

Beijing and the Provinces: Different Constructions of National Development*

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Development is largely a social construction, and Beijing's conception of national development in the post-Mao era has differed significantly from provincial elites' conceptions. Whereas Beijing envisions an emerging national web based on horizontal alliances among the provinces, provincial leaders have adopted a variety of strategies for economic and social development. In general, a province's reaction is determined by the interactions of two master variables: strength of socialist institutions and indigenous entrepreneurial tradition. Cross-tabulation of these two variables results in four general patterns of provincial development: trail-blazer, runner-up, laggard, and parochial.

Keywords: social construction; horizontal coordination; province-building; socialist investment; entrepreneurship

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In recent years, social scientists in the West have stressed the role that social construction plays in human thinking and action. They have argued that race, place, and nation are not “natural” entities, but social constructions.¹ For example, Europe is said to be an “invented” entity rather than an objective reality.² According to the school of social construction, people first create categories such as race and nation and then reify them. In this paper, I shall demonstrate how Beijing (standing for the national elite) and the provinces

*Revised version of a paper delivered at the 25th Sino-American Conference on Contemporary China, Taipei, June 10-11, 1996.

¹Peter Jackson and Jan Penrose, eds., *Constructions of Race, Place, and Nation* (Minneapolis, Minn.: University of Minnesota Press, 1993).

²Gerard Delanty, *Inventing Europe: Idea, Identity, Reality* (New York: St. Martin's Press, 1995).

in mainland China have constructed national socioeconomic development differently. The first part of this paper deals with voluntary economic associations, for a major difference between the Maoist and post-Mao developmental strategies has been the change from a primarily vertical (between Beijing and the provinces) to a horizontal or lateral process (interactions among localities and organizations). The discussion on economic associations, which forms the first part of this essay, throws into relief the provinces' different reactions to post-Mao developmental strategy. I shall suggest a typology of provincial reactions and analyze their underlying dynamics.

Beijing's Construction: A National Web

Mao Zedong analogized mainland China to a chess board, with himself as the main player. Under Deng Xiaoping, the provinces are regarded as equal to one another, with Beijing as the first among equals.

A major emphasis of post-Mao reforms has been "horizontal economic coordination" (*hengxiang jingji lianxi*). The watchword is "coordination" or "cooperation" (*xiezu*), and Beijing is the chief promoter of this scheme. In the early 1980s, the national press regularly reported instances of "horizontal coordination" among regions, provinces, and localities. Until 1988, *Zhongguo jingji nianjian* (Almanac of China's Economy) regularly published articles on "regional economic cooperation," written by members of the State Economic Commission.

These writers pictured an expanding web in mainland China, claiming that the Maoist vertical structure was a past phenomenon. In its place, lateral associations or cooperation criss-crossed the country, taking the forms of: (1) technical service (*jishu fuwu*), (2) compensation trade (*buchang maoyi*), (3) technology transfer (*jishu zhuanrang*), (4) joint investment and management (*hezi jingying*), and (5) economic cooperation (*jingji lianhe*). Shanghai and Tianjin and the provinces of Jiangsu and Zhejiang were the chief benefactors of these interchanges. Their beneficiaries were distant and border regions or provinces that produced energy or raw materials, such as Shanxi, Inner Mongolia, Qinghai, Yunnan, and Guizhou. According to Beijing, these lateral associations bore a number of fruits, including realizing the principle of regional comparative advantages, alleviating state difficulties in supplying adequate materials to various firms, diffusing advanced technology, improving quality of management and goods, and rearing

new technicians and managers.³

It is evident from the above that lateral exchanges in 1980-81 were mainly eastern provinces' attempts to secure supplies. The many advantages attributed to these interactions largely represented Beijing's wishes; development in 1983 is a case in point. In that year, Beijing stepped in to apply its old *modus operandi*—mobilization—as it needed to “dress up” ethnic minority border areas and prepare them for Western scrutiny, now that China was opening its door to foreign trade and investment. Beijing organized a number of cities and provinces in carrying out crash programs of construction in areas inhabited by minority races. The localities which gave and received aid were paired as follows: Beijing-Inner Mongolia, Hebei-Guizhou, Jiangsu-Guangxi and Xinjiang, Shandong-Qinghai, Tianjin-Gansu, and Shanghai-Yunnan and Ningxia. A special case was made for Tibet: “The whole nation supports Tibet” (*Quanguo zhiyuan Xizang*). In other words, Tibet was the sole responsibility of the central government. The real burden of aiding Tibet, however, fell on two provinces and cities. A total of seventy projects was to be carried out in Tibet, and Beijing apportioned thirty-four of these to Sichuan, six to Zhejiang, fifteen to Shanghai, and ten to Tianjin. Zhejiang's responsibilities included delivering 10 million kilograms of tea to Tibet and playing host to Tibetan cadres and workers for rest and recreation. Beijing maintained that these special aid projects were designed to show the Party-state's concerns for China's minority nationalities and also demonstrate “the correct way of combining the knowledge, technology, capital, and labor of the Chinese areas with the vast territory and rich raw materials of minority nationality areas.”⁴ From another perspective, Beijing's mobilization to aid ethnic regions was an expression of its (or China's) longstanding “civilizing project” in ethnic minority areas⁵ and was a far cry from a rising national market envisaged by the reformers.

According to the national media, the mid-1980s were blooming years in horizontal associations. The number of programs based on

³Yang Xuguang, Xu Zhangzhong, and Zhang Guangyi, “On the Unfolding of Regional Economic Technical Cooperation,” in *1983 Zhongguo jingji nianjian* (1983 Almanac of China's economy) (Beijing: Jingji guanli chubanshe, 1984), III:105-8.

⁴Ming Caishi, “The In-depth Development of Economic and Technical Cooperation between Advanced Provinces and Cities and Minority Nationality Areas,” in *1984 Zhongguo jingji nianjian*, VII:117-19.

⁵For more on China's “civilizing projects,” see Steven Harrell, ed., *Cultural Encounters on China's Ethnic Frontiers* (Seattle: University of Washington Press, 1994).

regional or institutional cooperation rose from 14,600 in 1981-83 to 17,000 in 1984 and 35,000 in 1985.⁶ The year 1986 saw “a great expansion” of such cooperation. For the first time, multi-provincial corporations appeared, numbering around 31,000 by the end of the year. Cooperative agreements were extended to between research and manufacturing firms, commercial enterprises, financial institutions, and regional and local governments. The era of a genuine national market seemed to be dawning, and the traditional city-countryside gap was on the verge of being eliminated.⁷ One possible stimulus for this expansion was the 1984 State Council measure for enlarging firms’ autonomy. They were granted independent decisionmaking in ten areas—planning; sale of products; pricing; purchase of supplies; use of funds; disposal of property; organizational adjustments; personnel management; wages and bonuses; and joint management with other firms.⁸

However, the rub came afterwards. The 1987 *Almanac of China’s Economy* was the last edition that surveyed horizontal associations across the whole nation, and the 1989 edition only briefly described economic cooperation among five southwestern provinces which had organized a regional coordination council. A countertrend seemed to set in: “local economic independence” and blockades suddenly rose. A report published in the national journal *Liaowang* (Outlook Weekly) described the situation in late 1988 as follows:

Many localities have set up barriers and outposts to prevent goods from being transported to other localities, and “battles” of contention for resources have become more and more intense. In the harvest seasons, localities “fight fierce battles” in purchasing various farm and sideline products, such as silkworm cocoons, wool, tobacco, ramie, and dried sweet potatoes. The “battle” for nonferrous metal is also escalating.⁹

As a rule, a social construction is made to express an ideal or wish, affirm a deeply held belief, or defend a problematic stand. Beijing’s propaganda about horizontal economic associations merely

⁶“A Major Step Has Been Taken in Horizontal Economic Associations,” in 1986 *Zhongguo jingji nianjian*, V:56.

⁷He Guanghui, “A Year of Large Expansions of Horizontal Economic Associations,” in 1987 *Zhongguo jingji nianjian*, IV:12-14.

⁸*Shinian gaige dashiji (1978-1987)* (A decade of major reform events, 1978-87) (Beijing: Xinhua chubanshe, 1988), 195-96.

⁹“Local Economic ‘Independence’ Studied,” Foreign Broadcast Information Service (FBIS), *Daily Report: China* [hereafter cited as *FBIS-CHI*]-88-192 (October 4, 1988): 34-35.

expressed its desire to obtain the best of two systems: socialist collectivism and capitalist individualism. Such a construction justified Deng's abolishment of the Maoist vertical structure, which had made the provinces dependent on Beijing for sustenance. Talk of horizontal economic associations was Beijing's way of freeing the provinces, which won autonomy at the price of earning their own keep.

Nevertheless, in most cases social construction is not created from whole cloth. Beijing's promotion of lateral associations has achieved some results, although the effects have sometimes been ironic. As mentioned earlier, the 1989 *Almanac* reported the operation of a southwest economic coordination council, including Sichuan, Yunnan, Guangxi, Guizhou, Tibet, and the city of Chongqing. Organized in 1984, the council was designed to promote cooperation in transportation, energy, light industry, machine-tool industry, construction, and finance. The result of this economic alliance was that it contravened Beijing's original scheme—to enable advanced eastern provinces to diffuse their knowledge and technology to poor hinterland provinces. Instead, the coordination council organized an alliance of the poor, and has been used as a national lobby to obtain more state funds for development. It has succeeded in establishing some business outlets in the fast-growing coastal provinces.¹⁰

Another regional association is the "Economic Technical Coordination Council of the Central Area" (*Zhongyuan diqu jingji jishu xietiaohui*) which comprises Shandong, Shanxi, Hebei, and Henan. It is interesting to note that the impoverished western part of Shandong is a member of this council, while the fast-developing eastern part is not. This is true with all the members: the council participants are poor border cities, not whole provinces. The degree of internal differentiation in Chinese provinces cannot be expressed more forcefully than through this central regional association. According to Fei Xiaotong, this council has opened trade fairs which attract potential buyers from outside the region, facilitated shipments of goods among the localities, and planned for inviting outside investment.¹¹ While he praised these cooperative efforts, Fei stressed the need for an eastern linkage.

¹⁰"The Economic Coordination Council of Five Southwestern Provinces over Six Spheres," in 1989 *Zhongguo jingji nianjian*, VI:256-58.

¹¹Fei Xiaotong, "A Trip to Handan," *Liaowang* (Outlook Weekly), 1993, no. 24:11-12; "A Trip to Jiaozuo," *ibid.*, 1994, no. 48:36-38.

For their individual reasons, both Mao and Deng have believed that cooperation among the poor per se is sufficient to initiate development. Neither leader realized that a massive, sustained infusion of resources from outside is necessary to overcome poverty in China's hinterland provinces.

Provincial Reactions

Probably the greatest consequence of Deng's reforms has been a nationwide movement of "province-building," as opposed to Beijing's stress on "nation-building." As a result, the provinces have been competing, rather than cooperating, with one another.¹² Fei Xiaotong has commented that "Jiangsu, Zhejiang, and Shanghai will not cooperate. Sometimes, they act like relatives to one another; sometimes, they are like enemies, none willing to yield to the other."¹³ The discussion in the first section of this paper has also shown that coastal cities and provinces have dealt directly with the energy and raw material-producing provinces in borderland in the far west and north. These fast-growing eastern provinces and cities have adopted a tactic from the time of the Warring States (403-221 B.C.): *yuanjiao jingong* (befriend distant states while attacking those nearby).

Although its economic aspects have received most of the publicity both in and out of China, "province-building" has included a cultural renaissance. The relative economic successes of the various provinces have been closely associated with their entrepreneurial tradition (or lack of it). At the same time, post-Mao provincial development has also been significantly affected by the impact of the Maoist political economy. Provinces or cities that received substantial investment in Mao's time have had more difficulties than those that were marginalized by Mao. Figure 1 classifies initial provincial reactions to post-Mao economic reform in terms of Maoism's impact and entrepreneurial (or nonfarm) tradition.

The Trail-Blazing Provinces: Zhejiang and Guangdong

The post-Mao trail-blazing provinces have been Zhejiang and Guangdong. Both were marginalized by the Maoist state before 1980,

¹²David S. G. Goodman and Gerald Segal, eds., *China Deconstructs: Politics, Trade and Regionalism* (London and New York: Routledge, 1994).

¹³Fei Xiaotong, "A Trip to the Yangtze River Delta," *Liaowang*, 1990, no. 35:17.

Figure 1
Provincial Reactions to Post-Mao Reforms

		Socialism	
		Strong	Weak
Entrepreneurship	Strong	Runner-up strategy: Synthesis Shanghai, Jiangsu, Shandong, Anhui, Hubei, Jiangxi	Trail-blazer: Integration Guangdong, Zhejiang
	Weak	Laggard strategy: Dependency Immigrant, millenarian, nomadic/tribal cultures Heilongjiang, Jilin, Liaoning; Shanxi, Shaanxi, Gansu, Hebei, Henan, Sichuan; Inner Mongolia, Ningxia, Qinghai, Xinjiang, Tibet, Yunnan	Parochial isolation: Culture of poverty Guangxi, Guizhou

as Mao believed that the coastal locations of these two provinces exposed them to possible invasion from Taiwan and the United States. There might also have been an ideological reason behind his deliberate neglect of these two provinces. In 1949, Mao said to Bo Yibo: "Chiang Kai-shek chose his capital in Nanjing; his base was the bourgeoisie from Jiangsu and Zhejiang. We shall have our capital in Beijing and find our social base; that is, the proletariat and the broad masses."¹⁴ As a result, Beijing's per capita investment in Zhejiang before 1978 was 40 percent of the national average.¹⁵ Guangdong and Fujian met the same fate under Mao.

However, marginalization under Mao proved to be a disguised blessing for these provinces, as they were not burdened by inefficient state firms and also had the determination to go their own way. This psychology is quite evident in the reply of Ye Xuanping, former governor of Guangdong, to a reporter's question on the granting of

¹⁴Bo Yibo, *Ruogan zhongda juece yu shijian de huigu* (Reminiscences on a number of major decisions and events), vol. 1 (Beijing: Zhonggong zhongyang dangxiao chubanshe, 1993), 4.

¹⁵Hu Zhaoliang, "The Special Characteristics of the Wenzhou Model and Its Geographical Background," *Jingji dili* (Economic Geography) (Beijing), 1987, no. 1:23.

tax privileges from Beijing to Guangdong. Ye said:

The efforts made by Guangdong during the past decade started not only on a devastated basis after the ten-year Great Cultural Revolution, but also on a foundation where there had been no key construction projects in the province since the founding of our country. The Second Five-Year Plan of our country had 156 projects; none were in Guangdong. . . . If the average per capita amount of capital construction investment in the country was 1,500 *yuan*, the per capita amount of fixed asset investment in capital construction in Guangdong was only 1,000 *yuan*. It was on such a basis that we started our ten years of effort. . . . Guangdong Province's construction question has been basically solved by itself.¹⁶

The spirit of autonomy and exceptionalism is also evident in Zhejiang. The *Zhejiang Daily*, organ of the provincial Communist Party Committee, declared in a January 1996 editorial on the province's future economic growth:

Our principle is always to rely on ourselves. We must not entertain the slightest idea of depending on others; we should not wait for, rely on, and ask for assistance; we should not harbor illusions; we should closely rely on the self-reliant, hard-working, and pioneering spirit of our people in the whole province to achieve our trans-century grand objectives.¹⁷

In Chinese terms, Guangdong and Zhejiang have acquired the three ideal conditions for fundamental change: *tianshi*, *dili*, and *renhe* (time, place, and the spirit of the people). The third element is of crucial importance. Both Guangdong and Zhejiang are what Paul Cohen calls "the littoral of China." In the late nineteenth century, under pressure from the West, the littoral produced the first group of reformers who wished to break from China's tradition, which relied on agriculture, played down commerce, and believed in self-sufficiency. The reformers "identified commercial interests with national interests and were convinced that the surest way to increase China's wealth, relative to that of the West, was to out-compete Western commerce." They "called for greater protection and encouragement of commerce on the part of the Chinese government, higher social status for merchants, and a much more energetic Chinese role in the overseas carrying trade and all its subsidiary operations."¹⁸

¹⁶"Guangdong, Liaoning Governors Meet Media," *FBIS-CHI-89-061* (March 31, 1989): 14.

¹⁷"Commentary Views Zhejiang's 'Opening Up'," *FBIS-CHI-96-015* (January 23, 1996): 76.

¹⁸Paul A. Cohen, *Between Tradition and Modernity: Wang T'ao and Reform in Late Ch'ing China* (Cambridge, Mass.: Harvard University Press, 1974), 254-55.

After 1980, Guangdong and Zhejiang leaders tapped into these indigenous traditions of commerce and external orientation. In 1992, the official *China Daily* reported that of the then 32,000 foreign-funded firms in the country, 2,000 were in Guangdong.¹⁹ Zhejiang was the first province that opened an export fair in the United States (in September 1988).²⁰ The rapid development of these two leading provinces has also been made possible by a significant rise in private business. In 1993, Guangdong and Zhejiang ranked first and second in the nation in the number of households engaged in private business.²¹ In 1992, 38 percent of Guangdong's industrial production came from private or foreign-financed businesses, while only about 35 percent came from the state sector.²² Of all Guangdong households engaged in private businesses, 65.5 percent were in commerce.²³

To summarize, Guangdong and Zhejiang's strategy of province-building has been to integrate with rapidly-expanding world trade. The entrepreneurial traditions of these two provinces have provided cultural legitimation and support for development. They have thus assumed the role of trail-blazers in post-Mao reforms.

The crucial role of culture in provincial development has been further borne out by Fujian province's lackadaisical development. Fujian received the same privileges from Beijing in conducting commerce with outsiders as Guangdong and Zhejiang, but its economic growth has lagged not only behind the two leading provinces but also runner-up provinces such as Jiangsu and Shandong. Fujian was also marginalized in Mao's political economy because of its geographical location, and major infrastructure changes were made only under Deng's administration.²⁴ Beijing has blamed Fujian's dismal record on the persistence of "leftism" among its leaders.²⁵ In order to give it a push, in 1986 Fujian was allowed to join the "Shanghai Economic Zone" which included Shanghai, Jiangsu, Zhejiang, Anhui, and Jiangxi.²⁶

¹⁹*China Daily* (Beijing), February 14, 1992, 4.

²⁰"Zhejiang Province Opens Exports Fair in U.S.," *FBIS-CHI-88-176* (September 12, 1988): 8.

²¹*Zhongguo tongji nianjian* (Statistical yearbook of China) (Beijing: Zhongguo tongji chubanshe, 1994), 102.

²²*The New York Times*, March 26, 1992, A7.

²³*Shijie ribao* (World Journal), May 19, 1992, A8.

²⁴*People's Daily*, March 16, 1988, 2.

²⁵*Ibid.*, August 30, 1984, 1.

²⁶*Ibid.*, August 23, 1986, 2.

Runner-Up Provinces and Cities

In contrast to Guangdong and Zhejiang, the runner-up provinces and cities, especially Shanghai, had the “misfortune” of not being marginalized by the Maoist political economy and were to be the geese that laid golden eggs for socialism. Under Mao, the revenue that Shanghai remitted to Beijing accounted for one-eighth of total national revenue.²⁷ Although the first group of the runner-up provinces—Shanghai, Jiangsu, and Shandong—has a long commercial and entrepreneurial tradition, the socialist legacy still constrains their development. Shanghai was the last coastal city to be granted privileges by Beijing to expand its economy and trade. As a telltale sign of its decline, Shanghai sent a delegation to Guangdong in 1988 to learn about “opening up” to the outside world.²⁸

Because of their dual heritage, Shanghai, Jiangsu, and Shandong have adopted a strategy of synthesis, combining socialism and capitalism. Perhaps the best example of such a strategy is the famous “southern Jiangsu” (*Sunan*) enterprises, which are often contrasted with the enterprises in Wenzhou, Zhejiang province. Most rural Jiangsu enterprises are publicly owned, whereas Wenzhou firms are predominantly privately owned. According to two mainland Chinese scholars, the southern Jiangsu economy is actually a “semi-state commodity economy.”²⁹ Although Shanghai has been given some leeway to go its own way in marketization, the city has not been allowed to be as free as it wants. When Shanghai was mobilizing to regain its pre-Communist status as China’s premier trade city in the late 1980s, former mayor Jiang Zemin declared that “Shanghai’s development must persist on the path of socialism.”³⁰ In 1995, Shanghai was the beneficiary of massive state investment, designed to build it up to the level of rival Hong Kong. Rumor has it that Beijing fears Hong Kong’s possible decline after 1997, so Shanghai is being groomed to take over Hong Kong’s position in Asian trade and finance.³¹

In the final analysis, the trail-blazing and first group of runner-up provinces and cities share common dynamics of rapid growth—reliance

²⁷Ibid., February 16, 1988, 1.

²⁸Ibid., 2.

²⁹Zhou Xiaohan and Ye Kelin, “Further Reflections on the Southern Jiangsu Model,” *Lilun yuekan* (Theory Monthly) (Beijing), 1986, no. 12:33.

³⁰*Hongqi* (Red Flag) (Beijing), 1987, no. 11:6-12.

³¹*Zhongguo shibao* (China Times) (Taipei), September 5, 1995.

on private entrepreneurship and external direction. For example, in 1993 Shandong and Jiangsu ranked third and fifth in the nation in the number of households engaged in private business.³² In 1994, Shandong's trade volume with South Korea reached US\$1.5 billion, and in 1995, the province further approved 1,583 enterprises funded by businessmen from South Korea.³³

Secondary runner-up provinces: Recently, a second group of runner-up provinces has appeared on the scene, located along the middle of the Yangtze River—Anhui, Hubei, and Jiangxi. Together, they may be called the “secondary coastal region” (*ci yanhai didai*).³⁴ These provinces have geographically been the first beneficiaries of fast-growing Jiangsu, Zhejiang, and Shanghai. In due course, this second runner-up group will be part of the conurbation process which has already extended from Shanghai to Nanjing, including all the famous southern Jiangsu cities such as Suzhou, Wuxi, and Changzhou. In 1995, the official New China News Agency (Xinhua) reported: “The traditional agricultural provinces such as Anhui and Hubei have achieved a higher growth rate in gross national product (GNP) than the national average. Jiangxi, a relatively poor province in east China, achieved a growth rate of 16.5 percent in 1994, only 0.5 percentage points below that of Guangdong, south China's economic leader.”³⁵

The second group of runner-up provinces also has had a long entrepreneurial tradition. In pre-Communist China, Anhui was known as the homeland of the famous *Huishang*—merchants from Huizhou. The 1950 *China Handbook* reported that “Hweichow [Huizhou] merchants can be found scattered throughout the lower Yangtze provinces.”³⁶ Hubei has always been the commercial link between north and south China as well as between Sichuan and central China, and contains a number of important commercial and marketing cities. Although Jiangxi has always been an agricultural province, it has

³²*Zhongguo tongji nianjian* (1994), 102.

³³“Shandong, ROK Develop Economic, Trade Ties,” *FBIS-CHI-95-124* (November 6, 1995): 35.

³⁴Fei Xiaotong, “The Whole Nation as a Chess Board—Inspecting from the Coast to the Borders,” *Liaowang*, 1988, no. 40:15.

³⁵“Chang Jiang Valley ‘New Economic Powerhouse,’” *FBIS-CHI-95-205* (October 24, 1995): 60.

³⁶*China Handbook*, 1950 (New York: Rockport Press, 1950), 40.

a strong tradition in handicrafts, such as famous porcelain from the town of Jingdezhen. Deng's stress in province construction has enabled all these provinces to revive their entrepreneurial traditions. For instance, a local Party secretary told Fei Xiaotong: "Modernization cannot be divorced from history. We must inherit our tradition and make use of our favorable conditions."³⁷

The Laggard Provinces

As one descends from the top half of figure 1 to the lower half, one virtually crosses an ecological and cultural divide. Both the trail-blazing and runner-up provinces are fundamentally cosmopolitan integrationists who wish to participate in accelerating world trade. The provinces in the lower half of figure 1 are disintegrationists, or hinterland provinces in north, central, and west China which are either the heartland of earthbound "peasant China" or borderlands inhabited by ethnic minorities. As Cohen points out, the hinterland provinces have been the base of China's bureaucratic power. In the nineteenth century, littoral reforms could not succeed without the backing of bureaucratic elites who originated from and resided in the hinterland.³⁸ Mao Zedong and the CCP similarly based their power in the hinterland. Today, hinterland and border provinces are having tremendous difficulties adapting to Deng's policy of "open door" marketization. Their leaders have either failed or have been unwilling to integrate their societies with the new order.

By far, the largest number of provinces falls into this laggard category. They include the northeastern provinces of Heilongjiang, Jilin, and Liaoning; the central provinces of Hebei and Henan; the western colossus of Sichuan; the northern and northwestern provinces of Shanxi and Shaanxi; and the ethnic minority provinces or regions of Inner Mongolia, Ningxia, Qinghai, Tibet, Yunnan, and Xinjiang. In one form or another, they have deployed a strategy of dependency on Beijing or aid from coastal provinces. They have toed Beijing's line on the virtues of horizontal economic coordination (the laggard's euphemism for dependency and collectivism).

The northeastern provinces: The northeastern provinces of Heilongjiang, Jilin, and Liaoning have probably experienced the most

³⁷Fei, "A Trip to the Yangtze River Delta," 16.

³⁸Cohen, *Between Tradition and Modernity*, chap. 9.

drastic status turnabout in the post-Mao era. Under Mao, they received the lion's share of state investment. Of the 150 major projects that the Soviet Union constructed for mainland China in the First Five-Year Plan (1953-57), at least 59 were set in the northeast.³⁹ During the period 1949-61, 10 percent of major national industrial construction took place in Heilongjiang province.⁴⁰ Mao looked to the northeast as the foundation for the whole country's industrialization, a view which is evident from the following Xinhua dispatch in December 1951:

The nation's long-cherished dream that Northeast China would one day become a base for the industrialization of the whole country is becoming a reality. . . . Metal cutting tools, drill bits, and ball and roller bearings, the supply of which China had been entirely dependent upon imports, are now produced from steel alloy made for the first time in Northeast China. As a result, Shanghai and other coastal cities are getting tools formerly imported from the United States or Britain. Hydraulic turbine generators which used to come from Western Europe are now built in Chinese factories. Domestically made pneumatic riveters and picks lighten labor in the mines and factories of Northeast China, where iron and steel output quadrupled last year. Northeast China's light industry, in which private capital assumes an important role, has also made great headway since liberation. The output of cotton yarn and cloth nearly doubled during 1951. Soya beans, for which the Northeast is world famous, are turned into oils, chemicals, and a dozen articles for soap and other industries. The most advanced technical "know-how" has been successfully introduced to speed up industrialization. One of the latest metallurgical inventions is now being employed to make nodular cast iron, which can replace steel in many industrial uses. . . .⁴¹

Four decades later, the status of the northeast has fundamentally changed, particularly Heilongjiang. In a 1995 report, Heilongjiang's Party secretary listed the many woes of its economy: "The numerous debts, heavy burdens, the yoke of old systems, the barriers between localities and departments, the problems accumulated in the traditional planned economy over the past scores of years, and gradually emerging, deep-rooted contradictions in economic development have made it extremely difficult to bring the relations between various economic sectors into better balance." The secretary added: "The basic principle and the only way to ensure that *we are no longer a*

³⁹Bo, *Ruogan zhongda juece* 1:297-98.

⁴⁰Tian Fang and Lin Fashang, eds., *Zhongguo renkou qianyi* (Population movements in China) (Beijing: Zhishi chubanshe, 1986), 84.

⁴¹Excerpted in George B. Cressey, *Land of the 500 Million: A Geography of China* (New York: McGraw-Hill Book Company, 1955), 292.

drag on the whole country and that we rejuvenate Heilongjiang . . . is to expedite development.”⁴² Heilongjiang has sunk from being the leader of China’s industrialization to being a “drag on the whole country.”

The northeast’s chief problem lies with the attitude of its leaders. Various reports on Heilongjiang have called for “emancipation of the mind,” which is a euphemism for cadres’ resistance to reform. They still yearn for the Maoist system’s large size and collective nature and are preoccupied with the question of “whether our surname [identity] is socialism or capitalism.” Heilongjiang officials have reported “the thinking and feeling of being pessimistic and disappointed, being in a state of inertia, blaming everyone and everything but oneself, and of *waiting for or depending on support given by higher authorities.*”⁴³

In the meantime, social unrest has mounted in Heilongjiang. In his 1995 “state of the province” report, the provincial governor stated: “Destabilizing factors remain in large numbers in society. Wages could not be issued in a timely manner . . . public security has yet to be notably improved; serious and extremely serious cases are on the increase; and the masses lack a sense of security.”⁴⁴

As for the future, the governor of Heilongjiang looks partly toward southern provinces. “Further efforts should be made,” he said, “to establish ties with the south, introduce products, technology, funds, and personnel, and achieve greater success in developing Sino-foreign cooperation, cooperation between Chinese partners, and cooperation between the province and other localities [as well as] foreign countries.”⁴⁵ In other words, instead of the whole nation depending on the northeast for industrial development, the northeast must depend on the south and Shanghai for its own survival.

The conditions in Jilin are scarcely any better than in Heilongjiang. In 1995, the Jilin Party secretary presented a dismal picture of the provincial economy: “On account of low economic efficiency, most state-owned enterprises have [had] difficulty in development.

⁴²“Heilongjiang’s Yue Qifeng on Development Plans,” *FBIS-CHI-95-221* (November 16, 1995): 73-74. Emphasis added.

⁴³“Heilongjiang Secretary Reports at CPC Plenum,” *FBIS-CHI-95-014-S* (January 23, 1995): 81, 88. Emphasis added.

⁴⁴“Heilongjiang Government Work Report,” *FBIS-CHI-95-082* (April 28, 1995): 60.

⁴⁵“Heilongjiang Governor on 1995 Economic Work,” *FBIS-CHI-95-100* (May 24, 1995): 87.

Financial departments at all levels have [had] difficulties. In 1994, the workers' average per capita wage was lower than that of the national average value by 872 *yuan*.⁴⁶ The secretary also gave a vivid description of Party cadres' incompetence:

Some localities selected projects at random, neither conducting scientific appraisals, nor strictly going through the procedures for screening and approval. As a result, some of their projects "died in the womb," others became "deformed," and still others stopped operation soon after they were completed or lost money after they were commissioned. Investment in several millions, tens of millions, and even hundreds of millions of *yuan* was wasted, and nobody was responsible for this.⁴⁷

The province of Liaoning has fared better than Heilongjiang and Jilin, especially in linking with Shanghai. Since 1984, Liaoning has signed 200 cooperative projects with Shanghai and established 50 firms in the city.⁴⁸ However, Liaoning has not escaped completely from the "northeast syndrome." The following report by Xinhua in 1994 exposes Liaoning's conditions:

Liaoning, with a population topping 40 million, has more than 1,260 state-owned large and medium-sized enterprises, accounting for one-tenth of the nation's total. These enterprises have given great assistance to the country in previous decades.

But due to long-term operations under a tightly planned economy, most of them have [had] problems adjusting themselves to the demands of the market economy which China is implementing. Worse still, an economic boom [has been] hindered by outdated equipment and means of production.⁴⁹

The northeast's morale has been further devastated by Beijing's intention to redesignate the region as "agricultural" rather than "industrial"; it is now being hailed as China's "largest grain producer."⁵⁰ When Beijing wished to pull Jilin out of industrial recession, Jiang Zemin promised to assist the province to realize its goal of grain production.⁵¹ Plans are also being made to turn Heilongjiang into

⁴⁶"Zhang Dejiang Speaks at Jilin Party Plenum," *FBIS-CHI-95-213* (November 3, 1995): 33.

⁴⁷*Ibid.*

⁴⁸"Shanghai, Liaoning Leaders Review Economic Ties," *FBIS-CHI-95-211* (November 1, 1995): 40.

⁴⁹"Liaoning Province Aiming to Restructure Economy," *FBIS-CHI-94-122* (June 24, 1994): 38.

⁵⁰"[The] Northeast Becomes [the] Country's Largest Grain Producer," *FBIS-CHI-94-118* (June 20, 1994): 57.

⁵¹"Zhang Dejiang Speaks," 38.

“a strong agricultural province.”⁵² This loss of northeastern provinces’ identities contrasts sharply with southern provinces’ revival of identity in the post-Mao period.

The plight of northeastern provinces is also partly due to cultural reasons. While southern provinces could reactivate their long entrepreneurial tradition, northeast leaders could not, as the region has been in continuous cultural flux. Until 1907, the Qing dynasty closed off the northeast from Chinese emigration since Manchu rulers wished to reserve their homeland for their nomadic kinsmen. However, illegal Chinese emigration to the northeast, especially by people from Shandong, persisted. T. R. Tregear described the nature of Chinese emigration to the northeast as follows:

This colonization was of refugee type. The colonist left his home with regret and with an eye to eventual return in contrast to the backwoodsman of North America of the last century, who set out in high adventure to carve a new world for himself. Immigrants before 1931 were mainly agriculturalists. Thereafter their composition changed, until by 1938 they were mainly industrial workers and miners.⁵³

Later, the northeast was Japan’s colony until the end of World War II. There were thus no set traditions in the northeast, let alone a deep-rooted entrepreneurial tradition. In 1995, when Heilongjiang’s Party secretary urged his people on, he used slogans and symbols from Mao’s days such as “the spirit of Daqing, of Iron Man, and of the Great Northern Wilderness.”⁵⁴ These are the Maoist equivalents of Stalinist labor models known as the Stakhanovites—not only inappropriate symbols in a time of market-directed development, but also an indication that the northeast has not retained a distinct cultural identity.

The central and western provinces: The second laggard group is composed of central and western provinces—Shanxi, Shaanxi, Hebei, Henan, and Sichuan, all the heartland of “peasant China.” Under Mao’s rule, a two-class structure developed in this region. The industrial and urban class was rooted in state-owned firms. During the First Five-Year Plan (1953-57), 32 of the 106 nonmilitary projects

⁵²“Heilongjiang’s Yue Qifeng,” 71.

⁵³T. R. Tregear, *A Geography of China* (Chicago: Aldine Publishing Company, 1965), 272.

⁵⁴“Heilongjiang Secretary Reports,” 85.

were built in the central provinces and 35 of the 44 military projects were constructed in central and western regions.⁵⁵ Several provinces in the central region, such as Sichuan, Shaanxi, and Henan, were the sites of so-called Third Front construction (*sanxian gongye*) from the mid-1960s through the mid-1970s. Fearing invasions by the United States or the Soviet Union, Beijing ordered approximately 2,000 firms, most of them involved in strategic industries, removed from the coastal areas to the interior. These state firms became the backbone of heavy industry in central Chinese provinces.

Industry in Sichuan has exhibited the full "northeast syndrome." It was predominantly tooled for munitions production, but its equipment is largely obsolete. Firms with up-to-date technology only amount to 18 percent. In addition, Sichuan firms have been saddled with excess workers and staff, and its labor force qualifications have been low: over half of the staff and workers (63 percent) have had junior middle school education, and the number of redundant laborers in state firms in 1991 was 500,000 to 600,000. It has also been hard-pressed by a lack of funding, the high price of energy, and the inability to make profitable products to compete in the market.⁵⁶ In 1994, about half of all state firms suffered deficits,⁵⁷ and the provincial government sought foreign buyers of Sichuan firms.⁵⁸ Reflecting widespread distress among the people, a 1994 newspaper editorial stated: "Compared with the past, the present contradictions among the people are more conspicuous, widespread, and complicated."⁵⁹

The provincial elites in central and western regions have been affected by the same "mind emancipation" problem as those in the northeast. For instance, Shaanxi's Party secretary called on his followers to overcome "fear" and lack of enthusiasm, proclaiming that Shaanxi "desperately needs" path-breakers.⁶⁰ The governor of

⁵⁵Bo, *Ruogan zhongda juece* 1:298.

⁵⁶For an analysis of Sichuan's industries, see Liu Deyang, "An Analysis and Possible Solution for Sichuan's Industrial Enterprises," *Gongye jingji* (Industrial Economy), 1988, no. 7:19-24; and "The Present Condition of Sichuan's Industrial Economic Efficiency and Paths Toward Its Improvement," *ibid.*, 1991, no. 10:151-58.

⁵⁷*Zhongguo shibao*, September 8, 1994.

⁵⁸*Zhongguo xinwenshe* (China News Service), April 25, 1994, in *FBIS-CHI-94-082* (April 28, 1994): 87-88.

⁵⁹*Sichuan ribao* (Sichuan Daily), June 3, 1994, in *FBIS-CHI-94-120* (June 22, 1994): 38.

⁶⁰"Shaanxi Secretary Discusses Development at Plenum," *FBIS-CHI-96-013* (January 19, 1996): 67-68.

Shansi spoke of the urgent need to overcome provincial officials' "backward points of view" which have resulted from decades of central planning.⁶¹ The province of Hebei has had a problem of self-imposed isolation; it is geographically a coastal province, but a Chinese reporter who had been stationed in Hebei for a long period pointed out in 1988 that the Hebei people regarded their province as part of the "hinterland" (*neidi*). This lack of "coast" consciousness has meant that Hebei has been a gap along the fast-developing eastern coast.⁶² As for Henan, it is both geographically and culturally a hinterland province. It is a common observation in China that the people of Henan tend to be parochial and conservative, but an anecdote further accentuates the Henanese character. Beijing's first liaison official in Hong Kong, Xu Jiatusun, wrote in his memoirs that many Chinese provinces sent delegations to Hong Kong to observe trade and export practices. While visiting Henan, Xu found Henan officials' economic thinking to be very conservative and suggested that they send a delegation to Hong Kong. Henan officials declined, telling him, "Even if we make a visit to Hong Kong, we will not benefit by the trip. We do not have the qualifications to learn from Hong Kong."⁶³

The rural class in central and western regions has a much weaker entrepreneurial tradition than the southeastern peasants; the stereotype of "petty producer mentality" seems to apply here. Sociologist Fei Xiaotong described the Henan rural cadres' mind-sets as follows: "They still insist on the [Maoist] doctrine of grain production as the key link. Their wish is to see granaries being filled. They drag their feet on the question of establishing rural industry. At the same time, there is a lack of industrial cities [in this region] producing a diffusion effect."⁶⁴

Another rural tradition of central and western regions has been millenarianism, especially in Shaanxi, Henan, and western Shandong. Throughout Chinese history, peasant rebellions have frequented this region, as its mountainous terrain is ideal for peasant rebels' survival. The Chinese Communists tapped this tradition before 1949 for their

⁶¹"Shanxi Plans SEZ to Link Coast, Hinterland," *FBIS-CHI-95-109* (June 7, 1995): 81.

⁶²*People's Daily*, March 16, 1988, 2.

⁶³Xu Jiatusun, *Xu Jiatusun Xianggang huiyilu* (Xu Jiatusun: Memoirs of Hong Kong days), vol. 1 (Taipei: Linking Publishing Company, 1993), 281.

⁶⁴Fei, "A Trip to Jiaozuo," 37.

own movement; in Xinyang district, Henan province, a million peasants joined the Communists in the 1930s and 1940s.⁶⁵ Mao's radical collectivism was also first practiced in Henan.

These central and western provinces' failure to readily adapt to Deng's reform should surprise no one. Of the few instances in which a breakthrough was made in the direction of trade and industry, more often than not, the innovators were from outside the region.⁶⁶ "If one asks for the reason for the gap in the speed of growth between the east and the west," wrote Fei Xiaotong, "the answer is a cultural gap. The mentality of petty farm production is deep-rooted in this underdeveloped area."⁶⁷

Ethnic minority areas: The third laggard group is composed of ethnic minority areas, including Inner Mongolia, Gansu, Ningxia, Qinghai, Xinjiang, Tibet, part of Guizhou, western Sichuan, and Yunnan. The political economy in these areas is colonial and statist, and their culture is split. The two-class structure that exists in the central and western provinces is also found in minority nationality areas, but is overlaid with Chinese and indigenous cultures. The Chinese are the urbandwelling industrial and political elites and the minorities are mostly rural herdsman or peasants.

The new industries that Beijing has installed in ethnic minority areas are the same Soviet type that now burdens the northeast and central-west provinces. In a 1990 survey of light industry in the northwest ethnic minority areas, the then-vice minister of the Ministry of Light Industry reported:

The industrial structure in the northwest minority nationality areas is dominated by heavy industry. For years, we looked to heavy industry to bring forth development in light industry. In actuality, these areas have been financially dependent on central government subsidies. They are not self-sufficient in food supply. Their light industry is underdeveloped and the people are not well-off.⁶⁸

It has come to no one's surprise that the "northeast syndrome" is also present in the northwest political economy. For example, a 1995 report by the governor of Qinghai stated that Qinghai was

⁶⁵Fei Xiaotong, "A Trip to Xinyang," *Liaowang*, 1994, no. 35:34-35.

⁶⁶Fei Xiaotong, "A Revisit to Minquan," *Liaowang*, 1992, no. 13:15.

⁶⁷Fei Xiaotong, "A Trip to Cangzhou," *Liaowang*, 1993, no. 10:19.

⁶⁸Xiao Yongding, "Exploring Development of Light Industry in the Northwest Minority Nationality Areas," *Gongye jingji*, 1990, no. 7:171.

fortunate in that its industry was relatively “young,” or of post-1949 vintage, and that a great proportion of it was built in the 1960s and 1970s during the Third Front construction period. As a result, the governor said, future development in Qinghai might proceed “with light burdens.” However, he went on to enumerate the woes of this “young” industrial establishment as follows:

Our ownership structure is unitary, the proportion of the state-owned economy is high, the degree of dependency on the state’s plan is high, the habitual reliance on the old system is strong, the pace of transforming management mechanisms is slow, and the vitality of development is poor. It is also apparent that the industrial structure is unreasonable. On the one hand, our industry level is low. Industrial enterprises have focused on producing primary products and raw materials, and rarely produced high-tech and high value-added products. We are poorly prepared to compete in the markets at home and abroad.⁶⁹

In a similar vein, the Gansu Party secretary reported in 1995: “The simple ideology of the planned economy still has not been completely broken; the ability to adjust to the socialist market economy [has been] weak. . . . Structurally, dependence on the nation and dependence on public finance is quite severe, whether in the planning of strategies or in the distribution of resources.”⁷⁰ Gansu did not have a developmental plan in late 1995. One might note that these reports were made in 1994-96, a decade and half after reform commenced.

Like other provinces in China, the ethnic regions are also internally differentiated. Xinjiang seems to have had more success than other ethnic regions in adapting to marketization and world trade, and its industrial structure is more pluralistic than other regions. The output of Xinjiang’s industries in 1995 registered a 16.7 percent increase over the year before, but the highest rate of increase was achieved by private enterprises in the countryside (260 percent), followed by private firms in urban areas (21.4 percent) and state-owned firms (13 percent).⁷¹ Xinjiang has what mainland Chinese call two “pillar” industries: textiles and petroleum. These two major indus-

⁶⁹“Qinghai Governor on Economic Development Plans,” *FBIS-CHI-95-208* (October 27, 1995): 69.

⁷⁰“Gansu’s Yan Haiwang on Development Goals,” *FBIS-CHI-96-010* (January 18, 1996): 56.

⁷¹“PRC: Xinjiang Economic, Social Development Report,” *FBIS-CHI-95-031* (February 14, 1996): 53.

tries, plus a massive investment by the central government, have facilitated construction of modern transportation systems and a rise in export trade. Beijing also has had a political reason to invest in Xinjiang's roads and railways, as radical separatist movements in the region have persisted. Today, virtually all of Xinjiang's villages and towns have been connected with modern highways. Xinjiang has also opened direct international flights between its capital, Urumqi, and Western Europe. The intertwining of Xinjiang's politics and economics is further revealed in a remark by the vice chairman of the Xinjiang Autonomous Region to a visiting reporter from Taiwan: "Once Xinjiang's economy is up, the separatist activities will disappear."⁷²

With the exception of the Huis (Muslims), the majority of ethnic minority areas lack an entrepreneurial tradition. Booming rural enterprises that characterize southern Jiangsu and Zhejiang are absent in the ethnic areas. In a 1992 essay about minority nationality areas, a Chinese scholar reported that "local industry at or below the county level starts from a very low level and is slow to develop."⁷³ A major obstacle has been the attitudes of lower-level cadres who are opposed to marketization. For example, Chen Kuiyuan, head of the Tibet Autonomous Regional Party Committee, said in a 1994 report:

If all Party members stick to the old practice of reading only Chairman Mao's books and stubbornly defending his conclusions, if our thinking remains on the same level as before the Third Plenary Session of the 11th CPC Central Committee, and if we do not arm ourselves with Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, our Party's fate will not necessarily be better than that of the Soviet Communist Party.⁷⁴

Apparently, opposition to development has also come from the traditional Lamaist elite as well. While on an inspection tour of eastern Tibet in November 1994, Chen hinted at this problem when he said, "Some people do not really understand the true essence of Buddhism, pay no attention to happiness in real life, and pursue the so-called happiness of the next life, which does not exist at all."⁷⁵ In Qinghai,

⁷²"Hong Kong Paper on Beijing's Xinjiang Policy," *FBIS-CHI-95-228* (November 28, 1995): 15.

⁷³Chen Zhaoxin, "Reflections on the Development of Local Industry in Minority Nationality Areas," *Gongye jingji*, 1992, no. 5:102.

⁷⁴*FBIS-CHI-94-191* (October 3, 1994): 77.

⁷⁵*FBIS-CHI-94-232* (December 2, 1994): 55.

where many Tibetans reside, the governor reported: "Our commodity economy is hardly developed, and it is difficult to [enter] the market."⁷⁶

The situation in Yunnan and the southwest in general is extremely complicated, as many different ethnic groups live there. In 1953, Beijing first asked minorities to designate themselves for an official accounting, and the total number of ethnic groups was close to 400, with 260 groups in Yunnan province alone.⁷⁷ Their reactions to post-Mao reforms have been necessarily diverse. Some have adopted what Stevan Harrell calls "mutual co-optation" strategy, in which Beijing and the ethnic minorities co-opt each other.⁷⁸ These groups are active participants in Deng's trade and development policies. However, a greater number of minorities are disengaged; in western Sichuan, for example, the minority Yis are scattered in the mountains while the Chinese live in urban and industrial enclaves.⁷⁹ The situation in Inner Mongolia is identical.⁸⁰

Similar to what happened in Southeast Asia earlier in this century, Chinese immigrants in minority nationality areas have preempted trade and other nonfarm businesses. Merchants and craftsmen from Zhejiang, Jiangsu, and even hinterland provinces have steadily entered the northwest to fill the commercial sector of the local economy. This has already created a hostile reaction in Tibet, where many Chinese have set up shops in Lhasa.⁸¹

When Beijing announced its Ninth Five-Year Plan (1996-2000) in 1995, the hopes of the northwest were raised. The plan calls for a greater emphasis on the northwest, although as Chen Teh-sheng points out, Beijing's policy of "coast-centered growth" remains unchanged. The stress on the northwest was more a political compromise than a major change in national priority.⁸² Nonetheless, the leaders

⁷⁶"Qinghai Governor on Economic Development Plans," 68.

⁷⁷Fei Xiaotong, *Minzu yu shehui* (Nationality and society) (Tianjin: Tianjin renmin chubanshe, 1985), 1-6.

⁷⁸*Precis* 5, no. 1 (Winter 1993-94): 15.

⁷⁹Fei Xiaotong, "A Trip to Liangshan," *Liaowang*, 1991, no. 36:5-6.

⁸⁰Fei Xiaotong, "Developing Border Areas: The Case of Baotou" (Part I), *Liaowang*, 1986, no. 15:24-26; Part II, 1986, no. 16:22-23; Part III, 1986, no. 17:29-30. Song Fuchuan, "The Economic and Cultural Characteristics of Poverty," *Shehuixue* (Sociology), 1989, no. 2:141-44.

⁸¹Ronald D. Schwartz, *Circle of Protest: Political Ritual in the Tibetan Uprising* (New York: Columbia University Press, 1994).

⁸²Chen Teh-sheng, "Economic Trends After the Fifth Plenum of the CCP's Fourteenth Central Committee: A Review of Beijing's Ninth Five-Year Plan and Its Goals for 2010," *Zhongguo dalu yanjiu* (Mainland China Studies) 38, no. 11 (November 1995): 15-32.

of northwestern provinces must feel that their dependency strategy now has a new lease on life. A Shanghai paper reported, "The Central Committee Fifth Plenum's strategy for accelerating the building of the west expresses the desires of the cadre rank and file and the masses in the west."⁸³ Even if Beijing makes a substantial investment in the northwest, much remains to be done by these regions themselves, especially in their infrastructures. Their "region-building" has just begun, and until this internal process is quite advanced, no outside aid will make a significant difference. For example, when the Gansu Party secretary lectured on provincial economic development, he not only mentioned just opening up to the nation and the world outside, but also "opening of the prefectures and counties of the province to each other . . . and opening of enterprises to each other."⁸⁴

Parochial Provinces

The fourth group of Chinese provinces belongs to the parochials who have disengaged themselves from the ongoing reforms. The two primary examples are the provinces of Guizhou and Guangxi, both of which have been overshadowed by the culture of poverty.

Like Hebei, Guangxi is a coastal province without a "coast" consciousness. The provincial elite of Guangxi resisted post-Mao reform from the start, delaying declarations of support for Deng's campaign of "practice as the sole criterion of truth" in the early 1980s and slowly implementing the "responsibility system" in the countryside.⁸⁵ In an essay published in the Guangxi Party School bulletin, two reform advocates presented a devastating analysis of the culture of Guangxi. According to them, the culture of Guangxi has been characterized by a high frequency of internecine fights, low regard for education, a weak motivation for commerce, disdain for competition, disinclination for cooperation, isolation, dependence on the state for relief, contentment with the status quo, and inbreeding among the people. In Guangxi, illiteracy in the countryside has been between 31 to 50 percent. Fourteen percent of the population (six million) in 1989 lived below the official poverty line and did not

⁸³"PRC: Prospects for Developing Northwest Outlined," *FBIS-CHI-96-033* (February 16, 1996): 41.

⁸⁴"Gansu Secretary Addresses Cadres on Development," *FBIS-CHI-95-202* (October 19, 1995): 42.

⁸⁵*People's Daily*, March 16, 1988, 2.

have enough food. In parts of the province, people were still pulling plows in the field. Guangxi political leaders were said to be unwilling to initiate economic development for fear of turning their province into a “colony” of other provinces and incurring debts.⁸⁶ Another source reported that during the Cultural Revolution, internecine fights in Guangxi grew out of control and degenerated into cannibalism.⁸⁷

The culture of poverty has also been observed in Guizhou. The people of Guizhou are said to be bound to their land and unwilling to move about and seek new experiences. They are easily satisfied with their lot and disinterested in achievement, with a philosophy of idleness and dependency and frequent engagements in wasteful consumption.⁸⁸ These descriptions of Guangxi and Guizhou remind me of Edward Banfield's book *The Moral Basis of a Backward Society*, written about a village in southern Italy. Banfield attributed the predicament of the peasants in that village to an ethos of “amoral familism” which, in turn, was conducive to an authoritarian state.⁸⁹ Italian scholar Alessandro Pizzorno suggests an alternative explanation in which an ethos of “amoral familism” is actually a reflection of marginality: the attitudes of passivity, futility, and anomie are responses of a people who have been excluded from the capitalist economic transformation.⁹⁰

Throughout my discussion of provincial reactions, I have treated each province as a single entity. In so doing I have committed the sin of which I have accused Beijing: constructionism. Each province or region of mainland China is internally differentiated, with an east-west or north-south division within each. For example, Zhejiang provincial government declared in 1996 that they “must accelerate the development and opening up of central and western [Zhejiang].”⁹¹ Even the greater municipality of Wenzhou city has a east-west divi-

⁸⁶Zhang Chenggui and Lu Jiaqiang, “We Must Fully Understand Guangxi's Ignorance-Induced Poverty During the Primary Stage of Socialism,” *Shehuixue*, 1989, no. 3: 101-8.

⁸⁷Nicholas D. Kristof and Sheryl WuDunn, *China Wakes: The Struggle for the Soul of an Asian Power* (New York: Random House, 1994), chap. 3.

⁸⁸Li Qiang, “On the Culture of Poverty,” *Shehuixue*, 1990, no. 1:158-69.

⁸⁹Edward C. Banfield, *The Moral Basis of a Backward Society* (Chicago: Research Center in Economic Development and Cultural Change, The University of Chicago; and the Free Press, 1958).

⁹⁰Alessandro Pizzorno, “Amoral Familism and Historical Marginality,” *International Review of Community Development*, no. 15 (1966): 55-66.

⁹¹“Commentary Views Zhejiang's ‘Opening Up,’” 75.

sion, the west being hilly and impoverished. Jiangsu has a north-south division, the north being its "third world." In Jiangsu's 1995 government report, the governor called for a consensus among Jiangsu people that "unless northern [Jiangsu people] are comfortably well-off, none in Jiangsu will be so, and unless northern Jiangsu modernizes, there will be no modernization throughout Jiangsu."⁹² The task of province-building is far from complete even in the prosperous eastern and southern provinces, let alone the rest of the country.

Conclusion

Richard H. Tawney made the point in his classic work *Land and Labor in China* (originally published in 1932) that the region of China "south of the Yellow River and east of the railway from Tientsin [Tianjin] to Pukow [Pukou] . . . holds the key to the future" and "[i]t is here, if anywhere, that a modern state can be created."⁹³ Half a century later, after much waste, false starts, broken promises, and disappointments, Beijing has tacitly reached the same conclusion. Fei Xiaotong, mainland China's premier sociologist, has traveled far and wide in the provinces and repeatedly stressed the need to link hinterland areas with the east coast.

Recent trends in mainland China seem to be moving in this direction. At the center of power, there has been the much-talked-about rise of a "Shanghai gang" headed by Jiang Zemin. The members of the "Shanghai gang" do not necessarily hail from Shanghai, but they built their careers in Shanghai, including Zhu Rongji (vice premier in charge of finance), Wu Bangguo (vice premier in charge of industry), Huang Ju (member of the Politburo), and others.⁹⁴ At the middle echelon of the Party-state, there has been a cadre exchange program between eastern and interior provinces. A 1992 press report stated that Shaanxi and Jiangsu had exchanged 146 cadres so that Jiangsu could diffuse its entrepreneurial spirit to Shaanxi. At the mass level, we have witnessed a massive outflow of migrants from hinterland provinces to coastal cities. At the same time, I have mentioned the

⁹²"1995 Jiangsu Government Work Report," *FBIS-CHI-95-086* (May 4, 1995): 90.

⁹³Richard H. Tawney, *Land and Labor in China* (Boston: Beacon Press, 1966; originally published by London, George Allen & Unwin, 1932), 170.

⁹⁴Chen Junsheng, "The Cadre Exchanges Between Rich and Poor Areas Facilitate Common Economic Development," *People's Daily*, June 18, 1992, 3.

entrance of many Zhejiang, Jiangsu, Shandong, and even Sichuan merchants and traders into western areas. For once in contemporary China, the state and society seem to be heading in the same direction.

In the geopolitics of modern China, there have been three encounters between the littoral and the hinterland. The first two ended in the defeat of the littoral: Sun Yat-sen and Tongmenghui (Alliance Society) by the northern warlords, and the Kuomintang by the CCP. Each defeat brought catastrophe to China's modernization. The rise of the littoral in the 1980s is the third turnabout, but this time the littoral might win. A major reason for this assessment is that the present reforms have been initiated by chastised power-holders from the hinterland. Mao the hinterland rebel has been discredited, and recent reforms were initiated by two hinterland successors: Deng Xiaoping (from Sichuan) and Zhao Ziyang (from Henan).

The power of the littoral in the 1980s and 1990s has not assumed the form of a contending group such as the Kuomintang, but that of an objective empirical process which is not easy to defeat. In the final analysis, the contest between the hinterland and the littoral in modern China is one between social construction and empirical process. Mao's so-called "workers and peasants" in Beijing were a social construction, including the later-day model of Dazhai. The "bourgeoisie in Jiangsu and Zhejiang" were part of an empirical process, including the so-called *Sunan* (southern Jiangsu) and the Wenzhou models; that they are called "models" is misleading. The CCP elites, being revolutionaries, are congenital constructionists. In reality, southern Jiangsu and Wenzhou people have followed their time-honored traditions and adapted them to change. The wave of province-building in the post-Mao period has enabled the empirical process of the eastern provinces to continue and contribute to the development of the entire nation.

