderate performer, ranking 17th among the country's 31 provinces/zizhiqu/zhixiashi[29], compared to the least urbanized Tibet (ranked 31st) (Figure 5). Other key indicators, shown in Figures 6-10, reveal a similar picture.

Figure 4 China: Distribution of Rural Poor



Source: Chen (2006: 176), Table 7-1. Data are for year 2003.

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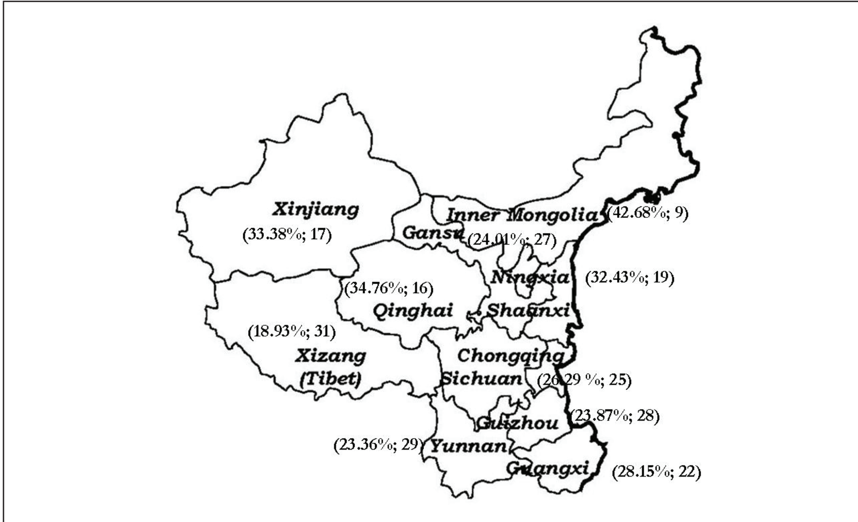
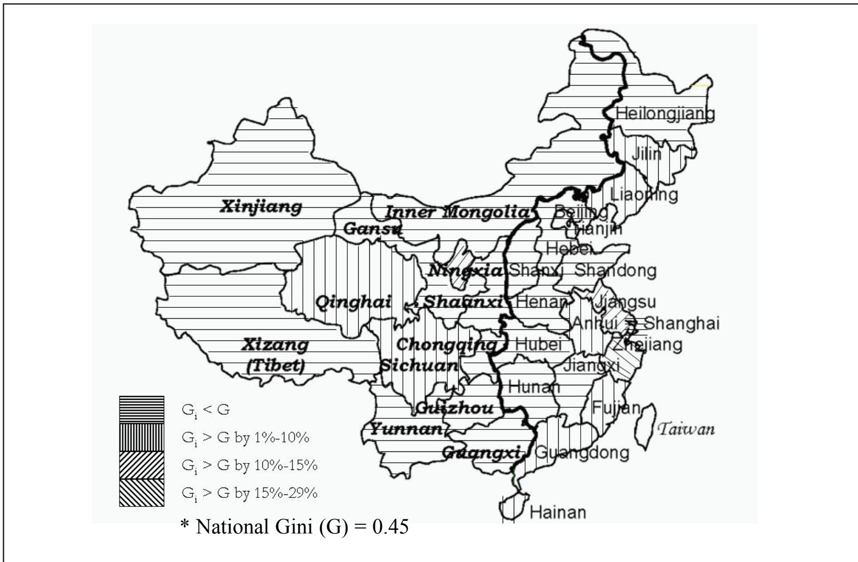
Figure 5 China: Urbanization in Ethnic Zizhiqu and Multiethnic Provinces (Rate of urbanization; National ranking in rate of urbanization)



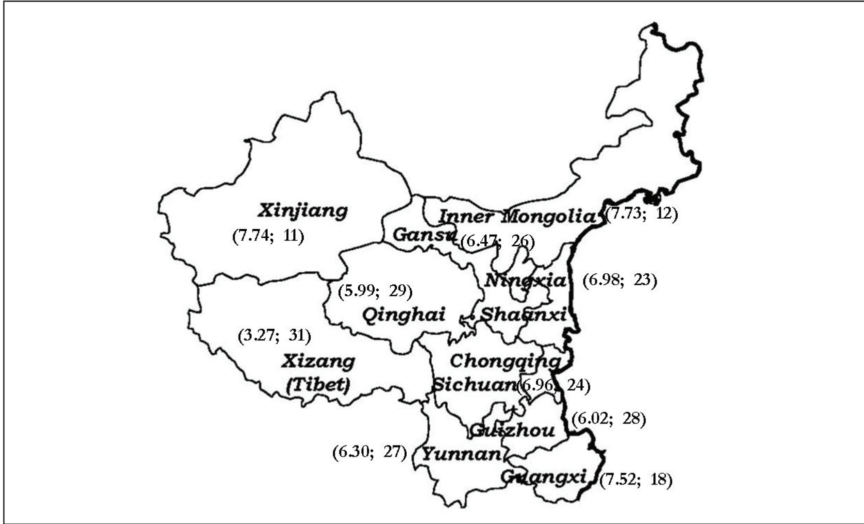
Source: *Zhongguo Minzu Fazhan Baogao, 2001-2006*, p. 232, Table 18 (original source: *Zhongguo Renkou Wenhua Suzhi Baogao*, 2004).

Figure 6 China: Gini by Province/Zizhiqu/Zhixiashi



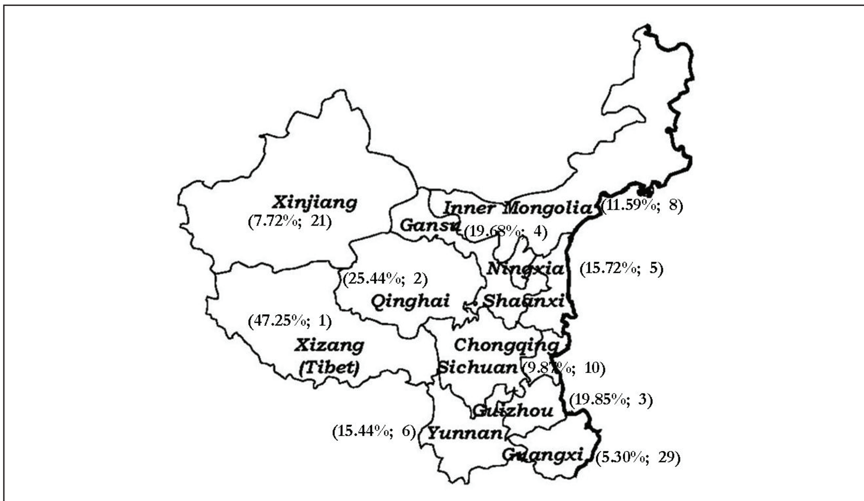
Source: Huang and Niu (2007: 161-162), Table 5-3(2).

Figure 7 China: Average Education Level in Ethnic Zizhiqu and Multiethnic Provinces, 2000 (Years of schooling; National ranking of education level)



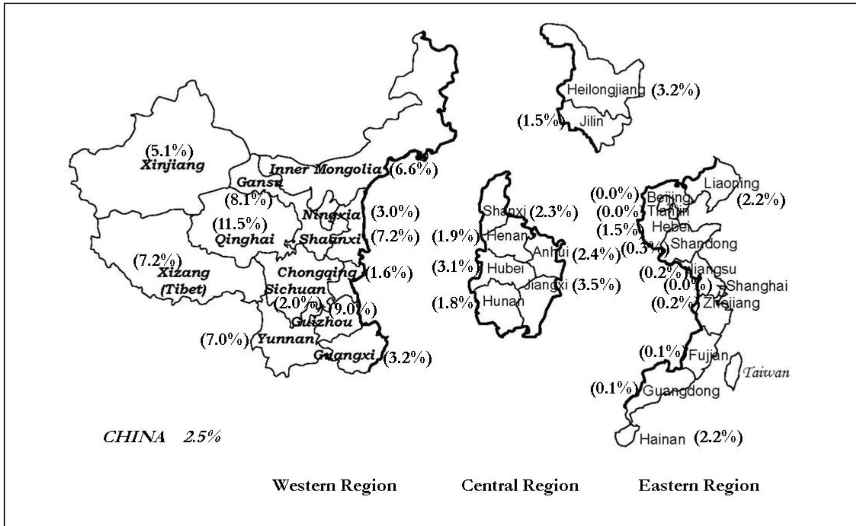
Source: *Zhongguo Minzu Fazhan Baogao, 2001-2006*, p. 231, Table 17 (original source: *Zhongguo Renkou Wenhua Suzhi Baogao*, 2004).

Figure 8 China: Illiteracy in Ethnic Zizhiqu and Multiethnic Provinces, 2000 (Illiteracy rate; National ranking of illiteracy rate)



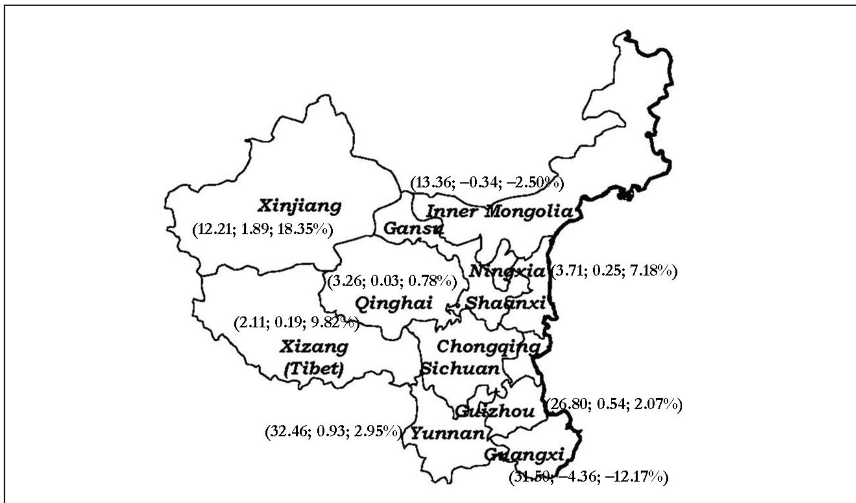
Source: *Zhongguo Minzu Fazhan Baogao, 2001-2006*, p. 230, Table 16 (original source: *Zhongguo Renkou Wenhua Suzhi Baogao*, 2004).

Figure 9 China: Incidence of Absolute Poverty by Province/Zizhiqu/Zhixiashi, 2005



Source: *Zhongguo Fazhan Baogao 2007*, p. 39, Table 2.3.

Figure 10 China: Population Engaged in Agriculture in Ethnic Zizhiqu and Multiethnic Provinces (Million people in 2000; Growth in million 1990-2000; Growth rate)



Source: *Zhongguo Minzu Fazhan Baogao, 2001-2006*, p. 232, Table 19 (data from the 2000 Population Census).

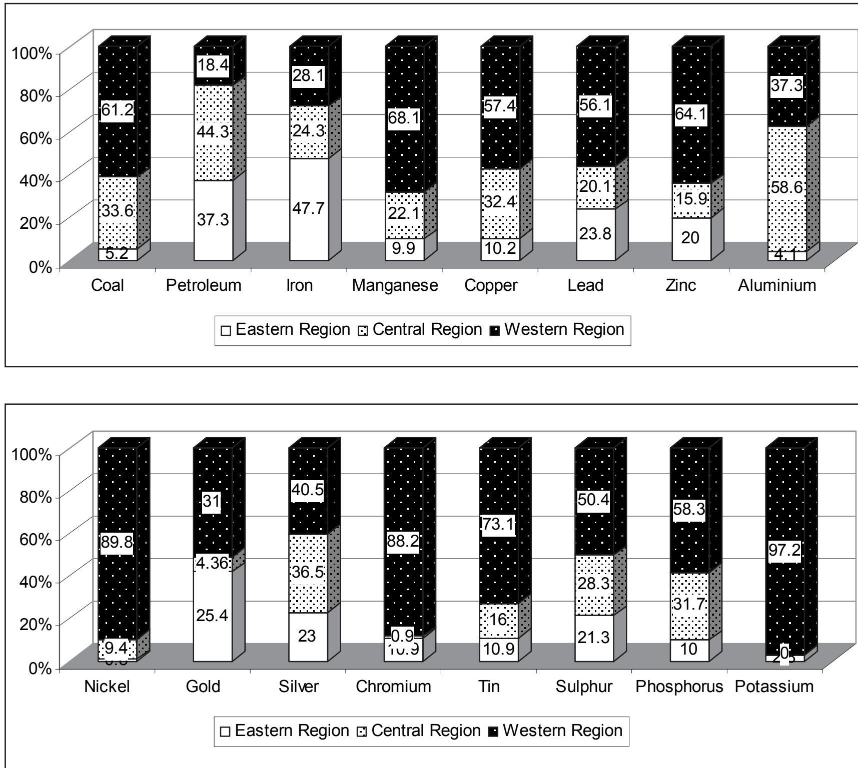
However, implementing the western regional development project within a cautious political framework is not without risks either. First, with strong constraints in the devolvement of central power, it could be difficult to coordinate the interests of the central and local governments over the power of authorization and permissions and to determine how far the right to independent development could go. Besides that, it may not be easy to adjust the interests of local governments over limited financial resources and projects to be implemented. Finally, there is the fact that 80 per cent of the ethnic minorities in China live in the western regions and national border areas where the new regional development strategy is targeted. Without accompanying decentralization of political power and the conferring of substantial degree of regional autonomy in the control and use of local resources, ethnic minorities may perceive the central State's projects as attempts at internal colonization – for instance, the mixed feelings of the Tibetans towards the Qinghai-Tibet railway – leading to their outright opposition to the whole regional development strategy itself, thus exacerbating the already simmering ethnoregional tensions, even culminating in repeated disturbances such as the deadly 14th March 2008 riots in Tibet and 5th July 2009 riots in Xinjiang. Paradoxically, further devolution in China that seems to be the logical extension of the already decentralist process of economic reform may yet be arrested by the lack of the will for political change – which is crucial to the maintenance of long-term stability – due to the illusory confidence brought about by the economic success itself.

7. Regional Development and Resource Politics

In a way as in Spain where ethnic division is territorial with her ethnic minorities concentrated in Catalonia (*Catalunya/Cataluña*) and the Basque Country (*Euskadi/País Vasco*) which constitute the economic backbone of the country, in China where the major ethnic division is also largely territorial, the country's major ethnic minority groups including the Uyghurs and Tibetans are concentrated in the resource-rich western provinces and zizhiqu (Figure 11).[30] It was forecasted that by 2010, the western region's coal, petroleum, natural gas and a whole range of abundant mineral resources will be adequate to guarantee China's economic development or exports, and hence the western region – being the major energy source for the whole of China, providing 34 per cent of the nation's coal, 78 per cent of hydroelectricity and 59 per cent of natural gas (*Zhongguo Xibu Jingji Fazhan Baogao 2006*, p. 268) – is poised to become the country's important reserve base of strategic resources.

The geographical demarcation of the western region for the *xibu dakaifa* programme was nevertheless not an easy process, since being incorporated

Figure 11 China: Distribution of Mineral Reserves
(Region as Proportion of All China)



Source: *Zhongguo Diqu Jingji Fazhan Zhanlüe Yanjiu*, 2003, p. 122, Table 7-4. (Computed from "Quanguo Kuangchan Chuliang Hui Zongbiao 全国矿产储量汇总表". Calculated with reserve volume as at end of 1997.)

as a part of the western region means that the regional government concerned would be entitled to receive various benefits, including priorities in obtaining projects funded by the central government and other fiscal subsidies. That explains why regional governments all over the country at that time of demarcation were swept into a frenzy trying to get their regions classified as "western" – in a course of events resembling the *fiebre autonómica* (autonomy fever) when the Spanish Comunidades Autónomas project was first introduced after the death of the *Caudillo* – no matter how unconvincing their arguments were. However, given the fiscal constraints of the central government, continued fiscal help from the central government could be problematic. Hence, fund-raising would depend on the ability to attract domestic- and foreign-capital enterprises. That explains why many regional

governments had raced to announce preferential policy measures as soon as the proposal was made for the *xibu dakaifa* strategy (*IDE Spot Survey*, 2001: 24). Such interregional scrambling for future benefits even at the early stage of the strategy can provide a glimpse into the potential resource contest between regions, especially given the understandable difficulty to coordinate and adjust the interests of regional governments over the distribution of the resources for the strategy.

Furthermore, the reassertion of old regionalisms and the development of new regionalisms in particular with an ethnic overtone have always constituted a challenge to countries facing an inevitable long-term prospect of decentralization and devolution, as apparent in the *fiebre autonómica* that threatened to bring about the virtual disappearance of the central Spanish State when the country's *Comunidades Autónomas* project was first introduced after the death of the *Caudillo*. The undertaking of costly projects, such as the creation of regional public television networks, regional institutes for business development and promotion, the development of major infrastructures, etc., by the Autonomous Communities in a concerted effort to compete with each other in the levels of performance and achievement, for political legitimacy and consolidation, have served to further exacerbate the existing rivalry over public resources and worsen the conflict between the Communities as well as between the centre and the periphery, with significant implications for the development of ethnoterritorial consciousness and interethnic relations in Spain. Even the fact that the Han Chinese command an unequivocal majority of 92 per cent of the total population of China needs not render the country immune to such threats.

The following section aims to take this discussion a step further by analyzing the socioracial problems of China's ethnic regions, with particular reference to the case of Xinjiang, with regard to the possible theoretical implications of the impact of continued Han Chinese influx on interethnic relations which will in turn affect regional stability in the objective environment created by the State's ethnic and regional policies.

8. From Ürümqi to Lhasa: Perception of Superordinate-Subordinate Power-Size Configuration

One important aspect of the numerical structure of ethnicity refers to the role played by the relative size of ethnic groups in the societal power structure. The superordinate-subordinate relationship in a multiethnic society is related to the concept of "minority" which avoids some of the definitional problems accompanying the concepts of "race" and "ethnicity", especially those related to the nature and significance of different types of group markers. The concept of "minority", instead, focuses on the size and strength of the groups involved,

in terms of variations in the economic, political and social balance of power. Wirth (1945: 347) defined a minority as "a group of people who, because of their physical or cultural characteristics, are singled out from the others in the society in which they live for differential and unequal treatment, and who therefore regard themselves as objects of collective discrimination". This definition has been criticized because it makes the existence of minorities completely dependent on the feelings of minority group members, despite his caveat that minorities "objectively occupy a disadvantageous position in society" (*ibid*.: 348). Wirth's emphasis on the disadvantageous social position of the minority leads to his neglect of the latter's numerical relationship to the wider society. For him, collective perception of their distinctive disadvantages is the decisive criterion that distinguishes minorities from other subordinate populations irrespective of their number, nature and disadvantage, as a people "whom we regard as a minority may actually, from a numerical standpoint, be a majority" (*ibid*.: 349).

Disregard for the numerical aspect, in addition to the importance attached to subjective definitions of the situation by the minority, leads to the view that every instance of group conflict in society is by definition, a "minority problem" (van Amersfoort, 1978: 219). Many researchers besides Wirth have shown the same disregard for the numerical aspect, e.g. Wagley and Harris (1967), preferring to emphasize the power dimension of the "minority" concept. Nevertheless, whether the concept of a minority group depends upon actual numbers, is more than a matter of definition, since power and numerical dimensions are ultimately linked to each other. As Stone (1985: 43-44) remarked:

> [...] this basic demographic fact [of actual numbers] will affect many different aspects of race relations, not least the question of the "costs" for the dominant group of promoting racial justice: whether such policies can be pursued in a relatively peaceful, evolutionary manner, or whether they are more likely to lead to persistent conflict and violence.

When analyzing the possible impact of public policy on ethnic conflict, such disregard for the numerical aspect diminishes any projected result. Smith (1987: 343-4) emphasized this numerical dimension in his critique of Wirth's definition:

> To lump together all disadvantaged populations irrespective of size without prior study of the relationships between their demographic ratios, organisation and differences of collective status, assumes in advance the irrelevance of these variables or the randomicity of their distribution. Such assimilation of demographic fractions and majorities is sociologically unsound because the situations of aggregates often differ as functions of their relative size and organisation or lack of it.

Relating the numerical dimension directly to the question of political power, van Amersfoort (1978: 221) noted that in a modern democratic state the "characteristic problem for a minority group is not so much that it is difficult to ensure formal rights, but that the numerical situation restricts the possibility of translating such rights into social influence". A useful redefinition of the concept of "minority" is that by Schermerhorn (1970: 14):

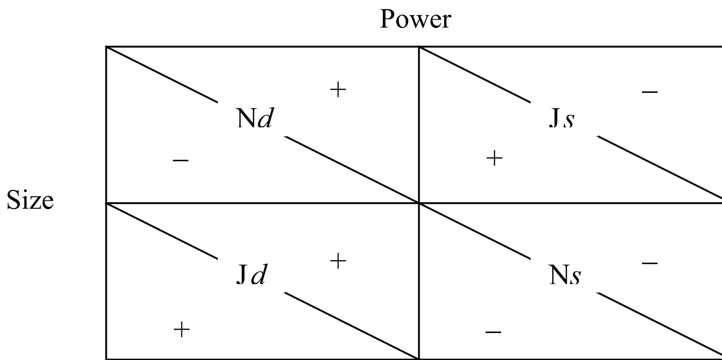
> Combining the characteristics of size, power, and ethnicity, we [...] use "minority group" to signify any ethnic group [...] that [...] forms less than half the population of a given society, but is an appreciable subsystem with limited access to roles and activities central to the economic and political institutions of the society.

For Schermerhorn only those subordinate ethnic groups that are numerical minorities of nation-states qualify as "minority groups". He thus implicitly endorsed all other criteria set by Wagley and Harris (1967: 10) to distinguish (ethnic) minorities, whose membership must be transmitted by rules of descent and endogamy, from other disadvantaged collectivities (whose disadvantages are due to social mobility, e.g. refugees, captives, and other disadvantaged categories such as women, slaves, proletarians and peasants). The "ethnic group" is defined by Schermerhorn as "a collectivity within a larger society having real or putative common ancestry, memories of a shared historical past, and a cultural focus on one or more symbolic elements defined as the epitome of their peoplehood", and the "dominant group" as "that collectivity within a society which has preeminent authority to function both as guardians and sustainers of the controlling value system, and as prime allocators of rewards in the society" (Schermerhorn, 1970: 12-3).

For a fundamentally bi-ethnic region like Xinjiang[31], it is apparent that the relationship between State policy and ethnic conflict and antagonism is influenced by the subordinate group's aspirations, the dominant group's orientations and their dynamic interaction. Figure 12 constructs a power-size configuration of ethnic groups similar to Moscovici's diagram of group power-influence configuration (Moscovici, 1985: 26). Based on this paradigm, a typology of multiethnic societies can be constructed, as illustrated in Figure 13.

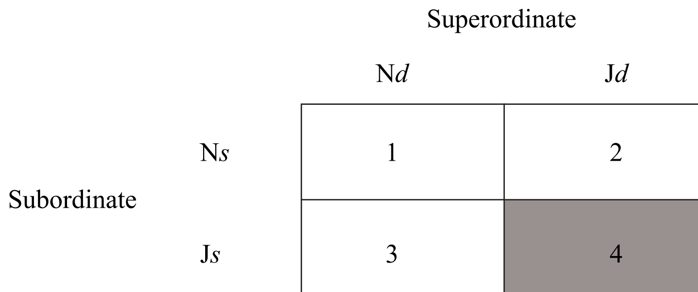
Excluding case 4 which is by definition not applicable, Figure 13 shows a threefold typology of multiethnic societies. Case 2 represents a J*d*-N*s* type of society which combines a subordinate demographic minority with a dominant demographic majority – a typical example is China as a whole with her demographically (92 per cent) and politically dominant Han Chinese majority. Case 3 is an N*d*-J*s* society in which the numerical majority is dominated by a demographic minority – as the local Uyghurs and other real

Figure 12 Power-Size Configuration of Ethnic Groups



Notes: J*d* = dominant demographic majority (Schermerhorn's "majority group")
J*s* = subordinate demographic majority ("mass subjects")
N*d* = dominant demographic minority ("élite")
N*s* = subordinate demographic minority ("minority group")

Figure 13 Typology of Multiethnic Societies



Note: Typology based on the paradigm presented in Figure 12.

and exotic minorities in Xinjiang possibly perceive themselves in relation to the minority Han Chinese settlers (around 40 per cent) backed by the Han Chinese-dominated central State, hence as an extension of the Han Chinese-dominated central State power. The subordinate-superordinate intergroup relationship in a society with no obvious demographic majority (an N*d*-N*s* society) is represented by case 1 – the mainly bi-ethnic relations in Xinjiang between the Uyghurs (about 45 per cent) and Han Chinese (about 40 per cent) or if we take the estimates of the Tibetan government-in-exile, the relations between the Tibetans (about 44 per cent) and Han Chinese settlers (together with the minority Hui settlers totaling about 56 per cent). If the non-Han

nationalities see the Han influx into Xinjiang as in a way an extension of the Han dominance of the central State, to them the Xinjiang society then belongs to the N*d*-N*s* category, while the continued influx of the Han following increasing economic prosperity of the region is seen as moving the society towards a J*d*-N*s* configuration, or probably it could have already to a certain extent reached that stage, if some unofficial data on population composition are accurate. Indeed, if we look at cities – the centres of prosperity – while the populations of Kashgar/Qeshqer (Kashi 喀什) and Hotan/Xoten (Hetian 和田) are still in the main Uyghur, that of the capital city Ürümqi/Ürümchi (Wulumuqi 乌鲁木齐) is already almost 80 per cent Han.[32] Official data, in fact, show that Ürümqi's population is currently 12.62 per cent Uyghur and 74.70 per cent Han.[33] Similar situation is also apparent in Tibet and Lhasa.

Schermerhorn's concept of a minority mentioned above, which he redefined as a variety of ethnic group, is part of the fourfold typology he developed to take account of the numerical and the power dimensions (Schermerhorn, 1970: 13):

Figure 14 Schermerhorn's Fourfold Typology of Dominant-Subordinate Relations

	Dominant Groups		
	Size	*Power*	
Group A	+	+	Majority Group
Group B	–	+	Élite
	Subordinate Groups		
	Size	*Power*	
Group C	+	–	Mass subjects
Group D	–	–	Minority Group

The fourfold typology illustrated in Figure 14 includes not only "majority group" and "minority group", which are dominant and subordinate respectively in terms of both size and power, but also "élite" and "mass subjects" where numerical superiority and power do not coincide. Societies that combine the subordinate numerical minorities ("minority groups") with dominant demographic majorities ("majority groups") (D+A, such as China as a whole), are contraposed as the structural opposites of those in which the numerical majority of "mass subjects" are dominated by a demographic minority, the "élite" (C+B, such as Xinjiang and Tibet, if one sees the minority Han settlers as an extension of the Han Chinese-dominated central State power). While it is undeniable that the typology provides a comprehensive picture of the dominant-subordinate relationship, the C+B case, other than

cases of internal colonization of a country's ethnic regions, is rare in today's world after the demise of Western colonialism in the Third World and the end of White rule in Rhodesia (Zimbabwe) and South Africa. Nevertheless, the fact that such configuration is rare other than internal colonization does not imply its total disappearance – two obvious examples are Rwanda and Burundi where the Hutu majorities are still politically dominated by the Tutsi minorities.

Cases 2 and 3 in Figure 13 thus correspond to Schermerhorn's AD and BC configurations respectively. However, since societies containing disadvantaged demographic minorities do not necessarily have the complementary majorities that Schermerhorn postulated (e.g. Niger, Nigeria, Liberia, Benin, see Smith, 1986), the inclusion of case 1 is necessary, examples of which as we have seen above are China's Xinjiang and possibly Tibet.

Such a typology can be considered exhaustive, since "race relations are essentially group power contests" (Baker, 1978: 316) wherein symmetrical power relationships among groups are rare and often transient:

> Whatever the power relationship (symmetrical, where both are equal, or asymmetrical, where one is dominant), each group may initiate action or respond to the acts, or anticipated acts, of others [...] Given changing circumstances over time, group power capabilities (measured in terms of group resources, additive resources, mobilization capabilities and situations) may alter, thereby transforming the character of group power relations. At any given moment in time (T1) the power of A may be equal to that of B (symmetrical), at a later period (T2) that of A may be superior to that of B (asymmetrical, with A dominant), or at another point (T3) that of A may be less than that of B (asymmetrical, with A subordinate).
>
> (Baker, 1978: 317-8)

The infrequency of a symmetrical power relationship was also noted by Hoetink in his study of slavery and race relations in the Americas:

> A race problem exists where two or more racially different groups belong to one social system and where one of these conceives the other as a threat on any level or in any context [...] One of the groups will commonly be perceived and perceive itself as dominant; the chances that two racially different groups within one society would attain an equilibrium of power, though not absent, are exceedingly small.
>
> (Hoetink, 1973: 91)

Hoetink (1973: 47-8) basically saw the multiethnic horizontally layered structure as a special form of *Herrschaftsüberlagerung* – "a stratification consisting of at least two layers of which the upper layer has, as it were, moved over the lower one (by military conquest, colonial usurpation, and so forth) or the lower layer has been pushed under by the upper one (by

subjugation, the importation of forced labour, and the like)". In societies with such horizontal ethnic division, stimulation of solidarities based on economic or class position may have an aggravating, rather than an ameliorating, effect on ethnic conflict. By contrast, in those societies where ethnic divisional lines between the main population segments run vertically, it is likely that a functional relationship between economic differentiation and the increase of interethnic (horizontal) solidarities, such as those based on economic position, will emerge. These foster intercommunication and may serve to mitigate existing ethnic antagonisms. The two patterns of ethnic division are conceptually linked to the two different types of plural society – the hierarchic plurality (based on differential incorporation) and segmental plurality (based on equivalent or segmental incorporation). A society may combine both these modes of incorporation and form a complex plurality. Smith (1986: 198) noted that the segmental and differential modes of incorporation generate quite distinct ethnic tensions and problems. Hoetink (1973: 146-7) linked the two different patterns of ethnic division to the stability of multiethnic societies:

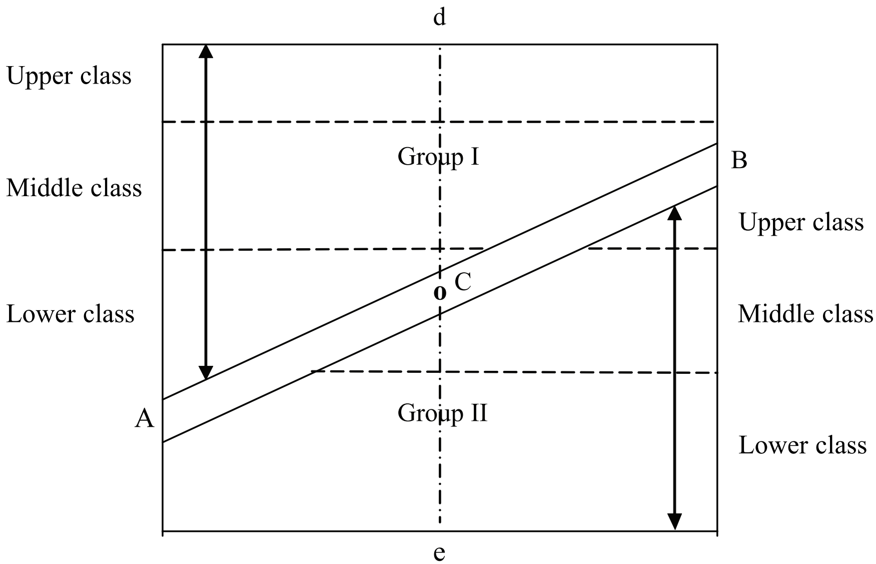
> It is interesting that the modern societies that often are put forward as examples of reasonably well-functioning cultural heterogeneity, such as Belgium, Switzerland, Great Britain, and the Soviet Union, all have vertical cultural boundaries, to the point that their cultural segments even have territories of their own with a certain degree of cultural and sometimes political autonomy. Although European history shows many cases of repression, expulsion, or political elimination of such territorially limited cultural minorities, and although it would be naïve to underestimate the still-existing cultural and political tensions in countries like Belgium or Great Britain, it is correct to assume that a minimum of horizontal interpenetration and communication gives these systems a certain viability.

To this list, Hoetink added Suriname, Guiana and Trinidad.

9. Xinjiang and Tibet: Perception of Interethnic Power Shift in the Ethnic Regions

Nevertheless, symmetrical power relationship between groups in a society is rare and even if it emerges, tends to be transient, as observed by Hoetink, cited in the preceding section. For various reasons ranging from demographic growth to economic ethos to social mobility, one of the groups usually achieves dominance in the long run, thus pivoting the vertical lines of ethnic division into horizontal ones, as illustrated in Figure 15 which represents the relative positions of ethnic and class categories, but not their relative sizes, and expresses a combination of the horizontal and vertical principles of social differentiation – similar to that presented by Warner (1936) in his caste-class configuration for the US Deep South.

Figure 15 Vertical *v* Horizontal Ethnic Division



The diagonal boundary A-B incorporates the status gap and divide ethnic group I from ethnic group II (Warner's "castes"). The two double-headed vertical arrows indicate that movement up and down the class ladders within each group can and does occur, but there is no movement across the ethnic boundary A-B (Warner's "caste line"). Han Chinese penetration into Xinjiang and Tibet under the CCP rule would have at first created a temporary vertical ethnic boundary positioned at d-e, indicating a system of combined equality and separation – the upper class of one ethnic group (Uyghur/Tibetan) would be equivalent to that of the other (Han), while the lower classes in each of the parallel groups would also be of the same social status. However, a possible perception of the non-Han nationalities is that the tilting of the ethnic boundary as shown in Figure 15 into the position A-B would have occurred somewhere along the timeline as, being an extension of the politico-economic power of the Han-dominated central State, Han economic dominance in these ethnic regions grew due to various factors including political, economic and cultural environmental preconditions, initial endowments, long-established networks, etc.[34] With the ethnic line tilted in the way shown in the diagram, within each class level to which they have risen, members of group II (Uyghur/Tibetan) are thought of as socially inferior to members of group I (Han) of the same class, until as individuals they become assimilated (Sinicized) by the latter. It is a perception of the non-Han ethnic people that they are often looked upon as backward, dirty, lazy and superstitious by the dominant Han who pride themselves on assiduity and having a "5000-year culture". Marginalized by

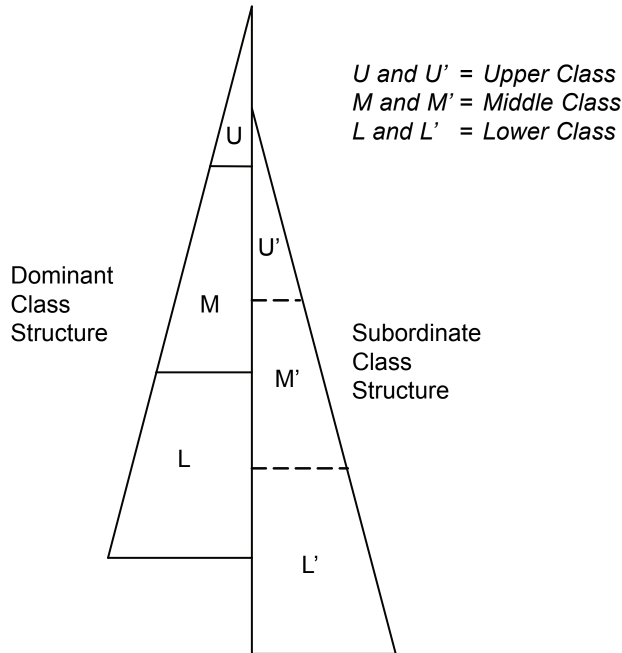
centuries of Han Chinese imperial expansion, China's ethnic minorities have historically been viewed as *manyi* 蠻夷, i.e. "barbarians", and it was only after the revolution that the "dog" radical 犭 – implying sub-humanity – in most of the Han Chinese names given to the ethnic minority groups was eventually replaced with a "human" radical 亻. Paradoxically parts of the CCP's affirmative action policies for minorities such as exemption from the one-child policy, employment quotas and in particular legal leniency on minority offenders (in non-political cases) have added to the negative stereotyping of ethnic minorities in the eyes of the dominant Han population.

Returning to the configuration in Figure 15, it should be noted that a substantial degree of horizontal interpenetration and communication across the ethnic line is indeed possible and in fact necessary for the viability of the system, thus compromising the sharpness of the line A-B as a boundary. On the other hand, if the ethnic boundary is pushed further round its axis (C) towards a horizontal position, one group then becomes unequivocally dominant and the other, subordinate – the exact power distribution and extent of dominance depend on the skewness, i.e. the angle of slant of the ethnic boundary. The test of the existence of a superordinate-subordinate relationship is to verify a group's dominant behaviour towards the other within the same class.

Alternatively, as Marden and Meyer (1962: 42) did for the United States, the structure of differentiation can be comprehensively expressed by superimposing the class pyramid of the subordinate ethnic group upon that of the dominant community (Figure 16). The former is then dropped less than a full horizontal segment to express the inferior position of each class segment of the subordinate group to others within the class. Such a representation could of course be just a simplification of a real-world phenomenon, as the latter is often complicated by the phenomena of class compromise and clientelism[35]. However, a rejection of race and class reductionisms should provide a more rational theoretical foundation to analyze the complex relationship between the variables of ethnic diversity, class structure, and the role of the State.

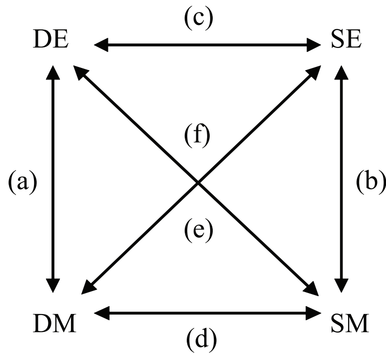
Seen from another angle, in contrast to the vulgar Weberian perspective which argues that the increased ability of a bureaucratic State to realize internally generated goals will reduce the power of all societal groups "outside" the State, Poulantzian neo-Marxism posits that an "autonomous" State, capable of wide ranging and coherent interventions in socioeconomic relations, increases the social power of the dominant class, whose objective and needs it necessarily functions to meet (Evans, Rueschemeyer and Skocpol, 1985). A dominant ethnic faction (Han) whose emergence in the ethnic regions is depicted earlier as inevitable in Figure 15, thus, in line with the latter theory, would be served by a powerful State (the country's Han-dominated one-party central State) whose interests it concurs in.

Figure 16 Marden and Meyer's Model of Dominant-Subordinate Relations and Class Structure



Meanwhile, interethnic socioeconomic inequalities in ethnic regions like Xinjiang and Tibet are playing an important role in accentuating interethnic resentment and discord through expanding social distance, while contradictions, as illustrated in Figure 17, generated between incompatible class fractional identity and ethnic allegiance tend to breed discontent and instability. With D denoting the dominant ethnic group, S subordinate ethnic group, E élite and M masses respectively, the vertical division in Figure 17 shows the dominant-subordinate ethnic grouping, while the horizontal one indicates the élite-masses socioeconomic class grouping. Three types of relations are evident here: *vertical relations*, between dominant élite and their masses (a), and subordinate élite and their masses (b); *horizontal relations*, between dominant élite and their subordinate counterpart (c), and dominant masses and their subordinate counterpart (d); *diagonal relations*, between dominant élite and subordinate masses (e) and subordinate élite and dominant masses (f). Intra-ethnic relations are shown by vertical arrows, interethnic ones by the horizontal and diagonal. While intra-ethnic relations in Xinjiang between the dominant (Han) élite and dominant (Han) masses (DE-DM) represent an extension of the overall intra-Han relations of the country, the SE-SM relations are between the ethnic minority élite (Uyghur cadres and

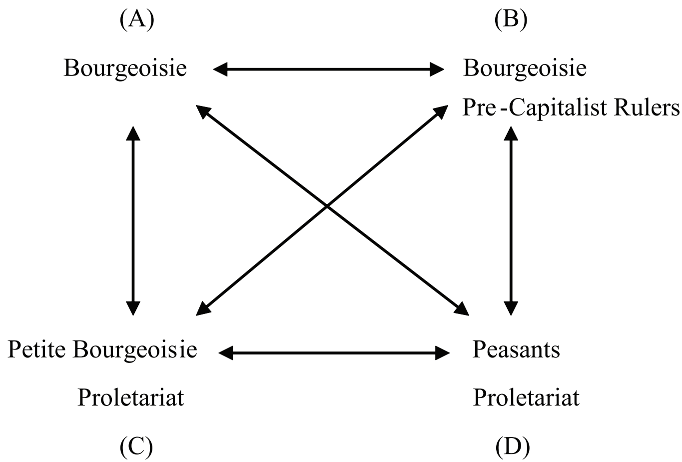
Figure 17 Ethnic and Class Relations



other Uyghur élites co-opted by the State) and the ethnic minority (Uyghur) masses who may perceive the former as cronies of the Han-dominated central State, as reflected in the Uyghur economics professor Ilham Tohti's accusation against Nur Bekri (Baikeli 白克力), chairman of the Xinjiang Uyghur Autonomous Region, in the former's blog "Uighur Online" before he was taken away on 7th July 2009.[36] On the other hand, relations between the dominant (Han) élite and the ethnic minority (Uyghur) élite (DE-SE) could be perceived by the latter as being characterized by cronyism and clientelism[37], while those between the dominant (Han) masses and ethnic minority (Uyghur) masses could be perceived by the latter as representing a projection of the general biases, stereotyping and mistrusts as illustrated earlier in Figure 15. Similar configuration is also applicable to the case of Tibet.

The configuration presented in Figure 17 is in fact based upon Bonacich's (1979: 56-57) configuration of class and ethnic relations resulting from imperialism (Figure 18). While segments A and C in Bonacich's model represent the "imperialist (white) bourgeoisie" and "workers in the imperialist nation" (and segments B and D refer to their non-white counterparts in the colonies and semi-colonies), in the present context they may well be the dominant ethnic bourgeoisie and proletariat whose existence is a direct consequence of internal colonization and closely linked to the interests of the dominant central State and its ruling regime. While Bonacich's model refers to classes in the Marxian sense of the word, Figure 17 refers to "élite" instead. According to Brass (1985: 49), the term "élite" is not a substitute for "class", but refers to formations within ethnic groups (e.g. the aristocratic class) and classes (e.g. the secular élites) that often play critical roles in ethnic mobilization. Each of these élites may choose to act in terms of ethnic or class appeals. What determines their action is neither their ethnicity nor their class, but rather their specific relationship to competing élites in struggles for control

Figure 18 Bonacich's Model of Ethnic and Class Relations Resulting from Imperialism



over their ethnic group, or in competition with persons from other ethnic groups for scarce political and economic benefits and resources.

An editorial of a US daily[38] relates the tourists' perception of Lhasa, Tibet: roadside sellers are Tibetans, shopkeepers are Han; manual labourers are Tibetans, clerical workers are Han; trishaw pullers are Tibetans, taxi drivers are Han; Tibetans or Hui might become mayor or chairperson of the "autonomous region" but the municipal or district secretary is almost always a Han; the Han people frequently get rich whereas the Hui people in the cities are mostly in the process of looking for a job or unemployed *nongmingong* 农民工 (rural-to-urban migrant workers). Seen in terms of such stratification and the rigidity in social mobility, the visibly ethnic patterns of employment and the strong identification of ethnicity with class as exist in China's ethnic regions could lead to a displacement of class-based frustrations by ethnic ones. Furthermore, while class mobilization may act to override ethnic distinctions, ethnic mobilization can obliterate internal class distinctions (Brass, 1985:23):

> Elites who seek to gain control over or who have succeeded in gaining control over the state must either suppress and control [...] or establish collaborative alliances with other elites. When elites in conflict lack the bureaucratic apparatus or the instruments of violence to compete effectively, they will use symbolic resources in the struggle. When elites in conflict come from different cultural, linguistic, or religious groups, the symbolic resources used will emphasize those differences.
>
> (Brass, 1985:29-30)

Bonacich's purpose was mainly to show how imperialism complicates class struggle by dividing classes along ethnic lines, and how her "split labour market theory" (Bonacich, 1972) could be invoked to explain such complications. However, the latter may not necessarily emerge in the form of conspicuous ethnic conflict. For instance, not only could élite members of the different ethnic groups who are appointed leaders of the ruling class share a desire to minimize conflict among themselves, but each group could also try to accommodate members from the other group into their respective spheres of predominance.

It is notable in this regard that the championing by former billionaire (China's number eight richest person in *Forbes*' list of 1995 with wealth worth two hundred million yuan) Rabiyä Qadir, who was once a CPPCC member, of the Uyghur cause has been doubted by some quarters of the exiled Uyghur community who regard her "being persecuted" to be in reality the result of uneven spoils sharing from government-business collusion (*guan-shang goujie*).

Observations have been made that members of China's ethnic minorities are appointed to leadership positions in the ethnic regions, for instance, in the following comments by Tan (2004):

> Contrary to the bash-China writers' portrayal, the minority policy of China is better than most countries, and in fact better than that of the U.S. (in relation to the American Indians) and Malaysia (in relation to the Orang Asli). China's constitution requires minorities to be represented in the local government. Thus, in a Yi majority area the county head has to be a Yi, and a Tibetan in the Tibetan autonomous region. In the one-person one-vote system of democracy practiced in Malaysia that is still largely ethnically based, it is almost impossible for an Orang Asli to be elected in a state or national election. Even where positions are bureaucratically appointed, it is rare, if any, for an Orang Asli to be appointed to such a position. In fact, the main officials of the Department of Orang Asli Affairs are not Orang Asli. Whereas in China there are many nationalities affairs commissions, these are mostly run by cadres who are minorities themselves, although in sensitive regions, government-trusted Han officials may hold the real power. Of course, China has more security concerns over certain minorities in certain regions, especially Xinjiang and Tibet.

To fully comprehend Tan's assertion in the context of the political economy of ethnic relations, it should be noted that the dominant group may perceive a subordinate group as "exotic" rather than "real" (Hoetink, 1973: 177-91). Another example of such an "exotic" minority in Malaysia, besides the Orang Asli (i.e "aborigines") is the small *Gente Kristang* community (autoglossonym, from Portuguese "*Gente Cristã*") in the state of Melaka, descended from the 16th century Portuguese settlers and occupiers. Defined as "deviating in somatic and/or cultural respects, without being conceived subjectively as a

menace to the existing social order" (Hoetink, 1967), "exotic" groups (or Cox's (1948) socioracial "strangers") are not perceived as "real", because they are not subjectively comprised within the "societal image" of the dominant. Thus they do not attract the latter's hostility, as do "real" subordinate groups viewed as a menace. The case of the Ainu アイヌ and the Burakumin 部落民 in Japan and that of the Amerindian natives and Afro-Americans in the United States today are good examples of these two polar subordinate situations – the Ainu and Amerindians being in some way viewed as "exotic" *vis-à-vis* the other two "real" minorities; instead of bitterness and hostility, they are met with "a mild benevolence, a condescending philanthropy" on the part of the dominant society (Hoetink, 1973: 179). Such distinction between the two types of subordinate groups was vividly described by DeVos in his study of the Burakumin: "The basic attitudes held [by the dominant Japanese society] toward the Ainu are not as pejorative as towards the outcastes [i.e. the Burakumin] [...] the Ainu have been treated ambivalently very much as the American Indians have been, in contrast to the caste distinctions which underlie the treatment of American blacks." (DeVos, 1972: 326) Paradoxically, China's largest minority, the Zhuang, could actually be more "exotic" than "real". Being the most assimilated of minorities, the Zhuang's ethnic consciousness was virtually created by the Han-dominated central Communist Party-State in the early 1950s (see, for instance, Kaup, 2000).

By the same token, appointment to leadership positions begs the question: exotic or real? Whether members of an ethnic minority are appointed to leadership positions could ultimately be perceived by the ethnic community concerned as irrelevant, as it does not reflect the extent of autonomy and self-determination which the community may regard as crucial for the preservation of communal interests – be they political, socioeconomic or cultural – or in short, who holds the real power? For instance, at the time of the riots, while the chairman of the Xinjiang Uyghur Zizhiqu is Nur Bekri, a Uyghur, in the eyes of the Uyghurs real power is allegedly in the hands of the Party secretary Wang Lequan 王乐泉, a Han.[39]

10. Class or Ethnicity? – The Rise of Peripheral Ethnonationalism

> The well-being of freedom makes up for many wounds […] If your pupils have fewer bruises, they are always hindered, always enchained, always sad.
>
> Jean-Jacques Rousseau (1762),
> *Émile, ou De l'éducation*, Book II, Para. 209[40]

Rex (1986: xiii), in his remark that "what we call 'race and ethnic relations situations' is very often not the racial and ethnic factor as such but the injustice of elements in the class and status system", emphasized the economic, political and social balance of power rather than biological or

cultural characteristics of groups. Differences in power and the dynamic change of power resources over time are seen as the key to explaining racial and ethnic conflicts. Such a perspective enables parallels to be drawn, for instance, between the "religious" conflict in Northern Ireland and racial violence in the British urban areas, which at first sight may not seem to share much similarity. As Stone (1985: 38) argued:

> It is true that the sectarian gunman who enters a public house in Belfast and demands to know the religion of the drinkers before deciding who to murder has an identification problem not faced by the white racialist intent on attacking blacks in the streets of Brixton or Bradford. However ... [both] incidents of violence take place against a background of differential group power, perpetuated over the years in customary patterns of social relations and institutions, and both are to some degree a legacy of colonialism.

Such a focus upon power differentials and the conceptual problem associated with "race" and "ethnicity"[41] have led to the argument that the notion of "minority" is central to the analysis of race and ethnic relations (see the earlier discussion on the concept of "minority" in Section 7). Nevertheless, it is useful to compare Rex's remark with Cox's thesis (1948) that perceives race relations as mainly proletarian-bourgeois, and hence political-class, relations. For Cox, racial prejudice is a weapon to exploit others rather than a defensive reflection of group solidarity. Racial categories exist in the social life of capitalist societies because they serve the interests of the ruling class; the contradictions in these economies have not yet reached the point at which the actual character of the underlying system is apparent to workers (Banton, 1983: 88). Such reductionist Marxist legacy of perceiving ethnic problem as class problem, coupled with the fact of the absolute demographic dominance of the Han Chinese dwarfing the minorities out of a critical mass, could be clouding the CCP regime from effective understanding of China's ethnic problem, including that in the volatile ethnic regions of Xinjiang and Tibet. On the contrary, Wolpe, in his critique of reductionist Marxism which conceives classes as unitary entities, posited a different view:

> [...] classes exist in forms which are fragmented and fractured in numerous ways, not only by the division of labour and, indeed, the concrete organisation of the entire system of production and distribution through which classes are necessarily formed, but by politics, culture, and ideology within that division of labour, for example, gender, religion, the mental-manual divide and racial differentiation. Classes, that is, are constituted, not as unified social forces, but as patchworks or segments which are differentiated and divided on a variety of bases and by varied processes [...] Race may, under determinate conditions, become interiorised in class struggles in both the sphere of the economy as well as the sphere of politics.
>
> (Wolpe, 1988: 51-52)

Such a broadened understanding could serve to lead to a more balanced analytical framework on the trichotomy of polity, society and economy and in particular the political economy of State and ethnicity by taking into consideration both the two major dimensions of ethnopolitics – ethnic politics which includes both government responses to challenges from ethnic communities and the efforts of ethnic organizations seeking to influence State policy, and the politics of ethnicity which views ethnicity as a consequence of political action (Gheorghe, 1991), the latter "inverted paradigm" as we have observed earlier in Section 5 being exemplified by the waves of reethnicization in the Eastern European countries after the fall of the Communist Party totalitarianism and the phenomenon of ethnogenesis in Andalucía and among some highly Sinicized ethnic minorities of China such as the Zhuang and the Hui, as well as in the new-found ethnic intensity of the ethnoterritorial groups like the Uyghurs and Tibetans. Besides, in this regard, it is also instructive to compare Cox's thesis with the theories developed by Bonacich (1972) and Kuper (1974). Bonacich's "split labour market theory" is essentially a theory of ethnic relations which emphasizes the material bases of ethnic antagonism. It refers to labour markets which are divided along ethnic lines, so that higher-paid groups of workers are distinguished from cheaper labour by their ethnic characteristics. Although Bonacich described it as a "class" theory of race and ethnicity (Bonacich, 1979: 17) and located the origin of ethnic antagonism within the development of capitalism, her theory differs significantly from Cox's approach in that it attributes ethnic antagonism to the competition which arises from a differential price for labour, rather than to the strategy of the ruling class to keep two sections of the working class separate.

In his study of the revolutions in several African countries, Kuper (1974) found that, despite the existence of class differences, once revolutions started they developed along ethnic rather than class lines. Although class conflict is the source of revolutionary change in many societies, Kuper observed that in plural societies "it is the political relations which appreciably determine the relationship to the means of production, rather than the reverse, and the catalyst of revolutionary change is to be found in the structure of power, rather than in economic changes which exhaust the possibilities of a particular mode of production" (Kuper, 1974: 226). While Cox attributed the main forms of alignment and conflict, including ethnic ones, to the relation of groups (classes) to the means of production, political relations in plural societies, according to Kuper, influence relations to the means of production more than any influence in the reverse direction. Thus, conflicts developed in plural societies tend to follow the lines of ethnic cleavage more closely than class division. Such trend of development is apparent in the Eastern European countries after the collapse of Communist Party totalitarianism including the strife-torn Balkans as well as the increasingly the volatile ethnic

regions of China exemplified by the troubled Xinjiang and Tibet, and the potential impact on the long-simmering peripheral ethnonationalism in Inner Mongolia from the recent rise of increasingly anti-Han-Chinese ethnocentrism of the neo-Nazis in the Republic of Mongolia[42], that first country in Asia to come under Communist Party dictatorship and also first country in Asia to release herself from that yoke. A relatively high-profile case related to peripheral ethnonationalism in Inner Mongolia, as highlighted by the Amnesty International, is that of Hada who was tried behind closed doors in the Inner Mongolia Zizhiqu in 1996 and sentenced to 15 years in jail for separatism and spying and his support for the Southern Mongolian Democratic Alliance that sought greater rights for China's ethnic Mongolians.

11. Uttering the "F" Word: Is Federalism the Solution?

The term "federation" was in fact never officially used in China or Spain or Indonesia – countries in search of a solution to ethnoregional problems. Such notwithstanding, post-Franco Spain has in reality evolved into an incipient federation, while in China, just like in Indonesia, the term "federal" is still very much a taboo, although the existence of the Chinese *de facto* fiscal federalism is irrefutable. In a sense, post-1981 Spain has outgrown the fear of both fiscal and political decentralization along federal lines being a prelude to territorial disintegration, but China and Indonesia have not. Nevertheless, the idea for the reorganization of a post-CCP China along federal lines has resurfaced amidst the anguish, agony and bitter frustration among the exiled Chinese intelligentsia in the aftermath of the 1989 tragedy, in combination with the continuing cross-Strait tension, the "Handover" of Hong Kong and Macau to China respectively in 1997 and 1999, and the recurrent Tibet crises. Suggestions vary in arrangement details, including a prominent confederation proposal by exiled dissident and federalist Yan Jiaqi 嚴家其 (1992)[43] encompassing the "loose republics" of Taiwan, Hong Kong, Macau, Tibet, Inner Mongolia and Xinjiang (in an arrangement like that of the European Union) and "close republics" consisting of the rest of present-day China (in an arrangement akin to the US's). Yan obviously had in mind some sort of coexistence of federal and confederal systems within a single country – two systems such as those explained by Dorff (1994: 100): "[…] in a true federation, the central government can make decisions directly affecting individuals in the regional units without the formal compliance of the regional governments; in a confederation, the central government has authority over the regional governments, not over individuals, and hence must rely on the cooperation and support of the regions in order to exercise authority."

Political federalization has come under the limelight again in the case of China with the arrest and jailing of prominent dissident writer Liu Xiaobo 刘

晓波 for organizing the signing of "Charter 08" (*Ling-ba Xianzhang* 零八宪章)[44] that included an Item 18 "A Federated Republic" among its recommendations on national governance, citizens' rights and social development:

> A Federated Republic. A democratic China should seek to act as a responsible major power contributing toward peace and development in the Asian Pacific region by approaching others in a spirit of equality and fairness. In Hong Kong and Macao, we should support the freedoms that already exist. With respect to Taiwan, we should declare our commitment to the principles of freedom and democracy and then, negotiating as equals, and ready to compromise, seek a formula for peaceful unification. We should approach disputes in the national-minority areas of China with an open mind, seeking ways to find a workable framework within which all ethnic and religious groups can flourish. We should aim ultimately at a federation of democratic communities of China.[45]

While a nascent federalist structure has already been observed to be emerging in China as a result of rapid economic and fiscal decentralization, there could be inherent dangers to bring decentralization beyond the fiscal into the political along federal lines. Acute interregional economic inequalities could be viewed as incompatible with the very concept of federalism, and it is hence debatable as to whether federalization should come before or after sufficient interregional equalization in countries with high levels of interregional disparities such as contemporary China, taking into consideration the possibility of centrifugal forces triggered by interregional equalization efforts such as the tax revolts in modern federations like Belgium or would-be federations like Italy (*ibid*.: 274).

Though focusing on dyadic (or bicommunal) federations and confederations, Duchacek (1988: 15-18) identified four prerequisites for the possibility of federalism or confederalism as a cooperative framework which, for the present context, could also be considered applicable to non-dyadic cases: 1) territorial diffusion of power; 2) pluralistic democracy; 3) commitment to establish or maintain a composite nation; and 4) compound majoritarianism, all of which are not clearly evident in the case of contemporary China, especially in view of the recent ethnoregional disturbances. A line of thought similar to Duchacek's is reflected in van Amersfoort's (1978) typology of "majority-minority" relations via a combination of the orientations of dispersed and concentrated subordinate groups with three dimensions of dominant group aspirations. Using the terms "dominant" (or "superordinate") and "subordinate" that convey more accurately the power dimension, instead of van Amersfoort's "majority" and "minority" which can be semantically confusing when size and power do not coincide, Figure 19 illustrates a number of probable outcomes produced

Figure 19 Van Amersfoort's Typology of Dominant-Subordinate Relations

Dominant group \ Subordinate group	Dispersed: *Universalistic* orientation	Dispersed: *Particularistic* orientation	Concentrated: *Universalistic* orientation	Concentrated: *Particularistic* orientation
Emancipation orientation	Emancipation process	Sectarian minority	Federalism	Secessionist movement; eventually secession
Continuation orientation	Suppression (struggle for emancipation)	Reservation situation	Suppression (struggle for regional autonomy)	Secessionist war
Elimination orientation	Forced assimilation or extermination	Forced assimilation or extermination	Forced assimilation or extermination	Secessionist war, forced assimilation or extermination

by this configuration. Ethnic consciousness and ethnic intensity, which are associated with the homeland/immigrant dichotomy and territorial policies in countries with considerable degree of sectionalism, play a crucial role in determining public policy in a multiethnic society. From this perspective, the goals of the dominant and subordinate groups are of particularly great importance. Figure 19 clearly demonstrates that a stable relationship between the dominants and subordinates free of conflict is an exception rather than a rule, since only two out of a total of twelve cells formed by the interface of dominant-subordinate orientations – those marked "emancipation process" and "federalism" – suggest the prospect of a stable form of participation in society by subordinate groups. Federalism, as a "process and institutional framework for territorial management of power and resources […] appropriate for those communities that occupy geographically delineated areas and are both willing and able to preserve and exercise self-government within these areas" (Duchacek, 1988: 16), is thus far from a prevalent phenomenon even in the world context.

While democratization and the federalization process (the latter refers to the *Comunidades Autónomas* project, as the term "federal" is not officially used) of the Spanish polity after the death of Franco have been looked upon by many countries with ethnoterritorial problems undergoing political transition as a model to emulate, van Amersfoort's model suggests that a federal solution may be an exception rather than a rule among nations given the different objective realities facing different countries.[46] For instance, in China, unlike in Spain, the lack of a stable democratic political institution and the existence of economic deprivation can render intergroup compromise difficult or impossible. In short, variations in one or more of these socio-politico-economic parameters can result in a drastically different form of State response to the objective exigencies presented by a country's ethnic fractionalization and of societal reaction to State intervention.

While the present taboo against a federal arrangement with high regional autonomy[47] has had deep roots from earlier times[48], it is currently being further enhanced by CCP's fear of losing its monopoly of political power as federalization would inevitably tend to go hand in hand with democratization. Adding to that is the enigma of Taiwan[49] and the problem of Tibet with their perceived links with foreign, especially American and Indian, interests. With the disintegration of the Soviet Union[50] always hanging like the sword of Damocles to remind the present leaders and people of China of the peril of democratization and regional autonomy, and the fact that federalization or reaffirmation of federalism in whether Russia, the East European countries or post-Franco Spain both followed the disgraceful dethronement of dictatorial, authoritarian or totalitarian regimes, the present Chinese ruling regime's reservation against such federalization by devolution is plainly understandable.

After all, the eventual disintegration of the Russian empire (the "prison of nations", or in its modern form, the former Soviet Union) in December 1991 has left China to be the world's lone surviving former empire still remaining intact, having escaped that ignominious fate of dissolution that befell, besides the Russian empire, all in the 20th century, the Ottoman, Austro-Hungarian and the Western maritime empires (*ibid*.: 276-277). Incidentally, one ethnic region did escape from China, namely Outer Mongolia that formed the independent Mongolian People's Republic in 1924, with Russian support, though not recognized by China until 1946. Also, as we have seen earlier, the Uyghurs in fact established, with Russian help, a short-lived East Turkestan Republic in 1944, but it collapsed after the 1949 Communist victory in China's civil war, and the region was reincorporated into China as the Xinjiang Uygur Zizhiqu in 1955. Besides these, the island province of Taiwan has been *de facto* independent since 1949, regardless of the fact that it is not diplomatically so recognized by most countries of the world for *Realpolitik* reasons and that the government of the island state continues to technically consider itself the legitimate "Republic of China" government-in-exile with jurisdiction over all China.[51] Finally, adding to the federal taboo is the tendency to recycle the "black hand" (*heishou* 黑手) theory – the "shopworn conspiracy theories that blame mass protests primarily on the CCP's foreign and domestic enemies, reflecting the classic Leninist insistence that social protest in a Communist country cannot just happen, it must be instigated" (Tanner, 2004: 143) – which seems apparent in the State's response to the 2009 Xinjiang crisis or the 2008 Tibet riots. Similar State response can be observed following the July Fifth Xinjiang riots when Nur Bekri, chairman of the Xinjiang Uygur Zizhiqu, declared on 18th July 2009 the source of the riots being "the triumvirate of terrorist, secessionist and extremist forces"[52] and Wu Shimin 吴仕民, vice-chairman of China's State Ethnic Affairs Commission, stated on 21st July 2009 that the July Fifth riots had absolutely nothing to do with China's nationality (ethnic minority) policies. "In a world that is obsessed with vertical accountability we easily judge and label situations that appear to be in a crisis as dysfunctional, to be in a state of failure […]," Reeler (2007: 15) noted, "Whilst this might be true in some situations […] developmental crises […] unconsciously and quite naturally evolve, often as a social system grows beyond the relationships and capacities that hold it together." Not all crises are failures, Reeler further observed:

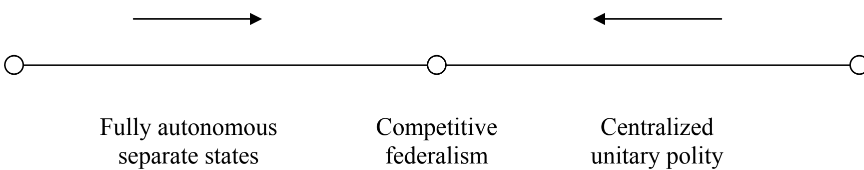
> Take a pioneering organisation that grows in size and complexity beyond the ability of the pioneers to lead and manage […] The unavoidable and typical crisis of the pioneering organisation often manifests in a breakdown of relationships, of leadership legitimacy, of commitment, and signals the need and the opportunity to rethink its nature, its identity, structure or power

> relationships, its functioning and culture, which, once done, can give way to a new lease on life, a new phase of growth and development. Transformation requires and is borne out of the ripening and surfacing of crisis.
>
> (*ibid*.: 16)

This means, in other words, facing up to domestic realities and pondering the possibility of transformative change (see Figure 4 and Figure 21 in the special issue's prologue on China's social transformation), without which any solution to the root problems leading to either the 1989 tragedy or the recent Xinjiang and Lhasa riots would remain illusive.[53]

Buchanan (1995: 23), writing on the path dependency of constitutional reform towards competitive federalism (Figure 20), remarked that any reform, constitutional or otherwise, "commences from some 'here and now,' some status quo that is the existential reality. History matters, and the historical experience of a political community is beyond any prospect of change; the constitutional-institutional record can neither be ignored nor rewritten […]" If the "here" is a centralized and unitary political authority, constitutional reform must embody devolution – a shift of genuine political power from the centre to the separate constituent political units.

Figure 20 Competitive Federalism: Constitutional Reform Schemata



Source: Buchanan (1995: 24), Figure 1.

One of the basic features of a federal system, according to Bakvis and Chandler (1987: 4), is that it provides "incentives for structuring group/class conflicts along territorial lines". When the territories concerned represent the centres of concentration of distinctive socioracial communities, ethnic conflicts are translated into territorial rivalries and the process of fiscal federalization becomes an arena of ethnic resource competition. Evaluating the role of asymmetrical federalism[54] in explaining India's ability to "hold together", Tillin (2006: 62) noted that linguistic reorganization of the Indian states "involved the accommodation of linguistic differences, but not on a basis that allowed differential protection to any regional language, and not on a basis that formed otherwise coherent 'ethnic' or 'cultural' federal sub-units." Notably, Manor (1996) argued that "ethnic" identities in India tend to be crosscutting rather than compounding but once states were reorganized

along linguistic lines, their inhabitants discovered all the things that divided them[55], which in our present context could be leading down the ominous path to the state of *bellum omnium contra omnes*, vindicating Thomas Hobbes's portentous judgement in his 1651 treatise Leviathan, "The condition of man [...] is a condition of war of everyone against everyone." This "state of nature" – the war of all against all, Hobbes argued in *Leviathan*, could only be averted by a strong central government. Such, just as for India, as we have observed so far, could also have the same resonance for the case of the other Asian giant, China.

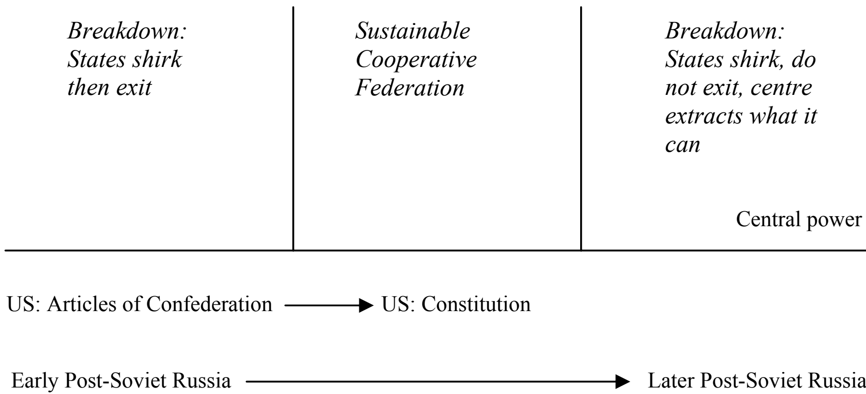
Nevertheless, Dorff (1994), exploring the role played by federalism in the fragmentation of Yugoslavia, Czechoslovakia and the Soviet Union, warned that federal *structures*, when not accompanied by federal *process*, could have contributed to the fragmentation of these countries. According to Dorff, the argument that federalism in USSR, Yugoslavia or Czechoslovakia ameliorated ethnic conflict "seriously understates the role of the center and the peculiar control mechanism offered by the centralized, hierarchical Communist party organization". Citing Verdery (1993) and Roeder (1991), Dorff pointed out that these one-party states' federalist structures, without federalist processes, initially used to suppress, not accommodate, ethnic differences, had actually helped to create a political environment ripe for disintegration via ethnic mobilization once decentralization began, as regional leaderships bent on protecting the interests of their territorial constituencies at the expense of other regions and the federation:

> Strong central authority and a hierarchical Communist party structure militated against accommodative and cooperative processes. When the power of the center began to weaken, the political system shifted not toward a decentralized politics of accommodation but to a politics of cutthroat competition between the center and the periphery and among the units of the periphery.
>
> (Dorff, 1994: 104)

Hence, the danger of fragmentation coming from democratization and federalization is real but not inevitable, as shown by the two examples illustrated in Figure 21.

In this regard, it could be highly equivocal to keep seeing the disintegration of Yugoslavia, Czechoslovakia and Soviet Union as a sword of Damocles warning against federal structures. On the contrary, the fate of these disintegrated nations could be a lesson to take heed of at this juncture just passing the 20th anniversary of the 1989 tragedy, in particular after the foreboding events of last two years' massive, deadly ethnoregional riots, to begin early the federal process. Definitely, a federal process is always full of pitfalls, especially for a country still facing the problems of high

Figure 21 Federal Sustainability



Source: de Figueiredo, McFaul and Weingast (2007: 175), Figure 3.

incidence of poverty, ethnoterritoriality, sectionalism and ethnoregional socioeconomic disparities. Inevitably, it is also a process abounding with right and wrong options and choices. Again, consider the case of Spain whose regional structure bears substantial similarity to the Chinese – for instance, only three out of Spain's seventeen *Comunidades Autónomas*, comprising less than 30 per cent of the country's population, are non-Castilian ethnic regions, in contrast to countries like Belgium or the former Soviet Union, Yugoslavia and Czechoslovakia where the state is composed of constituent regions each of which populated predominantly with a differentiated ethnic community. As up to 1.5 million people walked the Gran Via, Diagonal and Passeig de Gràcia (Paseo de Gracia) boulevards in Barcelona on the eve of Spain winning in the 2010 World Cup final demanding greater autonomy and claiming nationhood for Catalunya (Cataluña), bringing again to the fore Spain's dilemma in pondering her options whether to move on from the State of the Autonomies to a full-fledged federation – through a whole spectrum of scenarios as summarized by Brassloff (1989: 41-45) into the evolutionist minimalist regional autonomist, radically revisionist neo-centralist, radically European regionalist, nationalist particularist, mixed federo-regional and, lastly, the federalist maximalist in which the presently evolving State of the Autonomies may develop all its potential and end up operating as a federal state – it could also be timely for an Asian giant in astounding transformation to ponder new options other than a *dictablanda*[56] or even a *democradura* with the perpetually uneasy coexistence of economic decentralization with political centralism or, as a former vice-premier pointed out, being constantly trapped in the perennial "cycles of decentralization and recentralization"[57] that breed unending chaos and instability.

12. Conclusion

This paper has examined China's ethnoregional disparity, ethnoterritoriality and peripheral nationalism as well as decentralization and the related, controversial issue of federalism by scrutinizing various crucial aspects including the political, economic, sociological and historical. More specific elements like the country's seemingly paradoxical *de facto* fiscal federalism amidst political unitarism, ethnoterritoriality, poverty, interregional disparity, threat of centrifugal forces, ethnogenesis, reethnicization, and the fear of balkanization or spectre of "China deconstructs" have received particular attention. To summarize and conclude, as Tillin (2006: 45) noted:

> There is considerable disagreement about the role of federalism in countries containing more than one territorially concentrated ethnic group or nation. The collapse of the Soviet Union, Czechoslovakia, and Yugoslavia led to renewed questioning of the desirability of federal systems in heterogeneous countries, even though their democratic shortcomings limited the federal character of their polities.

Similarly, Snyder (2000: 40) advised that "[w]herever possible, democratizing states should try to promote civic identities and guarantee rights at the individual level. For the same reasons, ethnically based federalism and regional autonomy should be avoided, since they create political organizations and media markets that are centred on ethnic differences." Particularly notable for our present context is, as Bunce (2004) observed, that the way federal or quasi-federal systems were organized along the ethnic territorial boundaries in the Communist Party-ruled authoritarian countries contained the building blocks for later ethno-nationalist movements, making federalism undesirable in multiethnic, democratizing countries due to its potential for institutionalizing and politicizing ethnic differences. Yet, citing Stepan (1999: 20) and Bermeo (2004: 475-477), Tillin (2006: 46) argued that "it has been shown empirically both that long-standing multinational democracies tend to have federal systems and that federal systems of government have been better than unitary systems at eliminating violent conflict".

Nevertheless, for Chinese leaders, the Russian experience, as Konitzer and Wegren (2006: 503) succinctly related below, may provide a warning:

> Among the political legacies bequeathed to Vladimir Putin were a decentralized political system and a nascent federalist structure that successfully avoided the disintegration of the Russian Federation following the breakup of the Soviet Union […] However, some analysts argue that Yeltsin's famous 1990 edict to Tatarstan and Bashkortostan to ''take as much sovereignty as you can swallow,'' and the ''parade of sovereignties'' that followed, meant that Russia's decentralization went too far and threatened

> Russia's federal integrity […] Since Yeltsin left the political scene at the end of 1999, a major turning point in Russia's political development has been political recentralization, with some analysts charging that Putin is trying to establish a ''unitary state'' by ''aggressively pursuing an anti-federal policy'' […]

Such fear might not be unfounded. Recalling Stepan's (1999) observation that no successful federal unions were created by independent states since the 19th century, and that by Lake and Rothchild (2005) that most recent attempts of territorial decentralization also failed or were viewed as mere transitional arrangements, Roust and Shvetsova (2007: 244-245) noted:

> The problem is that federal arrangements are inherently unstable […] In order to succeed, federal constitutions (and schemes of political decentralization in general) require special safeguards to counter their tendency to move toward either extreme decentralization or overcentralization […] As it is difficult to implement credible safeguards, prospective member states cannot trust each other and thus seek to avoid the federal form and the risks associated with federal instability […] federal stability (robustness) requires for itself a well-functioning democratic process, which satisfies a fairly restrictive condition. The requirement to the democratic process is, of course, only a necessary, not a sufficient condition for the federal success. Yet […] only the states with well-developed (properly institutionalized) democratic electoral competition have a chance to form a resilient federal union and sustain their federal constitutional arrangements not just in form, but in their political practice as well.

Finally, on a brighter note, while admitting that the process of the institutionalization of authoritarian rule in China since reform began has generated limited momentum towards a more open political system, Pei opined that

> Though little has been achieved thus far in the way of actual democratization, the institutional foundations for genuine democracy are slowly taking shape. The maturation of the rule of law, the NPC, and village self-government are important components of this evolutionary process […] While centralized bureaucratic empires are extremely vulnerable to centrifugal forces and tend to collapse when the political authority of the center drastically declines, a federalized system with a well-defined division of political authority can create numerous political safety valves to reduce the stress on the center and limit its political liability. In China, genuine political decentralization founded upon an emerging economic federalist structure augurs well for future *regional* democratic breakthroughs.
>
> (Pei, 1995: 77)

It need not be reiterated that China is a highly decentralized country, at least economically or fiscally, and there will be continuing debate on the future need for and the direction of decentralization – in its various manifestations: political, fiscal, administrative – and the concomitant prospects for federalism, again in its various manifestations, which could be as sensitive and subversive in China as in Indonesia, would keep returning to haunt a colossal country in breathtaking transformation. To move beyond the present *de facto* fiscal federalism, any plan for federalization should no doubt be conducted with caution, and the very necessity, feasibility and all attendant hazards have to be considered in real earnest, as Saunders (1995: 78) noted:

> Federalist elements are closely linked with other aspects of the system of government. They are likely to work differently, although not necessarily unsatisfactorily, when separated from them, or even from the historical, political, and economic setting in which they developed.

Yet, as Duchacek asked in the abstract of his 1988 article on bicommunal polities where permanent asymmetry makes a simple majoritarian formula for decision-making processes unacceptable: "What other decisional frameworks have a greater chance for success: federalism, federalism with a heavy dose of confederal ingredients, regional confederation, consociationalism or secession?" A confederal modification of federalism has so far appeared to be the answer, according to Duchacek (1988: 31):

> Despite its obvious deficiencies, the confederal-consociational modification of federalism is more acceptable to two asymmetric and antagonistic communities than a concept of a federal overarching cultural political union with its promise of majoritarian decisionmaking. Despite a constant threat of veto and thus potential immobilism, both basic and current issues have to be negotiated and renegotiated time and again.

Though China is not dyadic in terms of ethnic composition, her ethnic Han absolute dominance in demographic make-up *vis-à-vis* her ethnic minorities does give her a certain similarity to a dyadic case. Moving forward along a more comprehensive federalist line may or may not be the only feasible or necessary or even correct step from her present stage of fiscal decentralization, but such doubt and reservation could inevitably be tempered by Duchacek's (*ibid*.) disarming and familiar query in his observation on the prevalent reserved reaction to the confederal nonmajoritarian formula and its piecemeal and irritatingly slow implementation by compromise and consensus: "If not that, what else?"

Appendix

Ethnic Fractionalization of 240 Countries/Regions

Rank	*Country/Region*	*EFI*
1	Congo, Democratic Rep. of the (formerly Zaire)	0.885
2	Uganda, Republic of	0.883
3	Kenya, Republic of	0.877
4	India, Republic of	0.876
5	South Africa, Republic of	0.873
6	Cameroon, Republic of	0.852
7	Mali, Republic of	0.844
8	Philippines, Republic of the	0.838
9.5	Nigeria, Federal Republic of	0.827
9.5	Tanzania, United Republic of	0.827
11	Cote d'Ivoire/IvoryCoast, Republic of	0.826
12	Lebanon, Republic of	0.821
13	Mauritius	0.814
14	Zambia, Republic of	0.813
15	Chad, Republic of	0.810
16.5	Guinea-Bissau, Republic of	0.806
16.5	Papua New Guinea, Independent State of	0.806
18	Yugoslavia, Socialist Fed. Rep. of (pre-Jan 1992)	0.795
19	Suriname, Republic of	0.789
20	Senegal, Republic of	0.788
21	Madagascar, Democratic Republic of	0.776
22.5	Sierra Leone, Republic of	0.771
22.5	Angola, People's Republic of	0.771
24	Gabonese Republic	0.765
25	Gambia, Republic of The	0.764
26	Central African Republic	0.757
27	Ethiopia (pre-May 1993)	0.756
28	Indonesia, Republic of	0.754
29	Qatar, State of	0.746
30	Liberia, Republic of	0.745
31	Guinea, Republic of	0.742
32	Ghana, Republic of	0.741
33	Afganistan, Republic of	0.739
34	Bolivia, Republic of	0.735
35	Burkina Faso	0.734
36	Mozambique, Republic of	0.727
37	Cayman Islands (UK)	0.720
38	Ethiopia (post-May 1993)	0.717
39	Sudan, Republic of the	0.715
40	Canada	0.714
41	Belize	0.711
42	Guam (US)	0.705
43	Eritrea	0.699
44	Malawi, Republic of	0.691
45	Togo, Republic of	0.689
46	Virgin Islands (US)	0.688
47	Congo, Republic of the	0.685

Appendix (continued)

Rank	*Country/Region*	*EFI*
48.5	Monaco, Principality of	0.684
48.5	**Malaysia**	**0.684**
50	Kazakhstan, Republic of	0.679
51.5	Kuwait, State of	0.675
51.5	Bosnia and Herzegovina	0.675
53.5	New Caledonia (Fr.)	0.671
53.5	Niger, Republic of	0.671
55	Union of Soviet Socialist Republics (former)	0.670
56	East Timor	0.667
57	Laos/Lao People's Democratic Republic	0.665
58	Kyrgyzstan, Republic of	0.664
59	Namibia, Republic of	0.663
60	Iran, Islamic Republic of	0.661
61.5	Mauritania, Islamic Republic of	0.660
61.5	Benin, Republic of	0.660
63	French Polynesia (Fr.)	0.656
64.5	Micronesia, Federated States of	0.655
64.5	United Arab Emirates	0.655
66	Andorra, Principality of	0.651
67	Pakistan, Islamic Republic of	0.648
68	Guatemala, Republic of	0.645
69	Morocco, Kingdom of	0.643
70	Peru, Republic of	0.637
71	Trinidad and Tobago, Republic of	0.635
72	Nepal, Kingdom of	0.634
73	Guyana, Co-operative Republic of	0.628
74	Ecuador, Republic of	0.615
75	Latvia, Republic of	0.612
76	Colombia, Republic of	0.601
77	Cuba, Republic of	0.591
78	Djibouti, Republic of	0.585
79.5	Tajikistan, Republic of	0.583
79.5	Nauru, Republic of	0.583
81	Fiji, Republic of	0.580
82	**Belgium, Kingdom of**	**0.574**
83	Macedonia, Republic of	0.573
84	Bahrain, State of	0.566
85	Yugoslavia, Federal Rep. of (post-Jan 1992)	0.561
86	Hawai'i (US)	0.560
87	Bhutan, Kingdom of	0.555
88	Christmas Island (Australia)	0.552
89	Cape Verde, Republic of	0.551
90	Liechtenstein, Principality of	0.550
91	Brazil, Federative Republic of	0.549
92	Moldova, Republic of	0.546
93	Georgia, Republic of	0.545
94	Mexico/United Mexican States	0.542
95	Thailand, Kingdom of	0.535

Appendix (continued)

Rank	*Country/Region*	*EFI*
96	Switzerland/Swiss Confederation	0.531
97	Estonia, Republic of	0.528
98	French Guiana (Fr.)	0.526
99	Brunei Darussalam, State of	0.525
100	Zimbabwe, Republic of	0.522
101	Burma, Union of	0.520
102	Gibraltar (UK)	0.517
103	Yemen, Republic of (post-May 1990)	0.507
104	Iraq, Republic of	0.502
105	Tonga, Kingdom of	0.500
106.5	Man, Isle of (UK)	0.498
106.5	Chile, Republic of	0.498
108	Venezuela, Republic of	0.497
109	Yemen Arab Republic (pre-May 1990)	0.495
110	Turks and Caicos Islands (UK)	0.493
111	Cocos Islands (Australia)	0.487
112.5	Nicaragua, Republic of	0.484
112.5	Uzbekistan, Republic of	0.484
114	Jordan, Hashemite Kingdom of	0.481
115	Palau Islands (US)	0.480
116	Singapore, Republic of	0.479
117	Panama, Republic of	0.477
118	Bermuda (UK)	0.476
119	Svalbard (Norway)	0.468
120	Czechoslovakia (former)	0.464
121	Albania, Republic of	0.460
122	Turkmenistan	0.455
123	Luxembourg, Grand Duchy of	0.452
124.5	Northern Mariana Islands (US)	0.444
124.5	Norfolk Island (Australia)	0.444
126	**Spain**	**0.436**
127.5	Dominican Republic	0.429
127.5	Sri Lanka, Democratic Socialist Republic of	0.429
129	Sao Tome and Principe, Democratic Republic of	0.420
130	Botswana, Republic of	0.418
131.5	Ukraine	0.417
131.5	Syrian Arab Republic	0.417
133	Oman, Sultanate of	0.406
134	Puerto Rico (US)	0.405
135	Northern Ireland (UK)	0.403
137	United States of America	0.395
137	Equatorial Guinea, Republic of	0.395
137	Jamaica	0.395
139	Algeria, Democratic and Popular Republic of	0.375
140	Belarus, Republic of	0.373
141	Croatia	0.371
142	Cyprus	0.358
143	Lithuania, Republic of	0.345

Appendix (continued)

Rank	*Country/Region*	*EFI*
144	Western Sahara	0.343
145	West Bank (of the Jordan River)	0.339
146	Barbados	0.333
147	Turkey, Republic of	0.330
148	Cook Islands (NZ)	0.327
149	United Kingdom of Great Britain & N. Ireland	0.325
150	Aruba (Neth.)	0.320
151	Russian Federation	0.311
152.5	Grenada	0.308
152.5	Azerbaijan, Republic of	0.308
154	Saint Vincent and the Grenadines	0.306
155	Israel, State of	0.303
156	Bangladesh, People's Republic of	0.285
157	Rwanda, Republic of	0.275
158	San Marino, Most Serene Republic of	0.272
159.5	Quebec (Canada)	0.270
159.5	Egypt, Arab Republic of	0.270
161	American Samoa (US)	0.269
162	Bulgaria, Republic of	0.264
163	Viet Nam, Socialist Republic of	0.262
164	Burundi, Republic of	0.258
165	Somalia	0.256
168	Bahamas, The Commonwealth of the	0.255
168	Saudi Arabia, Kingdom of	0.255
168	Argentina/Argentine Republic	0.255
168	Netherlands Antilles (Neth.)	0.255
168	Saint Helena (UK)	0.255
171	Slovakia	0.254
172	Lesotho, Kingdom of	0.253
173.5	Greenland/Kalaallit Nunaat	0.241
173.5	Comoros, Federal Islamic Republic of the	0.241
175	Cambodia, State of	0.238
176	Costa Rica, Republic of	0.237
177	France/French Republic	0.235
178	Uruguay, Oriental Republic of	0.218
179	New Zealand	0.217
180.5	Romania	0.202
180.5	El Salvador, Republic of	0.202
182.5	Italy/Italian Republic	0.196
182.5	Niue (NZ)	0.196
184	Mongolia	0.187
185	Swaziland, Kingdom of	0.186
187.5	Saint Lucia	0.185
187.5	Guadeloupe (Fr.)	0.185
187.5	Martinique (Fr.)	0.185
187.5	Honduras, Republic of	0.185
190	British Virgin Islands (UK)	0.180
191	Slovenia	0.170

Appendix (continued)

Rank	*Country/Region*	*EFI*
192	Hungary, Republic of	0.168
193	Sweden, Kingdom of	0.164
194	Antigua and Barbuda	0.150
195	Western Samoa, Independent State of	0.138
196.5	Germany, Federal Republic of (pre-Oct 1990)	0.134
196.5	Germany, Federal Republic of (post-Oct 1990)	0.134
199	Yemen, People's Democratic Republic of (former)	0.133
199	Solomon Islands	0.133
199	Reunion (Fr.)	0.133
201	Armenia, Republic of	0.128
202	**China, People's Republic of**	**0.125**
203	Finland, Republic of	0.122
204	Libya/Socialist People's Libyan Arab Jamahi.	0.117
205.5	Seychelles	0.115
205.5	Saint Kitts and Nevis, Federation of	0.115
207.5	Czech Republic	0.114
207.5	Vanuatu, Republic of	0.114
209	Ireland, Republic of	0.113
210	Cyprus (Greek sector)	0.097
212.5	Macao (China)	0.096
212.5	Malta	0.096
212.5	Paraguay, Republic of	0.096
212.5	Australia, Commonwealth of	0.096
215	Haiti, Republic of	0.095
216	Japan	0.079
218.5	Montserrat (UK)	0.077
218.5	Iceland, Republic of	0.077
218.5	Netherlands, Kingdom of the	0.077
218.5	Tuvalu	0.077
221	Greece/Hellenic Republic	0.068
222.5	Denmark, Kingdom of	0.059
222.5	Dominica	0.059
224.5	Marshall Islands, Republic of the	0.058
224.5	Norway, Kingdom of	0.058
226	Poland, Republic of	0.047
227	Cyprus (Turkish sector)	0.045
230	Tunisia, Republic of	0.039
230	Kiribati	0.039
230	Taiwan (Republic of China)	0.039
230	Hong Kong (China)	0.039
230	Falkland Islands (UK)	0.039
234.5	Gaza Strip	0.020
234.5	Saint Pierre and Miquelon (Fr.)	0.020
234.5	Mayotte (Fr.)	0.020
234.5	German Democratic Republic (former)	0.020
237	Portugal, Republic of	0.019
238	Austria, Republic of	0.012
239	Korea, Democratic People's Republic of	0.004
240	Korea, Republic of	0.002

Notes

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1. As Lijphart (1977: 56) remarked, "The notion of a multiple balance of power contains two separate elements: (1) a balance, or an approximate equilibrium, among the segments, and (2) the presence of at least three different segments." However, cooperation among groups becomes more difficult, as the number participating in negotiations increases beyond three or four. On the other hand, a moderately multiple configuration is preferable to a dual segmentation as the latter entails a constant tension between "a [majority] hegemony or a precarious balance [and it leads] easily to an interpretation of politics as a zero-sum game" (*ibid*.). Bi-ethnic states are thus a special, problematic type of multiethnic state. In a bi-ethnic state, a gain for one ethnic group is easily perceived as a loss for the other. By contrast, in societies with more than two major ethnic groups it may not be apparent who loses when one ethnic group improves its position. This can lead to a logrolling situation, in which each group cares primarily about its own gains and nobody is conscious of the possible costs of a policy decision. The scenario is outlined in Steiner's study on consociationalism in Switzerland (Steiner, 1974). It also implies that ethnic tension could be more easily aroused by preferential policies in bi-ethnic states than in those with more than two ethnic groups.
2. According to the "critical mass" theory – advanced, among others, by Semyonov and Tyree (1981) – societies are considered multiethnic only if minorities constitute more than ten per cent of their population.
3. Affirmative action and preferential treatment are "race-conscious" and "group-centred" strategies in contexts where the dominant policy form, particularly in liberal democracies, is individual-centred and "colour-blind" (Edwards, 1994: 55).
4. For a detailed discussion of illiteracy, illness and the poverty trap in China especially in her ethnic regions, see Yeoh (2008a: 43-46).

5. Including that of the highly Sinicized Manchurian Qing (Ch'ing 清) dynasty.
6. Year refers to publication date of English translation. Weber's original manuscript was written between 1910 and 1914.
7. Or in a different setting, take the case of Malaysia. According to Cheah (1984), the Malay ethnic identity (*bangsa Melayu*) was a creation after 1939 in response to the perceived threat from the increasingly politicized immigrants from China and India. The notion of a Malay race had therefore hitherto been absent, as Cheah elaborated: "[...] the Malays rose to confront what they considered threats posed by the immigrant races to their rights, but the Malays themselves had not been united as a race or a 'bangsa', and moreover they had not found a way to solve differences among themselves [... Such differences] were nurtured by the strong provincial feeling among the 'provincial Malays' (such as the Kelantan Malays, Perak Malays and so on), DKA Malays (those of Arab descent) and DKK Malays (those of Indian descent) [... There were also] tribal divisions, such as the Bugis, Minangkabau, Javanese, etc." (translated from Cheah, 1984: 83) The first open suggestion of a "Malay people" (*orang Melayu*) came only in 1939 when Ibrahim Yaacob (or I.K. Agastja by his Indonesian name) championed the notion of a unified Malay race across Malaya and Indonesia which he christened *Melayu Raya* (Great Malay) or *Indonesia Raya*. The boundary marker of ethnicity was thus mobilized to meet the rising need of identity investment for politico-economic purposes. An even more blatantly political ethnicization came after the 1969 riots in the creation of the "Bumiputera" race (*kaum Bumiputera*). *Bumiputera* (a term of Sanskrit origin meaning literally "prince of the land; son of the soil") became an official collective term grouping together the Malays, the aboriginals and the natives of Sabah and Sarawak (both on the Borneo island) after these two regions joined the Peninsula in 1963 to form Malaysia. It excludes "immigrant races" like Chinese, Indians and Europeans, but not Arabs and Malays from Indonesia.
8. See Yeoh (2008b: 81). While emphasizing the importance of the ethnic factor in understanding the role of the State does not diminish the significance of contention between social classes, it serves to avoid the pitfall of reductionist Marxism, in which, as Wolpe (1988: 15) remarked, ethnicity "becomes merely an external instrument for the reproduction of class interests which are assumed to be *entirely* defined by the economic relation of production".
9. This contradistinction in proportion is apparent in the fact that "while the Han population in Sinkiang and Tibet was nil, in 1949 Han Chinese comprised more than half of the total population of all China's national minority areas averaged together" (Moseley, 1966: 14).
10. Did the completion in 2006 of the Qinghai-Tibet (Qing-Zang 青藏) railway, said to bring modernity and economic progress to Tibet, also signal a new phase of Sinicization of Tibet? This is a fear that the 14th Dalai Lama's Tibetan government-in-exile has not been hesitant to voice.
11. One of the most notable of such incidents, before the more recent riots in Lhasa and Ürümqi was the Han-Hui conflict in October 2004 that occurred in the Nanren 南仁 village and two other nearby villages in Henan province's Zhongmou 中牟 county, which allegedly killed more than 100 people including

at least 15 policemen, and injured more than 400 people. Though the conflict was probably triggered by a local traffic accident and rooted in strong historical-cultural factors including perceived overall Han dominance and backlash against certain preferential policies for the ethnic minorities, simmering tensions might have been exacerbated by China's economic success that led to a growing gap between rich and poor, especially in the countryside. Other than the Nanren conflict, there was also the unconfirmed news of another serious Han-Hui conflict in August 2007 in the Shimiao 石庙 township in Huimin 惠民 county of Shandong province, close to the Hui county of Shanghe 商河, that resulted in at least a death and more than twenty injured. This was not the first such open conflict in Shandong which earlier experienced the well-known "Yangxin 阳信 incident" in 2000 when six Hui were killed during a thousand-strong Hui protest against a "*Qingzhen Zhurou* 清真猪肉" [halal pork] shop sign.

12. 东方日报, 9th July 2009.
13. 东方日报, 30th July 2009.
14. Yale professor Amy Chua, in her highly controversial book *World on Fire: How Exporting Free Market Democracy Breeds Ethnic Hatred and Global Instability* (2003) contended that the spread of free market democracy breeds ethnic violence in developing countries by simultaneously concentrating wealth in the hands of the ethnic minority and empowering the impoverished majority that resents the former. "The global spread of democratization reflects the powerful assumption in Western policy and intellectual circles that markets and democracy go hand in hand", wrote Chua, "But in the numerous countries around the world with a market-dominant minority, just the opposite has proved true. Adding democracy to markets has been a recipe for instability, upheaval, and ethnic conflagration […] As markets enrich the market-dominant minority, democratization increases the political voice and power of the frustrated majority. The competition for votes fosters the emergence of demagogues who scapegoat the resented minority, demanding an end to humiliation, and insisting that the nation's wealth be reclaimed by its 'true owners.' […] As popular hatred of the 'outsiders' mounts, the result is an ethnically charged political pressure cooker in which some form of backlash is almost unavoidable." (Chua, 2004: 124)
15. The spectre of China's disintegration has never ceased to haunt the generation of Chinese who have had the first-hand experience of China's humiliation at the hands of the Western powers and Japan up to the Second World War, to whom the *bainian guochi* 百年国耻 ("hundred years of national humiliation") is still crying out loud for redemption. This is the generation that today still makes up the leadership echelons in China, and leaders and respected intelligentsia in the overseas Chinese communities. This is the generation whose outlook having been shaped by their personal experience, among whom Beijing's stance that the benefits of stability under one-party rule far outweigh the risky endeavour of democratization and decentralization and that the human rights of the 1.3 billion-strong populace to be free from starvation and to be sheltered far outweigh the Western notion of freedom of speech and freedom of political choice would find resonance. This is a generation that the yearning and love for a great "Cultural China" (*Wenhua Zhongguo* 文化中国), and a China that could stand tall among

the community of nations, a China that is fast becoming a superpower, is all that counts in bestowing pride on one's Chinese ethnicity. Probably little else matters.

16. For instance, Mikhail Gorbachev may be a sinner blamed for the disintegration of the Russian-dominated Soviet Union in the eyes of the Russians, but could be remembered in history as the person who liberated the many long-tortured subordinate nationalities from the "prison of nations", especially from the perspective of the non-Russian citizens of the Soviet Union, who have long languished under Leninist-Stalinist totalitarianism, not to mention particularly the horrors of the Stalin years, ever since the days their quest for national self-determination was hijacked by the Bolsheviks: "According to history, the Empire of the czars was a 'prison of the peoples' and Lenin opened it. But history is never quite that simple. At the start of the twentieth century the empire was already showing signs of weakness; all its subject peoples were beginning to resent its domination and looking for ways to escape from it. Lenin's genius lies in having grasped the breadth of these desires for emancipation, and in having understood that by utilizing those desires – which had nothing to do with the working class – he could assure the victory of the workers in his own country." (Carrère d'Encausse, 1979: 13)
17. China's leaders, from Deng Xiaoping, Jiang Zemin to Hu Jintao have been vehemently against adopting Western liberal democracy for China, both for the fear that the Communist Party will lose its political dominance or China might disintegrate like the former Soviet Union. The nightmarish scenario of China's disintegration, and the most likely prospect of losing Xinjiang, Tibet, Inner Mongolia, probably also Qinghai and Ningxia, and of course Taiwan, and having China shrunk by half, alone is enough for the Communist Party leaders to convince many, not least among the overseas Chinese community leaders to shun the idea of democratization and regional political autonomy. The death of the Soviet Union hangs like the sword of Damocles to remind people that "[… when] Mikhail Gorbachev launched his radical political reform and initiated the process of political democratization in the former Soviet Union, scholars in the West argued that Gorbachev must be 'right' and China's Deng Xiaoping must be 'wrong.' […] However, when Gorbachev's reforms eventually led to the collapse of the Soviet Union, Deng Xiaoping was proven 'right.'" (Zheng and Lye, 2004) The prevalence of such views that have fed into the collective fear somehow serves well in justifying the stance of China's current regime despite the value-loaded nature of judging right and wrong in this case. Soviet Union's disintegration is definitely wrong in the context of the preference for stability and territorial unity, but this is highly judgmental. Firstly, that a "nation" divided is destined to herald misery for the people might not be borne out by modern empirical evidence – the outstanding record of economic prosperity, political stability and human welfare of the many successor states of the former Austro-Hungarian empire, the Kalmar Union (the Danish empire) and, closer home, even the success of Taiwan. Of course, to generalize such successes could be as empirically unsound as to be consumed by the combination of ethno-national pride and the morbid fear of losing territorial domination, but sometimes, as the

proverb goes, the best things might just come in small parcels. Schumacher, in his now classic *Small Is Beautiful* (1973) proposed the idea of "smallness within bigness" – a form of decentralization whereby for a large organization to work it must behave like a related group of small organizations. "Man is small, and, therefore, small is beautiful", Schumacher might just have a point. Secondly, the aspiration for a unified nation under the Han Chinese domination from the point of view of the Han Chinese should be indisputable, but whether this is true from the perspective of other non-Han Chinese people – "Chinese" as defined as "China's citizens" – especially those that are ethnoterritorial would deserve further investigation.

18. See *2000 Population Census of China* and *Xinjiang Statistical Yearbook 2007*.
19. It took a brutal campaign of ethnic genocide to deliberately exterminate the Dzungars and it has been estimated that more than a million people were slaughtered.
20. These data were from the *2000 Population Census of China*. Official data for the year 2006 gave the proportion of Uyghurs as 45.92 per cent and that of Han as only 39.62 per cent of the total population of Xinjiang. See *Xinjiang Tongji Nianjian 2007*, pp. 82-87, Figure 4-7, which gave the year 2006 figures of 9,413,796 Uyghurs and 8,121,588 Han out of a total population of 20,500,000 people of Xinjiang.
21. *Times* (UK), 19th April 2009; 东方日报, 21st April 2009; *Scientific American*, July 2009; 东方日报, 1st August 2009. Not allowed into China, Takada obtained his results based on estimation by extrapolating his model with Xinjiang's population density. Not allowed while in China to probe into the existence of disproportionate number of cases of malignant lymphomas, lung cancers, leukemia, degenerative disorders and deformed newborns, Enver Tohti, a Uyghur medical doctor who moved to Turkey 1998 ostensibly as part of his medical training and now works with Takada, claimed to have uncovered medical records showing Xinjiang's higher-than-national-average cancer rates with a team of British documentary filmmakers whom he smuggled back into Xinjiang as tourists.
22. See *Xizang Tongji Nianjian 2007*, pp. 33-34, Figure 3-4, which gave the year 2005 figures of 2,549,293 Tibetans and 104,647 Han out of a total population of 2,675,520 people of Tibet.
23. Reference should be made here to the controversial hypothesis of Rabushka (1974) that a larger public sector makes ethnic conflict more likely.
24. From its humble beginnings in the 1980s, the Northern League – complete name *Lega Nord per l'Indipendenza della Padania* (North League for the Independence of Padania) – has since been transformed from a marginal protest force to a national movement strong enough to bring down the 1994 Centre-Right coalition by withdrawing from it. While having had its ups and downs over the years, the real or potential political force it represents could never be totally counted out in the Italian political arena. "Padania" (the ancient Italian term for the Po valley), as proposed by the Northern League, would contain the most powerful industries of Italy, its best agricultural land, almost all its financial wealth and its greatest cities including Venice (the proposed capital), Turin, Milan, Bologna and Genoa.

25. It is exactly the same sentiment that is threatening the Belgian nation, driving Flanders away from Wallonia.
26. See, for instance, Katherine Palmer Kaup's *Creating the Zhuang: Ethnic Politics in China* (2000).
27. A challenge that the unprecedented 2004 Han-Hui conflict in Henan had amply attested to.
28. Summarizing Shah and Qureshi's (1994) findings, Bird and Vaillancourt (1998: 18) noted: "[...] in Indonesia, Timor (one of the poorest provinces) has a per capita own-source revenue equivalent to 4 percent of Jakarta's [...] however, owing to transfer from the central government, Timor's per capita expenditures are 40 percent of those in Jakarta."
29. Referring to the 31 *sheng* (i.e. provinces of Anhui 安徽, Fujian 福建, Gansu 甘肃, Guangdong 广东, Guizhou 贵州, Hainan 海南, Hebei 河北, Heilongjiang 黑龙江, Henan 河南, Hubei 湖北, Hunan 湖南, Jiangsu 江苏, Jiangxi 江西, Jilin 吉林, Liaoning 辽宁, Qinghai 青海, Shaanxi 陕西, Shandong 山东, Shanxi 山西, Sichuan 四川, Yunnan 云南 and Zhejiang 浙江), *zizhiqu* (i.e. "autonomous regions" – each a first-level administrative subdivision having its own local government, and a minority entity that has a higher population of a particular minority ethnic group – of Guangxi 广西 of the Zhuang, Nei Monggol/Inner Mongolia 内蒙古 of the Mongols, Ningxia 宁夏 of the Hui, Xizang/Tibet 西藏 of the Tibetans and Xinjiang 新疆 of the Uyghurs) and *zhixiashi* (municipalities under the central government – Beijing 北京, Chongqing 重庆, Shanghai 上海 and Tianjin 天津).
30. As Cook and Murray (2001: 126-127) succinctly summarized: "Three of China's four largest coal fields are in this area, as well as four of the most important oil fields. Some 140 kinds of mineral ores have been detected along with large reserves of bauxite for processing into aluminium, and gold. The Qaidam Basin in the middle of Qinghai Province, home to a large Tibetan population, for example, is described by local officials as the province's 'treasure bowl', containing proven oil reserves of 200 million tons, as well as 4.5 billion tons of mostly high-quality coal with low ash and sulphur content. Under the Kunlun and Qilian mountains are large proven caches of iron, manganese, chromium, vanadium, copper, lead, zinc, nickel, tin, molybdenum, antimony, mercury, gold, silver, platinum, beryllium and selenium. The iron reserves are estimated at 2.2 billion tons, and the province claims the country's largest lead and zinc mines, and is a primary producer of asbestos. The Hui people in the Ningxia Hui Autonomous Region, meanwhile, are sitting on large proven reserves of oil and natural gas, along with mineral resources such as copper, iron, silver, gold, aluminium and nickel. The growing prosperity of Xinjiang is being built on the back of developments in the vast and inhospitable Tarim Basin, where experts reckon there are reserves of up to 100 billion barrels of oil and 8,300 billion cubic metres of natural gas."
31. "Bi-ethnic" in terms of major power structure and socioeconomic relations, though the region's population consists of more than two ethnic groups.
32. 世界日報 (*World Journal*) (US), editorial on 16th July 2009, reprinted in 东方日报, 18th July 2009.

33. See *Xinjiang Statistical Yearbook 2007*, pp. 82-87, Figure 4-7, which gave the year 2006 figures of 254,722 Uyghurs and 1,507,720 Han out of a total population of 2,018,443 people of the city of Ürümqi.
34. In another setting, for instance, in a country like Belgium, the tilting of the ethnic line is evident, with Flanders overtaking Wallonia economically since the 1960s and bringing with it increasing politico-economic leverage on the part of the Flemish community. It is Wallonia's fear of Belgium being slowly transformed into a Flemish-dominated country, coupled with the continued insecurity felt by the Flemish community over its new-found power, which is fuelling the interethnic discord of the country and threatening to tear the country apart.
35. Gunther (1980: 223, 258) described public investment decision making in Spain during the Franco era as more closely conforming to the "clientelistic", rather than "corporatist", model. For more on the clientelist model, see Brown (1989) and Clapham (1982: 6-7).
36. 东方日报, 10th July 2009.
37. Brown (1989) was of the opinion that while in some types of clientelist systems the patron-client networks may serve to cut across and weaken ethnic communal ties (especially where the patron-client relationship arises out of the competition for individual goods such as contracts or jobs), clientelism may also promote the politicization of regional and ethnic communalism, where the focus of competition is on communal goods such as public amenities and development projects. Anyway, the politicization of ethnicity tends to become the more likely result of clientelism where leaders at the state-level seek to mobilize popular support so as to promote their political positions. Appeals to ethnic solidarity provide a useful basis for such mobilization, while at the same time cutting across and inhibiting class alignments. A notable impact of the personalized politics of clientelism is "to promote the politics of competitive ethnicity, in which inter-ethnic rivalry is pursued through the activities of entrepreneurs, patrons and brokers" (*ibid*.: 52). Factional instability which may ensue is minimized where one patrimonial leader and his entourage are able to acquire monopoly control of the State and thence of resource distribution, while ethnic communal clienteles are "politically mobilized by their communal influentials who act as brokers, delivering their communal group support to the patrimonial élites in return for the promise of state resources" (*ibid*.).
38. 世界日報 (*World Journal*) (US), editorial on 16th July 2009; reprinted in 东方日报, 18th July 2009.
39. 东方日报, 8th July 2009.
40. Jean-Jacques Rousseau (1762), *Émile, ou De l'éducation*, translated by Allan Bloom with introduction, New York: Basic Books, 1979.
41. There is a tendency in academic circles to distinguish between socially defined and biologically defined races – "ethnie" and "race". An ethnie or ethnic group is said to exist when three conditions are present – "a segment of a larger society is seen by others to be different in some combination of the following characteristics – language, religion, race and ancestral homeland with its related culture; the members also perceive themselves in that way; and they participate in shared activities built around their (real or mythical) common

origin and culture [and] a nation [is] an ethnic group that claims the right to, or at least a history of, statehood" (Yinger, 1986: 22). In contrast with "racial groups" which are biological categories based on immutable, physical attributes fixed at birth, "ethnic groups" are defined by a much wider range of cultural, linguistic, religious and national characteristics, with a more flexible form of group differentiation. Therefore, the term "racial" should more appropriately be used to describe group distinction on the basis of phenotypical (i.e. physical) characteristics, while "ethnic" refers to those based solely or partly on cultural characteristics (Yeoh, 2003: 26). The term "ethnic" can also be generalized to be a blanket concept (Hoetink's attribute "socioracial") to cover both the above distinctions. The term "cultural" here mainly covers the ascriptive attributes "ethnolinguistic" and "ethnoreligious". The emphasis on language and religion in empirical research is due mainly to the fact that they are the relatively less vague factors in the fourfold categorization of ascriptive loyalty (Hoetink, 1975: 23-4). While "racial" – meaning phenotypical – differences is only skin deep, ethnic boundary as a process (*à la* Barth, 1969) tends to be tenacious and uncompromising, the manifestation of the age-old fourfold ascriptive loyalty of race, territoriality, language and religion (Yeoh, 2006: 224). However, racial and ethnic characteristics thus defined often overlap in any one group while extremely deep divisions are often found between groups whose racial as well as ethnic differences are actually imperceptible, e.g. the Burakumin, the so-called "invisible race" of Japan.

42. 光华日报 (*Kwong Wah Yit Poh*, Malaysian Daily), 4th August 2010.
43. Yan Jiaqi 严家其 (严家祺) was a political advisor of Zhao Ziyang during the 1980s and a prominent intellectual supporting the student-led pro-democracy movement of 1989. Fled to Paris after the June Fourth massacre, he participated in forming the Federation for a Democratic China of which he was elected first president. Yan's confederation proposal was for a *Chunghua Lienpang Kunghekuo* 中華聯邦共和國 ("Federal Republic of China"), a "Third Republic" – the first republic being the *Chunghua Minkuo* 中華民國 (Republic of China) and the second, *Zhonghua Renmin Gongheguo* 中华人民共和国 (People's Republic of China).
44. Charter 08, signed in December 2008 by over three hundred prominent Chinese citizens, was conceived and written in emulation of the founding of Charter 77 in former Czechoslovakia in January 1977 by over two hundred Czech and Slovak intellectuals, including the future Czech president Václav Havel. Charter 08's number of signatories, local and overseas, later increased to about 7000 by March 2009 (东方日报, 14th March 2009). Liu Xiaobo, the leading dissident arrested and jailed, also played a prominent role in the 1989 Tiananmen 天安门 demonstrations and hunger strikes. Liu was awarded the Nobel Peace Prize on 8th October 2010.
45. Translated from the Chinese by Perry Link. <*http://crd-net.org/Article/Class9/Class10/200812/20081210142700_12297.html*>
46. Ethnic division may be territorial in some countries but not in others, thus making it difficult for federalization along ethnic lines. An ethnic faction can be a homeland group while the other or others may be immigrants, giving rise to imbalance in ethnic intensity, national legitimacy and power of negotiation.

47. For instance, the 14th Dalai Lama's proposal for Tibetan autonomy has always been accused by Beijing as a disguise for his alleged Tibetan independence agenda.
48. One of the earliest proposals in China of decentralization along federal lines is probably that found in the oath of the Hsing Chung Hui 興中會 (Revive China Society), founded in 1894 by Sun Chung-shan 孫中山/Sun Wen 孫文/Sun I-hsien 孫逸仙 (leading revolutionary, founder of republican China, more popularly known outside China as Sun Yat-sen) – the establishment of a *hechung* 合眾 government, i.e. government of a "union of many". In fact, with fourteen provinces proclaiming independence from the Ch'ing 清 dynasty to reunite as the Republic of China/*Chunghua Minkuo* 中華民國 during the Hsinhai 辛亥 Revolution, Sun Yat-sen in 1912 took the title "President of the Provisional Government of the United Provinces of China" – *liensheng* 聯省 ("united provinces") presumably suggesting a less regionally independent arrangement than *lienpang* 聯邦 ("federation") or the US-style *hechungkuo* 合眾國 ("united states"), partly reflecting reservation against earlier *liensheng tzuchih* 聯省自治 ("united autonomous provinces") proposals since the 1920s, lest too much regional autonomy might jeopardize the country's badly needed ability at that time to resist foreign aggression as well as might legitimize the hated rule of the regional warlords. Regional autonomy has in fact not really always been a no-no as was usually presumed in the political discourse within the People's Republic of China. In fact, a soviet federal republic, modeled after the union republics of the Union of Soviet Socialist Republics, was obviously on the cards, with autonomous constituent republics planned for the ethnic regions like Inner Mongolia, Tibet and Xinjiang/Eastern Turkestan, at the time when a Chinese Soviet Republic was established in Jiangxi province and then during the *changzheng* 长征 ("Long March") a small autonomous republic for Tibetans was set up in Sichuan province. By the time of Yan'an 延安, such nationality policy had undergone a transformation, and in 1947 the Inner Mongolia "Autonomous Region", the first of its kind in China, was created, not "Autonomous Republic". Before the complete consolidation of power, the PRC which was established in 1949 consisted of six semi-independent "greater administrative areas". The central government in Beijing, just transferred from the People's Government of North China, in effect only had direct control of northern China and Inner Mongolia, while other "greater administrative areas" enjoyed a substantial level of autonomy, all of which but ended by 1954.
49. The Republic of China (ROC), controlling only the Taiwan 台灣 province, is today recognized by 23 mostly small countries. The ROC lost most of her diplomatic allies after she was expelled from the United Nations in 1971, as many countries dropped her to recognize the People's Republic of China (PRC), including Costa Rica, one of Latin America's most democratic countries, on 7th June 2007 – a bitter irony, according to Taiwan – within four days of the year's anniversary of the 1989 tragedy.
50. Judgement on the event, positive or negative, of course depends on from whose point of view, e.g. the Great Russians or the peoples of the captive nations of the former USSR.

51. For Taiwan's ratings on political rights and civil liberties *vis-à-vis* China, see Figure 16 in this issue's prologue on social transformation. *En passant*, probably also noteworthy is that with the collapse of the Ch'ing Dynasty that led to the repatriation of the imperial troops from the region, Tibet (today China's Xizang Zizhiqu) was in every respect virtually on her own from 1911 to 1950.
52. 东方日报, 20th July 2009.
53. The State's difficulty to face up to domestic realities is probably manifested in the continued repression in the aftermath of the riots including the arrest of ethnic Uyghur economics professor Ilham Tohti of China's Central Nationalities University and founder of the "Uighur Online" on 7th July 2009 and the revocation of licenses of civil rights lawyers who took up cases related to the Xinjiang riots (东方日报, 10th July 2009, 15th July 2009 and 17th July 2009). After a storm of protest from Chinese intellectuals and academics against the arrest, Ilham Tohti was finally released on 23rd August 2009 (东方日报, 11th September 2009).
54. There are two types of argument, normative and functional, noted Tillin (2006: 46-47), made in favour of asymmetrical federalism: "The normative case rests on a moral argument about the desirability of cultural group rights and the politics of recognition in multinational liberal democracies. Crudely, this theory of federalism elevates asymmetry to a system-wide attribute of a federation that reflects the acceptance and recognition of difference across a polity. The functional case relies instead on arguments about what exists and what works. This argument often uses the adjective 'asymmetrical' interchangeably with 'creative' or 'flexible' to denote individual instances in which solutions have been sought (successfully or otherwise) within a federal constitution to one-off problems of governance. The functional argument is sometimes underdeveloped, but used simply to code India as a case of asymmetry for comparative purposes."
55. Citing Manor's argument, Tillin opined that an emphasis on asymmetry as a normative concept in India could "lead to a sidelining of other factors in the country's nationalist discourse, and historical inheritance, which downplay the significance of subnational differences", for, citing Nandy (1992), Indian public culture "does not have space for the Other, instead it has an open, blurred definition of the self which allows it to accommodate Others with which it might be in conflict" (Tillin, 2006: 62).
56. O'Donnell and Schmitter (1986: 9) opined that a transition from authoritarian rule could produce a democracy, but it could also terminate with a liberalized authoritarian regime (*dictablanda*) or a restrictive, illiberal democracy (*democradura*) (cited in Diamond, 2002: 24).
57. Bo Yibo, the former Chinese vice-premier, was in fact expressing the reformers' feeling towards the lessons of the multiple cycles of administrative decentralization and recentralization in China: "A [more] important and fundamental lesson of the [1958] attempt to improve the economic management system is: We only saw the vices of overcentralization of power, and sought to remedy the situation by decentralizing powers to the lower levels. When we felt too much power had been decentralized, we recentralized them. We did not then

recognize the inadequacies of putting sole emphasis on central planning (and in particular a system dominated by mandatory planning) and totally neglecting and denying the role of the market […] As a result over a long period of time (after the 1958 decentralization) we were trapped within the planned economy model. Adjustments and improvements could only work around the cycles of decentralization and recentralization. Moreover the recipients of more powers are invariably the local governments, rather than enterprises." (Bo Yibo 薄一波, *Ruogan Zhongda Juece yu Shijian de Huigu* 若干重大决策与事件的回顾 [Looking back at some important decisions and events], 1993, p. 804, cited in Li, 2003: 1.)

58. $$\text{EFI} = 1 - \sum_{i=1}^{n} \left(\frac{n_i}{N}\right)\left(\frac{n_i - 1}{N - 1}\right)$$

where n = the number of members of the *i*th group and N = the total number of people in the population. The index is constructed through the computational procedure of Rae and Taylor's index of fragmentation (F), defined as the probability that a randomly selected pair of individuals in a society will belong to different groups (Rae and Taylor, 1970: 22-3). The index varies from 0 to 1. The value is zero for a completely homogeneous country (the probability of belonging to different groups is nil). The value 1 occurs in the hypothetical society where each individual belongs to a different group. The fragmentation index is identical to Rae's measure of party system fractionalization (Rae, 1967: 55-8) and Greenberg's measure of linguistic diversity (Greenberg, 1956):

$$A = 1 - \sum_{i=1}^{n} (P_i)^2$$

where P = the proportion of total population in the *i*th language group.

For data sources of the computation of EFI for this appendix table, see Yeoh (2003: 33-36), Table 2.

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Book Reviews

Pál Nyíri, *Chinese in Eastern Europe and Russia: A Middleman Minority in a Transnational Era*, London: Routledge, 2008, 173 pp. + xvi.

Over the past two decades, numerous studies have appeared on Chinese international migration, which in the late twentieth century quickly became massive and took new directions, economic and geographic. This migration is a main topic and source of evidence in the recent literature on transnationalism, which pictures the migrants' world as a system of multipolar transnational networks.

Pál Nyíri's richly researched book focuses on China's "new migrants" in Russia and Eastern Europe (mainly Hungary). He argues that Chinese in these places are less likely than their counterparts in Western Europe to seek local citizenship, make claims in the "local public arena", and want their children to stay and settle. Instead, they engage in "intense transnationalism", i.e., extreme international mobility and economic dependence on China. Their social mobility in local society is limited, due to (a) to a lack of attractive possibilities and (b) indigenous hostility, so they adopt the strategy of a "middleman minority" (a term Nyíri resurrects from American sociology in the 1980s). The economies they enter lack goods and services that the migrants, through their ties with China's state enterprises and transnational connections, are in a position to provide, filling the region's underdeveloped and poorly managed market niches with Chinese manufacture and models of transnational entrepreneurship. The study concludes that the option of "flexible citizenship" – Aihwa Ong's coinage for the strategy of moving regularly across state boundaries to circumvent and benefit from different nation-state regimes – is no longer an aspiration but has become a reality for China's transnational entrepreneurs in Russia and Eastern Europe, who are unlikely to integrate in their places of fixation.

Nyíri provides strong evidence for transnational ties, but the situation he describes is in many ways peculiar to its time and place. The migration is nearly all new and exploratory. The migrants have better contacts than Chinese in Western Europe with enterprises in China, since they left China (a) more recently and (b) at a time when Chinese state industry was in transition to lesser regulation. China is contiguous with Russia, and most of the migrants are "commuters" rather than settlers, i.e., they are closely tied, physically and economically, to China. Their homeland ties are reinforced

by the ease of cross-border transportation (including by the Trans-Siberian Railway) and new means of communication. Most of the new migrants have neither the opportunity nor the wish to settle in Russia and Eastern Europe, unlike Chinese migrants past and present in Western Europe. This is because Russia and Eastern Europe are poorer and therefore more difficult and less promising destinations than countries in the West, for which they are often seen as mere transit points, and because indigenous bureaucratic authorities often put obstacles in the way of migrants registering for residence or getting visas. The migrants also feel insecure because of anti-Chinese feeling among officials and the general population.

Can a general theory be spun from data about migrant communities so strongly shaped by transitory, contextual, and exceptional circumstances? Many of the migrants seem not to have made a permanent commitment to the place they live in or a final decision about their migration strategy; the economies of Russia and Eastern Europe are poor, unstable, and in transition; and China was itself also a transition economy in the early period of this migration.

On the basis of his analysis of Russia and Eastern Europe, Nyíri proposes a theoretical model of regions of Chinese migration described as "transitional peripheries". This model stretches to South America, Africa, and China's neighbouring countries in Southeast Asia and is characterized by migrants' "very high level of international mobility and economic dependence on China". When building big theories, it is best to start by sorting out the details. Such an approach would look at each country or region separately, to identify its special features and likely trajectories. It would analyze the relationship between the local economy (of which there are many different sorts in the continents and regions Nyíri lists) and the migrant Chinese economy. It would look at the way in which new Chinese migration differs from country to country and region to region; the nature of the country or region's broader China tie; the migrants' relationship to non-migrant Chinese state or private investment in the local economy (where such investment happens); the presence or absence of one or more pre-existing, settled ethnic Chinese communities; and the nature of the new migrant flow – who are they, how many of them are there, and why, when, and how did they leave China? In the absence of empirical studies of this sort, the theoretical model remains speculative.

Nyíri also discusses Chinese community politics in Russia and Eastern Europe, which he describes as embodied in political organizations acting "more on a transnational arena than in a particular country". Such organizations vigorously protest their patriotism and maintain close ties with authorities in China. However, their membership is usually small and their legitimation lies, according to Nyíri, in their leaders' personal contact with

Chinese authorities rather than in any social or political work they do in the community. These organizations, he concludes, are "widely discredited as irrelevant and serving primarily the interests of their leaderships in building connections in China". These findings chime with studies of new-style Chinese community organization at the European level in the 1990s. They seem somewhat to undermine the idea of extreme economic transnationalism and the role played in structuring the "transnational social space of the 'new migrant' community" by political associations of this sort (p. 120).

As migrant communities, the Chinese groups in Russia and Eastern Europe are by definition more closely tied with their sending places than mature communities. So it is interesting to note that the oldest of the new Chinese communities in Eastern Europe, in Hungary, would seem to be evolving in a similar direction to the older communities in Western Europe. Mixed marriages are common and the children are bilingual and study at Hungarian universities. This suggests that sections of the Chinese community in Hungary are starting to develop a Hungarian culture and identity.

Both these findings – the absence of a pervasive and well-supported transnational political culture and the first flowering of a new national identity and culture among ethnic Chinese in Hungary, different from that of the migrant generation – would seem to raise questions about the nature of Chinese transnationalism in Eastern Europe.

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James McGregor, *One Billion Customers: Lessons from the Front Lines of Doing Business in China*, New York: Wall Street Journal Book, 2005, 312 pp. + xxi.

Westerners have always found China mysterious. The two-thousand-year tradition, customs, language, the bizarre shift in politics can be powerful barriers for doing business in China. Nevertheless, behind these barriers is a market of more than one billion people, many of them eager to seize every opportunity to learn and to get ahead. This has made China such a frustrating yet rewarding place for so many foreign businesses.

One Billion Customers, often referred to as "the bible for anybody doing business in China", reveals timeless insights and indispensable, street-smart

strategies, tactics and lessons for succeeding in the world's fastest growing consumer market. Unlike many other books that portray China as a cold monolithic state, the book is a series of stories about people and events in China, illustrating the chaotic Chinese business environment in a systematic and chronological manner. The book is deeply perceptive about China's true strengths and glaring weaknesses. The real life stories are interesting and even fun, which made them contagious to read; however, they should be read with caution about rushing into a place which most Westerners know very little.

The author, Jim McGregor served as *The Wall Street Journal*'s China bureau chief after the 1989 Tiananmen Square massacre, the chief executive of Dow Jones' China business operation during the 1990s, and a venture capital investor during China's dotcom boom. These positions gave him access to people and information that few businesses have. McGregor relates his engaging account based on almost two decades of experience. He even recounts his efforts to make contact with local Chinese, most were afraid of talking to foreigners after the Tiananmen massacre; he would troll the parks using his young daughter who has Shirley Temple blond curls, as an interview lure, in order to create opportunities for interaction with the locals.

The book has a structure that is well made. The writing is clear and the story-telling is compelling. Each chapter tells the story of a particular corner of Chinese business. This is followed by a section entitled "What This Means to You", whereby McGregor explains how what happened in the chapter can affect how one does business in China. Each chapter finishes with the very clever "The Little Red Book of Business", a pithy summary of McGregor's own observation in a takeoff on Mao's *Little Red Book*.

The book begins with a historical overview, whereby McGregor took the reader to a whirlwind tour of China's past, starting with British Lord George Macartney's 1793 arrival on the Chinese coast, attempting to crack open the prosperous but insular nation, up to China's 2001 entry into the World Trade Organization. McGregor writes about the two hundred years of foreign domination and internal duplicity, such as Chiang Kai-shek's corrupt capitalism, the opium trade, slaughter by the Japanese and the Cultural Revolution which have left a residue of suspicion and distrust within China. He advises, "China society is all about self-interest. It is very strong on competition but very weak on cooperation", he further reiterates, "In China, a conflict of interest is viewed as a competitive advantage".

McGregor follows up with the engrossing tale about how the former head of China Construction Bank, Beijing Mayor Wang Qishan jousting with Morgan Stanley Asia's chairman, Jack Wadworth – and how ultimately, the two created China's first joint venture investment bank, CICC. McGregor succeeds in putting into light the huge gap of understanding between the Western thinking and the Eastern thinking. He advises, "Avoid joint venture

with government entities unless you have no choice, then understand that this partnership is about China obtaining your technology, know-how, and capital while maintaining Chinese control."

McGregor keeps things interesting by recounting the experiences of many Western and Chinese characters that includes businesspeople, officials, entrepreneurs, journalists and the occasional crook. He writes about people like Zong Qinghou, founder of Chinese beverage maker Wahaha Group, the power couple Zhang Xin and Pan Shiyi, two real estate magnets, and the former telecom czar Wu Jichuan. The latter tried to stymie the rise of telcos such as UTStarcom Inc. and to control foreign investment in the Internet. Then there was Lai Changxing, the man who went from ditch digger to celebrated tycoon and a model citizen, and finally became the most-wanted fugitive. He alleged to have been running a very aggressive family-managed smuggling operation that partnered with all levels of government and military. His $6 billion operation demonstrates how corruption greases the wheels of Chinese business. McGregor warns, "If you decide to sell your soul and succumb to China's corruption, get a good price and focus on charity work in your old age."

I particularly enjoy reading the saga of media mogul, Rupert Murdoch's attempt to enter China's media market. McGregor recounts how even Murdoch had trouble meeting with the appropriate officials. In 1993 just after Murdoch bought control of a satellite network that reached all of China, he said that advances in communications technology had "proved an unambiguous threat to totalitarian regimes everywhere". This had earned him the enmity of China's top leadership. A month later, China banned the private ownership of satellite dishes. It was not until four years later that Murdoch was granted an audience with the Chinese President. Murdoch used those years to learn more about China and how to live within what McGregor calls, "the size of his cage", or the current limits set by the government. Although Murdoch may now be in good graces of China's leadership, satellite dishes remain illegal. McGregor suggests, "Avoid the 'slobbering CEO syndrome.' Don't fall for China brilliant use of its huge size and two-thousand-year tradition of manipulating political pageantry to intimate foreigners into accepting unwise deals."

Another element that really sets this book apart is McGregor's tremendous amount of goodwill, respect and affection for the Chinese as people and for China as a business experience. He does not settle with a sloppy approach of simply criticizing the Chinese way of doing things. It is also a great book for Chinese to see how Chinese ways of thinking and behaving are seen and interpreted through foreigners' eyes. McGregor explains the complexities of the Chinese in ways that make sense. For example, he writes, "The Chinese appear to the West to be a collective society … But always simmering just

below that collective veneer is a dog-eat-dog competitive spirit that makes the Chinese among the world's most individualistic and selfish people."

There are two minor criticisms I have for this book. The China picture it paints might not really apply to all businesses. Although McGregor writes about the difficulties of establishing a large scale foreign investment bank, a foreign media empire and a foreign wireless network, he never dwells into the challenges of starting up small and medium sized manufacturing and service businesses that are operating so successfully in China. In addition, McGregor's experiences are not likely to be relevant to the vast majority of readers, as one is unlikely to have the same access in one's business dealings. For example, very few people are able to draw upon high level contacts in either the US or China government, or have the media's attention when one's intellectual property is being stolen.

Overall, *One Billion Customers* offers a well-written and often humorous insiders' guide on how to – and how not to – do business in China. It is very readable and quite enjoyable. Highly recommended if your intention is to do business in China or that you are simply curious about China.

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