

Interview with WSWS correspondent

Rich and poor in twenty-first century China

Part One

7 December 2004

The following is the first part of a two-part interview with World Socialist Web Site correspondent John Chan who recently visited China for the first time in several years. Chan was born and raised in the southern province of Guangdong. In the course of his recent trip, he visited the provincial capital of Guangzhou as well as several towns and villages.

WSWS: What were your first impressions after arriving?

JC: My first impressions turned out to be a rather false image of economic prosperity. This is a trap that many tourists and overseas Chinese fall into, when they return home for the first time. They see great changes and no longer recognise a lot of places with which they were familiar. The urban landscape is in a state of constant change. Many of the neighbouring counties near Guangzhou, that used to have separate local administrations, are now included as part of the metropolis.

People are far better informed today, because of the widespread use of the Internet, mobile phones and other modern means of communications. In coastal areas like Guangdong, almost every youth and middle-aged person carries a mobile phone.

There are far more cars than in the 1990s. The transnational car companies have monopolised almost the entire industry, producing millions of relatively cheap but somewhat low quality models for the emerging middle class. Traffic in cities like Guangzhou is chaotic, because the infrastructure simply cannot cope with the frenzied growth of car users. It is not surprising that traffic accidents kill tens of thousands of people in China every year.

There are a lot of new roads, highways and telecommunication networks. The foreign investment flooding into China is not just for cheap labour but for advanced infrastructure. Most Third World countries have failed to compete with China because of the lack of infrastructure, which greatly increases the cost of production and undermines their cheaper labour advantage. But these developments are confined to the coastal areas; the interior provinces remain in a state of backwardness and poverty.

There are also many “image projects”. Local officials do nothing for the people, but they are good at creating false images of their cities. I went to a number of cities in Guangdong. Insiders told me that the beautiful urban landscapes had nothing to do with the real state of the economy. Behind the “image” was often huge debts as well as waste and corruption that took the lion’s share of the funds. The main motivation is to demonstrate to their superiors that they have done a good job in bringing prosperity to their city. The second reason is to impress the foreigners.

These first impressions are superficial, however. Staying in a city like Guangzhou, home to 12 to 14 million people, you will soon find out that behind this appearance of prosperity is a huge divide between rich and poor. Poverty, unemployment, and social hardship are very pervasive.

Even surface appearances are deceptive. Many people dress fashionably

and own a mobile phone or a digital camera, especially young people. Even though these items cost a fortune, they’re bought because their owners don’t want to be looked down on. In a highly unequal society, where social status is measured by money, the poor suffer discrimination and humiliation, which everyone tries to avoid. The associated “consumerism” has created unprecedented levels of personal debt.

WSWS: What are the indications of the social divide?

JC: The striking thing about Guangzhou is that it is no longer the home of the Cantonese. More than half of the population is made up of migrant workers, either from other provinces or elsewhere in Guangdong. Many are engaged not only in manufacturing, but also in services like taxi driving, restaurant waiting or hairdressing. Because of this demographic change, Mandarin, rather than Cantonese, has become the main spoken language in official or public places.

Migrant workers are often blamed for being the source of social problems, especially rising crime. There are warning signs everywhere, telling people to be aware of thieves or motorbike attackers. Installing steel bars on every window, balcony and door has become a basic security requirement. Every unit is like a birdcage.

Some people describe the divide between rural and urban areas as being like two different countries or two worlds ruled by the one government. You have one world in the prosperous coastal regions, but the other, in the countryside, is falling behind. This is why the rural poor are moving into the cities and end up as cheap labour. If you go into restaurants, for example, there are few local workers because the pay is too low. The best that workers can earn is perhaps 600 yuan [\$US72] a month. A factory worker gets about the same. Because of the low wages, many young girls turn to some kind of prostitution.

By contrast, an office worker would probably earn up to 2 or 3 thousand yuan [\$US240 - 360] a month. A teacher would earn a similar figure. Lawyers and accountants could get 7 or 8 thousand yuan [\$US 845 - 960], or even more. But these figures are for Guangzhou, and the incomes outside the major coastal cities are lower.

For the richest layer in China, there are no accurate statistics on their hidden wealth. Many of the published figures in the so-called lists of the wealthiest are fairly doubtful. The super rich are certainly multi-millionaires, but they do not publicise their fortunes. Their wealth is on display at their luxury residences, where expensive cars are driven in and out and which are garrisoned by private security guards. Many wealthy businessmen openly have concubines—a return to the feudal custom—to display their wealth and social status.

WSWS: What are the social conditions facing the unemployed?

JC: On the streets there are a lot of unemployed simply waiting with signs asking for help or any kind of work, such as construction, house removal—anything really. Their pay is by negotiation. But many are not paid for their work. It is officially admitted that workers are owed billions

in unpaid wages, particularly by construction companies. Some have committed suicide to draw attention to their plight.

When I first arrived with a lot of luggage, I was concerned about how I was going to carry it all upstairs. But one of my relatives told me not to worry—for as little as 10 yuan you can call two people from the street and they will do it all for you. There are unemployed people everywhere, desperate for any sort of income.

Many workers have been laid off from the state enterprises and there are no jobs for them either. Many end up as motorbike drivers—a sort of cheap taxi service. But the government has issued a ban on the use of motorbikes so the taxi service is run secretly and illegally. From 2006, motorbikes are going to be banned completely in Guangzhou.

Not only laid-off factory workers face the prospect of unemployment, but also university graduates. In the past, the universities kept no records of their graduates for more than 6 months. Now this has all changed, because many graduates cannot get a job within 6 months. To enable university students to survive, the government has established a scheme to encourage them to open businesses. Of course, most of the businesses are just a cart or a street stall selling noodles or dumplings. The situation is desperate.

An example of the intense competition for jobs is the case of one of the city's fruit companies, which is state-owned and undergoing corporate restructuring. Several months ago, the company advertised one permanent position and applications are still flooding in to its email address every day.

For casual workers, the situation is even more terrible. According to one worker in the fruit company, there are dozens of women from the neighbouring village working there and receiving only 300 or 400 yuan a month. The director's slogan is: if you don't accept this pay, then get out. There are heaps of people outside waiting to take your place.

WSWS: How is it possible to live on 300-400 yuan a month? What are the costs of living?

JC: The cost of living in Guangzhou is especially high. To rent a two-room unit could cost perhaps 600 to 800 yuan a month. There is a lot of overcrowding, especially among migrant workers. They often end up living in accommodation with half a dozen or a dozen people. Many businesses, especially factories or restaurants, provide accommodation and food to their rural migrant employees. The purpose is to keep the wages low.

According to taxi drivers I spoke with, it is increasingly difficult to make a living because competition is intense and oil prices have increased. They blamed the US war on Iraq for the increase in the cost of living, and complained that they have to work 6 or even 7 days a week.

There are homeless people outside the city centre. You won't see them often in Guangzhou's downtown shopping streets. That is because they would damage the city's "image," so there are countless security guards everywhere to drag them away. The government hires these guards to help patrol Guangzhou. They are a sort of extension of the police. There are not enough police for a city of 12 million people.

There are also many beggars. Many of them carry young children. You see orphans, older women from rural areas or urban poor who have medical problems or financial difficulties begging for assistance.

Health care is a major problem for many people. In China today, the medical system is so expensive that most families simply cannot afford to suffer a major or chronic disease. An official report I read acknowledged that half of all rural Chinese are excluded from health care. This only happened after the "market reform" of the 1990s.

One of the social gains of the 1949 revolution was a cheap universal health care system, including the rural areas. This was regarded as a leap forward. Now even the middle class cannot always afford to pay their medical bills.

WSWS: Did you go back to your old school?

JC: Yes. The school where I used to study has a long reputation for winning scholarships and producing university graduates. Now it has experienced a significant decline due to the lack of funding. Most of the teachers, considered to have been the best in the area, have moved to private schools that pay better. In order to survive, the school has massively increased the number of classes. We used to have 5 or 6 classes in each year level, now there are 20. Many are paying students from wealthy families.

During my time, there were small numbers of children from the bureaucracy and local businessmen who paid for their child's place in the school. But most students were selected through the entrance exam and there used to be many from workers' and peasants' families. It appears that this composition has changed. The level of the whole school has been declining and it's obviously overcrowded.

WSWS: What is the state of education in general?

JC: Education has become a significant burden on ordinary families. Officially the Chinese government still provides "free education" and for that parents pay 3 or 4 yuan a year. But in practice, each school has administration fees and other extra fees. It can cost families a fortune. The textbooks are very expensive. Schools are increasingly being run as businesses. A huge number of private schools are springing up, including the so-called aristocratic schools for the very wealthy, which have foreign teachers from Western countries. These schools are exclusive and extremely expensive—it costs hundreds of thousands a year.

WSWS: What are the attitudes of ordinary people to these social problems and tensions?

JC: Different layers have different attitudes. Some of my friends are well off. One is a manager in a foreign trade company that exports engineering components. He told me a lot of stories of corruption inside the government and why Beijing allows it to take place. But he was optimistic: there are problems but China will eventually become a prosperous society.

Another was a wealthier lady who works with a big oil company and owns considerable business interests. This layer, which owns property rather than just manages it, is concerned about the future. She is desperately looking for citizenship in a Western country. This is firstly so she can transfer her money there and secondly, so she can invest in China as a foreign investor! Foreign investors get more concessions.

WSWS: So there is a certain nervousness about the stability of China's future?

JC: Yes. The lack of security looms over the wealthy elite. There is a saying: China's a place to make money, but not a place to enjoy it. That's why people who make a lot of money refuse to have their names published. For example, recently three specially-made luxury European cars were sold in China. No one knows who bought the cars, as none of the buyers wanted their purchase to be made public.

The rich know there is immense public hostility. In recent years, a few of China's richest men have been assassinated. The public reaction to their deaths was reflected in the general sentiment: they are dead because their money was dirty. No one expressed any sympathy towards them. The government has felt the need to launch propaganda campaigns against "egalitarianism"!

WSWS: You visited several villages. What were they like?

JC: Villages in Guangdong province are somewhat better off as compared to those in the vast interior provinces. So they cannot be regarded as typical of rural China. One had a hundred households or so. They are still engaged in rice-growing and other farming activities. But their income is heavily dependent on those who have found a job in the cities. No family can simply depend on what they grow.

Increasingly, however, people are reluctant to go to the city. They pointed out to me that life is just too hard there. Most young people still leave the village, because they don't see farming as providing them with a

future.

There are limited schools, transportation and other services in these places. In some villages there are none. Many households have electricity and TV and a telephone and even a video player because manufactured goods in China are relatively cheap. Such items are no longer a status symbol. But poor hygiene and housing conditions, as well as the lack of essential services, make these villagers second class citizens in China.

There is a certain class differentiation with an emerging layer of rural businessmen. As we walked around, local farmers pointed out to me which mansion belongs to which of the wealthiest men of their area. Township businesses of every kind have emerged—these not only include agricultural firms but also small industrial companies.

To be continued.



To contact the WSWS and the
Socialist Equality Party visit:

wsws.org/contact