

Three Objective Facts About China

By Jingyi Dong, 2019

As the Sino-US trade war is intensifying, China is turning to Europe on the lookout for prospects in international trade. This brings both opportunities and challenges to Europe. Business people looking to exploit this opportunity would benefit greatly and get a career boost if they learned more about China's society, politics and history. Business people do not need to become experts in sociology, history and politics, but they could use the help of researchers who specialize in sociology, history and political science to give them important background on which to base their decisions. In its very nature, the Chinese market is different from the European market. And such differences have remained unknown for a long time. When we focus on China, I would like to present three unique facts about the country that are not widely known by the rest of the world.

The first objective fact is that China has the largest segregation system in the world, a system that is very much in operation still today. Historically, the United States and South Africa had notorious and reviled segregation systems. South Africa, in particular, was ostracised from the world community and sanctions were imposed on the country because of its evil system. When it comes to China, the rulers at the top are exposed to sharp criticism because of their violation of human rights, but very few critics focus specifically on the issue of the country's segregation system. Now many people are alert to the fact that the tyrannical regime in China poses a threat to the world, but very few realise that the segregation system is one of the most important pillars of this dictatorial regime. This is not a system that discriminates against certain minority ethnic groups, rather, it is an urban-rural segregation system discriminating against peasants, the majority of the Chinese population.

Let us start the story in the year 1958. In that year, the Communist Party of China (CPC) had established its regime for nearly ten years and its position of power was very solid. Then the state began to expand as a military and industrial power. For this purpose, it unduly taxed the peasants, leading to the worst famine in Chinese history in the years that followed, from 1959 to 1961. The death toll has been estimated at 30 to 40 million people, but this figure could be

even higher.

That this could happen would have been unthinkable in ancient China. In ancient times, if poor management of the state led to large-scale famine, there would be a peasant uprising. There would have been a breakdown of the state. This was considered to be the way the historical cycle went in ancient China as the people on the lower end of the social scale in the society would rather die rejecting the tyrants than to wait passively for death. This substructure of the society was dominated by a large population of free farmers who represented a huge force. Even though the emperor had a virtual monopoly on state power, he was very concerned about the enormous power the masses represented in society. Therefore, the emperor never dared to ignore warnings of great famine. However, the modern tyrants in China were so bold and arrogant that they created the most serious famine in Chinese history. It is puzzling why this disaster did not lead to a peasant uprising. It appears that the urban-rural segregation system was one of the key measures that broke the historical cycle of rebellion.

The urban-rural segregation system was created in 1958 by imposing a household registration system. Its purpose was not to register the population, but to deprive people of their mobility. This means that rural people were restricted to their villages, not allowed to change their place of residence, nor change their occupation. Needless to say, the household registration system alone could not force the huge population of peasants to stay in the village until they all starved to death. There had to be systematic measures to support the urban-rural segregation system. The most noteworthy of these measures was the People's Commune, which was also established in 1958. Let us look at some of its basic features.

First, the People's Commune was not purely an economic unit, it also played a governmental role. A commune controlled several villages and acted like a mini state with two parallel sectors. The function of the CPC organisation was to brainwash the peasants and to supervise the administrative sector, whereas the administrative bureaucracy controlled the life of the masses and managed agricultural productivity in a very detailed way.

Let's look at how the the commune members were treated. 1) They were not allowed to migrate to urban areas or change profession, and their status was hereditary, passed down from generation to generation. 2) They had no ownership of land, nor large-scale husbandry or farming instruments. 3) They had no say in farm management or produce distribution; more serious, they had no guaranteed income or food rations. 4) They were headed by village cadres who were very powerful, empowered to persecute villagers. In this way, state domination reached from the capital right into the remote villages and to each individual.

There were more related government policies in support of the segregation system:

1. The repatriation system was in effect from 1953. Accordingly, the police had the authority to imprison and enforce the repatriation of peasants who entered the city without official permission.
2. The state monopoly over purchasing and marketing since 1953 meant that the state had control over all staple farming produce while the market was by all intents and purposes eliminated. In urban areas, food and other necessities of life were rationed, making it almost impossible for peasants to survive in the city.
3. By 1956, all entrepreneurs were either state-owned or belonged to the collective but were controlled by the state, and the private sector was eliminated. The government rigidly controlled the recruitment of entrepreneurs from among the peasants.

Let us examine these related policies comprehensively:

repatriation system (April 1953): lock the city

state monopoly over purchasing and marketing (November 1953): lock the market

elimination of the private sector (1956): lock the industry

controlled recruitment of industrial workers (1957): lock the industry

household registration (January 1958): urban-rural segregation

People's Commune (August 1958): lock the village

We can see that the containment policies started earlier than 1958. At the very beginning, the policies were not aimed at the rural areas directly. Rather, the measures were started in the

urban areas and the non-agricultural sector.

Traditionally, farmers were economically self-sufficient. When the city, industries and markets were locked away from them, the farmers found their access to a successful economy blocked, but they were still not fully aware of their impending demise. In other words, the urban-rural segregation system alone would not lead to the tens of millions of deaths.

This became much more severe after the rulers had restricted each village and then started to inexcusably drain material resources from these rural areas. By the time the peasants realised what was happening and tried to escape from these death camps, it was already too late.

Now, the foundation of the national economy of China has shifted from agriculture to industry. Peasants are allowed to go to the city and work in the non-agricultural sector. Nevertheless, the urban-rural segregation system still continues; peasants who work in the city are referred to as off-farm workers and their status is still that of rural people. In comparison with urban people, those branded as rural are disadvantaged in many aspects of life, such as income, medical care and education.

Professor Qin (2010), who specializes in agriculture history points out that the Chinese off-farm workers, like their counterparts under South African apartheid, are more concerned about an absence of civil rights than deprived in economy. They have the status of outcast, which is the direct result of the state practising "legitimate" discrimination. Such measures as pass laws, migrant labour, single-sex living quarters and being tied to native reserves were characteristic of apartheid. With respect to these characteristics, the situation of the Chinese off-farm workers strikingly resembles what South Africans had experienced.

From the history of South Africa and the United States, we learn that after their segregation systems had been abolished, there was still a horrible and long-lasting aftermath. In China, while the segregation system is still in place, the post-apartheid problems, such as crime and moral decay, are very much in evidence in Chinese society today.

Besides, China is hardly a legal society. As Qin (2010) points out, while the discriminatory policy in China is as intense as it was in South Africa, it is "blatantly unregulated". The segregation system in South Africa was strictly regulated by law and clearly articulated. It apparently broke with the mainstream ideology after World War II, leading to world condemnation. The segregation system in China, on the other hand, is much more flexible. Now a large population of the rural people is moving across the geographic boundary between the rural and urban areas and working in industry, the features of this structure may not be easily identified and the discriminatory nature of this system may not be readily detected. In turn, urban-rural segregation tends to be confused with urban-rural disparity, a widespread problem that could be alleviated through economic development or affirmative-action projects.

Some researchers compare the Chinese household registration system to how other countries use passports for international travel. This analogy is valid because it illustrates how the Chinese people are deprived of mobility, not when it comes to travelling outside the country, but within the country. However, this is not my focus. The Chinese household registration system is an institutionalized segregation system by nature. As a result, a wall stands between the urban areas and rural areas and this divides the people of the same society into different castes.

Let us take one more look into the differences between racial segregation and urban-rural segregation so that we may better understand how China works. We may envision a stratified society as a pyramid and, aided by this image, we can highlight several features of urban-rural segregation.

1. Racial segregation split the pyramid with more or less a vertical dividing line, separating the whites and the natives into two sectors, with each sector composed of unequal social strata, i.e. holders of different forms and volumes of capital. Urban-rural segregation splits the pyramid with a horizontal dividing line, separating the peasant population from the rest who are engaged in other trades, with the peasant sector mainly composed of holders of physical capital. As a result, the rural society is deprived in various forms of capital.

2. Racial segregation was based on race difference, with the dividing line between different races, which is impassible; urban-rural segregation is based on the status that the state assigns to individuals, which can be changed according to the demand of the rulers. Of course, such "flexibility" is controlled by the dominant party. It is with such flexibility that the dominant party has

managed to continuously drain talents from the dominated sector.

3. Racial segregation did not have a plan as to whether the majority or the minority were marginalized. In urban-rural segregation, the substructure of the pyramid, or the majority of the population, is composed of peasants. The segregation that marginalizes peasants in effect marginalizes the majority.

Apparently, this structure guarantees that the rulers can undermine the power of the ruled as much as possible, so as to maintain an unbalanced power relation between the state and the society. Throughout the course of Chinese history, peasant uprisings were recurrent and this was a nightmare to ancient tyrants; this is also the nightmare to modern tyrants. To the small group of rulers who sit at the top of the pyramid, peasants, who are the majority population, represent a tremendous power to be feared. The peasants are subjected to unfair and harmful treatment more often than other social groups because the state rulers do indeed fear them to a great extent. Once the large rural population has more resources, especially when the masses are awakened to the realisation that they are slaves living under a segregation system, and then have developed the wish to organise themselves, the power relation between the state and society will change and the dictatorship will quickly collapse.

Unfortunately, however, most Chinese peasants are not aware that they are victims of a segregation system because they are not only deprived of political and economic capital; they are also deprived in cultural. Under the urban-rural segregation system, intellectuals are drained from the rural society and have become establishment intellectuals, as Hamrin and Cheek (1986) label them. This to a great extent explains why the world's largest segregation system has existed in China for over 60 years, why the Chinese peasants have failed to organise themselves to resist it, and also why the rest of the world has hardly noticed this evil system.

The second objective fact that I would like to talk about is the Chinese university as part of the establishment. If we examine the structure of the university, we may understand why establishment intellectuals can hardly act as a voice for the peasants.

The *Constitution of the PRC* (2004) emphasizes the leadership of the CPC over all institutions,

including the government. The university is affiliated to the government, that is, the party controls the university indirectly through the government. Meanwhile, party organizations goes directly into the university. The senior leaders of the universities and colleges are appointed by the personnel department of the CPC committee at the overriding level (the central or local CPC committees); at the institutional level, the personnel department of the CPC Committee of the university is responsible for the appointment and management of all leaders at the faculty and department level, including the heads of the various academic sections.

As a result, there are two parallel leading agencies in the university. One is the CPC apparatus, which controls ideology and appoints the heads of all the faculties and departments. The other is the administrative bureaucracy, which deals with the daily affairs and whose staff is appointed and supervised by the CPC.

At first glance, the organisational structure of Chinese universities looks similar to that of European universities as they too are composed of faculties and departments. As a matter of fact, however, the CPC organization penetrates vertically from the top down and is tied to academic sections. Especially noteworthy is the Security Department of the CPC Committee, whose "internal security responsibility" (*neibao* 内保) is similar to the role of political police. Financial means are used to encourage the students to become part of a watchdog network, often referred to as the "the system of teaching information staffs" (*xinxiyuan zhidu* 信息员制度). There are cases where university teachers are subjected to political persecution because their students have reported them to the police.

When we observe the European university system, we can easily find a key component, that is, independent unions representing the teachers and students. This allows university teachers and students to form a horizontal alliance, which transcends the boundaries between campuses and covers the substructure of the entire university system. In addition to this horizontal alliance, professor association is well-established in the European university system. The professors are located at the top of the university system, and their foundation is anchored in their disciplines. This allows for a vertical alliance between peers, whose influence also transcends the boundaries between the various campuses.

Intellectuals in the Chinese university system, in contrast, are seriously "atomized". There are no system-wide teachers' unions or other professorial associations that are taken for granted in other countries. The teachers' union and student union within each university are not independent but subordinate to the CPC committee. As can be expected, it is difficult for teachers to form horizontal allegiances with each other or with their students, either within or across campus borders. It is also difficult for peers to form vertical allegiances beyond the institutions: peers in other countries find their professional standing chiefly in their disciplines; the Chinese intellectuals, in contrast, find their professional standing mainly within their institutions; even the assessment of the teachers' qualifications is controlled by CPC and administrative officials.

Intellectuals have academic learning, a form of cultural capital that, according to Bourdieu (1986, 243), may be in an embodied state, i.e. in the form of long-lasting dispositions of mind and body. Political and economic powers may find it difficult to dominate embodied cultural capital. Moreover, in ancient China, intellectuals were professional political critics and state administrators. In a time when the popular masses had no say in state affairs, intellectuals were their representatives. For these reasons, the the state rulers do indeed fear the intellectual community to a great extent. This might explain why Mao used the university as a base from which to launch political campaigns, and why the intellectuals were more frequently subjected to political persecutions in comparison to other dominated groups, such as the peasants. Today, the university still retains the basic structure initiated by Mao. In this structure, the party organisation penetrates all academic sections and on all levels of the university, and it could be said that it has constructed a tight and omnipresent chain system. This is in sharp contrast to the "atomized" state of the intellectuals. As a result, the intellectuals, just like the peasants, are also deprived in cultural and are just as unaware of this deprivation.

There is a third objective fact that is unique to China, and that is the large group of rural college students who connect the university intellectuals and the peasants. Since the rural population makes up the majority of the Chinese population, rural college students make up the main body of college students in China.

Under the urban-rural segregation system, rural college students are born with the status of social pariah. Hence, they have a strong tendency to try to shed themselves of this rural status. Nevertheless, they are more likely to experience poverty in the economy, whereas it is not easy for them to define themselves as victims of the notorious segregation system. The rulers can take advantage of their endeavours to leave the countryside, allowing them to move from the village to the city by attending university. In this way, the state can continuously operate a brain drain from the rural areas so that the rural society remains poor in cultural capital.

The year 1999 is a critical point for the university system, as then there was a transition from an elite stage to a mass-higher-education stage. When the threshold of the university is lowered, more rural youths can try to break through the urban-rural segregation via the higher-education path. However, this process turns out to be more difficult than can be imagined.

As a matter of fact, the proportion of the age group admitted into higher education system had been lingering under a level of 5% until 1997 (World Bank Report 2002, p 30). As late as the end of 1998, official resistance to massification of higher education still appeared to be vigorous. In 1999, however, the Chinese government suddenly urged the tertiary education institutions to increase their enrolment rates. That year witnessed an increase of 42% and in the following years this increase continued. It turned out that China was feeling the impact of the Asian financial crisis at that time and the government used the universities as an instrument to promote domestic consumption and in this way counteract the financial crisis. Consequently, tuition was drastically increased. From 1989 to 2012, student tuition fees have increased 25 times. According to an estimate in 2012, it took a peasant's net income of 13.6 years to support a student through his or her undergraduate period.

As we all know, the massification of higher education leads to a number of problems, such as undermining the quality of education and difficulties finding college graduates employment. The government forced the university to expand its enrolment rates, but it did not grant extra funding to improve the quality of the education, nor did it make an effort to reform the economic structure. Chinese universities and colleges constitute a highly stratified system.

The funds in the system are unevenly distributed. The government grants are mainly transferred to elite institutions at the higher extreme of the system, whereas the lower extreme is left in a low-cost and low-quality state. Low-quality institutions produce large quantities of low-quality products. Due to the poor quality of basic education in the rural areas, rural youths can for the most part only enter institutions at the lower extreme of the tertiary education system. Meanwhile, the main part of the workforce in the job market is still made up of cheap labourers and there is not enough room to accommodate the large population of college graduates. According to an estimate in 2013, nearly 1.5 million rural students who had pursued a tertiary education had difficulty being permanently employed and had to work in temporary positions as cheap labourers. This means that, many rural families invest their economic capital in higher education in exchange for academic capital, but when they try to reconvert their academic capital to economic capital, the profit is low, or their attempts may even be in vain. This has brought many rural families to the brink of bankruptcy, or even brought some desperate students and parents to the brink of suicide. In this way, the government uses the university as an instrument to drain economic resources from rural areas. As the rural areas are becoming increasingly impoverished, peasants find it more urgent to send their children away from the village and desperately invest in higher education more than ever before.

The distribution of urban and rural students between the two extremes of the higher education system is seriously imbalanced. Only a small proportion of rural students are admitted to the higher extreme, where they are more sufficiently funded and have high quality education. They will also have better professional prospects. Most rural students find themselves at the lower extreme, where they are insufficiently funded and have poor quality education and, as a result, their professional prospects are poor. In 2008 I interviewed some rural students. I found that there existed a negative correlation between objective financial security and subjective sense of financial security. To be more specific, the rural students who were located at the higher extreme of the system were more likely to have a sense of financial insecurity than those at the lower extreme, and they also tend to be frustrated by the lack of professional prospects.

Presumably, those who are located at the higher extreme are exposed to relative deprivation. They have the opportunity to closely observe urban luxury, so that they are more aware of the

inequality between urban and rural areas. On the other hand, those who are located at the lower extreme live within the small community of rural students. Although they are physically staying in the city but, psychologically, they are still forced by the urban-rural segregation system to stay in the village. They are suffering absolute deprivation, so that they are not aware that they are deprived. After graduation, when they were frustrated in the employment market, they may have developed a better understanding of their real situation. By then, however, their time and money have already been exhausted. This is what Bourdieu refers to as “deferred elimination”, a very expensive elimination (Bourdieu and Passeron 1990, 153-54) .

We know that the education system is an instrument of social reproduction. Against the macro background of urban-rural segregation, the Chinese higher education system reproduces a social structure that is plagued by the urban-rural segregation. In this process, rural college students, as the children of cheap labourers, are converted into cheap labourers. Chinese peasants invest their economic capital in higher education in desperate hope of advancement. In return for this, they sink further into poverty, humiliation and even death.

Rural students belong to the disadvantaged group on the university campus of China but, on the other hand, they also constitute a huge potential force. They are better equipped than the average peasants because they have more cultural capital. And they are not isolated as the intellectuals because of their kinship with the largest segment of the population.

Unfortunately, the Chinese university is part of the establishment and functions as a brainwashing machine to keep this potential force from becoming a volatile force. To rural students, tertiary education is not likely to erase their memory of the hardship and humiliation they have experienced, or prevent them from rejecting the urban-rural segregation that has imposed inequality, but they may just stop there. The education imposed by the university is not intended to enlighten the rural students, to encourage them to confront the sources of their humiliation and frustration. Nor are they encouraged to acquire the necessary skills which they could use to subvert the existing power relations.

At first, the CPC declared that it was the representative of the working classes and its legitimacy was based on its promise to overthrow the exploiting class. Now, when the

disparity between rich and poor in China is increasing at an appalling rate, their dogmatic cliché of the class struggle discourse has lost its value. Therefore, they play the “nationalism” card and their status has changed from being the representative of the working classes to being the omnipotent leader of the entire nation. They make use of the humiliation China has suffered in the past as a nationalist rallying cry to stimulate the populace into emotional responses. They try to direct public anger onto Western imperialism and colonialism. In this process, the university, as an institution with authority, plays a vital role.

Evelin Lindner compares humiliation to the nuclear bomb. She points out that those who have learnt to consider themselves as victims of undue humiliation may attempt to redress their humiliation by inflicting humiliation on the supposed humiliators, achieving only another spiral in the cycle of humiliation (2006, 31-32). The overall rulers of China are aiming for this goal. They are trying to stir the sense of humiliation in Chinese youths as a way of countering the impact of democratic ideas. This is not the first time they have made use of the sense of humiliation. After the CPC established its state power in 1949, Western capitalists were expelled from China. The purpose was not only to rob wealth from Western companies, but also to purge Western ideology.

But Evelin also points out that the sense of humiliation can be converted into a constructive force that promotes human rights and the democracy movement. Once rural students have realised their humiliated status in the state system, they can play a vital role in overthrowing the dictatorship.

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