

## CHAPTER 1

### Introduction: Why Gao Village?

A century from now, when historians are arguing about how China came from nowhere to become one of the most powerful economies in the world, they will assess the impact of culture, ideology, leadership and globalisation. But how will they weigh the dogged ambition of hundreds of millions of farmers who poured off China's fields to claim a different destiny?

“The Village and the Girl,” *BBC News*, Carrie Gracie, 2015

China's recent dramatic and paradigm-shifting economic development has been hailed as a miracle in the news. At the same time, there has been no shortage of predictions that the Chinese political regime is going to collapse and that the Chinese economy is going to go bust (Chang 2001; Shambaugh 2015). There are, of course, optimists who tend to overestimate China's economic development and over-praise the Chinese regime's capacity for survival. Let me declare my interest up front: I do not wish for the collapse of China. The fact that I do not wish for China's fall has nothing to do with Chinese nationalism, a sentiment that some Westerners and some Chinese inside China assume that so-called overseas Chinese hold (Gao 2008b). Nobody should wish for the collapse of China, no matter how anti-Communist or anti-China they are, because the collapse of China would not only mean disaster and misery for millions and millions of ordinary Chinese, but also more problems for the world, including the affluent West.

To look for the reasons behind China's economic success, one should not always look at China's individual leaders. Of course, government policies are important, but there are other factors that are perhaps equally, if not more, significant. In the case of China, one is always tempted to look at the Chinese leadership in Beijing for answers, but the top leadership in China may well not be the main reason for China's economic success. For instance, it is hard to pin down exactly what former President Jiang Zemin or his successor President Hu Jintao did to boost China's economic development (Gao 2012). Former Premier Wen Jiabao was talked of in Chinese social media as an actor who always *zuo xiu* ("acts right"), pretending to be righteous, intellectual, and liberal.<sup>1</sup> The internal dynamics of the market economy with a strong state-owned enterprise (SOE) sector has its own logic and will develop in a certain direction without much wisdom from top leaders, or perhaps even despite their follies. One can argue that Deng Xiaoping was not, in fact, the father of modern China and its reform, as assumed by many in and outside China (Vogel 2011). As for the present leadership under President Xi Jinping and Premier Li Keqiang, the jury is still out.

I also think that Westerners in general have a skewed perception or impression of China because Western reporting of China, from which most understanding of China is derived, focuses on two things: elite politics and Chinese dissident opposition to the Chinese government, such as Liu Xiaobo (Gao 2012), or more recently the visually impaired lawyer Chen Guangcheng. Peter Hessler, an American who has lived and worked in China for 11 years, far away from the urban centers of the first-tier Chinese cities, and who became the "most influential popular writer on China for decades," observes that the dissidents who are opposed to the Chinese Communist Party (CCP) are "poorly

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1 An example of Wen being politically "righteous" is his speech at the Royal Society in London in 2011, during which he condemned the CCP, the ruling party of which he was not only a main leader but also a huge beneficiary, by declaring that the Cultural Revolution had brought 10 years of *haojie* (holocaust or calamities) to the Chinese people.

connected and often dysfunctional” (Johnson 2015). Hessler’s opinion on this may be seen by many as single-minded, but it is true, as Ian Johnson comments:

Many readers realize intuitively that if China were a country primarily defined by the troubles reported in the media, it would be a basket case. Yet this does not match the rising power they know of from their shopping malls or workplaces. (Johnson 2015)

As a migrant from China, I am intensely concerned about China, not entirely because China is my place of origin, but because I have an extended family still living there and because my occupation of teaching and research is about China. This book demonstrates my concerns: my personal concern about my extended family and Gao villagers and the concern of a social scientist about the future of China. Hence, the title of this book has two parts: *Gao Village Revisited: The Life of Rural People in Contemporary China*.

The overall aim of the book is two-fold: First, it aims to provide an explanation of China’s economic success, but an explanation from the grassroots, from the individuals who are not political dissidents but who took advantage of opportunities to make a better living. Second, it aims to offer a conjecture on the future direction of rural China. It is true that the post-Mao economic reforms have set up the platform for China’s final economic takeoff, but there is no miracle, as it is often claimed. The post-Mao reforms provided the environment and channels, but the hard work, including the hard work done in the time of Mao, such as agricultural infrastructure and a comprehensive industrial base, was done from the bottom up. As for the future, China is not going to collapse that easily, not the way that you read in news headlines or comments from think tanks. How am I going to prove that and how will my proof be convincing? That is what I have set myself to do in this book. I want to do this by engaging with the non-elite Chinese individuals, whose concerns, feelings, and behavior are different in just about every way from myself, but the understanding and sympathy of which are not only required, but also essential.



Map 1. Location of Gao Village (drawn by Saskia Gao)

## Different Regions, Different Chinas

As one of my politician friends from South Australia commented after a three-week visit to China, “China is a world of itself. It does not need help from others.” However, others, mostly Westerners, always want to help, either to spread the Gospel to save the Chinese by bringing them to God or to civilize the Chinese by teaching them the value of human rights and democracy. It is this desire to help by Western politicians, academics, journalists, do-gooders or whoever, to transform the Chinese into their own image, that perpetuates their understanding and interpretations of China. But China has to be understood and interpreted on its own terms. For this very reason, I have been pondering a question for a long time as I travel between China and the West, as I do my fieldwork, and as I talk to the people who live in Gao Village. The question is: What are the ingredients for China’s seeming economic success?

Once as I was walking in Panyu, an expanding suburb of Guangzhou, I saw a little girl crawling like a dog in and out of a garage door that was only slightly raised. Then I realized that a family was living in that tiny garage and the door was raised up only a little so that the family could have some privacy. The child seemed happy, and above the garage there was a beautifully painted three-story house. Each story had a balcony that was decorated with colorful flowerpots. The owners of the house lived upstairs and the garage was rented to this migrant worker family.

This scenario is not unusual in Guangdong Province. As assembly lines and sweatshops were set up all over Guangdong, initially by Hong Kong and Taiwan business people, and later by mainland Chinese themselves, land values skyrocketed. The local residents, who were farmers, had become wealthy overnight, simply because they happened to be there. They have built lavish houses on the basis of the increase in their land values and have become “de-ruralized.” They might set up a shop or might not, but they have become wealthy enough not to have to farm anymore. If there is any more land left for farming, they will get migrant workers from inland China to do the work, and if they want more income, they simply rent some of their houses, like the little garage that I have just described.

This arrangement of renting out a garage shows the resourcefulness of both the tenants and the landlord. It is more than that, however. Why would a family want to live in a garage? Why would they migrate to Guangdong to live a life like that? This is what we mean when we say China is a world of its own, because there are so many layers of differences in China. There are first-tier cities, like Shanghai, Beijing, Shenzhen, and Guangzhou. There are second-tier cities like Nanjing, Jinan or Zhengzhou, and there are third-tier cities like Xi’an, Guiyang or Urumqi. There is a difference between Zhejiang, Jiangsu, and Guangdong provinces and Jiangxi, Henan, and Hunan provinces. There is also a difference between Shanxi and Shaanxi provinces, and a difference between Hebei and Ningxia. It is because of geography and history that these different areas have different industries, different levels of economic development, and even different lifestyles.

In addition, there are many differences between what is called urban and rural in China. People divided by different political and economic conditions have different educations, housing, mentalities, and lifestyles. Industry is more highly valued than agriculture; until very recently, rural industry was created to subsidize urban areas, state budgetary planning has typically been skewed in favor of the urban sector, and the rural sector has been left to take care of itself in issues like roads, health care, and education.

Furthermore, in any area, urban or rural, there are different classes of people. There are the rich and powerful, the self-made entrepreneurs, and the unemployed. There are global travelers who go all over the world on business-class flights, and there are beggars in the streets. There are tourists who visit the Sydney Opera House on one trip and shop at Harrods on another, and then there are people who struggle to find enough money to buy a bowl of noodles. There are those who go to Las Vegas or Macau to gamble hundreds of thousands of dollars away in the blink of an eye, and there are those who pull a rickshaw so that they can save enough money for their children's textbooks.

Is this fair? No. Do the Chinese complain? Yes. But most rural Chinese (who are the majority in China), like the Gao villagers that I know, try very hard to improve themselves, in different ways under different circumstances. It is this uneven development in different areas and the unfair circumstances of different people—and above all, their drive for self-improvement, just like the garage arrangement mentioned above—that gives China the vitality that sustains not only the country's unity but also its seemingly miraculous economic development.

## **The Resourcefulness of Rural Chinese**

The Chinese government has been making use of the resources that have been developed as a result of Chinese traditional values such as hard work, placing importance on self-improvement and education, having a purpose in life, and a drive for commerce and accumulating wealth. It is

for this reason that I am not pessimistic about China. I am particularly encouraged by the resourcefulness of the rural Chinese. They are the backbone of China and it is their resourcefulness and inner strength that makes the economy tick. Time and again I find this resourcefulness and inner strength among Gao villagers when I go back to undertake research. This book is about how that quality has played out in the transformation of China.

The following quote by Song Dong offers a good example of the resourcefulness of the rural Chinese. Song is an artist whose work has been exhibited in many countries including India, America, and Brazil. He recounts his mother saying:

A piece of paper can first be used to practice calligraphy or write math exercises on, after which it can be used to make paper toys for children. Then the same piece of paper can be re-used to wrap things up. After that it can be further used to wipe a dirty table or furniture, after which it can be used again to wipe the mud floor. Finally the same piece of paper can be used as firewood. (Chen 2011, E21–22)

I believe that such resourcefulness is a crucial ingredient in the success of contemporary China. It is because of this invisible but widespread resourcefulness among rural Chinese people that I think the Chinese economy is not as fragile as it looks from the outside.

## **The Rural Chinese Are Looking After the Government**

For all the injustice, inequality, and unfairness, for all the lack of equity, corruption, and abuse of power, and for all the misery and suffering, the majority of Chinese, including those at the bottom of society, seem happy, content, and full of purpose. Yes, there are *fangmin*, people who travel from poor rural areas to urban centers where the authorities are located to *shangfang*—i.e., to complain and ask for redress for perceived injustices. But the very fact that there are *fangmin* means that they believe there is still a sense of justice and that justice can be obtained. Yes, there

are dissidents who complain, as well as the many angry voices you can hear on social media. Yes, there have been suicides at sweatshops like Foxconn, and there are strikes like the one that happened at a Honda factory. Nonetheless, most would agree that China still has one of the lowest crime rates in the world. Moreover, most crimes are committed by the poor against the poor, and by the disadvantaged against the more disadvantaged (Bakken 2000).

Why? That is one of the secrets of China's economic success: the resourcefulness and the struggle of the Chinese people to improve their lives, especially the rural Chinese, like the garage tenant family. They do not blame others for their hard lives and they do not think others owe them a living. They want to work hard to make it. It is hard now, but it will be better.

Everyone tries to do something to make a living. For example, a motorcyclist at the entrance to a busy road will wait to take you to the other side of town for RMB 3, less than US 50 cents. If you cannot afford a taxi, or if you do not want to take a taxi, or if you do not want to wait for a bus, why not get a ride? Or a person has set up a sewing machine on the pavement: do you want to mend a button? It's only RMB 0.5. Do you need your shoes repaired right now? There is a guy along the road who will do it for RMB 1. Do you want a pancake with an egg on top? You can buy it for RMB 5 and have it in a couple of minutes. These people, either from rural China or the urban unemployed (although it is more likely they are the former, because in most cities the unemployed have some minimum allowances, which exceed what can be earned by these street businesses), may make just enough to buy a bowl of noodles, but it is better than nothing.

The dynamics and vitality are just incredible and in many ways mind-boggling. You can get someone to clean your house for almost nothing, by Western standards. On many street corners in Shenzhen, I found cardboard notices announcing free collection of any rubbish, because almost everything can be recycled for some amount of money. In our flat in Shenzhen, there was a huge abandoned fish tank. I thought it would be almost impossible for us to dispose of it without some major



operation involving trucks and so on. But one of these street peddlers came by, and like a miracle, everything disappeared without us doing anything. If you walk around the city, you will notice a lot of stickers on the pavements that are not much bigger than a small mobile phone. You might think they are rubbish thrown away by passers-by, but if you read them, you will find that they are advertisements, with the service and telephone number specified.

It is quite likely that the family I noticed living in that garage has been working hard and accumulating money, and in a few years, with help from other sources such as loans or gifts, they will build a three-story house back in their home town. If the estimated 200 to 400 million rural Chinese spread across China all live and work like this, you can see the enormous impact it would have on the country's economy. The Chinese government does not need to spend a cent to look after these poor and disadvantaged people. Instead, these people are looking after China, taking care of the Chinese government. They are also making commodities cheaper for people all over the world.

Through their resourcefulness, hard work, and struggle to create a better future for their children, these people not only help themselves survive, but also drive the Chinese economy forward, making China one of the world's major exporting countries, improving life for urban people, and allowing the elite more leisure time. Furthermore, they prop up the real-estate boom, which increases demand for concrete, steel, and everything else associated with building construction. The stories of the Gao villagers illustrate the continuing rise of the real-estate industry in rural China.

For some, these introductory remarks of mine about the resourcefulness of rural Chinese may sound too romantic. Others may find them too culturally deterministic, and for still others, my praise of the contribution made by the rural Chinese may be too un-Marxist. While these worries are not unwarranted, let me try to dispel some possible misunderstandings. First, while emphasizing rural people's hard work and resourcefulness, I am not saying they are the sole factor in China's economic success. The urban working class has also made

great contributions in both the Mao and post-Mao eras. They are also resourceful and hardworking. Second, the rural Chinese are not peasantry anymore, and migrant workers are a large part of China's working class. Rural Chinese in this book are therefore not just the people who are physically dwelling in rural areas but also migrant workers who don't have urban resident status. Finally, economic policies designed by the post-Mao Chinese elite were successful not only because they were dependent on the foundations laid down during the Mao era, but also because of the work done by the people, the majority of whom are rural. Of course, entrepreneurship cannot be brought into full play unless a suitable macro-policy environment is provided. For instance, the family with the little girl in the garage would not have been there had the Chinese government still prohibited their travel. Policies have to be acted upon and have to be responded to by agents. How agents act upon a certain policy depends on what resources they can employ. Resourcefulness accumulated in a culture is one of the most important types of cultural capital, as the chapters on individual entrepreneurs will demonstrate.

Of course, hard work alone, like digging the earth harder with a spade, does not lead to higher yields or iron-ore finds. Economic takeoff requires trade, in which you export something you have, like labor, to get something you don't have, like a Boeing 737. To get higher yields or find iron ore, you need technology. But to pay for the trade and acquire that technology, you need to work hard and work resourcefully. It is this aspect of the ingredients of China's economic success that I am stressing.<sup>2</sup>

## **Wei Ran's Discovery**

The story of Wei Ran and his discovery of rural China is a further illustration of what I mean about the quality of rural people. Wei Ran<sup>3</sup>

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2 Here I thank the anonymous reviewers for leading me to address these issues.

3 蔚然 are the characters for this name.