

INSTITUTE OF CURRENT WORLD AFFAIRS

SUNAN: WHERE THE RURAL INDUSTRIAL REVOLUTION CHANGES CHINA'S LANDSCAPE

Part IV

Huaxi Village: A "Mini-Singapore" in China

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Dear Peter,

I had been skeptical about comparing the socio-economic development of Singapore and China until last fall when I visited Huaxi (华西, pronounced *wah-she*), a village in southern Jiangsu Province.

Previously, I thought it was inappropriate to draw a parallel between Singapore, a city-state of 2.8 million people, and China, a mainly agrarian country of 1.2 billion population. Scholars in international affairs have often attributed the rapid economic growth of both Singapore and China to their "common political and socio-economic environments." But the ways in which these two countries have achieved their economic miracles are hardly identical. Singapore's success, as Singaporeans themselves have acknowledged, is due mainly to its ideal location on the busy sea routes between East and West. China, however, owes its economic revival largely to structural changes that occurred during the reform.

Politicians in both Singapore and China enjoy talking about their identical "Asian ways of life" and shared "Confucian values." In the international arena, they have often acted as debating partners against the West, especially the United States. But only a

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couple of decades ago, Singapore and China considered each other threats ideologically. They did not even have diplomatic relation until 1990.

Recently political leaders, for example, Lee Kuan Yew in Singapore and Jiang Zemin in China, have argued that the West should cease its efforts to impose its own concept of human rights on Asian nations. Furthermore, they have asserted that other countries in the world should learn from Asian Confucian states because these states provide moral guidance for the 21st century.¹ But ironically, during the earlier decades under Lee Kuan Yew's rule, the Singaporean people were ordered by the authorities to speak English instead of Chinese or other languages, because Lee (who did not speak Chinese himself) noted that "the English-educated do not riot."²

Similarly, in China today it has become fashionable, for both young and old, to watch western TV programs, to listen to western music, to eat western fast food, and to wear western-style clothing. As some Chinese intellectuals have observed, there has been an erosion of spiritual and moral values as a result of the Cultural Revolution. Confucian influence cannot compete with the increasingly powerful influence of western culture on the Chinese people.

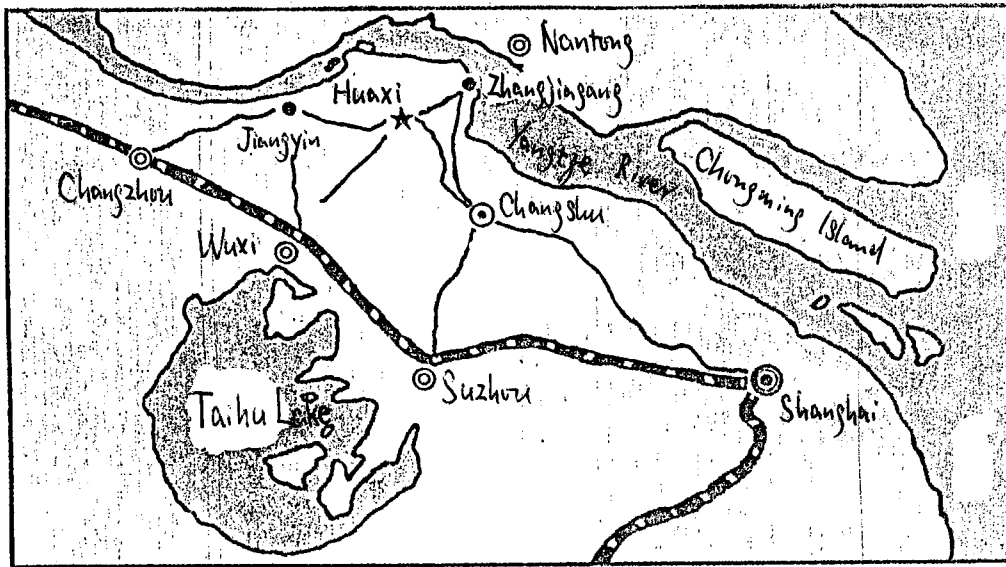
All these reasons led me to believe that the heated discussion of the "Asian way," or the praise of Confucian values in both Singapore and China, was "all a political ploy by certain ruling elites" to preserve their authoritarian rule.³ But I am now somehow less confident about my previous rejection of any comparison of Singapore and China. This does not mean that I believe in the "Asian way" or find justification for authoritarian rule. What I witnessed and learned in Huaxi tells me that the political and socio-economic changes in certain regions in China have become increasingly similar to these of Singapore.

As far as I know, no one in China or elsewhere has ever compared Huaxi Village with Singapore, despite the fact that Singaporean companies, with the guidance of the Singaporean government, have invested heavily in the Sunan region in which Huaxi is located. Singapore has recently started to build an economic and technological development zone – an entirely new town with 600,000 people and 70 square km land – in Suzhou. The construction of this new town, which is expected to be completed in ten years, will be largely based on the Singapore model.

The question that has interested me is how and why the political and socio-economic life of Huaxi resembles that of Singapore. An analysis of similarities between Singapore and a newly developed region on China's coast, such as Huaxi, is important, both intellectually and practically, because it will not be a small matter if the vast land of China becomes more and more like Singapore.

The Richest Village in China

Huaxi Village is located in a suburb of Jiangyin, which is about 300 kilometers northwest of Shanghai. Huaxi occupies an area of 0.96 square kilometres, including about 600 mu of arable land. There are altogether 320 households and 1,475 residents, including 918 laborers, in the village. In recent years, the village has absorbed over 3,000 migrant laborers from neighboring counties or provinces.⁴



Huaxi, a small village in Jiangyin County, is located about 300 kilometers northwest of Shanghai.

Such a small village, of course, does not find its way onto the general map of Jiangsu Province, let alone the map of China. But Huaxi has recently received a nationwide recognition and has been considered a model for China's rural development. During the past few years Huaxi has frequently appeared on the cover of many magazines in China such as Beijing Review and Rural World. Top leaders of the country, for example, Premier Li Peng, visited the village in 1992. Li even wrote an inscription for local officials, describing Huaxi Village as "the place where the hope of rural China lies." Since the late 1980s, Huaxi has attracted thousands of visitors, both within China and abroad. Many people came to study what has made this small town soar economically in such a short time.

What has made Huaxi Village nationally famous is its rapid economic growth in the 1980s and 1990s. When it was founded in 1961, Huaxi Village owned only 25,000 yuan collectively. But in 1992 Huaxi had massed 230 million yuan of fixed collective assets, more than 40,000 US\$ per person, which was about 9,000 times that of 1961.⁵ The total industrial and agricultural output value of Huaxi in 1992 was 516 million yuan, 85 times that of 1982.⁶

The living standard of the Huaxi people has improved dramatically in recent years. In 1993, average household savings were 87,500 yuan (15,350 US\$) and per capita household fixed assets were 720,000 yuan (126,000 US\$).⁷ In 1994, the average output value per person was 1 million yuan and the portion of village revenue paid to the state per person on average was 10,000 US\$.⁸ Not surprisingly, officials in Huaxi have claimed that their village is the richest village (*shoufucun* 首富村) in the country.

In both rural and urban areas of China today, very few people own private cars.

But in Huaxi Village, about 80% of families own Volkswagen Jettas, which each cost 175,000 yuan (30,700 US\$). For Chinese workers whose usual annual, individual salary was 3,000 yuan in 1993, 175,000 yuan is an astronomical amount.

“This is one of the most exciting events ever in our village,” a village official told a Chinese reporter when the first 50 new Volkswagen Jettas, out of a total of 250 Jettas ordered, were delivered from a Changchun-based automobile factory to Huaxi.⁹ This event was widely publicized in the Chinese media. When I visited some homes in the village, I noticed many of the families cherished a photo showing these just-arrived Jettas, all the same red color, lined orderly along the village square.

Villagers in Huaxi were also very enthusiastic about showing visitors their newly-built homes. The previous single-story hay-covered houses have all been replaced. About 80% of the families of Huaxi now live in three-floor, nine-room houses, all with a kitchen, several bathrooms, a garage, and a balcony. Per capita living space in Huaxi is 35 square meters.

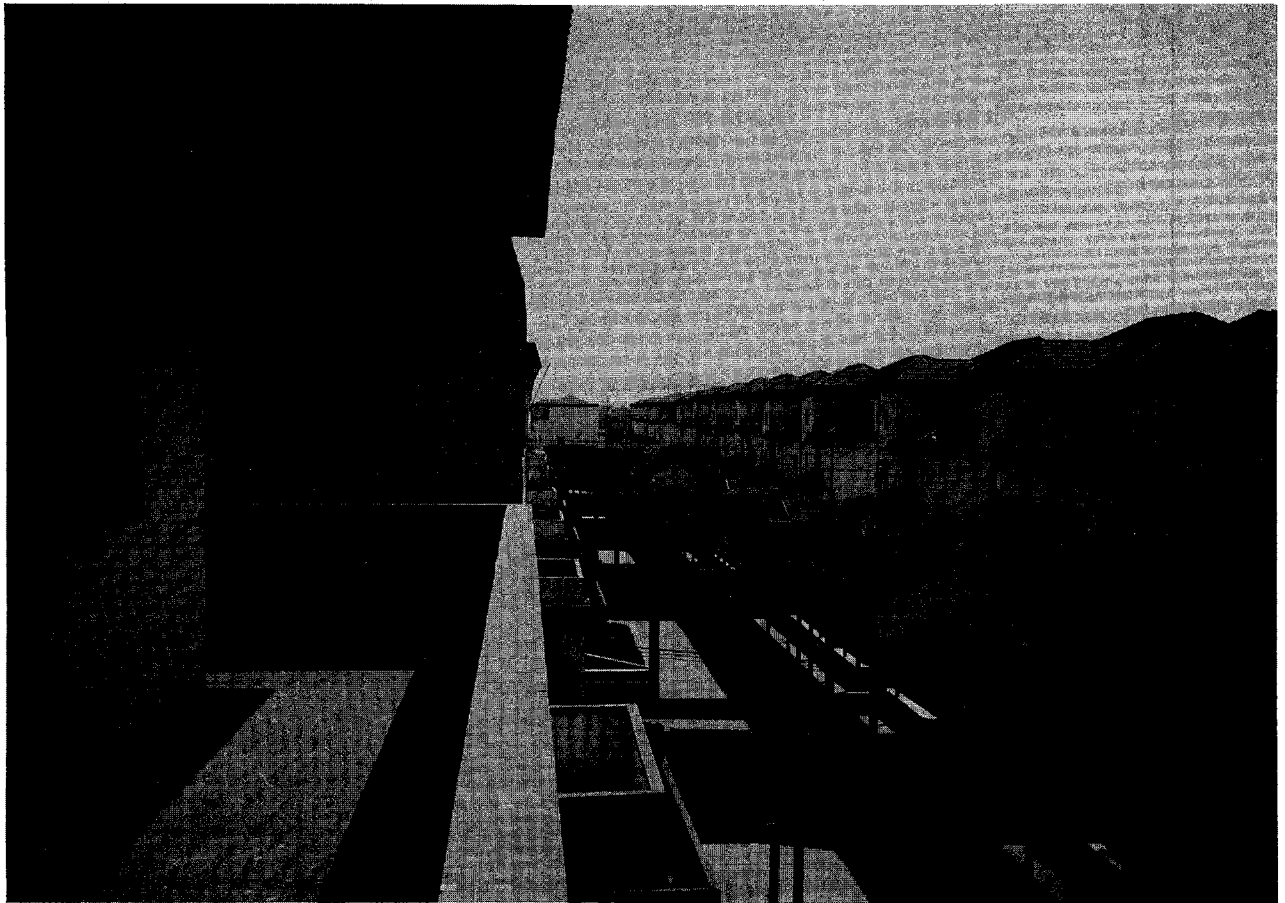


Fifty Volkswagen Jettas, of a total of 250 cars ordered, were delivered from the Changchun-based automobile factory to Huaxi. These just-arrived Jettas, with the same red color, are lined orderly along the village square.

I am truly impressed by the prosperity and wealth of the Huaxi people. What impresses me even more, however, is the pride and the sense of superiority that the Huaxi people demonstrate.

“We have already exceeded Hong Kong and Japan in terms of per capita living space and have surpassed Singapore in terms of per capita ownership of car,” a Party Committee member in the village explained to me. “If we calculate the indexes of living standard and economic growth by square meters, our village is usually ranked ‘No. 1’ – the best in the nation. In China’s countryside, our village has the highest personal saving, the highest per capita fixed household assets, the largest per capita living space, etc.”

I couldn’t figure out whether or not his ‘No. 1’ status of Huaxi was derived from an accurate calculation. Frankly, I didn’t care about all these hierarchical ranks at all. But



The residential area of Huaxi Village, which has about 300 same-style, three-story houses, each with nine rooms, a few bathrooms, a kitchen, a garage, and a balcony. Over 80% of the families of the village now live in this area.

the way that the Party official described Huaxi immediately reminded me exactly of the way in which Singaporean officials characterized the virtue and the superiority of their country.

In an international conference on the economic cooperation of ASEAN countries held in Hanoi last September, a young and arrogant bureaucrat from Singapore said to other delegates that "Singaporean people are very proud of themselves and their country, because we live the best quality and the best kind of life in the world. When one figures world living standard indexes in terms of per square kilometer, one finds Singapore is always ranked No. 1."



A corner of the residential area of Huaxi Village.

None of the participants in the conference, myself included, bothered to argue with him. On many other occasions, both formal and informal, I have heard similar remarks from Singaporeans. Every time, I felt sorry for my Singaporean colleagues. Could they, I wondered, add any more interesting ideas to the conversation than praising the “paradise of Singapore?”

I surely admire the Singaporean people for the great economic achievements they have made, but I find the Singaporean insistence on being No. 1 both awkward and distasteful. Unfortunately, people in China’s fastest economic growing regions, such as Huaxi Village, seem to have adopted a similar attitude.

It is certainly not new that people in China and other Confucian societies view things from a hierarchical perspective. As some foreign observers, e.g. James Fallows, a former Atlantic Monthly correspondent to Japan, have noted, oriental societies are accustomed to viewing others as superiors or inferiors, but rarely as equals or peers.

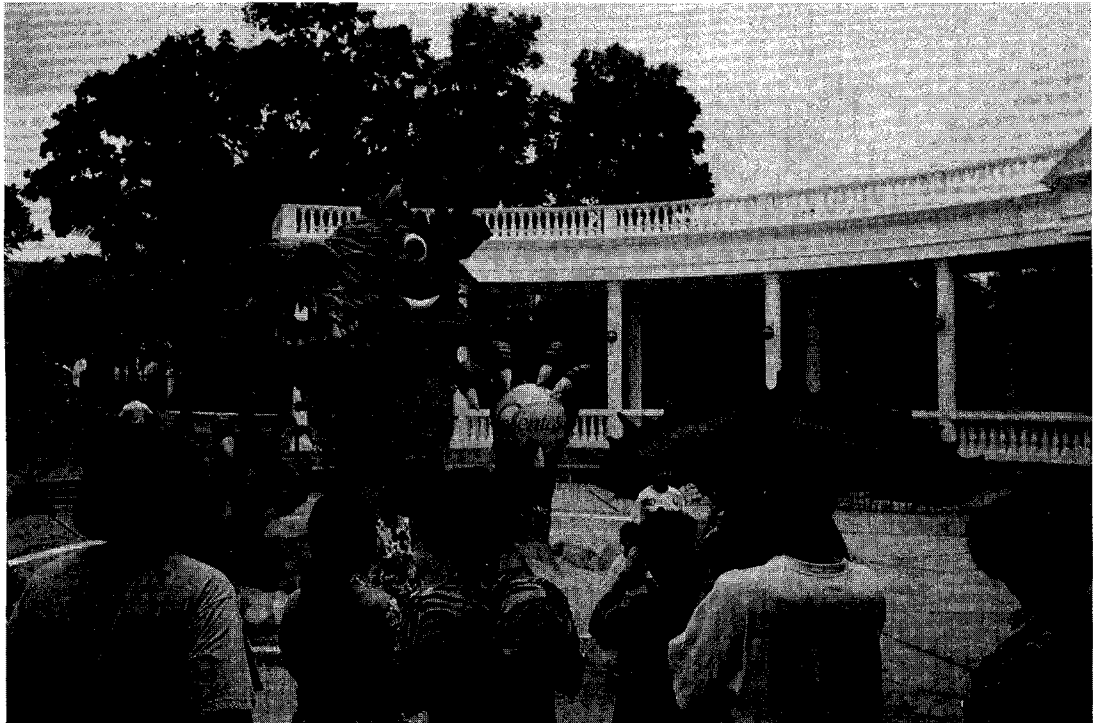
People in the free and democratic countries are usually suspicious of any assertions about the “best quality of life,” let alone the “best kind of life.” To evaluate one’s life is a highly subjective matter. It cannot, and should not, be determined simply by living standard indexes. Somehow, ironically, for over three decades under Mao, including during the Cultural Revolution – the dark age of Chinese history, many people in China sincerely thought they lived the best life in the world and were the “happiest people on earth.” What is really dangerous is the mentality – and quite often, the illusion – that one’s quality of life is superior to all others.

Dramatic changes in Huaxi have already made a strong impact on people’s attitudes there – the way in which people in the region interpret these changes and evaluate their new life. Economic prosperity naturally leads to a search for a new

identity, a new way to make sense of people's new environment. It is under these circumstances, I believe, that village officials in Huaxi have brought back Confucianism.

The Resurgence of Confucianism

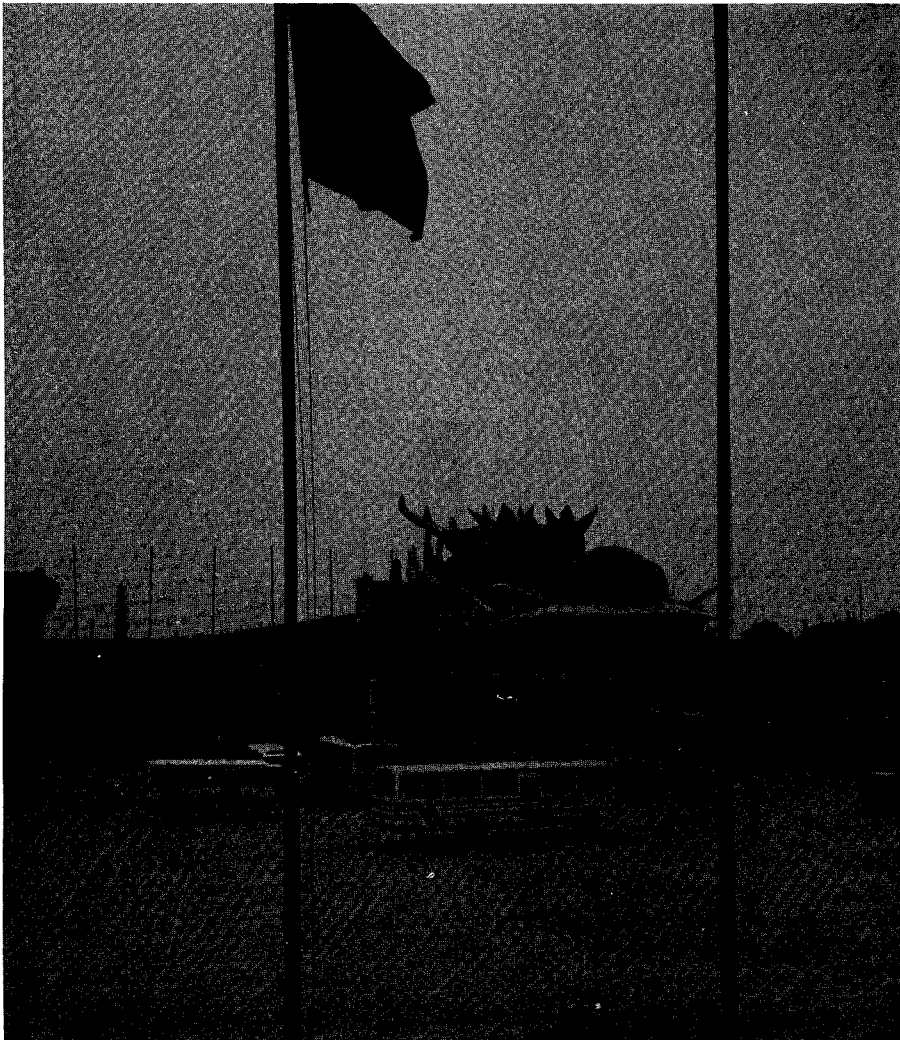
Any visitors to Huaxi can hardly escape being impressed by the overpowering presence of Confucian doctrine in the village. The entrance to the village is a large square that can hold over ten thousands of people. Similar to Sentoza park, the most famous resort in Singapore, which is centered around a huge dragon, Huaxi Square is shadowed by a gigantic dragon – a good omen representing power and prosperity. The head of the dragon is 25-meters high and 15-meters wide. Its body is 500-meters long, functioning as an indoor passageway.



The Sentoza park, one of the most famous resorts in Singapore, is centered around a huge dragon – a good omen representing power and prosperity. When I visited there early this year, a tour guide told me that the direction that the dragon is looking toward is the Singapore Harbor. “The dragon is both the witness and the ‘patron saint’ of Singapore’s economic miracle,” the tour guide said.

This 500 meter-long covered passageway leads directly from the square to the residential area of the village. The passageway is flanked by dozens of restaurants, stores, entertainment rooms, and tea houses. The largest restaurant in the passageway can accommodate over a thousand people. The stores offer a large variety of goods – from Mocca Coffee to Heineken Beer, from Nike sneakers to Giordano T-shirts, from Sony air conditioners to Minolta Video Cameras. Just a decade ago, no one could imagine these products would find their way into rural China. I had never expected that such a small village that would have a big commercial and entertainment center.

The Western influence, however, is not as strong as the presence of Confucian doctrine in the village. In front of a modern-style, air-conditioned tea house, I saw an announcement about a lecture on “Confucian Thought and Spiritual Civilization in the New Era.” Although it was an hour before the start of the lecture, several dozen people were already in the room, sitting in comfortable sofas and drinking tea.



The entrance to Huaxi Village is a large square with bleachers with a capacity of more than 10,000 people. Huaxi Square is shadowed by a 25-meters high, 15-meters wide, 500-meters long gigantic dragon.



A scene of an indoor passageway in Huaxi Village. The passageway is flanked by dozens of restaurants, stores, entertainment rooms, and tea houses. Several young villagers are playing billiards there. Gambling, however, is strictly forbidden. Whoever gambles will be expelled from the village.

"This lecture is part of a series on Confucian moral education," said a 25-year-old tour guide who escorted me in Huaxi. "I attended the series a couple of times before. The speakers were professors from Shanghai and Nanjing. They were excellent." He told me that Huaxi officials established a company called "Huaxi Development Company for Spiritual Civilization (华西精神文明开发公司)."

"I have never heard of such a thing," I responded. "What does the company do?"

"The company, with its five regular staff members and 20 volunteers, organizes seminars and lectures, spreading traditional values of Chinese culture," he replied.

"I wish that I could attend the lecture," I said. "But I would like to see more of the village and its people."

"Don't worry," the guide told me. "Confucian moral education has penetrated everywhere in our village."



Huaxi Tea House, with its modern facilities such as air conditioners, also serves as a meeting hall. A series of lectures on "Confucian Thought and Spiritual Civilization in the New Era" was held there recently. Several dozen people were already in the room an hour before the start of the lecture, sitting in the comfortable sofas and drinking tea.

I soon realized what he meant by the penetration of Confucian moral education in the village as we entered the Huaxi Farmers' Park. The park contains dozens of human-sized statues that represent Chinese historical figures. In the northern part of the park there are the "Twenty-Four Filial Piety Pavilions" (24 孝亭). Each pavilion has a few human-sized statues in ancient garb, telling a story based on a fable or a real historical anecdote. All these stories emphasize the virtue of filial obedience.



Confucian moral education has penetrated everywhere in Huaxi Village. A long corridor leads to the Huaxi Farmers' Park. The corridor is flanked by some human-sized status of Chinese historical figures, which exemplify loyalty, obedience, hierarchy and sacrifice.

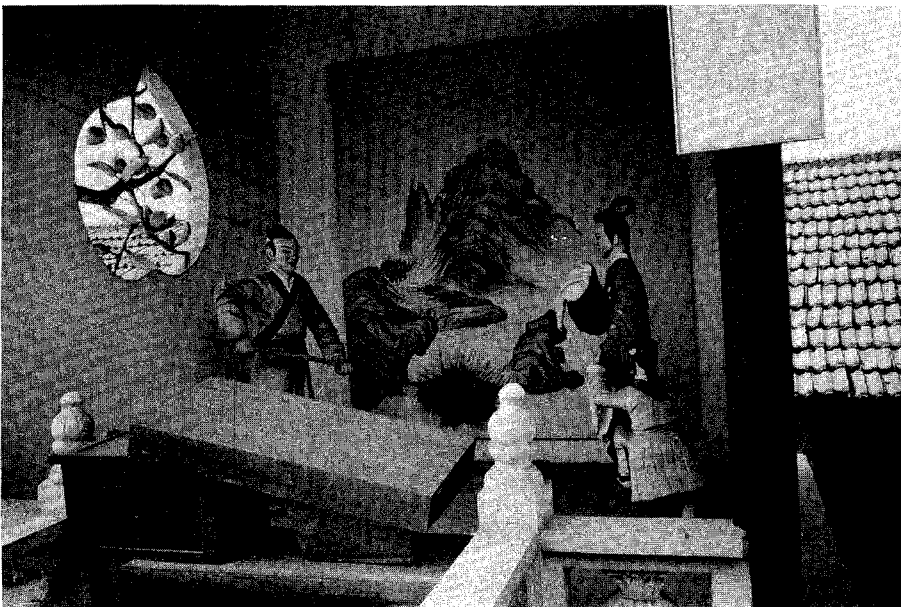
The Pavilion of Guo Ju (郭巨亭), for example, is a story about Guo Ju, a poor farmer in Linxian, Henan during the Han Dynasty, who lived with his aging mother, his wife, and his 3-year-old son in poverty. His mother's health deteriorated because she often saved her food for the 3-year-old boy. Guo Ju told his wife that

I feel shamed that I am not able to support my mother. In addition, our son is taking away my mother's portion of food. We now have to bury our son in order to support my mother. We can have another son in the future, but we cannot have another mother.¹⁰

The wife did not dare disobey Guo Ju. Therefore, the couple started to dig a tomb for their son. But to their surprise, they found gold as they were digging. Therefore, not only was their son saved, but also the couple used the gold to support Guo's mother.



The Huaxi Farmers' park contains "Twenty-Four Filial Piety Pavilions." Each pavilion, with a few human-sized status of ancient figures, tells a story that is based on a fable or a real historical anecdote. All these stories emphasize the virtue of filial obedience.



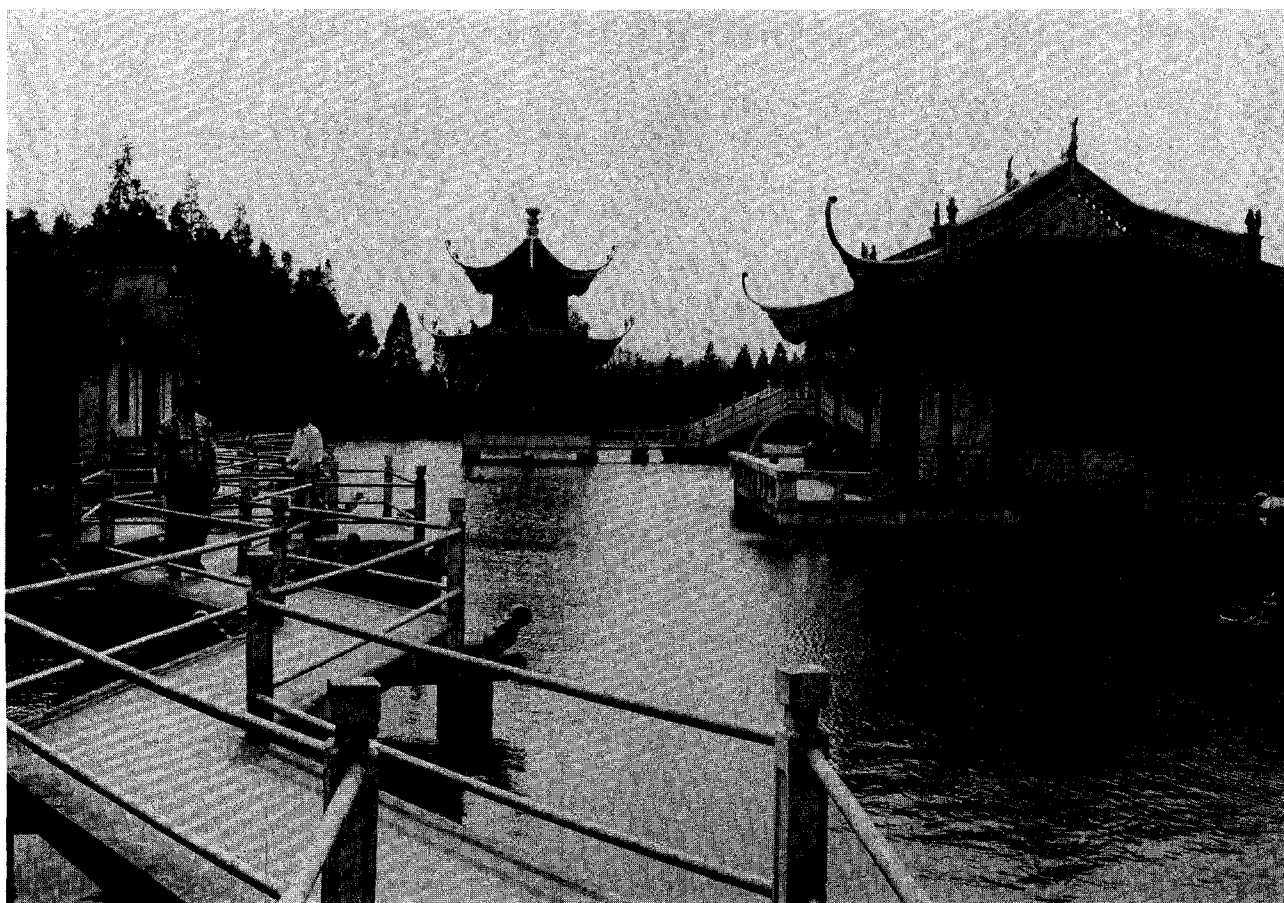
The Pavilion of Guo Ju tells a weird story about a man who buries his son alive in order to support his aging mother. The story makes the point that one should observe filial piety by all means and under all circumstances.

Most of other filial piety stories are as peculiar as that of Guo Ju. These stories seem to make the point that one should observe filial piety under all circumstances.

In addition to "Twenty-Four Filial Piety Pavilions", there are five "Longevity Pavilions" (*Changshouting*, 长寿亭) in the Farmers' Park, representing the ages of 60, 70, 80, 90 and 100 years. When a senior villager reaches any of these ages, his or her children will organize a birthday party in honor of the aging villager in an appropriate pavilion. In addition, Huaxi Village has a unwritten rule: when a villager celebrates his or her 100-year birthday, the village will not only build a tower in honor of the birthday villager, but also offer 10,000 yuan to each and every of the villager's children and grandchildren.¹¹

"Through both material and non-material incentives, villagers in Huaxi learn how to respect the elderly," a Chinese scholar whom I met in Huaxi commented.

In Huaxi, all retired people can live on pension. Medical expenses are all paid.



The "Longevity Pavilions" in the Farmers' Park.



There is a Mao's portrait in almost all the villagers' houses in Huaxi. I haven't seen a Mao's portrait in the homes of the other villages I visited in Sunan and elsewhere. I could not explain this phenomenon until a villager told me that Huaxi officials delivered Mao's portrait along with a calendar to each and every household of the village.

"If Mao were still alive today, he must have felt regret for choosing Dazhai (a poor village in Shanxi Province), rather than Huaxi, as a model village for the country during his time," a friend of mine commented.

Filial piety is of course not the only Confucian value that is disseminated in the Huaxi Farmers' Park, which a friend of mine called the "Exhibition Park of Neo-Confucian Values." Social hierarchy and obedience, the emphasis on collectivism and the neglect of individuality, diligence and work ethics are among the values that are highlighted in this extraordinary farmers' park.

Confucian doctrines exhibited in Huaxi's Farmers' Park demonstrate what one should do and what one should not do. One thing that is strictly forbidden in Huaxi is gambling. In the mid-1980s, village officials announced that anyone who gambled would be expelled from the village.¹² Anyone who reported gambling to the village administration would receive a 1,000 yuan award. Since then, no such an award has been awarded in Huaxi Village. Like Singapore, any one who violates "public morality" will be severely punished in Huaxi.

The authorities in Huaxi claim unambiguously that the village is like an extended big family. Because it is a family, patriarchal behavior is not only acceptable, it is also necessary. The village authorities, therefore, enjoy a tremendous amount of power in determining the socio-political life of villagers. One individual, Wu Renbao, the patriarch of Huaxi, has been firmly in control of the village for the past three decades. It is no exaggeration to say that Wu Renbao is to Huaxi what Lee Kuan Yew is to Singapore.

Wu Renbao: "Huaxi's Lee Kuan Yew"

Just like Lee Kuan Yew, who has run Singapore since its independence in 1959, Wu Renbao has been the "boss" (*dangjiaren*, 当家人) – the Party Secretary in Huaxi – since 1961, when the village administration was established. He is now concurrently General Manager of the Huaxi Industrial Corporation (HIC), which handles all industrial, agricultural, commercial affairs in the village.

A native of Huaxi, Wu Renbao was born in a peasant family in 1929. His father also worked as a cobbler when the farm work was not too busy. At the age of 7, Wu Renbao started to help his parents in the field. With the financial support from his relatives, Wu studied in an old-style private school (*sishu*) for a couple of years. Because of his father's illness, Wu Renbao had to quit school and work as a migrant laborer in Wuxi. Later, he married with a Huaxi girl who worked in a textile factory in Wuxi.

After the Communist victory in 1949, Wu returned to Huaxi Village where he served as Captain of the militia and Head of the co-op. He joined the Chinese Communist Party in 1957. He was the first Secretary of the Huaxi co-op (the predecessor of the village) and has held that post ever since. The Party Committee of Huaxi has five branches, including 137 Party members. They account for 15% of the labor force in the village. Under Wu's leadership, Huaxi was known nationally during the early 1970s for its steady high grain yield. During the Mao era, Wu was selected as a deputy to the 10th National Party Congress. From 1975 to 1981, Wu served as Party Secretary of Jiangyin County. He earned the title "National Model Worker" in 1989. During the recent National Conference of Rural Industries, Wu was selected as one of the top ten heroes of township and village enterprises in the country. Now he is a deputy member of the People's Congress of China.

Although Wu Renbao is already in his late 60s, he does not intend to step down in the foreseeable future. In his talk at Qinghua University, Wu told the audience that he will not retire until he is 80. This seems highly possible, because in Huaxi no one can challenge Wu's authority.

Wu has four sons and a daughter. All of his children hold important leadership positions in the village. Just as Lee Hsien Loong, Lee Kuan Yew's son and currently the First Deputy Minister of Singapore, is expected to be the top leader of the country in the near future, Wu's oldest son, Wu Xiedong, currently the First Deputy Party Secretary of Huaxi and Deputy General Manager of the Huaxi Industrial Corporation, is a designated successor to Wu Renbao.

Wu's second son, Wu Xiede, also Deputy General Manager of the Huaxi Industrial Corporation, once headed the Huayuan Guest House, a 150 room hotel in Beijing run by the HIC. He is now General Manager of Huahong Pipe Fittings Limited Company, a joint venture with Hong Kong. The third son, Wu Xieping is General Manager of Nanyuan Hotel, a high grade 150-room hotel located in Huaxi. The fourth son, Wu Xie'en, a demobilized soldier, was in charge of industrial production supply in the village for a number of years. Now he is Director of Huaxi Aluminium Products Factory. Wu Renbao's son-in-law, Miao Hongda, is Deputy Executive General Manager of the Huaxi Industrial Corporation.



Wu Renbao, the "boss" – the Party Secretary – in the village since 1961, is now concurrently General Manager of the Huaxi Industrial Corporation (HIC). His four sons and a son-in-law have occupied top leadership posts in both the Party committee of the village and the executive committee of the Huaxi Industrial Corporation. Huaxi Village, in a way, can be identified as "Wu's family kingdom."

The son-in-law, Miao Hongda, is Deputy Executive General Manager of the HIC.



The oldest son, Wu Xiedong, the First Deputy Party Secretary of Huaxi and Deputy General Manager of the HIC, is a designated successor to his father.



The second son, Wu Xiede, is Deputy General Manager of the HIC and General Manager of Huahong Pipe Fittings Limited Company, a joint venture with Hong Kong.



The third son, Wu Xieping, is General Manager of Nanyuan Hotel.



The fourth son, Wu Xie'en, is Director of Huaxi Aluminium Products Factory.

Wu Renbao and his “princes” have firmly controlled political and economic power in Huaxi. Two sons and a son-in-law of his have occupied top leadership posts in both the Party Committee of the village and the Executive Committee of the Huaxi Industrial Corporation. Huaxi Village, in a way, can be identified as “Wu’s family kingdom.”

The phenomenon of strong family ties and nepotism is quite common in China’s rural industries. In a recent article published by Township and Village Enterprises of Southern Jiangsu, an author used the term “power circle of relatives and friends” (*qingpen quanliquan* 亲朋权力圈) to describe the prevalence of nepotism in Jiangsu’s TVEs. According to the author, this power circle has destroyed the incentives of a majority of workers in the enterprises and has not been conducive to the effort to fight against corruption.¹³ This phenomenon also raises the question of who really owns township and village enterprises. Many enterprises in Sunan claim themselves to be collective firms, but they are actually owned by directors of the firms, who are usually members of the same family.

Officials in Huaxi usually receive a large amount of money as bonuses because the village adopted a contrast system for the distribution of profits in 1987. According to this contrast system, 20% of profits of an enterprise go to the Huaxi Industrial Corporation while the other 80% of profits are distributed within the enterprises in a ratio of 1:3:3:3. This means that 10% of the profit go to the director of the enterprise, 30% to other managers and technicians, 30% to workers, and other 30% are saved as enterprise assets. In 1989, some directors of Huaxi received over 100,000 yuan as annual bonus.¹⁴

Wu Renbao once told the Chinese media that he was not, and would not be, the wealthiest person in the village. His salary was not the highest in the village. He claimed that he and his wife were among the last group of people in Huaxi moved into new houses. But in 1994, a delegation of Hong Kong journalists visited the house of Wu Xieping, Wu’s third son. They were surprised to find what a luxurious life his son lived. The dining room of Wu Xieping’s house, where they had lunch, could accommodate five banquet tables with seats for over 60 people. According to Hong Kong journalists, the house was much better than the houses of the middle class in Hong Kong and Singapore.¹⁵

I did not have a chance to interview Wu Renbao or any of his sons because they were all out of the village during my visit. Instead, I asked the villagers whom I met what they thought of Wu Renbao.

“He is great,” a 50-year-old woman villager replied. “He has brought all these changes to our village.”

“How?” I asked.

The woman did not answer my question right away, but instead looked at me for a while, making me feel that I had asked an absolutely dumb question or the answer was too obvious for her to address.

“You could not imagine how poor we were thirty years ago, or even twenty years ago,” she eventually broke the silence.

“But Wu Renbao was also the “boss” (*dangjiaren*) in Huaxi twenty years or thirty years ago, wasn’t he?” I asked.

"That's true," the woman answered, "but any way, he was the leader who led us out of poverty in Huaxi."

Most people with whom I chatted in Huaxi seemed to share her view about Wu and other village officials. The satirical attitude towards officials and the resentment against corruption, which I heard so many times in other parts of China, seemed not to exist in Huaxi. It occurred to me that corruption might not be a serious problem in Huaxi, just as it is not in Singapore. In addition, the dramatic improvement in the life of villagers over the past decade has been credited to local officials.

"When I was young, my entire family was crowded into one room," Hu Fenghu, a 54-year old accountant at the village's steel strip factory, said to a Chinese reporter. "The annual individual income in Huaxi in the late 1960s and early 1970s was less than 100 yuan. We did not have enough grain; and during those days we had to wear shoes made of straw."¹⁶

But now his family lives in 3-story house with 400 square meters of living space. The house has modern facilities such as a telephone, air conditioner, washing machine, refrigerator and hot water heater. His wife, son and daughter-in-law all work in Huaxi's village enterprises. The family's annual income surpassed 70,000 yuan in 1994. His two grandsons attend the village kindergarten for free.

"Wu Renbao has required officials, at both village and enterprise levels, to follow two important guidelines," a thirty-year old factory director in Huaxi told me. "They are: one, 'to keep our hands clean' (*lianjie* 廉洁) and two, 'to know our jobs well' (*donghang* 懂行),"

"Yes, I do receive 10% of the profits as a bonus," the director explained to me, "but according to our village's regulation, I must deposit the bonus in my account in the enterprise. The money will be reinvested. This means that the growth of the enterprise is as important as our personal development. We aim at collective prosperity rather than just individual wealth."

In his recent address to the conference on the ideological work in provinces of East China, Wu Renbao claims that Huaxi has successfully avoided the disparity between rich and poor. According to him, in Huaxi Village, the lowest savings account in a household is more than 50,000 yuan, the highest is about 500,000 yuan.¹⁷ In his view, there is neither any "poverty family" (*pinkunhu* 贫困户) nor a single "tycoon family" (*baofahu* 爆发户) in today's Huaxi.

A study of the household income distribution of Huaxi Village conducted in the early 1990s seemed to confirm Wu's argument (see Table 1). According to the study, about 50% of the households in Huaxi had incomes ranging from 5,000 to 7,000 yuan. The study also showed that the salaries of Huaxi's top officials are only about 173% of the average salaries of employees of rural industries in the village.¹⁸

Table 1 The Household Income Distribution of Huaxi Village (1989) (Total 403*)

Income Level (yuan)	Number of Household	% of Total
1000 and below	11	2.7
1001-2000	14	3.2
2001-3000	26	6.4
3001-4000	36	8.9
4001-5000	34	8.4
5001-6000	138	34.2
6001-7000	62	15.4
7001-8000	21	5.2
8001-9000	15	3.7
9001-10000	20	4.9
10001 And above	26	6.5

Note and Source: Lu Yinchu and others "*Yige xiangdang fada de xiandai nongchun shequ*" (A well-developed rural community), in Lu Xieyi (ed.) *Gaige zhong de nongchun yu nongming* (Countryside and peasants in the age of reform). Beijing: Central Party School Press, 1992, p. 341.

*This number may include some migrant households.

These data on salary distribution in Huaxi can be misleading because a large amount of income usually comes in the form of bonuses, which are not included in the study. Yet, the income gap in Huaxi is very small compared with other regions in the country. According to a nationwide survey, the income ratio between the top and bottom 20 percent of urban residents stood at 1.7:1 in 1981 and 2.8:1 in 1992. In rural areas the ratio grew from 2.9:1 in 1981 to the present 5:1.¹⁹

"Not only is there a narrow gap between rich and poor in Huaxi," an official in the municipal government of Jiangyin explained to me, "but also people in Huaxi reach out to help poor people in other areas." Huaxi Village has guaranteed more than 7 million yuan in loans to neighboring villages and towns. In addition, as Wu Renbao announced in 1994, the village committed to help 100,000 people in mid-west China get rid of poverty.²⁰

What makes Huaxi officials well-respected in the village, as people I met there told me, is not so much that they "keep their hands clean" as that they "know their jobs well." A majority of officials in Huaxi did not receive much formal schooling. Wu Renbao himself, for example, did not have even an elementary school education. The educational level of villagers of Huaxi is the same as the average of the region. According to the census of 1990, Huaxi Village had only one graduate of four-year college (see Table 2).

Despite their lack of formal education, Wu Renbao and other village officials understand the importance of science and technology in rural development. They have worked to help villagers receive technical training, to attract talented people from outside to work in Huaxi, to encourage younger people to pursue higher education. The village not only provides tuition for students in elementary and junior high schools, but also offers scholarships for senior high and college students.



Huaxi officials have paid great attention to education. The village not only provides free education for students in elementary and junior high schools, but also offers scholarships for senior high and college students. More impressively, the village is going to invest 17 million yuan to establish a college in the village.

Table 2 Educational Levels of Huaxi Villagers (1990)

Educational Level	Number	% of Total Village Population
4-year college	1	0.1
2-year college	3	0.2
Technical school	3	0.2
Senior high school	98	8.1
Junior high school	468	38.6
Elementary school	512	42.2
Illiterate (above 12-year-old)	128	10.6
Total	1213	100.0

Source: Lu Yinchu and others "Yige xiangdang fada de xiandai nongchun shequ" p. 357.

In 1994, four years after the census, the educational attainment level in Huaxi has already improved significantly. Now 86% of the labor force in Huaxi have received education above junior high school. Among them, 213 people have graduated from senior high and 128 have gone to college.²¹ Meanwhile, about 400 engineers and technicians from other regions have worked in Huaxi. Among them, 120 people have decided to continue long-term residence in the village.

Wu Renbao recently told the Chinese media that Huaxi is going to invest 17 million yuan to establish a college in the village, which is called Huaxi University.²² This is a joint venture project with the Northern University. When it is built, the college will recruit students from Jiangyin county and other counties in Sunan.

From Huaxi Village to "Huaxi Inc."

The most impressive "job" that village officials have accomplished is of course the rapid development of rural industries in Huaxi. As discussed in the previous parts of this series, a majority of people in the vast rural area of Sunan have experienced a

fundamental change – an occupational change – in their life during the past decade. Because of the rural industrial revolution, rural Sunan has become quite a diversified reality. Huaxi, like many other villages in the area, is no longer a traditional, agriculture-oriented village.

Laborers in the village are not necessarily peasants any more. As a matter of fact, 97% of the labor force in the village are non-agricultural workers. The percentage of Huaxi's agricultural output value in the total declined from 23.1% in 1978 to 0.27% in 1989, and the industrial output value increased from 50.4% in 1975 to 99.1% in 1989 (see Table 3).²³

Table 3
Distribution of Output Value of Agricultural, Sideline and Industrial Sectors in Huaxi Village
(Percentage)

Year	Total Output Value	Agriculture	Sideline	Industry
1961	100	100	0	0
1975	100	23.1	26.5	50.4
1978	100	26.6	10.0	63.4
1985	100	1.0	9.3	89.7
1989	100	0.3	0.6	99.1

Source: Lu Yinchu and others *"Yige xiangdang fada de xiandai nongchun shequ"* p. 335.

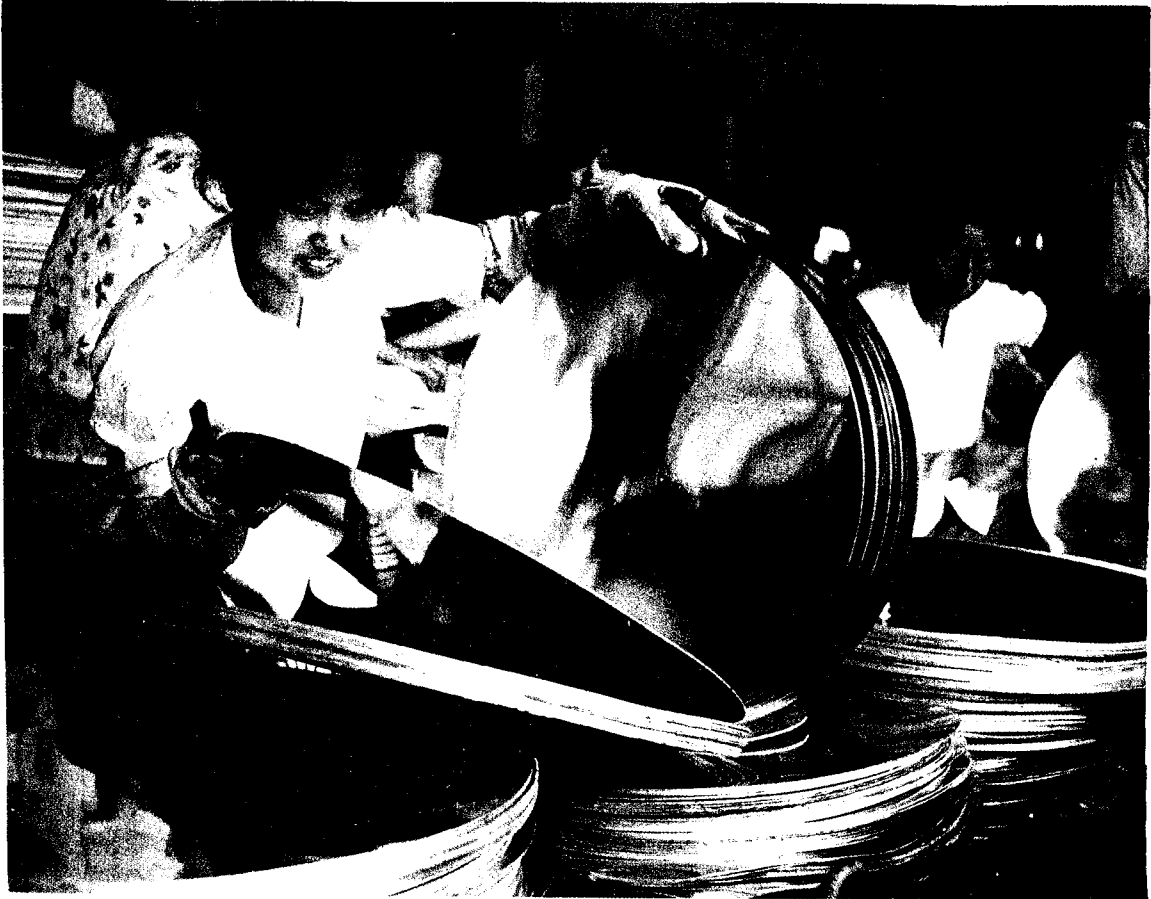
Only seven people, 0.8% of the total labor force in the village, are engaged in agricultural work. Huaxi has three characteristics of modern agriculture: 1) specialized production (生产专业化), 2) mechanized cultivation (耕翻机械化), and 3) merchandised grain (粮食商品化). Although only seven people work on the farm, the total grain output has continuously surpassed 500,000 kg for nine years. During the harvest season, however, all the people in the village are available for help on farm work.

The village administration seems to understand the importance of grain production at the time of rural industrialization. The village has placed over 600 mu of grain fields as "protective agricultural area," which cannot be used for any non-agricultural purpose. In addition, 18 villagers in Huaxi, 2% of the total labor force, are engaged in sideline production. They have formed 4 groups and each of them specializes in vegetable-planting, fish-raising, domestic animal raising or fowl-raising respectively.

The other 97% of the laborers work in industrial and commercial sectors. There are 40 factories in Huaxi, among which five are joint ventures and 10 state-collective affiliated enterprises. Their products include textiles, wool sweaters, metals, chemicals, aluminum goods, copper products, plastic decorating board, steal pipes and strips, and metal flange. These products are sold to almost all provinces in China and to 12 countries.

All these factories are under the administration of the Huaxi Industrial Corporation that Wu Renbao heads. Leading officials of the village are concurrently executive managers of the Huaxi Industrial Corporation. It seems appropriate to say

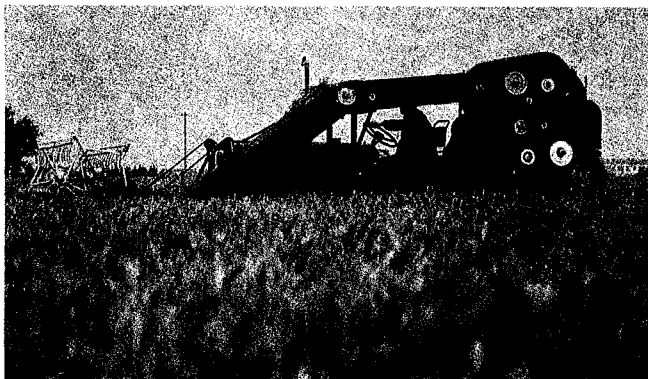
that Huaxi Village has now become "Huaxi Inc."



As a result of the rural industrial revolution, 97% of the labor force in the village are non-agricultural workers. The percentage of Huaxi's industrial output value of the total output has been over 99% since the late 1980s. There are 40 factories in Huaxi, among which five are joint ventures and 10 state-collective affiliated enterprises.

A scene of Huashi Metal Material Products Factory. With the annual output of 4,000 tons of aluminum board, the factory exports its aluminum products to other provinces as well as to Japan and Southeast Asia.

Huaxi did not have an industrial factory until the early 1970s, when 20 villagers with a total of 6,000 yuan in capital established a hardware factory, which mainly repaired agricultural machinery. Village officials supported this experiment at the risk of being criticized for "taking the capitalist road." The factory made 50,000 yuan profits in the first year and then more than 200,000 yuan annually in the following years.²⁴ This experiment brought in both capital for further development and confidence in the industrial development of the village.



Huaxi has achieved a high degree of mechanization of agriculture. Only seven people, 0.8% of the total labor force in the village, are engaged in farm work.



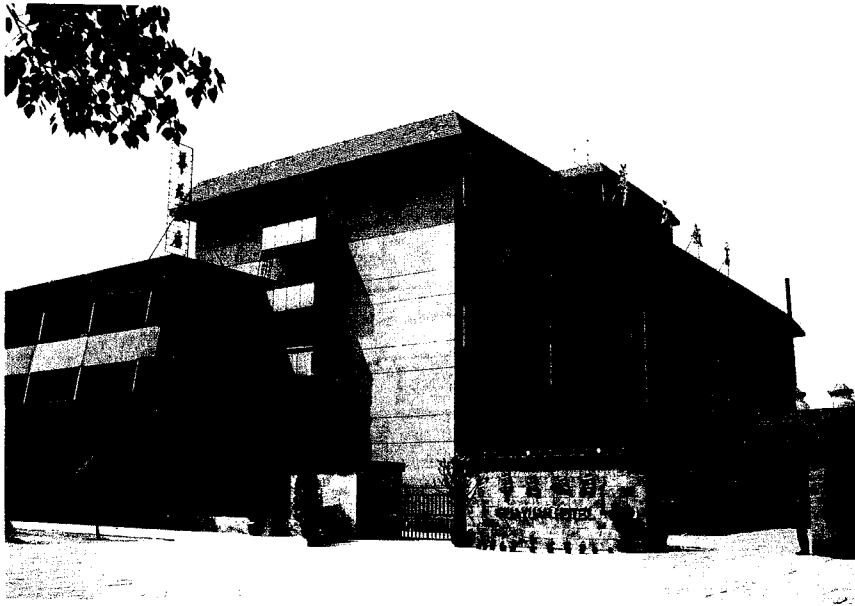
During the busy agricultural season, all the people in the village will be available for help on farm work.

In the 1980s, the village not only set up many more factories, but also was engaged in a number of horizontal joint ventures with Shanghai, Beijing and other regions. Huaxi Copper Products Factory, Huaxi Aluminium Products Factory, and Huaxi Cold-Rolled Belts Steel Plant, which were founded in 1985, 1986, and 1987 respectively, have had joint ventures with Shanghai factories. Huaxi Cold-Rolled Belts Steel Plant, for example, had an output value of 24 million yuan in the late 1980s.

Joint ventures with foreign companies also emerged in Huaxi during the 1980s. Hua'an Flange Limited Company, which has an annual output 5,000 tons of flange, is a joint venture with a hardware company in Singapore.

Since the beginning of the 1990s, Huaxi officials have made efforts to enlarge the size of village enterprises and have moved toward group consolidation on an extensive scale. For example, Shenhua Wire Rod Factory, a steel wire rod plant with a total investment of 60 million yuan and an annual capacity of 300,000 tons of wire rod, the largest wire rod factory in East China, was founded in the village in 1993. More rural industries have taken an export-oriented approach. One enterprise in Huaxi has even established a branch company in Singapore.²⁵

Huaxi Industrial Corporation, which was established in 1992, has functioned as an enterprise group (*qiyi jituan* 企业集团), coordinating the development of TVEs in the village. In 1994, Huaxi Industrial Corporation was ranked No. 6 in China's top 1,000 most efficient TVEs (HIC was No. 1 in Jiangsu Province). The HIC, with its 13 branch companies and over 40 TVEs, has become an economic giant in the region and it is expected to "annex" neighboring villages and towns through "regional horizontal cooperation" in the years to come.



Huaxi Industrial Corporation (HIC), which was established in 1992, has functioned as an enterprise group, coordinating the development of TVEs in the village. As an enterprise group, it has pursued cooperation across regions, sectors, and different ownerships. HIC plans to “annex” neighboring villages and towns through “regional horizontal cooperation.” HIC has even established a branch company in Singapore.

A scene showing the Huayuan Hotel in Beijing. With an investment of 15 million yuan, HIC built the hotel in the early 1990s.

Huaxi's large-scale industrial enterprises have brought even faster economic growth to the village. Huaxi's total output value has increased from 516 million yuan in 1992 to 1 billion yuan in 1993 and 2 billion yuan in 1994. It is expected that it will reach 3.5 billion yuan in 1995.²⁶ Wu Renbao recently announced to the Chinese media that in 1996, when the village celebrates its 35th anniversary, the average household asset in Huaxi will exceed 1 million yuan.²⁷

“We’ve been pioneering our work step-by-step,” Wu said proudly. “We’ve accomplished plans ahead of schedule before. Our aim is to give villagers happier lives.”²⁸

“To give people happier lives – isn’t this what Lee Kuan Yew has been saying for decades in Singapore?” A colleague of mine in Shanghai commended as I told him Wu Renbao’s “grand plan.”

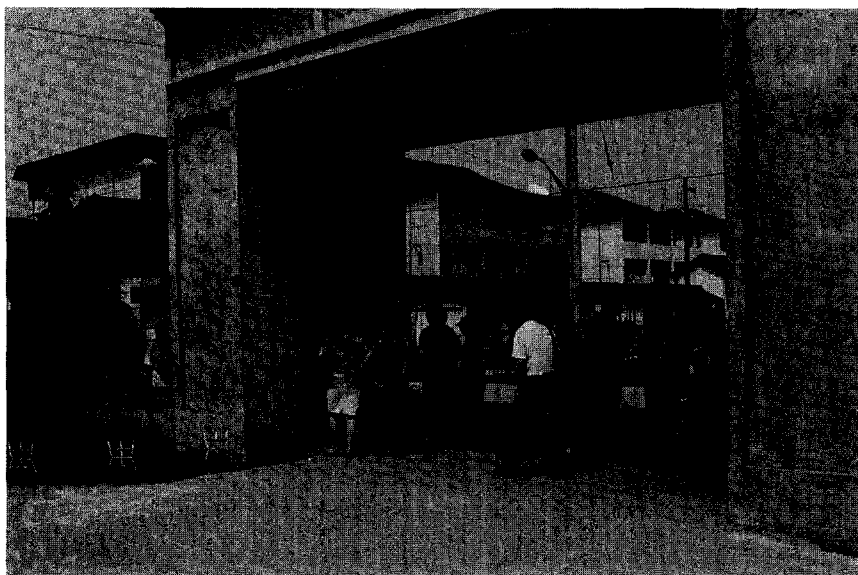
The Rich Man is Happier than the Free Man?

On a few occasions during my visit in Huaxi, I wanted to ask villagers if they were really happy in this model village of the country, but each time I eventually decided not to ask this question. It seemed impossible that I would get an answer other than “Yes.” In addition, I didn’t want to be embarrassed again as I was for asking the woman how Wu Renbao has brought changes to Huaxi Village.

But for me, the question about happiness is real. I am, of course, impressed by the achievements that people of Huaxi have made. One can hardly imagine that a village would increase its assets 9,000 times within a single generation. There is no doubt that Huaxi Village is a great success! But perhaps because of my education and experience in the United States, I feel something important – something fundamental – is missing in this model village. It is the absence of freedom and individuality. I am skeptical about the neo-authoritarian assertion that the rich man is happier than the free man.

Huaxi, despite its undeniable vigor and vitality, seems like a living machine. No matter how well-off their lives are, people there actually live in a world of alignments and conformities. For me, nothing is more boring than to see all the villagers in Huaxi drive the same color Volkswagen Jettas and about 300 families live in the same style houses. Nothing seems more depressing than to listen to “neo-Confucian doctrines” offered by “know-at-all” Huaxi officials.

Nonetheless, a visit to Huaxi has been a great eye opener for me. It is one thing to know that the rural industrial revolution has changed China’s landscape, but it is quite another thing to see how this revolution has brought about changes at a village level. Economic growth of Huaxi is astonishing. Huaxi’s experience has put to rest any doubts about China’s southern Jiangsu as another economic miracle in East Asia. Yet a more invisible, but no less salient, dimension of Huaxi’s experience is that it has become the model that Chinese authorities use to articulate a new identity and try to justify a neo-Confucian authoritarian rule.



Huaxi has attracted thousands of visitors from all parts of China in the past few years. Many people came to study what has made this small town soar economically in such a short time. Huaxi has been considered a model for China’s rural development.

I have come to realize, after this trip, that the Singaporean way of life – and way of thinking as well – has indeed found its way to China, especially in its rich coastal area. The Singaporean way of life emphasizes communitarianism rather than individualism. The individual counts for little in the society; the individual is far less important than the community.²⁹ In Lee Kuan Yew's words, Confucian societies have demanded certain values such as hard work, thrift, discipline, loyalty, obedience, and social coherence. Both Lee Kuan Yew and Wu Renbao have suggested that cultural values are the deepest driving force of their successes.

Yet, I am still not sure whether the successful stories of both Singapore and Huaxi can really be attributed to these values. Fareed Zakaria, the Managing Editor of Foreign Affairs, was right as she criticized the cultural explanation for East Asian miracles.

"If Culture is destiny," she argued, "what explains a culture's failure in one era and success in another."³⁰ The Mao era, for example, also emphasized things like hard work, thrift, discipline, loyalty, obedience, and social coherence. But a majority of Chinese people, including those in Huaxi Village, lived in poverty throughout the Mao era.

Confucian culture, I believe, is more relevant as a tool for political elites to use in order to justify their rule, than as a force to achieve an economic miracle. During my journey to Huaxi, I was absolutely astonished by the local officials' efforts to reenforce Confucian doctrines to villagers. The gigantic image of the dragon, the Filial Piety Pavilions, the Huaxi Development Company of Spiritual Civilization, are just a few cases in point.

One may reasonably argue that there is nothing new about all these activities as exemplified in Huaxi Village. In China's millennium-long history, political elites always relied on these cultural doctrines to maintain their dictatorship. Yet, I believe, there is an important difference between the past and present: China today is on its way to become an economic giant in the world.

Twenty years ago, in 1975, an American writer, Jan Morris, visited Singapore and wrote the following concluding remarks:

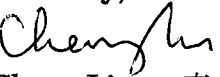
I felt I was experiencing, if only vicariously, something new in the world – a new energy of the East with which, sooner or later, the Western peoples will come to grips, if not physically, at least philosophically. It is a sort of mystic materialism, a compelling marriage between principle and technique which neither capitalism nor Soviet communism seem to me to have achieved.³¹

What has happened in the relationship between Singapore and western countries in the past few years precisely confirms Jan Morris' prediction.

In a sense, I feel that I experienced the same thing in Huaxi during this trip as that Jan Morris did in Singapore twenty years ago. Huaxi, however, is only a village. I don't want to jump to the conclusion that Huaxi's today will be China's tomorrow. In fact, Huaxi does not even represent Sunan. Many other villages in Sunan that I recently visited seemed more lively and less rigid than Huaxi.

Yet, I have a hunch that Huaxi is going to become a model for China in the future, as top leaders such as Li Peng have claimed. As a native Chinese, I wish my mother land to be economically wealthy, politically stable, and internationally respected. But honestly, I am not enthusiastic about the arrogance, conformity, the lack of individualism, nepotism and strong family ties in business and politics as reflected in the development of Huaxi Village. I am too much an adopted child of a free and democratic society to tolerate the neglect of individualism and the lack of political freedom.

Sincerely,


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Notes:

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2. Lynn Pan, "Playing the Identity Card," Far East Economic Review, February 1989, p. 32.
3. Michael Vatikiotis and Robert Delfs, "Cultural Divide," Far East Economic Review, June 17, 1993, p. 20.
4. Xiandai lingdao (Modern leadership), No. 1, 1994, p. 7. In a study conducted in the early 1990s, Huaxi hired 690 migrant workers in 1989, among them, 140 lived in neighboring villages or towns. The other 550 were from other provinces such as Sichuan, Guizhou, Hunan, Anhui, Henan, Shandong, Shanxi and Xinjiang. Lu Xieyi (ed.) Gaige zhong de nongchun yu nongming (Countryside and peasants in the age of reform). Beijing: Central Party School Press, 1992, p. 26.
5. Guo Jiong, Huaxi China 1961-1993 (Huaxi Village Publication, 1993), p. 3.
6. Beijing Review, May 10-16, 1993, p. 14.
7. Nongcun dashijie (Rural world), No. 9, 1993, p. 3.
8. Yangzi wanbao (Yangtze evening news), Dec. 23, 1994, p. 1.
9. Beijing Review, May 10-16, 1993, p. 13.
10. Zhongguo Jiangyin Huaxi jingdian jianjie (Brief description of scenes in Huaxi in Jiangyin, China), Dec. 1992, p. 7.
11. Qunzhong (Masses), No. 8, 1994, p. 5.
12. Qunzhong (Masses), No. 8, 1994, p. 6.

13. Sunan xiangzhen qiye (Township and village enterprises of Southern Jiangsu), No. 3, 1994, p. 6.
14. Lu Yinchu and others “*Yige xiangdang fada de xiandai nongchun shequ*” (A well-developed rural community), in Lu Xieyi (ed.) Gaige zhong de nongchun yu nongming (Countryside and peasants in the age of reform). Beijing: Central Party School Press, 1992, p. 339.
15. Jingji yu falu (Economy and law), June 1994, pp. 68-69.
16. Beijing Review, May 10-16, 1993, p. 15.
17. Qunzhong (Masses), No. 8, 1994, p. 7.
18. Lu Yinchu and others “*Yige xiangdang fada de xiandai nongchun shequ*” (A well-developed rural community), in Lu Xieyi (ed.) Gaige zhong de nongchun yu nongming (Countryside and peasants in the age of reform). Beijing: Central Party School Press, 1992, p. 340.
19. China Daily, July 1, 1994, p. 4.
20. Baokan wenzhai, July 14, 1994, p. 1.
21. Guo Jiong, Huaxi China 1961-1993 (Huaxi Village Publication, 1993), p. 3.
22. Yangzi wanbao (Yangtze evening news), Dec. 23, 1994, p. 1.
23. In the early 1990s, the industrial output value remained over 99% of the total in Huaxi. Beijing Review, May 10-16, 1993, p. 14.
24. Beijing Review, May 10-16, 1993, p. 16.
25. Jingji yu falu (Economy and law), June 1994, p. 69.
26. Jiangsu shun Jiangyin shi Huashizhen Huaxichun qingkuan huibao (Report on Huaxi Village in Huashi Town, Jiangyin County of Jiangsu Province), May, 1993, p. 21.
27. Qunzhong (Masses), No. 8, 1994, p. 7.
28. Beijing Review, May 10-16, 1993, p. 18.
29. Lynn Pan, “Playing the Identity Card,” Far East Economic Review, February 1989, p. 30.
30. Fareed Zakaria, “Culture is Destiny: A Conversation with Lee Kuan Yew,” Foreign Affairs, Vol. 73, No. 2, March/April 1994, p. 125.
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