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## Back to the Past

### Part I

### China on the Eve of Capitalist Takeover?

BY CHENG LI

SHANGHAI, China

August 1995

How time flies! I cannot believe that my two-year-long fellowship in China has passed so quickly. Now it is time for me to pack up my belongings and go back to the United States. My parents have started counting the days that I will stay with them in Shanghai. Two years here seem to me not long enough. It is only long enough to make me realize how much I do not know about this fascinating country and how deeply attached I am to the people living in this land.

My "comrades-in-arms" in Shanghai — Andrew Browne from Reuters, Seth Faison from *The New York Times*, Joseph Kahn from *The Wall Street Journal* — and other friends in the city are preparing a going-away party for me. We did not know each other until we came to Shanghai as foreign correspondents at approximately the same time. During the past two years we have become close friends, as we have all struggled to understand this rapidly changing country and its people. We have openly exchanged our views and ideas, shared anecdotes and jokes, and debated various issues concerning China and the world. Many times we have complained about the longevity of the paramount leader of China.

My journalist friends now feel sorry for me because I am going to leave China at this crucial moment in Chinese history.

"It's a pity that you will miss the International Women's Conference in Beijing," Seth Faison said to me.

"You will miss the opportunity to write on the spot when 'X day' finally comes," another friend of mine said. We use "X day" to refer to the day when Deng goes to see Marx.

Indeed, I have a sense of unfulfilment. The remarkable changes that I have observed and written about during the past two years are only part of the unfolding human drama in the country. Greater changes are yet to come.

The fact that I will not be able to observe "X day" in China, however, does not really bother me. "X" day will certainly be important to China because the departure of Deng, like the death of Mao, will represent the end of an era and the beginning of another in contemporary China.

But Chinese history, like all human histories, is a continuing

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*One of the most memorable events during my fellowship in China was a "reunion" with Professor A. Doak Barnett, a Shanghai-born former ICWA Fellow, in our native city. Professor Barnett is a legendary figure in American studies of China who has held a variety of governmental, scholarly and journalistic positions in the US and in East Asia. Professor Barnett's fellowship took place on the eve of the Communist takeover of the country during the late 1940s. His writings on China and Sino-US relations have significantly influenced several generations of students of China, including myself and my students at Hamilton College in Clinton, NY.*

process. The future of China, I believe, will not depend on an individual leader. Socio-political development, in a sense, is a process of wave-formation—each succeeding wave owes something to the strength of what went before. Some socio-economic changes taking place in China that I have observed and written about during the past two years—for example, structural changes in the Chinese economy, internal rural-urban migration, and occupational mobility—are far more monumental than the life and death, or the rise and fall, of a charismatic leader.

What really perplexes me, however, is a sense of historical irony. It seems ironic, particularly because my fellowship in China seems to have echoed, in a contrasting way, the experience of a former ICWA Fellow in China in the late 1940s. That Fellow is, of course, A. Doak Barnett, a dean and a legendary figure in American studies of China. From 1947 through 1949, Doak Barnett, then a young American journalist, journeyed to virtually every part of China and wrote about political and socio-economic changes in the country. His two-year-long fellowship, as he described it, took place during "a watershed in modern Chinese history — a period in which the Nationalist regime collapsed and

the Communist Party assumed power." The ICWA letters that he wrote at the time later became the basis of a book entitled *China on the Eve of Communist Takeover*. It has become a classic in Chinese studies.<sup>1</sup>

During the two years that I have been in Shanghai, Professor Barnett has visited me twice. Each time both of us were overwhelmed by historical ironies as we discussed the events that happened a half century ago and the things taking place today. Witnessing the remarkable changes around us, we had no doubt that this is another watershed period in modern Chinese history.<sup>2</sup> When I told him that I planned to publish my ICWA letters from the field as a book, Professor Barnett asked me, with a twinkle in his eyes, "Are you going to write a book entitled *China on the Eve of the Capitalist Takeover*?"

We, of course, are not sure whether a capitalist takeover is the most likely scenario for China's future, but the rapid rise of the capitalist and entrepreneurial class, accompanied by large-scale privatization in urban China and the prevalence of official corruption in Chinese society, is undoubtedly one of the most important politico-economic developments in today's China.

History is full of ironies. After almost fifty years of Communist revolution and socialist transformation, China is going “back to the past”—to embrace capitalism.

Make no mistake, pre-Communist China was not a completely capitalist society. It was a state with a mixture of feudalism and capitalism. Chinese Communists usually characterized pre-1949 Chinese society in two complementary ways: 1) a semi-feudal and semi-colonial state, in which China’s own national capitalists were not fully developed; and 2) a bureaucratic capitalist state, in which government officials controlled not only political power, but economic wealth as well.

In his book, Professor Barnett made the following remarks on the eve of the 1949 revolution:

The economy, subjected to excessive burdens, began to weaken. Inflation reached dangerous proportions, threatening the very foundations of stability. China’s intellectuals and students—its modernized and educated elite—became increasingly disillusioned and bitter. Morale and discipline within the Nationalist bureaucracy itself—within the Party, government, and army—were steadily undermined. Cynicism, corruption, and mismanagement grew to serious proportions.<sup>3</sup>

The description that Professor Barnett gave to the gloomy situation in China about fifty years ago can also be used to refer to today’s China. There are two

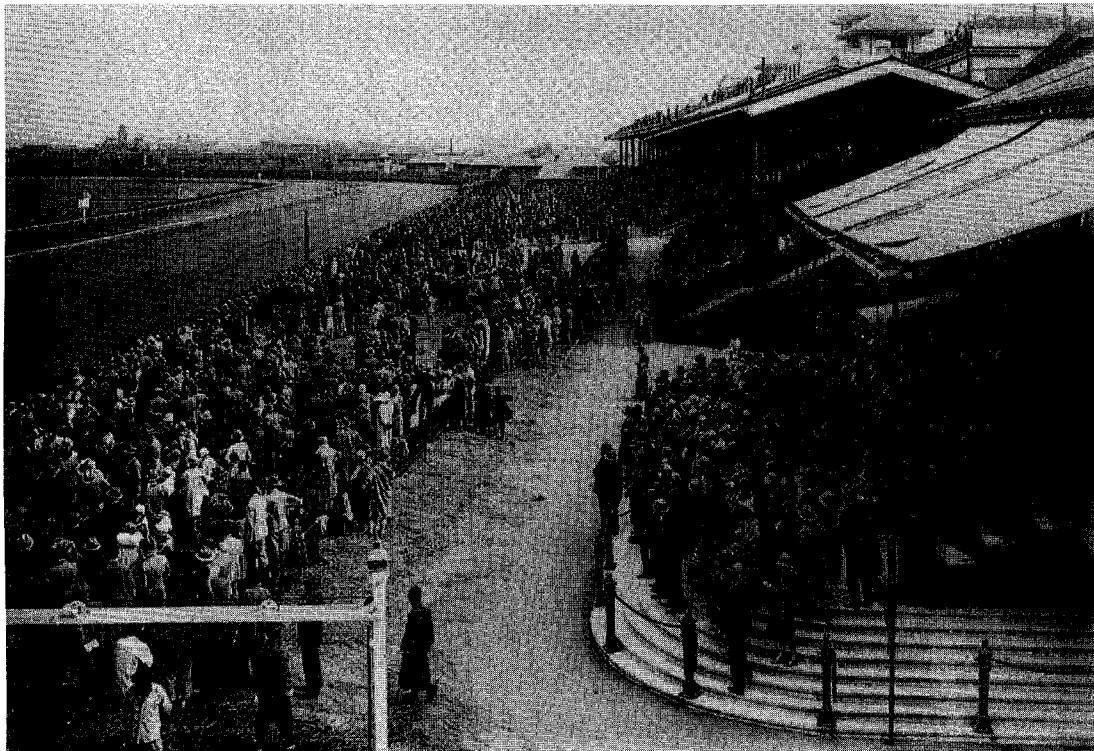
important differences, however, between the late 1940s and today. First, the ruling party of today’s China is the self-proclaimed Communist Party. And secondly and even more ironically, this Communist ruling party has been, in the past few years, enthusiastic about the on-going transformation of the country from socialism to capitalism.

“China is no longer a communist country in any meaningful sense,” *New York Times* Beijing Bureau Chief Nicholas Kristof argued in his concluding article on China in the fall of 1993. He noted that no Communist country “has ever so fully embraced stock markets ... in the 1990s the business of the party is business.”<sup>4</sup>

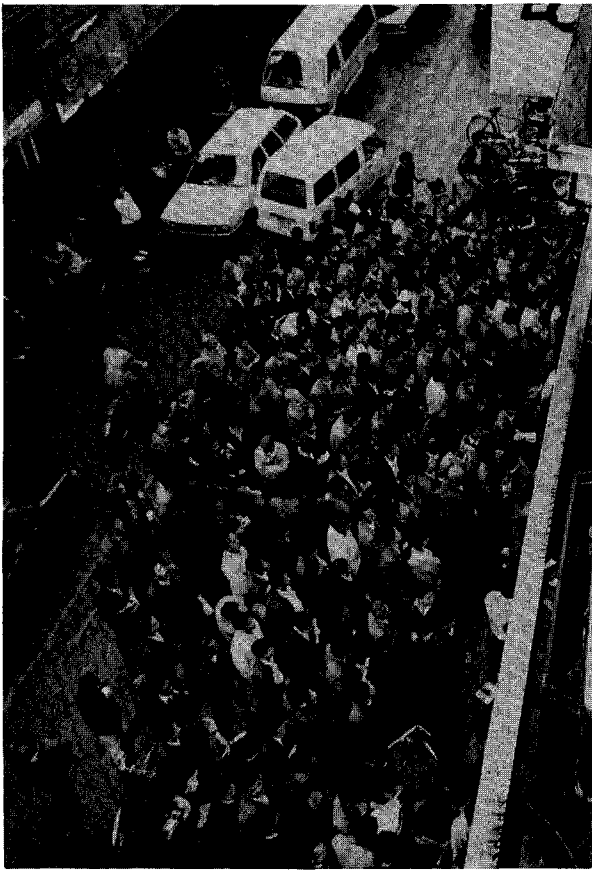
People in the West have often seen a sharp contrast when comparing the former Soviet Union and China: the collapse of Communism in the former and the prolonged continuation of Communism in the latter. But it can also be argued that the rejection of Communism occurred in China a decade earlier than the collapse of the former Soviet Union. The stock market, a notably capitalist phenomenon, has played a remarkably important role during the Chinese economy in the reform era.

### The Re-establishment of the Stock Market in Shanghai

During the early part of the 20th century, Shanghai was called the “paradise of speculators.” During the 1940s, the volume of buying and selling stocks in



*A scene at a race track in Shanghai in the 1930s. Gambling was strictly banned after the Communist Revolution. The site of the race track was transformed into the People’s Square and the Shanghai Library.*



*A scene outside Shanghai Wanguo Securities Company.*

*There is always a crowd both inside and outside any branch office of the stock exchange (brokerage house) in Shanghai every weekday. The number of registered stock holders in Shanghai increased from 45,000 in 1990 to 4,600,000 in 1993.*

Shanghai was greater than that in Hong Kong, or about the same as in the Tokyo market.<sup>5</sup>

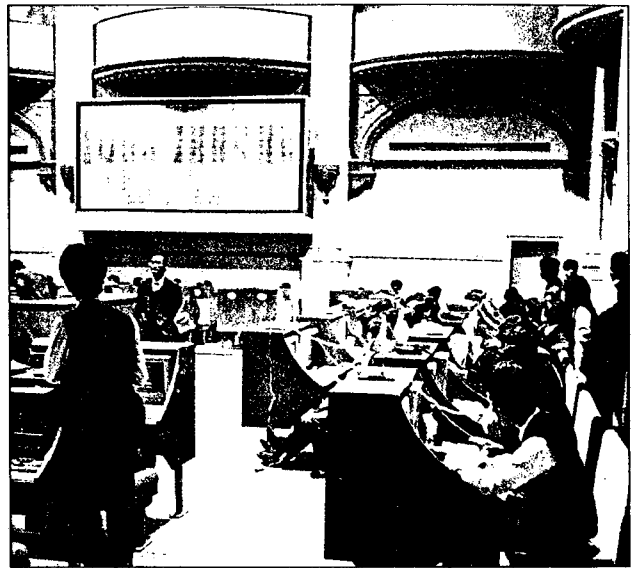
Stock markets did not reappear in China until August 1986 when Shanghai opened the first stock exchange in the PRC—the “first exchange in the world to be approved by a self-proclaimed Communist government.”<sup>6</sup> Both the number of listed stocks and the volume of trade grew dramatically during the decade. By the end of 1993, some 101 companies with a registered capital value of 3 billion yuan and a total market value of 230 billion yuan were listed on the Shanghai Stock Exchange. The daily turnover in 1995 was 4.1 billion yuan (\$500 million).<sup>7</sup> The number of Shanghai-based stock agencies from other provinces increased from 10 in 1992 to 111 in 1993, over ten times within a year.<sup>8</sup>

According to Solomon Karmel, a political scientist from Princeton University who has carried out a comprehensive study of the securities market in China, the volume of Shanghai’s stock market sometimes rivaled the volume of stock market trade in Hong Kong.<sup>9</sup> Karmel found that many companies in China issued stocks without government approval. In 1994, over 10,000 enterprises “conducted shareholding experiments, with some 25 million shareholders and with a registered capital value of at least 200 billion yuan.”<sup>10</sup>

At present, China has three kinds of share listings: 1) “A” share listings are for Chinese investors; 2) “B” shares are listed by joint-ventures and for purchase in foreign currencies (US dollars in Shanghai and Hong Kong dollars in Shenzhen); and 3) “H” shares are Mainland company listings in Hong Kong and foreign markets.

Along with the re-emergence of the stock market, foreign capital has also flooded into the country. According to a report recently published by the World Bank, the influx of capital into China increased from \$11 billion (US) in 1991 to \$24 billion in 1992, and to \$27 billion in 1993, including \$15 billion in direct investment, \$5 billion in bonds, \$3.5 billion in private capital, \$2.5 billion in governmental aid and loans, and \$1 billion in commercial bank loans. China has been the largest recipient of foreign direct investment in the world during the past few years.<sup>11</sup> In the 1993-94 fiscal year, China remained the World Bank’s biggest borrower, with a total of \$3.07 billion in loans for 14 major projects.<sup>12</sup>

The Chinese authority seems not to be concerned about the resurgence of capitalism. When reform began in the late 1970s and early 1980s, Chinese leaders defined whatever they wanted as “socialism,”

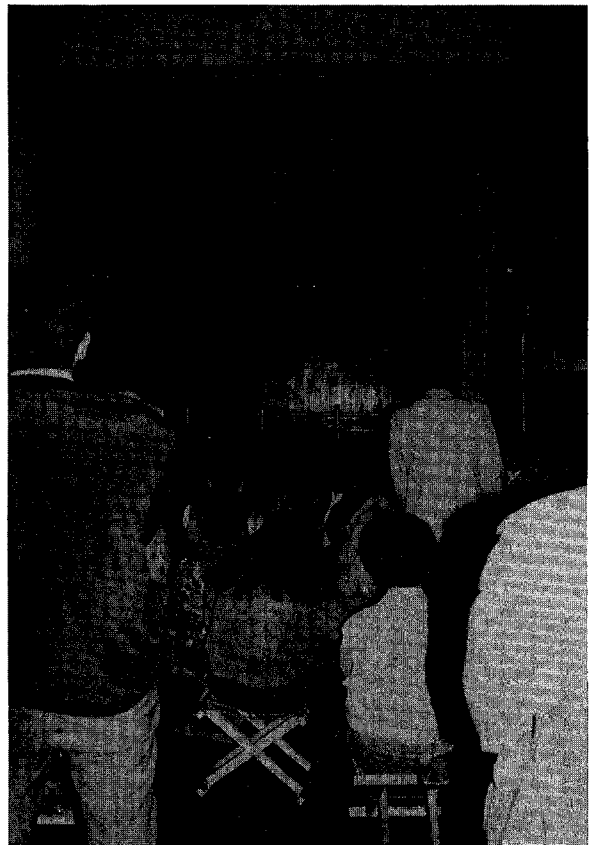


*Shanghai Stock Exchange —the first exchange in the world to be approved by a self-proclaimed Communist government.*

*Brokerage houses have mushroomed along Shanghai streets. This onion-domed Russian Orthodox Mission Church has been leased to the New Happiness Securities Business Bureau —a collective brokerage house.*

*An interior view of the New Happiness Securities Business Bureau. I found it odd that a church is being used as a stock brokerage house.*

*"What's wrong with that?" A customer of the brokerage house with whom I chatted said to me. "People go to church for good fortune, we also come to this stock brokerage house for good fortune. I think all the churches in Shanghai should lease a room to a stock brokerage house. Isn't that a good idea?"*



although some of the economic measures that they took were clearly capitalistic in nature. But now Chinese leaders do not even bother to justify their policies in the name of socialism. In early 1992, *People's Daily*, the official newspaper of the Chinese Communist Party, published an editorial in which China was identified as in a primary stage of socialism, and thus "capitalism cannot be completely eradicated."<sup>13</sup>

The publication of this article was not coincidental. It echoed Deng's remarks about economic reform during his famous tour to Southern China in the spring of 1992. During the trip, Deng told his junior colleagues that they "should be bolder and dare to try things out instead of acting like a woman with bound feet."<sup>14</sup> After hearing Deng's instruction, Chinese officials called for "adequately developing the capitalist economy inside China."<sup>15</sup> The most salient aspect of capitalist development is, of course, the re-emergence of the private sector in the Chinese economy.

## The Growth of the Private Enterprise

Before 1949 the private sector accounted for a significant portion of China's economy. Private industrial enterprises accounted for 48.7% of gross national industrial output while State-owned enterprises accounted for only 26.2%. For the first three decades of the People's Republic of China, the government strictly restrained the existence of private enterprises. The 4 million private firms and stores that had existed in China prior to the 1949 Communist Revolution had all disappeared by the mid-1950s.<sup>16</sup>

Private enterprises began to reappear in the mid-1980s, but at that time each private firm was allowed to hire no more than eight workers. The legal status of these small private businesses was ambiguous. In 1988, the Seventh National People's Congress passed a constitutional amendment that authorized the legitimate status of the private economy.<sup>17</sup> At present there are five principal participants in the Chinese economy:

- 1) State-owned enterprises—enterprises wholly owned by the government;
- 2) collective enterprises—enterprises owned by local groups for which the government is not responsible for wages or similar obligations;
- 3) private enterprises—businesses operated by private individuals;
- 4) stock-share enterprises—companies owned partially or wholly by share-holders, including companies partially owned by the State; and
- 5) foreign-invested enterprises or joint ventures—enterprises owned at least 25% by foreign individuals or companies.

Private enterprises have been growing rapidly in the early 1990s. By the end of 1992, approximately 7.7 million—89%—of the retail-sales outlets in China belonged to private firms or were individually owned businesses. Nowadays, signs of the private economy

are visible everywhere. About 80% of the 140,000 shops and markets in Beijing, for example, are either owned or run by private entrepreneurs.<sup>18</sup> The number of self-employed business people has expanded to more than 15 million in urban areas of all over the country. The number of private enterprises in the country increased from 91,000 in 1989 to 420,000 in 1994 (see Table 1).<sup>19</sup>

**Table 1: Growth of Private Enterprises (1989-1994)**

YEAR	NUMBER	EMPLOYED	REGISTERED ASSETS (BILLION YUAN)
1989	91,000	1,850,000	na
1990	98,000	1,700,000	na
1991	108,000	1,830,000	na
1992	140,000	2,310,000	45.20
1993	238,000	3,720,000	68.03
1994	420,000	6,350,000	138.90

Sources: *Economic Information Daily*, May 31, 1994, p. 4; *People's Daily* January 11, 1995, p. 2; and *China News Analysis*, February 15, 1995, p. 2.

The private sector has developed fastest along the southeast coast of China where 70% of the country's private businesses are located. Another 19% are in Central China and only 1% are in the western part of the country.<sup>20</sup> By mid-1994 Shanghai, for example, had about 14,000 private industrial firms and 117,000 private stores. More than 2,000 private enterprises held a registered capital of 500,000 yuan (\$58,140) each. The one with the highest capital was worth 15 million yuan (\$1.7 million).<sup>21</sup>

Make no mistake, the role of the private sector in the Chinese national economy today is still small. The total number of people employed in the private sector is still relatively minor (5.35 million employees).<sup>22</sup> But what is truly remarkable is the heightened tempo of change in the private sector.

"When we discuss privatization in socialist countries," a scholar from the Shanghai Academy of Social Sciences told me, "we are talking about creating a private sector where there has not been one for decades or generations. Keeping this historical fact in mind, everyone will be impressed by the remarkable growth of the private economy in China."

Although the State-owned sector still dominates the Chinese economy, the private economy has made enormous strides in recent years. In 1993 alone, more than 98,000 private enterprises were established. The State Administration for Industry and Commerce, which oversees economic activities of private enterprises, reported that the registered capital of private enterprises hit 68.03 billion yuan (\$7.82 billion) in 1993. A year later, the total amount of registered assets in private



enterprises increased to 138.90 billion yuan (\$15.9 billion) (see Table 1). There were 662 private enterprises whose registered capital exceeded 1 million yuan in 1991. A year later, the number increased to 1800. By 1993 the number had reached 8,784. Meanwhile, 5,302 private enterprises employed 100 to 499 workers and 303 had more than 500 workers. Over 2,000 private firms extended their businesses abroad in 1993, earning about 1.58 billion yuan (\$181.6 million) in foreign exchange.<sup>23</sup>

In 1994, private enterprises nationwide had 104 billion yuan (\$12 billion) in registered funds, an increase of 53% from 1993. These private firms turned in 29 billion yuan (\$3.4 billion) to State coffers, up 44% from 1993.<sup>24</sup> According to a survey of 134 large private enterprises, seven claimed that their capital exceeded 100 million yuan.<sup>25</sup> In Shanghai, the average registered capital of private enterprises was 275,200 yuan (\$31,600) in 1994, a five-fold increase over that of 1991.<sup>26</sup> The total number of private enterprises in the city increased by 223% compared to the number in 1993.<sup>27</sup>

With a mandate to redraw the country's economic landscape, the private sector has now been encouraged to buy into or take over failing State-owned enterprises and commercial networks. In 1994, 65% of China's GDP came from non-State enterprises. About 80% of newly added value came from non-State-owned enterprises.<sup>28</sup> Private and collective firms, joint-stock companies and foreign-funded ventures accounted for 84.8% of the growth in industrial output value in 1994, according to report by the State Statistics Bureau.<sup>29</sup> The private sector's share of total investment in China increased from 16% in the late 1970s to 37% in the late 1980s (see Table 2).

**Table 2: Share of Total Investment by Sector (%)**

YEAR	PRIVATE SECTOR	PUBLIC SECTOR
1976-80	16	84
1981-85	33	67
1986-90	37	63

Sources: *Far Eastern Economic Review*, May 7, 1992, p. 50.

Table 3 shows that in 1992 non-state-owned enterprises, including collectives, private, and foreign-owned firms, for the first time in the history of the PRC, accounted for a larger share (52%) of the gross value of industrial output than did state-owned enterprises (48%). In the coastal provinces, non-State sectors account for an even larger portion. In Guangdong Province, for example, the percentage of registered capital of State-owned, collective, and private (including foreign-owned) enterprises in 1993 were respectively 30.2%, 16.4% and 53.4%.<sup>30</sup> According to an esti-

mate by China's State Information Centre, the private sector will constitute 25% of the output value of the country's economy by the turn of the century (see Table 4).<sup>31</sup>

**Table 3: Ownership Structure of Industrial Production**

OWNERSHIP	PERCENTAGE		
	1978	1985	1992
State	78	65	48
Collectives	22	32	38
Urban collectives	(13)	(16)	(11)
Rural collectives	(9)	(16)	(27)
Private	neg*	2	7
Foreign-invested	neg*	neg*	4

Sources and Notes: *China's Statistics Yearbook*, various years; and *Statistics Abstracts*, various years.

\*Negligible percentage.

**Table 4: Output of State-owned, Collective, and Privately Run Enterprises as a Percentage of China's Total GNP (%)**

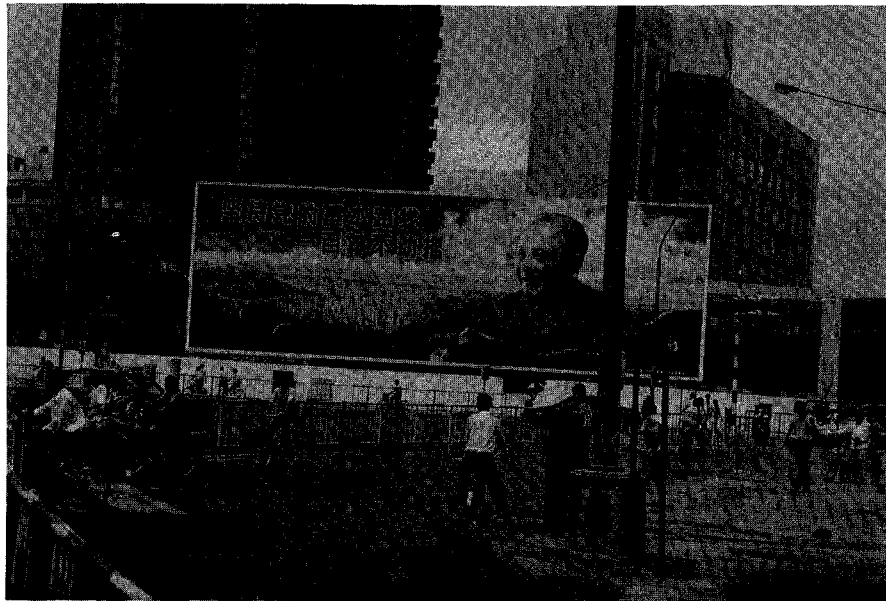
	1988	1991	2000 (estimated)
State-owned enterprises	76.0	51.3	27.2
Collective enterprises	23.5	36.9	47.7
Private-run enterprises	0.5	11.8	25.1

Source: Figures from the State Information Center, Beijing, reported in *Zhongguo shibao* (China times), Taipei, July 16, 1992, p. 10. Quoted from Chang Chen-pang, "The Resurgence of the Bourgeoisie in Mainland China," *Issues and Studies*, May 1994, Vol. 30, No. 5, 1994, p. 42.

A large number of collective enterprises are actually private firms under the pseudonym of collectives (*jia-jiti*, or *guakaoqiye*). According to an investigation conducted in Dalian in 1992, the city had 2,938 private enterprises. But the number of private enterprises calling themselves collectives exceeded 5,000.<sup>32</sup> Many township and village enterprises (TVEs), one of the factors contributing the most to the economic miracle of post-Mao China, are private firms by nature, though not by name.<sup>33</sup> According to *China Daily*, an official newspaper in China, some provinces and regions have given at least 83 per cent of the privately-run rural enterprises the title, "collective firms."<sup>34</sup>



*Shenzhen, a small and shabby town sixteen years ago, has now become a large and elegant city. The meteoric rise of Shenzhen has been largely attributed to the application of some capitalist developments such as a stock market, private and foreign investment, and joint foreign ventures. Shenzhen, which is located near Hong Kong, is becoming like Hong Kong.*



*A street poster in Shenzhen presents Deng's instruction: "China should stick to the basic line of the Communist Party for one hundred years."*

*"What is the basic line of the Communist Party?" I asked a local official in Shenzhen. "Moving away from socialism to capitalism," the official answered.*



As a result of the rapid growth of the private economy, citizens' bank savings have dramatically increased. By the end of 1993, total savings by Chinese citizens amounted to 1,400 billion yuan (\$162 billion). A half year later, private bank savings increased to 1,772 billion yuan (\$203.8 billion), despite double-digit inflation and massive purchases of State treasury bonds.<sup>35</sup> Individual savings have become the major source of bank funds. In addition, citizens also had 500 billion yuan of cash in hand, 400 billion yuan invested in stocks and securities and 4.5 million charged to credit cards. Citizens' savings accounts in foreign currency surpassed \$10 billion. The latest official statistics indicate that Chinese citizens possess more than 2,000 billion yuan (\$230 billion) in financial assets.<sup>36</sup>

Private enterprises not only increase quickly in number, but also expand in size and type. Private schools, private hospitals, private churches, private banks, private airline companies, private satellites have all developed in China in recent years. At a recent auction of bankrupt State-owned department stores in Shanghai, Chen Jingyi, a private entrepreneur from Zhejiang purchased all the stores at auction. The managers and entrepreneurs from State-owned or collective firms in Shanghai were dumbfounded. Mr. Chen owns three factories, two trade companies, and two stock-share companies. His registered capital in 1993 was 15 million yuan and 2,300 employees worked for him.<sup>37</sup>

Mu Qizhong, President of the Land Economic Group, is one of the largest and most well-known pri-

vate entrepreneurs in China. A truly legendary figure, Mu was sentenced to death about twenty years ago for denouncing socialism and advocating a market economy. Now his private company has assets of 1.5 billion yuan (\$260 million US). His Land Economic Group now owns private colleges, launches private satellites, and has purchased State-run enterprises in both China and Russia. Mu also plans to run his own TV station and to establish a joint venture airline.<sup>38</sup>

Mu's company is not one hundred percent private; the State has backed his company for many years, especially when it has had financial problems. Many large private enterprises in China have close ties with the government and State-owned enterprises. China today has more than 500,000 private entrepreneurs.<sup>39</sup> According to a recent, major survey of private enterprises, about 13% of private owners are members of the Chinese Communist Party.<sup>40</sup> Another survey of 500 private enterprises in Shanghai, showed that 90% of the owners of these enterprises used to be managers and technical personnel in state-owned firms.<sup>41</sup>

Just as a large number of collective enterprises are actually private firms under the name of collectives, some officials of State-owned enterprises pocketed the profits of these firms. Speculation with public money and official profiteering have become so prevalent in the reform era that a new term, "*guandao*" was created to refer to this phenomenon. The second part of this series will focus on "*guandao*" and capitalist economic development that is causing increasing social tension in Chinese society. □

## NOTES

1. A. Doak Barnett, *China on the Eve of Communist Takeover* (New York: Frederick A. Praeger, 1963).
2. A. Doak Barnett, *China's Far West: Four Decades of Change* (Boulder, Colorado: Westview Press, 1993). This book is based on Professor Barnett's recent revisits to the places about which he had written in the 1940s.
3. *Ibid.*, p. 8.
4. *The New York Times*, Sept. 6, 1993, p. 5.
5. *Beijing Review*, Sept. 18-24, 1989, p. 25.
6. Solomon M. Karmel, "Emerging Securities Markets in China: Capitalism with Chinese Characteristics," *The China Quarterly*, 1994, pp. 1105-1120.
7. Orville Schell, "Shanghai Daze," *Los Angeles Times Magazine*, June 18, 1995, p. 15. In addition, another stock exchange in China, the Shenzhen Stock Market listed 73 companies worth 2.8 billion yuan in circulated capital stock and 130 billion yuan in total market value. See Liu Chunlin, "Review of China's Stock Market in 1993," *Beijing Review*, March 28-April 3, 1994, p. 20.
8. *Wenhuibao*, Nov. 1, 93, p. 2.
9. Solomon M. Karmel, "Emerging Securities Markets in China: Capitalism with Chinese Characteristics," *The China Quarterly*, 1994, p. 1111.
10. *Ibid.*, p. 1109.
11. *Baokan wenzhai*, Jan. 13, 94, p. 1; Also Eliana Cardoso and Shahid Yusuf, "Red Capitalism: Growth and Inflation in China," *Challenge*, May-June 1994, p. 55.
12. *China Daily*, Dec. 23, 94, p. 2. Also see the author's ICWA report, "Shanghai: City for Sale, Part I, Land Leasing and Foreign Investment in China's Largest City."
13. *People's Daily*, Feb. 23, 1992. For the English translation of the editorial article, see Fang Sheng, "Opening Up and Making Use of Capitalism," *Beijing Review*, March 23-29, 1992, pp. 18-20.
14. *China Daily*, Nov. 13, 1993, p. 4.
15. *People's Daily*, Feb. 23, 1992; and also *The Economist*, Feb. 29, 1993, p. 35.
16. *China News Analysis*, No. 1501, Jan. 1, 1994, p. 2.
17. *China Daily*, Nov. 11, 1994, p. 4.
18. *China Daily*, July 13, 1994, p. 4.
19. Before 1992, the official dividing line between a *ge-tihu* (individual business firm) and a *shiren qiye* (private enterprise) was determined by the number of full-time personnel it employed: when a business reached eight or more it became a private enterprise. But more recently, a capital value of 500,000 yuan or more has become the criterion.
20. *China Daily*, (Business Weekly), May 22-28, 1994, p. 1.
21. *Shanghai Star*, Nov. 1, 1994, p. 3.
22. *China Daily*, Business Weekly, May 22-28, 1994, p. 1.
23. *China Daily*, March 3, 1994, p. 1.
24. *China Daily*, Nov. 11, 1994, p. 4.
25. Li Ding, "Woguo shiying jinjin fazhang de ruokan wendi" (Issues concerning the development of the private economy in China), *Jingjixue dongtai* (Economic trends), No. 1, 1994, p. 48.
26. *Shanghai Star*, June 3, 1994, p. 2.
27. *Jiefang Daily*, Nov. 2, 1994, p. 1.
28. *Jinji gongzhu tongxun*, (Economic work newsletter), Nov. 15, 1994, pp. 10-11.
29. *Shanghai Star*, Jan. 13, 1995, p. 7.
30. Li Ding, "Woguo shiying jinjin fazhang de ruokan wendi" (Issues concerning the development of the private economy in China), *Jingjixue dongtai* (Economic trends), No. 1, 1994, p. 48.
31. Quoted from *China Daily*, Nov. 11, 1994, p. 4.
32. *Ibid.*, p. 51. These private firms under the name of collectives could receive favorable treatment from the government—for example, loans from the State.
33. See the author's ICWA reports on Sunan.
34. *China Daily*, Business Weekly, May 22-28, 1994, p. 1.
35. *China Daily*, July 19, 1994, p. 2.
36. *China Daily*, July 13, 1994, p. 4.
37. *Wenhui bao*, Nov. 19, 1993, p. 5.
38. *China Daily*, Business Weekly, Nov 28-Dec. 4, 1993, p. 1.
39. *China Daily*, July 1, 1994, p. 4.
40. *Baokan wenzhai*, Nov. 7, 1994, p. 1.
41. *Baokan wenzhai*, Jan. 10, 94, p. 2.

## Current Fellows & Their Activities

**Hisham Ahmed.** Born blind in the Palestinian Dheisheh Refugee Camp near Bethlehem, Hisham finished his A-levels with the fifth highest score out of 13,000 students throughout Israel. He received a B.A. in political science on a scholarship from Illinois State University and his M.A. and Ph.D. from the University of California in Santa Barbara. Back in East Jerusalem and still blind, Hisham plans to gather oral histories from a broad selection of Palestinians to produce a "Portrait of Palestine" at this crucial point in Middle Eastern history. [MIDEAST/N. AFRICA]

**Adam Albion.** A former research associate at the Institute for EastWest Studies at Prague in the Czech Republic, Adam is spending two years studying and writing about Turkey's regional role and growing importance as an actor in the Balkans, the Middle East and the former Soviet bloc. A Harvard graduate (1988; History), Adam has completed the first year of a two-year M. Litt. degree in Russian/East European history and languages at Oxford University. [EUROPE/RUSSIA]

**Cynthia Caron.** With a Masters degree in Forest Science from the Yale School of Forestry and Environmental Studies, Cynthia is spending two years in South Asia as ICWA's first John Miller Musser Memorial Forest & Society Fellow. She is studying and writing about the impact of forest-preservation projects on the lives (and land-tenure) of indigenous peoples and local farmers who live on their fringes. Her fellowship includes stays in Bhutan, India and Sri Lanka. [SOUTH ASIA/Forest & Society]

**William F. Foote.** Formerly a financial analyst with Lehman Brothers' Emerging Markets Group, Willy Foote is examining the economic substructure of Mexico and the impact of free-market reforms on Mexico's people, society and politics. Willy holds a Bachelor's degree from Yale University (history), a Master's from the London School of Economics (Development Economics; Latin America) and studied Basque history in San Sebastian, Spain. He carried out intensive Spanish-language studies in Guatemala in 1990 and then worked as a copy editor and Reporter for the Buenos Aires Herald from 1990 to 1992. [THE AMERICAS]

**Cheng Li.** An Assistant Professor of Government at Hamilton College in Clinton, NY, Cheng Li is studying the growth of technocracy and its impact on the economy of the southeastern coast of China. He began his academic life by earning a Medical Degree from Jing An Medical School in Shanghai, but then did graduate work in Asian Studies and Political Science in the United States, with an M.A. from Berkeley in 1987 and a Ph.D. from Princeton in 1992. [EAST ASIA]

**Sharon Griffin.** A feature writer and contributing columnist on African affairs at the *San Diego Union-Tribune*, Sharon is spending two years in southern Africa studying Zulu and the KwaZulu kingdom and writing about the role of nongovernmental organizations as fulfillment centers for national needs in developing countries where governments are still feeling their way toward effective administration. She plans to travel and live in Namibia and Zimbabwe as well as South Africa. [sub-SAHARA]

**Pramila Jayapal.** Born in India, Pramila left when she was four and went through primary and secondary education in Indonesia. She graduated from Georgetown University in 1986 and won an M.B.A. from the Kellogg School of Management in Evanston, Illinois in 1990. She has worked as a corporate analyst for PaineWebber and an accounts manager for the world's leading producer of cardiac defibrillators, but most recently managed a \$7 million developing-country revolving-loan fund for the Program for Appropriate Technology in Health (PATH) in Seattle. Pramila is spending two years in India tracing her roots and studying social issues involving religion, the status of women, population and AIDS. [SOUTH ASIA]

**Teresa C. Yates.** A former member of the American Civil Liberties Union's national task force on the workplace, Teresa is spending two years in South Africa observing and reporting on the efforts of the Mandela government to reform the national land-tenure system. A Vassar graduate with a *juris doctor* from the University of Cincinnati College of Law, Teresa had an internship at the Centre for Applied Legal Studies in Johannesburg in 1991 and 1992, studying the feasibility of including social and economic rights in the new South African constitution. While with the ACLU, she also conducted a Seminar on Women in the Law at Fordham Law School in New York. [sub-SAHARA]

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