

## Consumerism, Confucianism, Communism: Making Sense of China Today

The dramatic social, economic and cultural changes that have been taking place in China over the past fifteen years have been attracting more and more attention from commentators in the West.\* The old order maintained by stringent state control over the economy and everyday life has been gradually but decisively broken up by the market forces which were introduced at the end of the 1970s as a remedy for the perceived failure of Mao's egalitarian socialism. Interpretations of these events by those on the Left tend to be motivated by their concern for the fate of socialism in China.<sup>1</sup> This focus, however, tends to miss a crucial link between existing capitalism and socialism. Both are true heirs of the Enlightenment and its illegitimate child, instrumental reason. Both are devoted to the same end—material progress. This crucial link is often absent from the theoretical visions formed by the legacy of the Cold War which played with and thrived upon the apparent differences between the two armed camps. In today's China, pragmatism has triumphed over other ideologies; the quintessence of this stance is captured in Deng Xiaoping's 'cat theory'—'it

does not matter whether the cat is white or black, as long as it catches the mice, it is a good cat.' For most people, it no longer matters whether the cat is 'socialism with Chinese characteristics' or 'capitalism with Confucian colours'. As long as it works for China's development, it is regarded as a 'good-ism'—*bao zhuyi*.

Ever since the idea of progress, invented some 250 years ago in a cold corner of Western Europe, conquered the imagination of the rest of the world through violence and enticement, the frenzied pursuit of modernization has become a central concern for the so-called 'Third World'. Modernity, the most formidable achievement of the West, questioned and criticized at home since its inception, remains a potent dreamland for the rest of the world. The vision of many cultural and political elites in poor countries has been so dazzled by its powerful display that their imagination of other possibilities for development has been seriously blunted. The focus of developmental energies has been placed on economic growth and 'progress' is measured in terms of wealth generation. If the price paid for pioneering modernity by the West has been compensated for by the bounties of colonialism, the price paid or to be paid by the 'Third World' countries is still to be calculated. The history of desperately seeking modernity has been littered with sufferings, failures, frustrations, and disasters.<sup>2</sup>

## China After Mao

China has been one of the century's most determined bidders for modernity. Her failures, more than her successes, have been among the most dramatic. In the game of 'catching up with the West', various strategies have been tried by successive regimes since the mid-nineteenth century, swinging between Westernisation and traditionalism, capitalism and socialism, isolationism and open-door policies. The apparent difference between these various attempts, reflected and buttressed by the ideologies of the time, should not obscure the continuity in the central theme—building a strong, modern Chinese nation capable of fending off Western encroachment—an agenda initially set by a few reform-minded comprador bureaucrats after the Qing government lost the Opium War with Britain in 1842.<sup>3</sup> Hence the recent strategy adopted by the post-Mao government, based on market reforms and opening up to the West, has to be understood in the light of China's long bid for modernization and national salvation.

At the moment, this initiative seems to be working miracles. The 'rise of China' has been widely hailed as the most significant change defining the global power structure of the next century. China has the

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<sup>1</sup> This can be seen in Richard Smith's 'The Chinese Road to Capitalism', NLR 199, May–June 1993, pp. 55–99, and also in Lin Chun's 'China Today: "Money Dissolves the Commune"', NLR 201, September–October 1993, pp. 34–45. It can already be noted in earlier debates such as Jon Halliday, 'Capitalism and Socialism in East Asia', NLR 124, November–December 1980, pp. 3–24.

<sup>2</sup> Dependency theory as a critique of modernization theory can be seen as a powerful expression of this frustration.

<sup>3</sup> For an account of this period of history, see Jonathan D. Spence, *The Search for Modern China*, London 1990, chapter entitled 'Fragmentation and Reform'.

world's fastest growing economy. This growth spurt has led to a remarkable rise in people's living standards. Official statistics show that since 1978, the year when the programme of economic reform was launched, average incomes have grown more than six-fold in rural areas and tripled in urban areas.<sup>4</sup> Although these figures say little about the distribution of the newly created wealth, they are a powerful sign that China is in the midst of a series of qualitative historical changes, and perhaps is making her final leap towards the 'dreamland of modernity'. This present piece, however, is not meant as a eulogy to China's remarkable achievements. These are freely available to anyone who wants to look. Rather, it is intended as an exploration of the overt and hidden problems that these statistics conceal. The central problem addressed here is the rise of a rampant mass consumerism, one of the most obvious, though unintended, consequences of the attempt at modernization through privatization and the free market. The post-Mao government's commitment to economic pragmatism seems to be paying off in that an increasing number of Chinese have rushed to join the ranks of consumers in the 1990s.

Systematic analyses and critiques of mass consumption in the West can be dated back to the rise of the modern mass consumer society in the United States around the turn of the century. But it was not until more recently, in the last ten years or so, that consumption and consumerism have become central issues in academic debates centring around the key concept of postmodernity and the changing nature of Western society.<sup>5</sup> As is pointed out in much current work on globalisation, mass consumption is no longer the exclusive preserve of the Western world. Yet arguably, the rise of the 'Far East' as an economic power in the last two decades has led to new kinds of consumerism which Western critical social theories cannot fully make sense of. In the case of post-Mao China, what I shall call 'Confucian consumerism', for lack of a better phrase, deserves critical and immediate attention. I will begin by tracing its rise and then look at its social and psychological roots in the puritan communism of Mao's China. The 'window effect' of the example of more affluent neighbours, though not the focus of analysis here, should nevertheless not be overlooked. Influences from Hong Kong, Taiwan, and to a lesser extent, Singapore, are particularly important because of their shared cultural ancestry with China. Then I will look at unequal consumption as a result of the widening gap between the rich and the poor in the 1990s, paying particular attention to the conspicuous consumption of the 'new economic elites'. Finally, I will try to draw out some of the social, political and environmental implications of this current wave of mass consumption, and raise a few doubts about national development and modernization generally. The problems are serious, but solutions are even harder to find.

### Puritan Communism and the Lure of Consumption

The rampant fashion in which consumerism seems to have been embraced by Chinese society has to be seen in the light of the country's immediate past experience of puritan communism. The adoption of the Soviet model

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<sup>4</sup> *China Daily*, 19 October 1994.

<sup>5</sup> See Mike Featherstone *Consumer Culture and Postmodernism*, London 1991.

of industrialization in the early 1950s, which privileged heavy industry at the expense of consumer products, had serious implications for people's material life. Individual consumption was sacrificed for the nation's primitive capital accumulation and the provision of consumer goods was kept at the basic level required for the reproduction of labour power.

The Party made strenuous efforts to inculcate a 'correct' proletarian lifestyle of 'hard work and plain living' (*jianku pusu*), and promoted a range of living or deceased models for emulation. People were called upon to tighten their belts as food was rationed. Fashion, regarded as bourgeois in origin and surplus to authentic human needs, was for many years more or less abolished, which turned China into a country of people dressed in grey, black, white, army green, and navy blue—the colour scheme of Chinese puritan communism. Ill-fed and poorly dressed, people were nevertheless expected to take pride in the nation's collective achievements in satellite technology and atomic power. Basic products were manufactured for basic necessities and no luxury could be justified. The most costly consumer durables a family could own up to the late 1970s were wrist-watches, sewing machines and bicycles. Indeed, consumption beyond the limit set by the Party could be condemned as a sign of a corrupt and despicable bourgeois life style. Extravagance was a constant target of social criticism.

With the death of Mao, however, China took a pragmatic turn away from ideological purity. Deng's pragmatism was particularly welcomed at a time when many felt alienated by mass political movements, disillusioned with the grand communist project, and exhausted by ceaseless demands for self-sacrifice. The new government, forsaking Mao's idealism, quickly redefined socialism in the most concrete terms as raising people's living standards through developing 'the forces of production', hoping to form a new and secure basis for its own legitimacy. Living standards were, by and large, understood in the narrow sense of material consumption. The success of economic reforms was measured in terms of material betterment for each member of the society. These changes in government policy and collective mentality, together with rapid economic growth and a general rise in family income, helped give rise to a new wave of consumption on a scale unknown in Chinese history. As a new and 'modern' way of life, consumerism appeared irresistible to the hitherto materially deprived. As a para-belief system, it firmly entrenched itself in the void left by the bankruptcy of official Marxism-Leninism-Maoism in the new era of ideological disenchantment.

Economic pragmatism appears to have been very successful in inducing a remarkable rise in people's living standards, albeit complicated by a pronounced tendency towards an unequal distribution of wealth.<sup>6</sup> More and more people are acquiring and exercising their 'right to choose' in the market place. Everywhere old shopping centres are being renovated and new ones built. The country has been turned into a gigantic construction site.<sup>7</sup> Two impressive modern shopping centres were opened in

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<sup>6</sup> Paul Bowles and Xiao-yuan Dong, 'Current Successes and Future Challenges in China's Economic Reforms', *NLR* 208, pp. 49-76.

<sup>7</sup> Deyan Sudjic, 'Megalopolis Now', *The Guardian Weekend*, 29 June 1995, pp. 27-35.

Beijing in 1992—the Lufthansa Friendship Shopping Centre, co-financed by Chinese, German and South Korean capitals, and CVIK Plaza jointly built with Chinese and Japanese money. Many more followed. The latest, which opened in January 1996 in Haidian—a University and high-technology town on the outskirts of Beijing—was simply named *Dangdai Shangsha* (Modern Shopping Plaza). It is comparable to any similar development in Europe. But even these loci of consumption will be surpassed by five pedestrian shopping malls being built on Beijing's most famous commercial street—Wangfujing, which are being promoted as meeting 'the standards of top global shopping centres'.<sup>8</sup> Shanghai, China's most cosmopolitan city, with a longer tradition in commerce and industry, already boasts a number of impressive modern shopping centres, including Maison Mode, Isetan, and the Oriental Shopping Paradise. Elsewhere, major cities are competing with each other in developing regional shopping zones. Some have already earned a reputation as the site of nationally famous department stores.<sup>9</sup>

The display of wealth through conspicuous consumption is by no means a modern phenomenon in China.<sup>10</sup> However, now China is caught in the middle of a consumer and retailing 'revolution' which has only been possible because of the keen participation of foreign capital, expecting to make a fortune from the world's largest market. Foreign involvement in the retailing sector is relatively new but its impact has already been strongly felt.<sup>11</sup> The Chinese authorities began to allow foreign companies to form joint ventures with local Chinese retailers in 1992. But by 1995, the new shopping zones were already rapidly transforming the street scenes in many cities.

### Consumerism, Confucian-Style

Heavily influenced by affluent East and Southeast Asian neighbours, the current wave of mass consumption in China is assuming characteristics which set it apart from the more established pattern in the West. I will refer to it as 'Confucian' consumerism because it bears the imprints of China's long-standing values concerning families and human relations. One can even argue that the traditional worldliness of Chinese attitudes towards life are entirely compatible with the new ethic of consumption. Unsurprisingly, the most highly desired consumer durables are closely associated with the family—*jiayong dianqi* (electric appliances for the family). Black-and-white television sets were the first addition, in the late 1970s, to the established list of approved household goods. The list then grew to include colour televisions, refrigerators, washing machines, and hi-fi systems, which together formed the new 'four major consumer items' of the mid- to late-1980s. The possession of these items marked

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<sup>8</sup> 'Foreign Capital Boosts Beijing's Commerce', *Beijing Review*, 12-18 April 1993, pp. 13-16.

<sup>9</sup> The formerly obscure capital of Henan province, Zhengzhou, is now renowned for having *Yiaxiyia* (Asia), a huge department store with modern facilities, including a child-care department for parents to leave their children while shopping.

<sup>10</sup> For an account of conspicuous consumption in classical China, see Peter Burk 'Res et Verba: Conspicuous Consumption in the Early Modern World', in John Brewer and Roy Porter, eds, *Consumption and the World of Goods*, London 1994.

<sup>11</sup> Tony Walker and Richard Tomlinson, 'In Search of Fresh Pastures', *Financial Times*, 8 December 1995.

the degree to which a household could be considered 'modern'. The country's goal of four general modernisations was thereby conveniently mirrored in the family's goal of obtaining the four major consumer items.<sup>12</sup> There was hardly any need for intensive Party propaganda for this to happen. It was an immediate, and immediately understandable, symbiosis.

The list of desirable consumer durables continued to grow throughout the late 1980s and the 1990s. The old 'three major items' and the new 'four major items' are both passé now. Electric fans, cameras, and motorcycles are already commonplace, and the better-off are now seeking VCRs, video cameras, compact hi-fi systems, vacuum cleaners, microwave cookers, family computers (known as *jiayong diannao* rather than *geren diannao*—personal computers), karaoke machines, and air-conditioning systems. Foreign brand-names, from Japan in particular, are preferred if not always available and affordable. A recent survey shows that among the top eighteen most recognized brand-names, Tsing Tao Beer is the only Chinese brand, ranking fifth after Hitachi, Coca-Cola, Panasonic and Toshiba.<sup>13</sup> For colour televisions, the size of the screen is as essential as the make itself. The most recent fad is for a 29-inch 'king-size' screen known as *huawang*—king of pictures. Some can now even dream of a family car, though among the half million automobiles in Beijing in 1993, only 10,000 were currently privately owned.<sup>14</sup> The number of family phones, however, are increasing rapidly, having reached 2.4 million by the end of 1992. The pursuit of home modernization (*jiating xiandai hua*) has made grand ideologies increasingly irrelevant for ordinary people in China.

### Interior Decorating and Post-Feminism

Desirability and affordability do not always go together. To achieve home modernization through the purchase of consumer durables, most families have to save hard. For some, this could mean setting limits to basic expenses, especially in the early days of mass consumption. The family-clan network can play an important role here. Family members and relatives, even good friends, help each other out with big purchases, and funds can be raised to help those most in need—the newly wed, for instance, who 'need' a large-screen television, a refrigerator and a washing machine. The new economic elites, who do not have to save excessively for the big purchases, are expected to help their less fortunate relatives in their pursuit of home modernization.

For the relatively better-off, internal decoration is the new fad of the 1990s. Bare cement floors are covered up with ceramic tiles, wooden boards, carpet or other synthetic materials. White, lime-painted walls are resurfaced with newly available 'hi-tech' materials. Fancy lights are fixed to ceilings and walls. A modern, well-decorated home furnished with a complete set of new furniture plus all the available electric house-

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<sup>12</sup> The four modernisations of agriculture, industry, national defence, and science and technology were made the official goal of national development by the post-Mao government in the late 1970s.

<sup>13</sup> Walker and Tomlinson, 'In Search of Fresh Pastures'.

<sup>14</sup> 'Money: How it is Spent Today', *Beijing Review*, 8-14 March 1993, p. 44.

hold appliances, and air-conditioning if possible, has become a realizable goal for more and more people, though at different costs and paces. Material betterment centring around the family has become a dream shared by all.

Home modernization through the purchase of consumer durables is at best a mixed blessing for Chinese women. Some *jiayong dianqi*, such as washing machines, have indeed freed women from their usual hard family chores. Others are less 'liberating' than they may first appear. For example, refrigerators, which are very common in China now, are often of little use within normal family life. Not infrequently, owning a refrigerator is more symbolic than practical. As supermarket shopping in large quantities with a car is very rare, and will remain so for the foreseeable future, the time- and energy-saving potential of a refrigerator is largely unrealized. Refrigerators, for many Chinese families, fulfil a limited function of cooling food and drinks or merely keeping left-overs. Food shopping is still done fairly frequently, if not daily.

The 1990s are witnessing a 'post-feminist', or rather an 'anti-feminist', trend among some young women. They choose to retreat from fully participating in public life, in reaction to the previous official line on women's liberation, back into an increasingly comfortable domestic milieu. As the 'all-consuming passion' further takes over among the younger generations, the relationship between home modernization and women's liberation, which should mean more than mere material reward and comfort, is becoming increasingly dubious and problematic.<sup>15</sup>

The single child (*dusheng zinu*) has also become a major consumer within the family. The official policy that each married couple can have only one child, introduced in the beginning of the 1980s, has created an unprecedented generation of single children in cities, nicknamed the 'little emperors of China' because of the popular belief about the 'imperial' position they occupy within the family. This policy has, in a way, turned the traditional power structure of a Chinese family 'upside down'. Although it may not necessarily mean that the cherished familial values such as filial piety (*xiao*) have been abandoned wholesale, it does mean that they have taken on different dimensions. The first generation of the single child also happens to be the first generation brought up with the rapid development of mass consumption. A direct consequence of the one-child policy for the new era of mass consumption is that children's consumption has been increasing dramatically and that their market remains the most buoyant.

This situation has been receiving critical attention from the Chinese press since the early days of mass consumption. One survey conducted in Shanghai back in 1988 already showed that about a third of family income was spent on the child.<sup>16</sup> A more recent report, conducted in 1993, shows that nearly half of an urban family's income is spent on the

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<sup>15</sup> Notably *bang dakuan* (living off rich men) is receiving critical attention from the Chinese press.

<sup>16</sup> 'Consumption in China Gone Astray—Excessive Spending on the Young Generation', *The People's Daily*, overseas edition, 30 May 1988.

child.<sup>17</sup> Parents regard this expenditure as a necessary investment in the child's health and intelligence. The general figures for the rise in family income in the five years from 1988 to 1993 do not tell the whole story. Children's real purchasing power has increased much more than these statistics suggest. Parents buy costly electronic toys, pianos, and 'simple computers' for their children. Even snacks are becoming fancier and more expensive. A pack of candy, according to the same report, can easily cost a parent a day's earnings. When it comes to things supposedly related to education, parents are more than willing to pay. Computer-game consoles thus sell better when marketed as 'learning-facilitating machines' (*xuexi ji*). One brand, aptly called *Xiao Bawang*, meaning 'little king', has been heavily promoted in a television commercial featuring a well-known Hong Kong kung fu star dressed as a school kid. Some parents regularly accompany their children to evening schools, for which they have to pay, to learn music, dancing, drawing, or martial arts. No one wants to be seen to be left behind in the race towards the single child's future success.

Attracted by the huge potential of the children's market in China, foreign companies have moved in to take their slice. British-made Johnson's baby products, Swiss-based Nestlé's milk-powder and baby food, and Italian Benetton's children's fashions are among the better-known instances. The single child's status within the family as the 'little emperor' has been created and maintained through a potent mixture of parental care and expectation, expressed by increasingly conspicuous expenditure. Material and emotional investment in the child are expected to pay off when the child grows up to be a success. This reflects back upon, and brings glory to, the parents, and the whole extended family.

In addition to being highly family-oriented, and in many cases child-centred, consumerism in China is also strongly social and relational. The traditional principle of *lishang wanglai*—courtesy demands reciprocity—still guides people's relations. The ritual of constantly exchanging presents between family members, relatives, friends, colleagues, and now business partners, for the sake of maintaining good relationships, lies behind the booming gift economy. *Li* in modern Chinese means both courtesy and gift, which are indeed inseparable in practice. A wide variety of goods can be packaged as gifts—tea, alcohol, cigarettes, various kinds of medicated nourishment (*zibu pin*) being among the most common. Many department stores set up special counters (*lipin zhuangui*) to market ready-packaged presents around New Year's Day and the Chinese Spring Festival.

Banqueting in restaurants is a common form of social consumption. To outside observers, such dining can appear 'irrational', often excessive in quantity, quality, and variety. But it has a clear rationale—to establish and maintain good relations. 'Waste' in banquets is common and, indeed, necessary for demonstrating generosity and hospitality. This apparent extravagance is becoming increasingly common in a country where many people's basic needs are now met. *Qingke songli*, holding banquets

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<sup>17</sup> 'Money: How it is Spent Today'.



and exchanging presents, once a target of social criticism under puritan communism, has come back with a vengeance alongside the economic boom and rising incomes.

### The New Economic Elites

The material betterment achieved in the past fifteen years is, however, by no means equally distributed. On the contrary, the positive connotations generated by figures showing the general rise in living standards are increasingly overshadowed by a heightened awareness of economic and social inequalities. These divisions have been accentuated in recent years after Deng gave his personal blessing to radical reforms during his much publicized tour of the enterprise zones of southern China in January 1992. The number of *yuan* millionaires has grown in tandem with the number of people living under official poverty line. The widening gap between the rich and the poor has been attracting increasingly critical comment inside China, and, with the more relaxed media and intellectual environment after 1992, has been widely debated.<sup>18</sup> While the number of *yuan* millionaires is estimated to have reached one million by the end of 1992<sup>19</sup> and is still on the rise, the number of people claiming unemployment benefit rose from 100,000 in 1991, through 340,000 in 1992 and 1,030,000 in 1993, to reach 1,800,000 in 1994.<sup>20</sup> With inflation hitting 20 per cent in 1994, it is not difficult to imagine that the poor, even when in employment, can hardly make ends meet, unless they take a second job. Many of the new poor are former workers of state-owned enterprises, once the pillar of China's industrial base, and the hardest hit in the process of market reform.

The impressive shopping centres stocked with expensive consumer items are clearly not meant for these people. They are constructed to satisfy the surging purchasing power of the more fortunate, particularly the business and managerial class. Private wealth in contemporary China is a new and complex phenomenon. The well-off do not form a cohesive social group. They consist of people from various backgrounds—workers, peasants, cadres, and the formerly unemployed. Their routes to fortune also vary considerably. However, a broader conception of the 'new economic elites' is a useful guide to analysis.<sup>21</sup>

In the early days when Deng sanctioned the policy of allowing some people to get rich, those who were quick to take advantage of the new economic policy were the unemployed, the urban youth known then as those 'waiting to be employed'. Many of them were sent to the countryside as Chairman Mao's Red Guards during the Cultural Revolution in the late 1960s and early 1970s. Because of the lack of other opportunities, they became self-employed. Many started out as vendors running licensed stands on market streets at a time when commerce was still very underdeveloped. The more fortunate among them did become rich and a

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<sup>18</sup> He Qinglian, 'Wealth and Poverty: an Analysis of Current Social Stratification', *Dongfang*, 11 May 1993.

<sup>19</sup> *China Youth Daily*, 11 March 1993.

<sup>20</sup> He Qinglian, 'Wealth and Poverty'.

<sup>21</sup> David Goodman 'New Economic Elites', in Robert Benewick and Paul Wingrove, eds, *China in the 1990s*, Basingstoke 1995.

new phrase was coined to refer to the *wanyuan hu*, the household of 10,000 *yuan*, a considerable sum in the early and mid 1980s. Nowadays, *wanyuan hu* has given its way to *dakuan*, which literally means 'big money'.

Towards the end of the 1980s, more and more qualified state employees, technocrats in particular, decided temporarily or permanently to leave their secure but poorly paid job behind, and try their luck in the free market. The phenomenon is aptly termed '*xia bai*'—going down to the sea, which holds the promise of running across big fortunes and the danger of being drowned. They founded companies based on collective or private ownership. Some quickly learned to swim in the sea of business and instantly made large amounts of money. Many drowned. The successful ones are China's new entrepreneurs, often well educated, energetic and competitive, possessing all the qualities required to play the new markets. The authorities are quick to bestow on such people the honour of being new model citizens in Deng Xiaoping's China.

Cashing in on bureaucratic power seems inevitable in the era of 'getting rich is glorious'. The new technocratic managerial class in many state-owned or collectively owned companies wields immense power over company wealth. Consuming with *gongkuan*—public money—is already recognized as a serious but intractable problem, deeply rooted in a culture which refuses to draw a clear-cut distinction between *gong* (public) and *si* (private). No matter how their money is obtained, the number of the economic elite has been increasing. In Beijing alone in 1993, there were more than 100,000 people with access to deposits exceeding 100,000 *yuan*.<sup>22</sup> Yet the popular image of the wealthy is not positive. A survey conducted in 1994 by sociologists from Renmin University in Beijing showed that the nouveaux riches are thought to have a negative impact on the society as a whole. The means to riches are widely regarded as questionable and even illegitimate. For the better educated, the rich self-employed businessmen have neither culture nor taste, and need to improve their image.<sup>23</sup>

## Beyond Standard Goods

Among the affluent social strata, new patterns of consumption have emerged. Some have clearly started to pay more attention to style and taste, and display individual differences through consumption. A recent survey of 'white collar employees' in Shanghai, looking at their income, lifestyle, and aspirations, has confirmed this tendency.<sup>24</sup> The category of 'white collar employees', however, is by no means unambiguous and can only be taken as a general indicator of the professional groups with better education and higher income. The 'white collar employees' are identified in the survey as the backbone of support for the serious arts, pursuing a

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<sup>22</sup> 'Foreign Capital Boosts Beijing's Commerce'.

<sup>23</sup> 'China's Rich People Need to Change Their Image', *Wenzhai Zhubao*, 26 December 1994.

<sup>24</sup> 'Shanghai: the First Survey in China on the White Collar Social Strata', *China Youth Daily*, 24 January 1995, p. 8.

lifestyle of good taste and individuality.<sup>25</sup> Many prefer a better shopping environment to lower prices, and some (37 per cent) have a preference for imported consumer goods. When it comes to fashion, the majority (60 per cent) are not willing to follow the fad of the season. They tend to make a conscious effort to assert their identity through dress sense which is deemed important to maintaining their social and professional status. At the moment, it seems that consumption associated with individual identity and taste is confined to this relatively small minority of high-income professionals. But the very emergence of this group is significant, pointing to a future of unequal development in consumption.

Foreign brands are still regarded as a potent status symbol in China. But the situation in the mid-1990s is becoming more complex. The labour-intensive and low-tech fashion industries have in the last few years made a massive move from Hong Kong, Taiwan, and South Korea into China. As a result, many of the international fashion brands, recognized and desired by many, are actually made in China. The distinction between the 'authentic' and the 'fake', made in the first place to protect the interests and profit margins of the original designers and producers, has become blurred. A case in point is the well-known quality Italian sportswear, Diadora, which has chosen a production site in China's hinterland, Henan Province, where labour is considerably cheaper than in the booming coastal areas. The factories often produce more than what has been ordered by Diadora and sell the extra products in local shops at much lower prices.<sup>26</sup> This practice subverts the conventional notion of the 'fake', and can pose problems to companies from rich countries eager to exploit China's cheap labour.

The economic elites are the natural vanguard consumers of imported luxury goods. Many of the major fashion brands found in the West are now available in Chinese cities. Benetton, Stefanel and Puma all have their own shops (*zhuanmai dian*) on the main commercial streets of Beijing and Shanghai. Pierre Cardin, who made an early entry into the Chinese market in the mid 1980s, is still reaping the benefit of being the pioneer, remaining the most recognized designer label among the wealthy. Shanghai's Maison Mode shopping centre has Yves St Laurent, Salvatore Ferragamo and Mandrina Duck on display.<sup>27</sup> Though China only began importing French brandy in 1988, it is now the largest importer in the world. Remy Martin, *rentou ma* (human-headed horse), for some curious reason has recently been chosen to serve as the recognized status symbol among imported brands of alcohol. A glass in the 'right' place can cost more than 100 *yuan*. To have the whole bottle in a white Limoges porcelain flask, one pays 5,250 *yuan*.<sup>28</sup> Imported cars are now within the reach of the wealthiest. Mercedes-Benz and Cadillac did very good business in China in 1992 and 1993, while Rolls-Royce and Jaguar are also doing well. Ferrari is selling in China, despite the fact

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<sup>25</sup> This can be looked at in relation to Pierre Bourdieu's work on social and cultural distinctions in France in the 1970s. See *Distinction: a Social Critique of the Judgement of Taste*, London 1984.

<sup>26</sup> This information was obtained in Italy from a Diadora representative who supervised production in Henan Province.

<sup>27</sup> Deyan Sudjic, 'Megalopolis Now'.

<sup>28</sup> Exchange rate \$1 = 8 Yuan RMB.

that most roads are unsuitable for even half its top speed.

The number of well-decorated high-class restaurants and bars has also been increasing rapidly in the past few years. The proprietors are quick to cater to, and indeed help set the trend for, their elite customers, coming up with a fresh style each year. A hint of foreign decor was the fashion in Hangzhou in 1992. A year later, the fashion was small dining rooms modelled after English country houses of the eighteenth century with palladium arches, statues in classical style, and oil paintings of the master and mistress of the house.<sup>29</sup> Small and obscure cities are quick to follow the trends set by big cosmopolitan ones. Though the copy often appears inferior, it serves a similar purpose for the local economic elites. In January 1995, I happened to be invited by an old classmate who was doing well in business to one such place in my home city, a mining town which is far from being cosmopolitan. The restaurant was converted from a 1950s red-brick office building, and the small dining room we used had no windows because they were all blocked up by oil-paintings of Graeco-Roman gods.

Costly entertainment sites such as karaoke houses and disco-ballrooms are cropping up in cities, catering for both China's own economic elites, and businessmen from its wealthier neighbours—Hong Kong, Taiwan, Singapore, Japan and South Korea. By summer 1993, there were already 300 karaoke houses and more than 100 ballrooms in Beijing.<sup>30</sup> One such fancy karaoke house, *Diangetai*, owned by a Hong Kong businessman in eastern downtown Beijing, has rooms charging 4,000 to 5,000 yuan a night (then \$670 to \$830). Reservations are required a few days in advance.

### The Highest Grade

A recent and peculiar Chinese development in conspicuous consumption is the conjuring up and marketing of 'the highest grade'—*jipin*. The 'highest grade' costs many times more than the basic product, boasting a special quality which no one can define. A journalist spotted a bottle of the highest grade of *Xifeng*—a well-established brand of spirit, priced at 3,200 yuan in the Beijing Lufthansa Shopping Centre. This is about a hundred times more than the usual price.<sup>31</sup> Other makes of spirits, and cigarettes, were quick to launch their own 'highest grade'. The most remarkable feature of consumerism in late capitalism, the prominence of sign value over use and exchange value, is finding its most pronounced expression in post-Mao China.<sup>32</sup> The highest grade is obviously beyond the reach of the majority. Rather, it is conjured up for two groups—the nouveaux riches caught up in the frenzy of ostentatious display of their wealth, and those who hold the strings of the public purse.

Mobile phones have in recent years become an important status symbol. Despite the very high cost of initial purchase and installation—around 30,000 *yuan*, and the same annual running cost,<sup>33</sup> the number of mobile

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<sup>29</sup> Goodman, 'New Economic Elites', pp. 142-3.

<sup>30</sup> 'Enjoy Night Life Here', *Beijing Review*, 2-8 August 1993, p. 31.

<sup>31</sup> 'The Fad of "the Highest Grade" Mustn't be Boosted', *Economic Daily*, 8 January 1995.

<sup>32</sup> Jean Baudrillard, *Selected Writings*, ed. Mark Poster, Cambridge 1988.

<sup>33</sup> David Goodman 'The New Economic Elites', p. 142.

phones has increased rapidly from 1993 onwards. By that year, 200,000 mobile phones were estimated to be in use in Guangdong province alone.<sup>34</sup> The following year was crucial for the expansion of telecommunications in China. The breaking up of the monopoly held by the Ministry of Posts and Telecommunications led to the launching of a second domestic operator in Beijing—China United Telecommunications (Unicom), and a greater participation of foreign operators in the area. China has been the largest single market in the world for telecommunication since 1995 and will remain so for the next thirty or forty years.<sup>35</sup> The number of telephone lines will reach 140 million by the end of the century, up from 42 million in 1994.

During the same visit home in January 1995, six friends came to see me one day, three of them with mobile phones. It later turned out that only one of them—a self-employed businessman—was a true owner. A police officer had borrowed his from a friend, and a medical doctor from a wealthy relative. They made and received phone calls from time to time during the afternoon's visit and occasionally passed the 'toys' around. They were much surprised, puzzled and disappointed to find out that I was not a mobile phone owner. Did this mean that China has caught up with, or even surpassed Britain or the West, in mobile phones at least? If not, what? The situation clearly posed a problem for them. I tried to explain why I did not need one but soon realized that need was not the issue. It was about appearing modern. I had obviously failed on that account and let them down.

The last but not the least new area of conspicuous consumption is in children's education. Many self-employed businessmen are poorly educated and are keen on improving the social status of the family through acquiring a better education for the younger generation. The earnest translation of financial capital into cultural capital through investment in qualifications is a long-standing tradition.<sup>36</sup> In some cities, private boarding schools have been established to cater for children of wealthy parents, charging a handsome sum in tuition fees or a sizeable 'education deposit'. They are publicly known as 'schools for the aristocracy' (*guizu xuexiao*). One such private school in southern China requires a deposit of 150,000 to 300,000 *yuan* (\$18,519 to \$37,038) upon admission. It has already enrolled 1,566 students.<sup>37</sup> Since the 'schools for the aristocracy' have access to abundant private funds, they can attract the best qualified teachers away from poorly funded state schools, offering up to ten times the state salary. An advertisement for one boarding school in Xiamen, Fujian Province, one of the first special economic zones in China, features a smart-looking young boy wearing an academic robe and holding a rolled-up degree certificate.<sup>38</sup> Money seems to be working its magic in a country which, not too long ago, held equality as its ultimate socialist goal. If this trend continues will China eventually become a full-blown

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<sup>34</sup> Ibid.

<sup>35</sup> 'A Question of Money: Cellular Telephone Penetration', *Far Eastern Economic Review*, 7 April 1994, p. 47.

<sup>36</sup> *Ke juzhi*, the imperial examination system.

<sup>37</sup> 'Should Educational Institutions be Established for Profit?', *China Youth Daily*, 15 January 1995.

<sup>38</sup> *China Youth Daily*, 5 January 1995, p. 4.

class society based on the possession of wealth, which the communist revolution was pledged to destroy?

## Modernization and Its Discontents

Economic and social polarization is a serious problem that the Chinese government has to face and tackle, and sooner rather than later, if rising social unrest is to be calmed and controlled. The most powerful attack on the liberal market reforms from the old Maoist Left has been directed at this rather obvious Achilles' heel.<sup>39</sup> It is entirely possible that a new political Left may emerge, representing the interests of the economically and socially deprived.<sup>40</sup> Strikes, sit-ins, and slow-downs, coupled with peasant risings, though still sporadic, are on the rise, and will most probably become more organized if the tendency towards polarization continues and eventually embeds itself as a deep structural feature of Chinese society in the next century.

The political consequence of heightening social and economic inequality, serious as it is, is not the only problem undercutting China's struggle for a better and fairer future. Less socially salient but more dangerous for the long run is the serious damage done to an already degraded natural environment by the single-minded pursuit of economic growth and rising consumption level in the present era. China's sheer size in area and population makes the crisis potentially catastrophic. To even moderately raise the living standard of 1.2 billion people means tremendous additional demands on food, water, space, energy and other natural resources. Some commentators have already grimly predicted that no solutions within the reach of China's own economic and technical capacity are likely to halt and reverse the general degradation of the natural environment in the 1990s and the first decade of the next century.<sup>41</sup>

Among the many environmental problems is the loss of arable land to the building of new factories, houses and roads. China has already jumped from a grain exporter of 8 million tons in 1992 to a net importer of 16 million tons in 1994, driving up world grain prices by 60 per cent. This has already caused some alarm in Western media, warning that, if the current trend continues, China will swallow up all the world's grain exports (200 million tons) by 2030.<sup>42</sup> Pollution is the other problem which has come with rapid industrialization and rising consumption levels. The sharp increase in the number of automobiles in recent years has exacerbated the already serious problem of urban air pollution. Despite the efforts made by local governments to raise the level of public awareness of environmental issues, effective measures are getting harder to find against a background of people's rising expectations of material reward and comfort.

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<sup>39</sup> Social polarization is one of the factors identified in 'Several Factors that May Affect Our Nation's Stability', an internally circulated article written in the name of Deng Liqun.

<sup>40</sup> It may not necessarily call itself 'the New Left', as that term has been irreparably tarnished by 'ultra-leftism' of the Cultural Revolution.

<sup>41</sup> Vaclav Smil, *China's Environmental Crisis: An Inquiry into the Limits of National Development*, Armonk 1993, p. 192.

<sup>42</sup> 'No Loafing About in the Grain Store', *The Guardian*, 20 September 1995.

Mass consumerism makes unlimited demands on natural resources. Granted that the high standards of living in the West can only be sustained through its dominant and exploitative position in the global economic system, it is totally unrealistic for the Chinese, or the rest of the world, to reach comparable standards. Yet, this 'American way of life' is envied, admired and desired everywhere in the 'Third World'. The West can hardly tell the Chinese, the Indians, or the Brazilians to stop industrializing and modernizing their countries simply because it may cause ecological disasters which affect the world at large. Already the best Chinese-made products are consumed mainly in the West, as dictated by the unequal world economic system.<sup>43</sup> These are clearly not technical problems but moral and political choices. The concept of sustainable development, which must be taken seriously by the West and the rest of the world, should not be used as a pretext to defer the struggle for a better material future in poor countries.<sup>44</sup>

The West has already been alarmed by the possibility of the Chinese, one-fifth of the world's population, suddenly entering the consumer age. A report by the Worldwatch Institute urges the industrialized countries to face the sheer unsustainability of their own current pattern of consumption.<sup>45</sup> The burden of creating a sustainable society, the report rightly argues, should firstly fall on the countries that pioneered the unsustainable lifestyles. But common sense tells us that any search for a way out of the current predicament has to start with concerted global efforts, made by the West and the 'Third World' together. For this to happen, narrow national interests must give way to concern for the destiny of humanity as a whole. This may sound hopelessly utopian. But utopian thinking is precisely what is most wanting at this moment of fin-de-siècle disillusion when the free market appears beyond any reasonable challenge after the collapse and retreat of actually existing socialism. The West needs to reflect on and take action against the irrational aspects of its own way of life. What the poor countries desperately need is a holistic vision which can guide them in their search for other possibilities of development.

### The Myth of National Development

Wallerstein's deconstruction of the concept of development can provide a useful starting point.<sup>46</sup> National development, seen from the macro-historical perspective of the world system, turns out to be an illusion more than a lodestar. Development has always been the development of the capitalist world economy, not that of any particular nation. Capitalism is by nature unequal, structuring and restructuring the world into core, semi-periphery, and periphery regions in term of economic strength and benefit. The situation of the late twentieth century, Wallerstein tells us,

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<sup>43</sup> 'Chinese Workers Make Christmas Toys for UK at 10p an Hour', *Independent on Sunday*, 24 December 1995. The reporter commented that 'the toys made in these factories are too expensive for Chinese children, who make do with more basic products'.

<sup>44</sup> Michael Redclift, *Sustainable Development: Exploring the Contradictions*, London 1987.

<sup>45</sup> 'Green Guerrillas in Mist', *The Guardian*, 11 March 1995, p. 29.

<sup>46</sup> Immanuel Wallerstein, *Unthinking Social Science: The Limits of Nineteenth-Century Paradigms*, Cambridge 1991.

is such that the system has exhausted any possibility of further geographical expansion. If development has always been somewhat a zero-sum game, it is more so now than ever; when new areas gain, old areas will lose. Hence, if any of the periphery countries do manage to 'catch up', be it China, India or Brazil, a significant segment of population elsewhere in the world will eventually lose out. This will be the case as long as countries seek development separately, and thereby remain in competitive relations with one another.<sup>47</sup>

This rather gloomy view of national development is not without its problems, but it contains a substantial kernel of truth. From the global perspective, China has already been integrated into, and lies at, the periphery of the world capitalist economic system. Its economic growth is increasingly dependent on foreign capital. By the early 1990s, China was already the second largest recipient of direct foreign investment in the 'Third World'. By the end of 1993, 80,000 direct foreign investment ventures were already responsible for a considerable percentage of China's GDP. International capital has turned China into a world factory producing for the world market, especially the affluent West. Even the 'retailing revolution' since 1992, acknowledging and meeting the surging demands of the rising economic elites has only been made possible by foreign involvement. This story of remarkable economic growth is also a triumph of international capital which recognizes no national and cultural boundaries.

Since new information technology has made it possible to move capital swiftly between production sites in search of the cheapest labour and raw materials, no one can guarantee that the massive production of labour-intensive goods in China will remain unchanged. In fact, China has every reason to worry about competition from potentially cheaper and more profitable production sites. There have been reports of foreign investors intending to move production from south China, where the booming economy is already pushing labour costs up, to Vietnam.<sup>48</sup> The question then becomes, how can the current growth rate and rising consumption level be sustained if they, to a large extent, depend on the essential unreliability of international capital's drive to maximize profit?

If China does succeed in reaching its goal of modernization in the coming two decades and manages to improve general living standards, either by retaining a larger share of the surplus values created within the country or by increasing the sheer speed and volume of production, who will lose out in the process? Can the basic contradiction embedded in the current strategies of national development assiduously pursued by many 'Third World' governments, competition not cooperation, ever be resolved? Towards the end of his deconstruction of the myth of national development, Wallerstein comforts us with the promise that, although

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<sup>47</sup> The competitive relation between the two most populous Asian countries, China and India, is made clear by the deputy-chairman of the Bank of East Asia Ltd, in a speech he gave in Hong Kong, arguing for China against India. The speech is published under the blatant title 'Why China, Not India, is the Better Bet for Investment in Asia', *The International Herald Tribune*, 1 June 1995.

<sup>48</sup> 'Some Foreign Businessmen are being Cautious about Investing in China', *Cankao Xiaoxi*, 26 January 1995.



national development is an illusion, development itself can be a lodestar if pursued on the basis of concerted, world-wide, collective action. Collective bargaining by the world's poor could make it impossible for the world's capitalists to play one locality off against another.<sup>49</sup> Local producers could be encouraged to demand a greater participation in decision-making and a better share of the profits. More surplus retention by local producers, not the state, can be made possible through collaboration, not competition, between the world's poorer nations. In this way, equality and prosperity, perhaps liberty and democracy as well, will finally dawn on humanity as a whole, not on some at the expense of others. This in practice means that neither China, nor India or Brazil, should pursue its own national development regardless of their poor brothers and sisters in other 'Third World' countries. But looking around, one is more likely to see cut-throat competition than harmonious cooperation. This version of utopia, logical and coherent as it sounds, seems unlikely to be realized in the near future. But it is definitely worth striving for.

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<sup>49</sup> Wallerstein *Unthinking Social Science*, pp. 123-4.