



A Harvard Magazine Roundtable

CHANGING, CHALLENGING CHINA

Old Beijing and new: traditional homes and encroaching high-rises

IN MID MARCH, Harvard Business School and the Harvard China Fund will formally inaugurate a substantial center in Shanghai—one of the University’s largest international facilities—to support faculty research, visiting students, and teaching programs. Given this tangible evidence of the University’s academic engagement with one of the world’s most important and dynamic countries, *Harvard Magazine* at year-end invited seven faculty and alumni experts to discuss China’s history, culture, and contemporary challenges:

MARK ELLIOTT is the Mark Schwartz professor of Chinese and Inner Asian history. He focuses on the Qing dynasty and the historic and continuing relations between China and Inner Asia.

WILLIAM KIRBY, T. M. Chang professor of China studies, Spangler Family professor of business administration, director of the Fairbank Center for Chinese Studies, and chairman of the Harvard China Fund, is an historian of modern China, and of contemporary Chinese business history and organization.

ARTHUR KROEBER ’84 has lived in Asia since 1987, served as correspondent of the Economist Intelligence Unit for a decade, and is now a Beijing-based managing director of Dragonomics, an economics research and advisory firm.

EVAN OSNOS ’98 is the *New Yorker* correspondent in Beijing.

DEBORAH SELIGSOHN ’84, based in Beijing, is principal adviser to the World Resources Institute China Climate and Energy Program.

EDWARD STEINFELD ’88, Ph.D. ’96, an associate professor in the department of political science at MIT, directs the MIT-China program and is co-director of the China Energy Group. His new book, *Playing Our Game: Why China’s Rise Doesn’t Threaten the West*, is forthcoming from Oxford.

XIAOFEI TIAN, professor of Chinese literature, specializes in early medieval Chinese literature and cultural history. She has also published on late imperial China and modern Chinese literature and culture.

See harvardmag.com/extras for further background on the participants. Edited excerpts of their discussion follow. A report on the presentations scheduled for the opening of the Harvard Shanghai Center will appear at www.harvardmagazine.com and in a future issue of the magazine.

Balloons—and tightly managed state stagecraft: the sixtieth-anniversary celebration of the People's Republic of China, held last October



MODERATOR: The People's Republic of China today seems a growing giant with powerful economic momentum, unlimited human capital, and apparently unlimited financial resources—that's how it portrayed itself in a very choreographed way for the 2008 Olympics and its sixtieth anniversary celebration in Beijing last October. In many senses, perhaps that image is true. But China also faces significant internal challenges and problems, many of long duration, that have been exacerbated by sweeping changes in the twentieth century and continuing today: the end of the imperial government—although not of the empire—in 1911, war and civil war, revolutionary upheavals, and even the effects of its current growth.

KIRBY: You made the transition between the last dynasty, the Qing, and the era of the several republics. Mark, our Qing historian and scholar of China's borders, might be the logical person to get us going on this.

ELLIOTT: I've just co-taught a course on comparative empire and nation in Russia and China. This notion of "empire" for most of the last several decades has been something of a dirty word.

Part of what China is struggling with today is, in fact, this very problem of *what* it is. Is it the continuation of an empire, a modern nation-state, or something in between? It has inherited a lot of the legacy of the old empire, but at the same time is struggling to reconcile what we expect of nation-states in terms of national or cultural or religious unity—trying to reconcile that with the ethnic and political diversity within its current borders. In a way, it comes down to trying to reconcile the current Chinese state with historical notions of what China is, where China is, who's

Chinese—very complicated and sensitive issues, needless to say.

OSNOS: In answer to the very provocative question of who is Chinese and what constitutes Chineseness, I've been noticing the significant population of foreigners who are settling in China. In Guangzhou today, there are large populations of African migrants who have come simply because it's a better place than where they're from. China is suddenly thrust into the uncomfortable position of being a destination. And that means it has to begin to figure out if there is a philosophical and ultimately an administrative mechanism for incorporating those newcomers into the Chinese identity. The idea of Chineseness itself may be in flux.

STEINFELD: This issue of integrating outsiders is so tied up with empire, I think it may be worth considering the parallels between the Chinese and the American experiences.

Most Americans probably wouldn't view their own country as an empire—although plenty of outsiders do. But if you think about the development of American power over 250 years, we have a story of urbanization, industrial revolution, incorporation (violently or otherwise) of different kinds of minorities and outsiders, political change—all kinds of ugliness and violence, as well as triumph.

While I'm not a fan of crude comparisons, I think it's fair to say that the Chinese experience has all these elements—industrial revolution and demographic revolution, urbanization, political change and political revolution—but condensed in some respects into a period of 20 or 25 years. It's empire and revolution on "speed"—along with globalization at the same time and, compounding a lot of these factors, technological change. To

me, that's what is so spellbinding and head-spinning about this place.

TIAN: But there's one interesting difference from the American experience. Can those African immigrants get Chinese citizenship? Would they be treated as African-Chinese, or Chinese-African in some ways?

In recent years, these forces of globalization are pushing China even more strongly to look for the Chinese identity. I taught a course a few years ago called "Being Chinese." A lot of students—Asians, Chinese Americans, but also, increasingly, undergraduates coming directly from Chinese high schools—are very curious and eager to find out what being "Chinese" means. It is a question that had no meaning before the nineteenth century. Now they think about this very intensely exactly because of the forces of globalization. They're encountering a lot of foreigners now, and that makes them even more intensely aware of being Chinese—and then they start asking, "What does this mean?"

STEINFELD: You were asking whether an African immigrant could ever be Chinese. I was wondering, can a Tibetan really ever be Chinese, or a Chinese citizen? Can a Uighur? But I also ask myself, are Native Americans truly American citizens? Today, yes, they're American citizens, but are they truly Americans, as many of us think of Americans?

These are challenges that China, as you say, hasn't resolved.

ELLIOTT: There was a story recently about a young Uighur fellow who was traveling in Manchuria, in northeast China. He couldn't get a hotel room, because he was assumed to be a foreigner. And then when it was understood that he was a Uighur, that was even worse. He basically ended up down at the public security office, pleading to be treated like any other citizen. This is the point at which the system is still inadequate to meet the needs of people who find their place in Chinese society challenged in that way.

Non-Han people in general find themselves face to face with a default Han identity that is similar in some ways to the default white identity that historically has defined what it means to be American.

SELIGSOHN: Even though it has minorities, China is essentially an ethnically based country, whereas the United States is not. The contemporary European experience in absorbing immigrants probably indicates some of the continuing challenges that China will have over many decades in trying to deal with this.

We also have to remember that *citizenship* does not necessarily imply *equality*. The Chinese have legally established that the Tibetans and the Uighurs are citizens. They just aren't treated very equally.

KIRBY: When Peter Bol [Carswell professor of East Asian languages and civilizations] and I teach the "Rice Paddies" course [Historical Study A-13, "China: Traditions and Transformations"], we start with a question, "What is China?" And we pose this argument: China is a great and ancient *civilization*, but it in fact is a very new *country*—there was no state formally called "China" before 1911. As late as 1934, in a survey done outside of the capital city of Nanjing, people were asked the name of their country. Almost no one gave the official name, *Zhonghua Minguo* ["Republic of China"]. Some said *Zhongguo* ["China"]. A majority said simply, *Daguo* ["big country"]. Today, I think almost everyone around Nanjing would know both the official and generic name of their country. Their conceptions of citizenship have evolved

from being (vaguely) subjects of a great, multinational, multicultural empire under the Qing and even the early republic—which was, at least by its flag, a state of multiple, equal ethnicities—to the situation today, in which everyone is a *Zhongguo ren*—that is, everyone is "Chinese," as a citizen of the People's Republic of China—whether they're Han or Uighur or Tibetan or Mongol.

Yet at the same time, you still have President Hu Jintao talking, as he did at the sixtieth anniversary, about the recovery, or *fu xing*, of the "great race" of the "Chinese" people, by which I'm sure he doesn't actually mean Uighurs.

KROEBER: Even among Chinese citizens, so many of the 100 million or 150 million migrant workers who've moved from the countryside are unable to participate in the full range of urban life, because they work in an export factory, they live in the company dormitory—and they aren't allowed to have a residence permit in the city that enables them to bring their family in and take advantage of schooling and other social services. They're second-class citizens. China really has two classes—urban citizens and rural citizens—and they live very different lives.

What Kind of Politics?

KROEBER: I wonder if I could turn the conversation a few degrees, to talk about a problem in terms of China's political development—which is also a problem in the conversation between China and people in other countries *about* China's political development.

Someone alluded to the anxiety felt outside China by its emergence as this large force. One way this anxiety gets expressed is in the dialogue about political reform or political repression and human rights. This is a conversation that I find increasingly difficult to have even *within* China. There are lots of highly educated people in Chinese cities who may not be happy with specific things the government does, or in general terms with a lot of aspects of the government. But they're probably *more* unhappy with foreigners talking as if there is a single right way to organize a polity, and that China is falling short of some universal ideal.

In every country that has emerged from the European tradition, there is a very strong intellectual history of talking about politics—meaning negotiations among different interest groups within a society, all of which are assumed to be equally valid.

The main discourse in China is not about *politics*, but about *governance*. The crucial issue is not negotiations among autonomous interest groups—because the state is seen as an absolute sovereign over *all* interest groups, rather than being itself a compromise *among* interest groups. Instead, the key issue is the responsibility of the people sitting atop the state structure to ensure the country is governed justly.

Clearly, the fundamental issue today is that we've had tremendous economic development and the creation almost overnight of what on the surface seems a very modern society. But although there have been substantial modifications in the mechanisms and procedures of Communist Party rule, the political system has not developed commensurate with the degree of economic development.

Somehow, China is going to have to figure out over the next few decades what kind of political system it wants. One big difficulty is that most of the vocabulary for talking about political systems has been developed in the West, and that vocabulary is

quite alien and arguably not relevant to most Chinese people's experience. It's going to be hard to create a successful polity in China based purely on those imported concepts. You're going to need to take advantage of the Chinese intellectual tradition of discussing what makes a just government.

But unless you're at the *Zhongyang Dangxiao*, the Central Party School, where the Communist Party trains its leaders, you're not allowed to talk about these things in any public way.

That's the internal problem. The external problem is that Westerners who frame everything in terms of politics tend to argue that improvements in governance—which are real and important—are meaningless because they haven't been accompanied by political reform. And many Chinese resent that.

TIAN: I absolutely agree. I think political system reform is very important for China's future. I'm Beijing University class of 1989, and I was there in the student movement at Tiananmen Square—it's been 20 years now. I keep thinking about what people wanted at the time: democracy and reform in the political system. Now increasingly I feel that education is the key—not overnight revolution but a long-term thing that can actually help China change. China cannot change or reform its political system if its citizens, the people, do not reform China itself. If the ideas come from outside, you will meet a lot of resistance.

It will be very hard to achieve reform—especially when the Chinese government is rather successful in instilling a lot of nationalism and nationalistic patriotism in its citizens, from primary and secondary education all the way through the test-oriented higher-education system. There has been a lot of *aiguo zhuyi jiaoyu* [“education in patriotism”], coupled with this anxiety about Chinese identity that we were discussing. So I think the one thing the Chinese government wants to try to get across is this idea of being a *Zhongguo ren*, literally, “a person of China”—that is, not being a Han Chinese in terms of ethnicity, but rather being a Chinese person in terms of national identity.

The government controls a huge amount of money and resources. As long as the ministry of education and the state planning committee control the educational system, it's very hard for other opinions and ideas to get into the younger generation. They have become increasingly nationalistic, buying into all this stuff they've been getting from their teachers and from radio, TV, and the Internet—everywhere. It's very different from the 1980s, which was much more liberal, open-minded, and tolerant of foreign things. Now I feel China is becoming more closed up, in the sense that it becomes more self-absorbed. It's kind of a regression, compared with the huge economic leap forward.

SELIGSOHN: I think those comments make sense to people who know China well, but they can be widely misunderstood by others. When I started teaching in Beijing in 1984, there was a lot more control. There were still neighborhood committee peo-

ple checking in when a foreigner visited. It was at the end of the “spiritual pollution” campaign, and people were getting arrested for simply talking to a foreigner in a train station.

That kind of petty interference in personal life has not happened since 1992 [when Deng Xiaoping's *Nanxun*, or “Southern Tour,” promoted trade-led economic growth, overcoming conservative objections to market-oriented reforms]. So in that sense, people are much freer than they used to be.

But in the '80s there was a discourse about whether the way to reform was political or economic. So people felt equally free talking about politics and economics—and equally unfree in both areas. It was *not* so simple to talk about banking and getting rich. That was really politically risky, whereas by the mid '90s, of course,...

ELLIOTT: You could have those conversations in a restaurant.

SELIGSOHN: Yes, very easily. So there is this complexity about having the conversation about degrees of control within China versus outside China. I think it gets misinterpreted all the time.

There are ways in which the central government can control things tremendously effectively. And there are areas where it can't control anything at all.

It is interesting to explore this contrast between *politics* and *governance*, because relative to every other developing country, China has very effective governance. It's *much* more able to implement policies.

TIAN: They've been perfecting bureaucracy for thousands of years.

SELIGSOHN: Right. When I'm trying to figure out what's going on, I find that if you don't think about the political system, but just about the bureaucratic system—and I used to work in the U.S. federal bureaucracy—it's very easy to figure out what's going on, because China's bureaucrats act like bureaucrats anywhere in the world. It's all negotiations between offices, between ministries, rivalries between divisions. If you figure out who's controlling the budget, you have a pretty good idea of who's fighting with whom.

That doesn't imply that China can't control what happens within its borders—it clearly does. But there's clearly a diversity of interests which are mediated in a very bureaucratic system. The degree of control over what happens at the local level varies by topic and by the interest of the central government.

TIAN: I agree. But I just remember, when I was in Shanghai, talking to a friend who is a professor at East China Normal University, whose child is in high school. The child came home and told him the teacher was criticizing the government in class, as a digression. And the next day, the teacher discovered that he had been informed on to the local police by a student in that class. You're right that government control is very varied. But this kind of incident is something to be worried about. It's different from institutionalized control in the form of the local committee supervising the citizens on the street. I find that a student from a very good Shanghai high school informing on the teacher for criticizing the government—and feeling very righteous and very patriotic because they think that any criticism of the government compromises the great enterprise which is China—illustrates the ideological influence that's seeping into people's consciousness and the discourse.

If China keeps closing in—and government is spending so much effort and money and energy on promoting “national learn-

“I feel China is becoming more closed up, more self-absorbed. It's kind of a regression, compared with the huge economic leap forward.”

ing” and Confucianism—basically, no diversity there—I’m very concerned about the attempt to make it monolithic, despite all the diversity among the populace and on the local and regional levels.

Nationalism and Internationalism

KIRBY: Xiaofei, the question that you raised implicitly is really about the strength and capacity of the government and the security or insecurity of the regime. Here we have a regime that, as Debbie said, is really much more effective in governance than that of virtually any other developing country. It has enormous capacity to get things done. Look at the infrastructure: the new highways, the magnificent airports, and the enormous growth of universities—there isn’t a major university in China that hasn’t added one or two new campuses in the last 15 years—that is, in the same time period that Harvard acquired, and built nothing, in Allston. In this regard, visiting China can be a humbling experience. One sees a government that is of course incredibly bureaucratic, but perhaps more effective because it’s a bureaucracy of *engineers*, as opposed to a bureaucracy of *lawyers*, which is what we have.

So you have this country in which, in terms of infrastructure and economic development, things appear to be going remarkably well—particularly in a year of global economic meltdown.

But at the same time, at least from an external perspective, the celebration around the sixtieth anniversary was marked at least as much by anxiety and insecurity as it was by pride of accomplishment. And often enough when China may appear to be prideful and “arrogant,” which is how the U.S. press portrayed the situation during President Obama’s visit in November, we might also see the Chinese actions in terms of government insecurity in a rapidly changing environment, in and outside of China.

OSNOS: Over the last year, because of the financial crisis, you started to see a strange conjunction as the official narrative about the nation has merged with the facts on the ground. About a year and a half or two years ago, I began to encounter a growing sense among the young elite—young bankers and political scientists—a kind of triumphalist feeling that the Chinese system was thriving despite the efforts of the West to hem it in.

In response to things like the failed effort by a Chinese oil company to buy an American oil company [Unocal, in 2005], that triumphalism reinforced the feeling that China’s only philosophical refuge was nationalism—that the only place they could really be strong was if they rallied around the flag. That’s only been confirmed by the events of the last 18 months, because you find this belief that China had participated in the global financial system that was defined by Washington, and to the degree that it did so, it was vulnerable.

STEINFELD: It’s worth thinking about governance in two ways that aren’t necessarily related. One is, governance as the ability to *deliver stuff*. Increasingly in China, many people are impressed by the ability of their government to deliver stuff—as Bill said, infrastructure, technology, all kinds of things.

But then there’s also governance as *process*, involving issues like inclusion: Who’s included? Who’s not? What are the procedures? What’s the level of participation?

We might look at the healthcare debate in the United States and say the governance is a mess: we’re not really delivering anything. But on the other hand, we’re seeing good governance:

Chongqing: the urban-rural interface in a burgeoning city in central China



there’s a lot of inclusion; everybody’s lobbying; every voter is writing in.

In China, governance in the sense of the capacity to deliver stuff has gone way up. But governance in terms of inclusion has lagged.

We have no idea how those two kinds of governance truly interact over time in any country, just as we don’t really have any idea how economics and politics really interact over long periods of time: whether economic change really drives political change, or vice versa.

So I’m rather cautious about drawing conclusions about where China is and whether there really is a gap between politics and economics. Arthur’s characterization of China as having had this economic leap forward (pardon the term), without a commensurate political change, makes sense to me. But had I been there, I probably would have described Korea in the 1970s, and Taiwan in the 1970s under the Kuomintang, as fitting that description. And I also would have said then that *they* certainly didn’t have the public space or the terminology to debate issues of politics in either place. But both of those places are now vibrant democracies.

On so many dimensions, socially and economically, China seems to be marching down a road that looks somewhat similar to what its immediate neighbors have done. Whether the politics is truly lagging, I’m not sure we’ll be able to say that in 20 or 30 years.

KROEBER: I think that’s true in one sense, but there are a couple of key differences. One is just size. China is *enormous*—the sheer size of the country and duration of the civilization make it a different thing. And geopolitically, China is an independent actor, whereas South Korea and Taiwan were essentially vassal states of the United States. Size complicates the development process by stretching it out and embedding large inequalities for longer. And the stakes are higher because China is an independent geopolitical actor.

ELLIOTT: I agree that the big debate on what kind of a country the Chinese people want hasn’t really happened yet. There

are places where it's happening, but these are not public debates. They're not carried out in newspapers or on television, or even openly in films.

The unresolved question, of course, is, What is going to replace Communism? You see *none* of the sorts of political "lines" that you used to see even in the mid 1980s—stock references to the proletariat and capitalism. Everybody seems to be willing to just look the other way, to put off the debate about what kind of political society is going to shape the country going forward.

In the meantime, nationalism is a ready-made solution. It fills the gap. But it is a very slippery thing for the party to try to control, not least because of its many different meanings—getting back to what we said before about what it means to be Chinese. Does it mean being a citizen of the People's Republic of China? Does it mean that you're Han? How are you going to buy in? People could buy into Communism regardless of who they were, but that's not so easy for people to do today. Debbie made the point that China is an ethnically based state. Demographically, certainly, it's more homogeneous than a lot of states. But in terms of geopolitics, half the country is not Chinese, if by "Chinese" we mean territory historically occupied by the Han.

One other point, about what Ed was saying about changes in Korea or in Taiwan. The Chinese political tradition is extremely rich, and there's no shortage of examples of politics of negotiation—even if the idea of a "loyal opposition" is weak. But the lack of opportunity to sort through the past in an unfettered way, without fear of retribution, really hampers the efforts by a lot of very talented, well-meaning people to try to sort out what system will work in a country that really is a continent.

After all, China is like Europe. China's *not* like France, it's *not* like Germany. It's like *all* of Europe in terms of most scales that we want to think about. And no experiment on that scale has succeeded yet. We're seeing efforts to create a unified Europe now, but think of all the blood that was spilled on the way. The task that lies ahead is not easy—and it's not made any easier by the fact that people can't talk freely and openly about the challenges they face.

STEINFELD: It's understandable that many Chinese citizens today have tied up their identity with China's whole developmental process. Lately it's been a successful process, and you could trace back that identity with modernization and development to the May 4th Movement [early in the twentieth century], and even earlier. So that kind of wrapping oneself up with a national mission, a modernization mission, isn't unique. It's understandable, and not necessarily offensive.

There's a different kind of nationalism, though, that we've associated historically with other places—Japan and Germany prior to the Second World War—with tying up the individual to a sense of national or countrywide victimhood, and a sense of having to right the wrongs of this victimhood by tearing apart the rules and making new ones. Certainly everyone around the table has heard or seen aspects of that nasty nationalism in China.

But I've heard a lot more of the sort of patriotism that involves wrapping up the individual with China's developmental mission. When I see China trying to exert itself nationally, or insert itself on the world stage, I think it's that desire to be at the table, to participate, as often as it's that kind of elbows-out, righting-the-wrongs-of-the-past kind of offensive nationalism.

In other words, I think in many of these instances, Chinese

citizens like their government. They want to be at the table. And that's a relatively progressive development, because basically it's *our* table.

SELIGSOHN: Well, they want to be at a table that sets the developmental mission for themselves and the world, which is positive. They also want to *reset* the table.

STEINFELD: I don't think it's a wonderful situation, but it's a lot better than it could have been. And in many ways, it's a situation that many people in the United States have wanted for decades.

KIRBY: One of the most consistent and professional ministries in post-imperial China, but also dating back to the late Qing, is the *Waijiaobu*, the foreign ministry. It has pursued a very broadly consistent set of policies designed to promote China's national interests, which start with the defense of the borders inherited from the Qing. If you look at China's involvement in the League of Nations, and in the United Nations today, and in many global bodies, it has been one of the most responsible parties. It has interests everywhere, and needs to be taken seriously on every matter of importance. Its interests have also been consistently *limited*, with very little of the adventurism that has marked recent American foreign policy, or at times that of the former Soviet Union.

KROEBER: Will that continue to be the case, though, with China's vastly increased international engagement, in terms of both trade and investment? Because the reality is that China hasn't *had* to be adventurous before, because they had no overseas investments. We are just at the very beginning.

KIRBY: That's a real question to watch. If you look at China's combining of foreign policy, investment, and energy decisions in Africa, there is much to complain about, or to criticize. But at present it doesn't come close to matching recent decades of American interventionism, when foreign policy, energy needs, and military capacity have come together to redefine—not always for the better—the American role in the world.

KROEBER: You can't compare China now to the United States now, after the U.S. has had 100 or more years of doing this. China is more or less where the United States might have been in 1890 in terms of its international profile.

KIRBY: Or maybe the 1950s, in terms of propping up shahs and so on.

SELIGSOHN: It does suggest that the United States and other foreign powers ought to be focusing on the positive side of Chinese internationalism, because China wants a seat at the table. Being part of writing the rules for the next 50 or 100 years is going to make it more likely that they continue to have a non-adventurous approach overseas—if they feel comfortable with those rules, if they feel that they're being treated fairly. There is a self-perception in China that they don't interfere in foreign states, that they're fairly conservative, that they look out for long-term economic interests. Those are positive self-perceptions to encourage.

KROEBER: Right. But it's also fair to point out that most Americans have exactly that same set of perceptions—and the rest of the world would see those American perceptions as self-delusions.

Polling data from the Pew Global Attitudes Project support this. If you ask Chinese citizens how they feel about their role in the world, and whether people like them, they say, "Everyone likes us." But if you go everywhere else and ask, "Do you like the

Shanghai: the Pudong International Container Terminals, a tangible sign of China's export prowess



Chinese?” the answer is, “No, not really,” or “We’re suspicious, we’re concerned.”

So, as Ed said earlier, there are similarities between the United States and China. They’re both big countries.

TIAN: They both think that they’re the center of the universe.

KROEBER: They both think they’re the center of the universe. They think they’re benevolent, and everyone likes them because they have a good sense of humor and so forth. But sitting at this table, we have some doubts.

TIAN: It’s nice that China is sitting at the table. I think it’s crucial to note that China always feels *misunderstood*. Every Chinese visiting scholar or student I talk to always says, “We have a great civilization, a great history, a great culture. We’re just always misunderstood by the entire world.” There are grains of truth to that. But conversely, I don’t think China has been making huge efforts to understand the world.

Growth and Legitimacy

MODERATOR: Whatever the political system turns out to be, whatever internal factors affect China’s external position, let’s talk about what some of the stakes are in China. This is a country that has had tremendous growth in the last 30 years, physical transformation, internal migration and urbanization that are off the scale, and changes in family relationships with the one-child policy and people leaving ancestral homes for cities. Along with the growth has come significant economic inequality, which ran against the grain of the ideology when the growth started. That’s a lot for the society to absorb, along with the introduction

of technology, exposure to the rest of the world, the end of state and company social supports in terms of housing and the “iron rice bowl” of economic security, more pollution, and a rapidly aging population.

Other than their daily lives and getting richer, what are the issues that the Chinese people care about, that the government cares about, and what are they doing about them?

OSNOS: That brings me back to the Pew poll. The most interesting finding is not the satisfaction level in China, or what China thinks the rest of the world thinks of China, but rather the *gaps* between the perceptions at home and the perceptions abroad. When those gaps are exposed, as they inevitably are, you get pivot points and very dramatic moments.

For instance, the average person on the street in China believes the image of the country abroad is as a friendly, benign figure in the world. In the spring of 2008, in the run-up to the Olympics, around the time of the uprisings in Tibet, it was shown to them that that was not the case—or at least that the image of China abroad was much more complex. It was in that gap that you saw this enormous energy released, in that space between reality and perception [as Chinese spontaneously assailed foreign critics of the government’s use of force in Tibet].

You can see a similar effect in the polling data on overall satisfaction with the government and the quality of life. Among the Chinese population, the satisfaction “with the direction their government is taking them,” or “the direction the country is taking,” is always very high—somewhere around 70 or 80 percent. In the United States, we’re way down in the 30s.

That looks reassuring for China's government—like they have a deep well of support that they're heading in the right direction. But that in some ways masks a very brittle sense of satisfaction—and I think the government knows that very clearly. That satisfaction is predicated on economic growth. If you lose that growth, you really start to see the gap between that number and what may be the deeper feelings of insecurity below.

SELIGSOHN: The Chinese government knows its legitimacy is fairly heavily wrapped up in continuing to deliver prosperity. One problem is that the way people mainly feel prosperity is through job creation and job opportunity. But that's not what the government measures. They look at the straight Gross Domestic Product numbers, not at the types of economic activity that would yield more jobs. They would do better if their economic programs were better designed to look directly at job creation. That's the same as saying they need to rebalance the economy, moving away from this heavy-industry focus toward more services and a more diversified economy, where there are more jobs per unit of GDP.

One of the big challenges is that they *do* need to continue to generate jobs, of ever higher quality. They've done this incredible job of increasing higher education, as Bill noted, but now the marginal graduates of secondary colleges and universities are having a tough time finding jobs. That may not be a macroeconomic problem, but it is a political-stability problem.

And the structure of the economy is also their largest environmental challenge, because if they can shift away from overemphasis on heavy industry, they will also have a cleaner economic structure. They've done a fairly good job in terms of doing something serious about air-pollution abatement. They have a long way to go on water pollution—their largest single environmental challenge in terms of human health.

The Heavy-Industry Economy

MODERATOR: Americans looking at China's compound 8 or 9 percent growth may not understand the job-creation problem, or why it isn't trivial to "rebalance" the world economy by saying the Chinese should consume more while we consume less. How does that economy work?

KROEBER: The Chinese economy has expanded at a rate of about 10 percent a year since 1980. It's very impressive. But China's experience is not that different from that of other East Asian economies. It's roughly comparable to the expansion of Japan after World War II. The difference is that China is just so much bigger that the process lasts longer, and the number of people involved is much greater.

The process in China, as in Japan, Korea, and all of these successful East Asian economies, was driven partly by demographics. There was a big fall in the birth rate—it began well before the one-child policy. When you have a sharp fall in the birth rate in an agrarian society, you get a big increase in national saving. And if you have a banking system controlled or heavily directed by the state, those national savings can be assembled and funneled into industrial development and infrastructure. Germany pioneered that model in the late nineteenth century. The East Asian countries have done the same thing since World War II.

This is a very successful model, but at a certain point, you need to move beyond it and get a more diversified economy. All the evidence we have suggests this is a long, slow, and difficult process. It's not like flipping a switch saying, "Yesterday it was exports and investment—tomorrow it will be consumption."

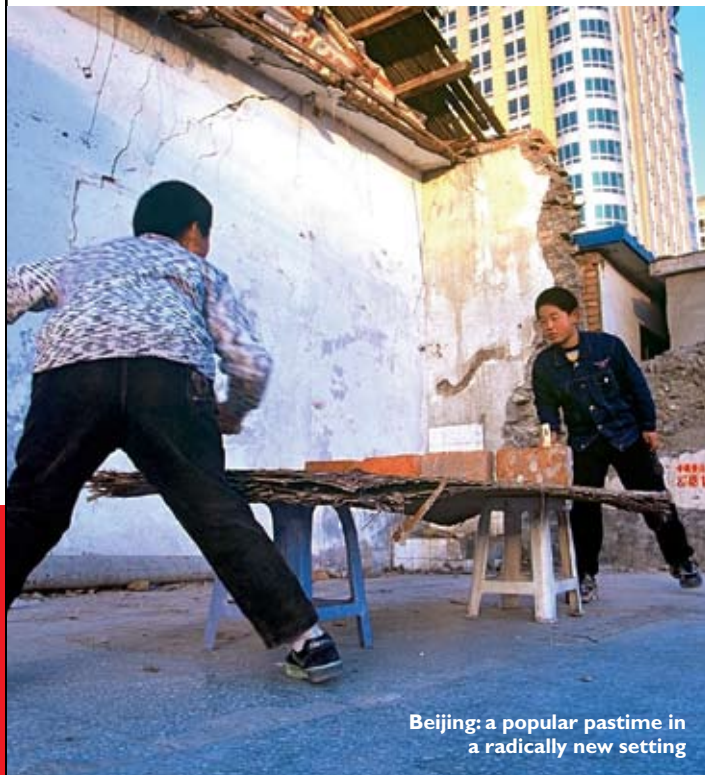
You need a mechanism to create more diversified growth. Over time, capital has to be made more pricey so you are much more careful about how you invest it. And to achieve that, you have to construct a modern financial sector. That means creating stock markets, bond markets, reforming the banks, and so forth. That's a very complicated process—it will take at least 10 years.

Touching on some broader social issues, this development process is really about transforming a society that was basically rural and agricultural. As late as 1980, 80 percent of the Chinese population lived in the countryside and was involved in agricultural activity. Today that proportion is down to approximately 50 percent. And by 2030, only about 30 percent of the population will be rural and 70 percent will be urban.

But as I said earlier, to create a more diversified economy, you have to create *real* urbanization, with those millions of migrants becoming urban citizens who can bring their families in and start to consume services at an urban level. That's one of the key challenges that unlocks not only economic development, but also creates a healthier society and a healthier political environment.

MODERATOR: In the meantime, the government is very vulnerable if it has to keep people employed as the world economy falters, given the long, difficult transition you outlined to effect structural change.

STEINFELD: I agree with Arthur's extraordinary description of what's going on. It's probably easy for many present-day Americans to think of modernization in any country, at least in the abstract, as a benevolent process, where all the beneficiaries get rich at the end. But modernization in reality has always been an incredibly brutal process. It's deracinating. It crushes a rural lifestyle. It enriches people, but also yanks them out from their



Beijing: a popular pastime in a radically new setting

roots. It often involves all kinds of hierarchy and oppression and nastiness.

In China, we've seen analogs to all of that. On one hand, there's this sense of Chinese triumphalism. On the other, there's also a sense of a government that's barely holding on, or barely trying to fight all the different fires that erupt through this modernization process—social tension, labor abuses, environmental destruction and degradation.

And all the while, the government, and the people themselves, are ratcheting up expectations of what their lives should be like. Increasingly, they feel their lives should be like those of Europeans or Americans. Should even those relatively modest goals be met, that will have—is already having—incredibly potent effects on the global economy, environment, institutions, and resources. Even in the best of all cases, this is a truly Earth-changing, very turbulent, very unpredictable process.

Adaptation and Managing Modernization

MODERATOR: When the economic limits were taken off 30 years ago, did anybody imagine that there would be hundred-story buildings in Shanghai and subway lines and cars everywhere? The process feels almost experimental. Is that a fair characterization?

KIRBY: I would disagree, in the sense that the broad process of Chinese modernization goes back well before the People's Republic. We finally see the vision of Sun Yat-sen in the 1920s—the internationalization of China with foreign as well as Chinese capital—being realized, and we see the dream of Chinese engineers to physically reshape the Chinese landscape being fulfilled.

This modernizing effort has now been successful under a political system that is, or is seen to be, responsible for *everything*. It can work as well as it has in the last 20 or 30 years because it has had remarkably good leadership, by and large. The political system is so centralized in certain areas that when it has good leadership, it can be remarkably effective. When it has catastrophic leadership, as in the era of Mao Zedong, it can be remarkably disastrous, even criminal. When things go wrong in the United States, it isn't always the government's fault. But when things go wrong in China, it's *somebody's* fault—usually local or provincial government, rather than central. But the government is responsible at the end of the day for almost everything.

STEINFELD: That's such a great point. But precisely because the government is ostensibly responsible for everything, that has given it an incentive recently to hive off certain things to civil society. Whether it's rural elections, or tolerance for organizations of homeowners or apartment owners in cities, this does represent an effort to shift responsibility to other parties. I think that's a good development. It's a back-door way toward, if not democratization, at least pluralization of the system.

SELIGSOHN: I would agree that there's this grand, long-term vision. Even the Three Gorges Dam was originally suggested by Sun Yat-sen, before they had the technology to build it.

But China has also been remarkably good at using pilot projects and pilot cities to speed its modernization. It is able to try laws out in one city or one location. The current enforcement of air-pollution laws basically started with some experiments in Shanghai that the central government then picked up. Rural health insurance started out as experiments in Panyu and a few other counties.

It's difficult in most political systems to say, "You're going to be

"Modernization in reality has always been an incredibly brutal process. It's deracinating. It crushes a rural lifestyle. It enriches people, but also yanks them out from their roots."

able to try this first, and nobody else will get to benefit until later." Yet in China, that's very easy to do. It doesn't matter whether it's electric vehicles or higher education—you try it somewhere, you see if it works. You allow multiple experiments in different places, and then the central government picks the ones that it actually wants to promote elsewhere. This does lead to somewhat uneven development throughout the country, but it's part of the reason China has been able to move quickly, for a developing country, in experimenting with new programs.

OSNOS: One area worth checking to see how much actually is going according to plan is a whole range of international issues, where China has moved faster and has become more important than even it was prepared for. You see that not only its incredibly complex relationships in Africa, but in Iran, for example. I'll oversimplify. So far, China's position in dealing with Iran has been that it will intervene as little as it is possible. That is unlikely to change unless its position begins to harm its standing in the world. If you talk to people in Beijing who are looking at Iran policy, they'll basically say that China is going to wait as long as it can before it takes a really bold position.

What we're seeing is this gap between China's *prominence* and its *leadership*. That's important, because we don't know when and how it's going to take up that leadership. I don't like to use the term popular under the Bush administration, "responsible stakeholder," but on some level, we are waiting for China's moral presence to catch up with its physical presence.

KIRBY: If you take the longer historical view, it was self-understood that "China"—or more accurately the Tang, Song, Yuan, Ming, and Qing empires—would have a kind of moral presence as part of what we would today call their foreign policy. For these empires were responsible for "civilization" and the promotion of moral values within and beyond their borders, across East Asia.

This is possibly one of the reasons why you see a groping for some moral footing in international affairs, because you have a system that has lost its moral footing. With the demise of Marxism, what is there to *do* as a Chinese Communist party? And communism was but the last of a series of experiments in the twentieth century to find some "modern" system to take the place of the ancient, imperial tradition—a tradition that is gone, but not yet replaced. You don't have a sense of what this country in fact *stands* for, if it is to, as Americans like to say, stand for something.

ELLIOTT: On one level, what China stands for is a unified China. If the government's legitimacy rests on one thing, it's on the ability to reunify the country in the late 1940s after half a century of disunity—which was an undeniably impressive accomplishment—and to be able to sustain that *(please turn to page 73)*



Shenzhen: leased migrant workers (in blue clothes) at a paper factory in the booming southern Special Economic Zone

CHANGING, CHALLENGING CHINA

(continued from page 33)

for 60 years now. That and the prosperity it has brought are its main accomplishments.

But if protecting that unity becomes the end in itself, then other things necessarily end up being sacrificed toward that goal. The problems in Xinjiang in the summer of 2009, or in Tibet the year before, point up some of the difficulties the government faces in maintaining that unity—not to mention the Taiwan issue, the great unresolved hot button. I've never met *anybody* from the mainland who was willing to grant that Taiwan could possibly be independent.

As to other issues that people are focusing on, our discussion so far has looked mainly at China's east coast. But in the western part of the country, what people are focusing on more than anything else is the survival of their cultures. This is true in Tibet. It's certainly true in Xinjiang, and even to a degree in Inner Mongolia—although in Inner Mongolia, demographically that's already largely been decided because of Han in-migration.

If the *Xibu Dakaiifa*—the “develop the West” policy—and the Tibet railroad pol-

icy are any indications, the government's long-term strategy for assuring national unity is to do its level best to export as many Han immigrants to these areas as possible and to unify this territory on the ground in a way that no imperial state ever really tried to do. And that's a big gamble. It worked in the United States at tremendous cost—if we had to do it over again, I think most of us probably would say we should have done it differently. That argument is raised by a number of Chinese critics. People say, “Where do you in the United States get off, telling us what we should or shouldn't be doing in Xinjiang or Tibet? Look what you did to Native Americans—those cultures, which are essentially eviscerated today.” I still don't have a good response for that.

As I said, if everything rides on national unity, that dictates certain policies. Again, the debate on whether this is in everybody's best interest is not a debate that can happen publicly. I tried to raise this question in a very, very indirect way in a talk I gave in Beijing a couple of weeks ago—and at one venue, I was prevented from giving my talk.

OSNOS: The idea of national unity and

prosperity as moral goods, or as the object of China's civilization, is quite fragile. Those are *conditions*—they're not values in and of themselves. As I see it, there is a widespread recognition of that fact among Chinese citizens—that economics is ultimately an unsatisfying faith. You've started to see this in what is described in Chinese as the *xinyang weiji*, the “crisis of faith.”

I'm guessing that in Xiaofei's discussions of what being Chinese means, there's probably a growing component that concerns faith and religion. I am struck at how much I'm seeing the casual embrace of religion in a way was not happening a few years ago. Depending on the numbers, there are now more Christians in China than members of the Communist Party. I've started to see Communist Party members openly describe themselves as religious, and they don't know how to reconcile this fact. This is going to become a larger concern for Chinese people: what exactly is the moral constitution, the religious and spiritual constitution, of the country.

KROEBER: Several different strands are getting tangled up here.

I'd like to challenge this notion that it's reasonable to demand or require that China stand for anything. That's a very American idea—that the purpose of countries is to stand for an ideological position. If you ask people in Germany, for example, what Germany stands for, I suspect you would get incoherent responses, or a wide range of responses, or incomprehension.

I think China is entitled to become a normal country. People feel good about their countries because they're *their* countries, and not necessarily for any better or worse reason than that. I question the idea that China in the global community needs to stand for anything other than an active and constructive presence in that global community...

KIRBY: But wouldn't you agree that what is distinctive about China's sense of itself is that it has the burden of being an empire and a *civilization*, and a civilization that defined a large part of the world? The two are so closely related in both political and moral terms that it's been an enormous burden for twentieth-century Chinese states that have tried to embrace what you might call “Asian values” or “Chinese values.” Look at ways in which, for example, Chiang Kai-shek tried to re-

invigorate Confucian values in a modernizing, militarizing world on both the mainland and in Taiwan. It's just a greater burden that China has—and that's why I think the current debate on China's political future seems so comparatively barren relative to debates of a century ago. Maybe nationalism will be enough, but it's pretty thin gruel for this great civilization.

KROEBER: I agree with most of that. My point is that for people to have a renewed sense of the values of Chinese civilization and how those can best be expressed is a distinct question from what the Chinese country or state should stand for...

KIRBY: That puts it much better.

KROEBER: And frankly, the record of the last 100 years of states deciding that they ought to stand for something is horrendous.

In the international sphere, people want China to play a bigger role. China wants to play a bigger role. That's legitimate. It's a question of constructive participation.

The separate question is, How can the traditional values of Chinese civilization be developed in a modern context and expressed in a way that makes people in China feel good, and that could benefit global civilization? It's very difficult to do that in the existing political construct, where all of these issues—what does it mean to be Chinese, what is traditional Chinese civilization?—have this political tinge. They immediately become danger zones that you can't talk about publicly, because then you might start talking about the political system, and we can't have that. Right?

Finally, on the source of the Chinese government's legitimacy, I think it is based on a much broader set of constructs than just economic growth. It's tied to the strong ethos of *governance* that runs very deep in Chinese history—that however corrupt the average official may be, the bureaucracy as a whole is responsive to the idea that it needs to improve the quality of its governance and not just deliver economic stuff, but more public services.

And there's increasing understanding that governance is related to how you *communicate* about your governance—that communication is part of the process of

"In the international sphere, people want China to play a bigger role. China wants to play a bigger role. That's legitimate. It's a question of constructive participation."

insuring legitimacy. By a recent count, 17 of the 31 province-level party secretaries in China now have backgrounds in media—they're not all engineers any more. That's a very telling shift in terms of understanding how you secure legitimacy.

Learning About the World

TIAN: I think the Chinese government knows very well that economic development is not the only key to legitimacy. They're very much trying to push for this "national unity, prosperity, and harmony." They keep talking about harmony in Chinese society, harmony in the global community. But the important thing for them to understand is that without differences, there cannot be harmony.

The statistic about people from media backgrounds becoming heads of provincial government is very interesting—they know this point about communications very well. I think that's to the detriment of China itself, and to people living in China, like Uighurs and Tibetans, whose cultures are being overwhelmed by the Han Chinese culture.

KIRBY: "Harmonized," so to speak.

TIAN: "Harmonized," right. Arthur was saying about nationalism that there's nothing wrong with feeling proud about one's country. Quite true. But in some ways the government in China has tremendous power, and something is very troubling when they're pushing nationalism without a true spirit of internationalism.

So many fields in China are so underdeveloped. People can speak English, they can speak business Italian. But there are few good programs, and no healthy fields, in European history, Islamic art, African literatures, or things like that. There are experts in languages for practical uses, but few experts in the cultural depth of languages—not to mention the history and culture of many regions of the world. As it is becoming a player in the global commu-

nity, China really has to understand its place better, instead of just rehashing the same line, "We're the oldest civilization in the world, and nobody understands us." The government is not making a conscious, self-aware effort to promote understanding of the world. And if it doesn't, it might repeat some of the mistakes that the U.S. government has made, by not understanding world cultures better.

SELIGSOHN: Compared to 20 years ago, I've found that the number of young Chinese scholars who would be interested in going out and studying these regions is way, way higher. When I taught in the '80s, the government was busy sending people out on development projects around the world, and they *hated* going, they complained about it. Now you meet lots of Ph.D. students who went off and did a research project in Peru or in India, and they found it really interesting. But it's not very organized, and there aren't that many, relative to the need. The number of Chinese working around the world, either doing their Ph.D. research or working with the United Nations Development Program or nongovernmental organizations, is a tiny fraction of the number of Americans, or even of Japanese, who are doing those things.

STEINFELD: I agree with a lot of the things Xiaofei was saying. But one of the things I would never have predicted 15 years ago has to do with the number of Chinese who have gone overseas for education or whatever else and now have gone back. That's surprising, and so is the ability of the system to absorb them. We see it in academia now. We certainly see it in the corporate sector, and increasingly in the government. That provides at least a small degree of optimism. Yes, there are many things wrong with the education system and the government's stance on teaching about the world and China's place in it. But there are individuals who are very worldly, who also happen to be Chinese, who have gone back and are not just being absorbed by the system, but are *changing* the system—for the better.

SELIGSOHN: That's true. I just think there's even more opportunity...

STEINFELD: There's plenty more opportunity for it. ♡