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INTERPRETING  
CHINA'S  
DEVELOPMENT

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East Asian Institute, National University of Singapore

 **World Scientific**

NEW JERSEY • LONDON • SINGAPORE • BEIJING • SHANGHAI • HONG KONG • TAIPEI • CHENNAI

*Published by*

World Scientific Publishing Co. Pte. Ltd.

5 Toh Tuck Link, Singapore 596224

*USA office:* 27 Warren Street, Suite 401-402, Hackensack, NJ 07601

*UK office:* 57 Shelton Street, Covent Garden, London WC2H 9HE

**British Library Cataloguing-in-Publication Data**

A catalogue record for this book is available from the British Library.

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ISBN-13 978-981-270-802-1

ISBN-10 981-270-802-2

ISBN-13 978-981-270-806-9 (pbk)

ISBN-10 981-270-806-5 (pbk)

*Printed by Mainland Press Pte Ltd*



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# *I*ntroduction

## I

The East Asian Institute (EAI), set up in April 1997 as a full-time autonomous research organisation under a statute of the National University of Singapore, is celebrating its 10th anniversary this year. EAI is the successor of the former Institute of East Asian Political Economy (IEAPE), whose main mission was to conduct policy-oriented research related to China's economic reform and open-door policy. EAI has continued with this major research focus, but it has over the years also broadened its research scope to include the global and regional impact of the rise of China, particularly China's fast-changing relations with its neighbouring economies/countries in East Asia.

In a way, EAI is virtually the only academic organisation in the whole of Southeast Asia that has its research heavily focussed on the study of contemporary China, i.e. "watching" developments of "Communist China" or the People's Republic of China (PRC). The challenges for starting contemporary Chinese studies in places like Singapore were quite real. Because of Cold War legacies, non-socialist Southeast Asia basically had neither strong academic foundation nor strong public interests in studying developments of "Communist China". Information on China used to rely heavily on Western media and research done by Western scholars. Our first major task initially was to build up a good data base comprising primary source materials emanating from China. But the greater challenge for our scholars in their study of contemporary China here was to try to consciously follow an academic approach that is as far as possible "non-Western" and "non-PRC". We believe that by analysing and interpreting events in China without going through certain ideological prisms would better meet the needs and interests of our policy makers and our community.

Thanks to its success in economic reform and its opening up to the world, China in recent years has rapidly transformed its economy and its polity. This, coupled with the sharp growth in the two-way commercial contacts and travels, has rendered it much easier for people in Southeast Asia to know and comprehend what is going on in China. To many Singaporeans, China today appears much like another "normal" country, fairly open, as they can visit China anytime without a visa. Thanks also to the IT revolution, events in China often appear almost instantaneously on local media. Such a fast access to China's information together with its greater transparency has certainly contributed to a greater understanding of contemporary China.

Viewed from a different angle, however, analysing and interpreting events and developments in China have always been and will remain a formidable challenge, not just for non-specialists, but even for China experts. China is a huge and diverse continental-size economy, which is rapidly growing (at the breakneck rate of 9.6 percent for the past 27 years) and radically reforming itself, all at the same time. Size combined with speed creates its own dynamics. With its vast base, any growth in any industry or sector will inevitably push up China's aggregate statistics to jumbo numbers. Today, China is the world's top producer of a wide range of goods and commodities (for 2006, 2.4 billion tons of coal, 420 million tons of steel, 7.3 million automobiles, 85 million TV and so on). In per-capita terms, however, China's levels of production and consumption are invariably very low. Thus, China's total GNP in 2006 ranked the world's fourth largest after the US, Japan and Germany, but its per-capita GNP at around US\$1,900 was near the bottom of the hundredth! It would be quite easy for someone from a smaller country to lose perspective on those numbers.

China's diversity (a product of its enormous size) is another important feature. In winter, the subzero temperature of Harbin up north contrasts sharply with the subtropical Hainan Island, some five or six flying hours down towards the south from Harbin. In summer, serious floods in the Yangtze can occur simultaneously with serious droughts in the Yellow River basin. Because of its size, China is administratively divided into 34 provinces or regions, 333 regional cities and 2,863 counties. Many

of China's provinces are bigger than Germany or France. Numerous regional cities in China are bigger than Singapore. To rule such a vast country effectively, China's governance has to function at five or six levels: *zhongyang*, *sheng*, *qu*, *xian*, *xiang*, and *cun*.

Economic and technological dualism is quite common in many developing countries. However, China's dualism is often exacerbated by its vast size and great diversity. While China has mastered sophisticated space technology in one sector, it still uses simple and traditional tools in others. Anyone with a preconceived idea or a certain theory on China is able to pick up real events from some part of China to support his story, be it the good, the bad or the ugly!

One can go on with a long litany of examples about the "inscrutability" of China and the many enormous problems of studying and understanding it. But this is the land which is now engaged in an unprecedented undertaking of modernisation. Human history has never before witnessed such an intense level of industrialisation taking place on such a massive scale. It is not just the static complexity, but the dynamic changes and rapid transformations that make the task of analysing and interpreting developments in China a real challenge.

As scholars, we believe that sound scholarship with painstaking search for information and evidence, and patient analysis will help us come up with a more balanced picture and better understanding of developments in China. Good modern social science skills can also help us better grasp the significance of the fast-changing scenes in China. As always, studying China is a fascinating and rewarding feat for serious scholars.

## II

This particular commemorative volume is made up of papers and commentaries on various aspects of China's development, written by present and past scholars at EAI, specifically for non-specialists. We have asked them to make their writing succinct and informal as well as readable in the hope that readers can easily get a good glimpse of what is happening in China, politically, economically and socially today.

Many staff members at EAI have contributed to this volume. Dr Lai Hongyi, in particular, has done an excellent job in organising this project and arranging for its publication and Ms Jessica Loon, in the copy-editing.

*Wang Gungwu*

*John Wong*

May 2007

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