

**Report for 2012AY Summer Session Field Study**

**Understanding China in a Year of Transition**

**Ritsumeikan Asia Pacific University**



**Dr. CHEN Ching-Chang**

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**Ritsumeikan Asia Pacific University**  
**Instructor's Report for AY2012 Summer Session Field Study**

*Understanding China in a Year of Transition*

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**1. Executive summary**

This field study program, first of this kind offered by CAP-ISS and the cluster of International Relations and Peace Studies, sought to examine the rapidly changing dynamics in Chinese politics and economy and its foreign-policy implications for the Asia-Pacific region and beyond. The main themes of the program focus on the policy change and continuity that the new leadership of the People's Republic of China (PRC) might bring about and the interdependent yet troubled relationship between Japan and the PRC.

15 students participated in this 9-day program from September 3 to September 11, 2012. They attended 4 lectures and engaged in lively discussions with professors at Fudan University. Outside the campus, participants also visited various historical and cultural sites in and outside Shanghai that showcase the modern and traditional facets of eastern China, observed this constantly changing mega-city first-hand, and exchanged views with businessmen and diplomats who are living and working there.

Program participants presented their research findings and submitted their final reports on October 10 and 24, 2012, which have been included into this report. The instructor had returned them their reports with written comments in late December 2012. Besides the students' own impressive efforts, the field study would not have been so successful without Ms. Melody Nelson Matsuura and Ms. Kanae Tsutsumi's professional logistical support. Similarly, Mr. Kang Pu "Jason" Hung had done an excellent job as my field study teaching assistant in two consecutive semester breaks. For various generous individuals in China who had offered their help, I owe much appreciation to Prof. Zhimin Chen and Dr. Ji Zhang (Fudan University), Consul-General Hiroyasu Izumi and Consul Isamu Ishikawa (Consulate-General of Japan in Shanghai), Vice-President Ching-An Chen (Spectrum), and Mr. Hai Zhu and Mrs. Hong Ye (APU Parents' Association). It was my pleasure as well as great learning experience to work with them.

## **2. Program schedule**

### **[Part I Preparatory Class at APU]**

July 19 (Thu): Pre-departure orientation (two consecutive periods)

### **[Part II Field Study in China]**

Day 1 September 3 (Mon)

Morning: Fukuoka-Pudong (Shanghai)

Afternoon: Lodging check-in; visit Yuyuan Garden/Chenghuang Miao (City Guard Temple)

Evening: Yuyuan Garden area

Day 2 September 4 (Tue)

Morning: Fudan lecture on China's political system and leadership change

Afternoon: Shanghai Urban Planning Exhibition Center

Evening: People's Square

Day 3 September 5 (Wed)

Morning: Fudan lecture on China's economic development since 1979

Afternoon: Visit Spectrum and Tianzifang (Taikang Road)

Evening: Oriental Pearl Tower

Day 4 September 6 (Thu)

Morning: Fudan lecture on China's foreign relations in a multi-polarizing world

Afternoon: Free time

Evening: Dinner in TMSK (Xintiandi area)

Day 5 September 7 (Fri)

Morning: Fudan lecture on China's modern history and Sino-Japanese history issues

Afternoon: Consulate-General of Japan in Shanghai

Evening: Dinner in Paulaner Restaurant (Feng Yang Road)

Day 6 September 8 (Sat)

Morning: Shanghai-Jiaxing

Afternoon: Nanhu and Revolution Museum

Evening: Dinner in Xitang

Day 7 September 9 (Sun)

Morning: Jiaxing-Nanjing

Afternoon: Nanjing Massacre Memorial Hall

Day 8 September 10 (Mon)

Morning: Sun Yat-sen Mausoleum and Xiaolong Tomb of the Ming Dynasty

Afternoon: China Modern History Museum (former ROC Presidential Palace)

Day 9 September 11 (Tue)

Morning: Nanjing-Shanghai

Afternoon: Reflection session

Evening: Pudong (Shanghai)-Fukuoka

### **[Part III Conclusion]**

October 10 & 24 (Wed): Submission of daily log and final report and presentation of research findings

### **3. Participants as of September 2012 (in alphabetic order)**

Enrolled students:

Ms. CHEN Hung-Chen (APM 3<sup>rd</sup> Year Taiwan)  
Mr. KO Kai-Chun (APM 4<sup>th</sup> Year Taiwan)  
Mr. LEE Jongpyeung (APS 4<sup>th</sup> Year South Korea)  
Ms. LEE Young Joo (APS 4<sup>th</sup> Year South Korea)  
Ms. LIU Xiaoyu (APS 3<sup>rd</sup> Year China)  
Ms. MA Shuwen (APS 3<sup>rd</sup> Year China)  
Ms. NGUYEN Thi Thanh Man (APM 4<sup>th</sup> Year Vietnam)  
Mr. ONO Satoshi (APM 3<sup>rd</sup> Year Japan)  
Ms. PHAM Thi Phuong Thao (APM 4<sup>th</sup> Year Vietnam)  
Mr. TSAI Tsung-Yuan (APM 3<sup>rd</sup> Year Taiwan)  
Mr. WANG Yaopeng (APM 3<sup>rd</sup> Year China)  
Ms. XIANG Zhi (APM 4<sup>th</sup> Year China)  
Ms. YOON Lan (APM/CAP-ISS 4<sup>th</sup> Year South Korea)  
Ms. ZHOU Zhe (APS 3<sup>rd</sup> Year China)  
Ms. ZHU Ziwei (APS 4<sup>th</sup> Year China)

Teaching assistant:

Mr. HUNG Kang Pu (APS 4<sup>th</sup> Year Taiwan)

#### **4. Program objectives**

2012 is a crucial year where the change of political leadership in various major countries has been taking place. Chinese President Hu Jintao also expects to start handing over his power in the party, government, and military to his successor Xi Jinping later this year, which further adds to the uncertainty associated with the country's growing power, both hard and soft.

During this uncertain period, some old issues (e.g. Nagoya mayor's recent comments on the Nanjing Incident) continue to haunt Sino-Japanese relations despite the friendly mood brought by the 40<sup>th</sup> anniversary of the normalization of their diplomatic relationship.

This course seeks to examine the changing dynamics in Chinese politics and economy and its foreign-policy implications for the wider region. Using the Japan-PRC relationship as a case, it also looks at how the present is conditioned by memories of the past as well as the possibilities of positive transformation.

The course should be of particular interest for those whose undergraduate thesis deals with the rise of China, economic development, peace and security in the Asia-Pacific, history and memory, and conflict resolution.

## 5. Program content with photographs

A sample daily log by NGUYEN Thi Thanh Man (APM 4<sup>th</sup> Year Vietnam)

### Day 1, September 3<sup>rd</sup>, 2012

Our first out of 11 days of Shanghai Field Study 2012 started very early in the morning as we had to catch the 5.45 AM bus to be able to get to Fukuoka airport before 8AM. Everyone looked tired and quiet, and most of us just slept on the bus to save energy for the long journey. We were all excited and looking forward to a great time ahead in Shanghai.

My very first impression of Shanghai is that it is very big and modern with many skyscrapers, and it is very crowded. Our accommodation in Shanghai was Hanting Inn which was not very up to our expectations, but it did not prevent us from enjoying the city.

In the afternoon, we visited Yuyuan Garden. Located in Shanghai city centre, Yuyuan Garden is a traditional garden built in 16th century by a feudal elite. I was amazed at how big and how beautiful the place is, and at the harmony between ancient and modern architecture surrounding the garden. Around the place there are a lot of vendors, malls and restaurants with all ranges of prices. Since Shanghai is well-known for its Xiaolongbao (steamed bun), I was happy to be able to try Xiaolongbao in one of the most popular restaurants here. Xiaolongbao was juicy, boiling hot, and had an incomparable taste that each of us ate at least 10 Xiaolongbaos that afternoon. Our first proper dinner took place at a restaurant near Yuyuan Garden and that was my first time having meal on a Lazy Susan style table as well. Dishes were served on a rotating round table to ensure that everyone can reach their desired dishes.



## Day 2, September 4<sup>th</sup>, 2012

On the second day of the program, we went to Fudan University to attend lectures provided by professors there. Before going to Shanghai, I was really excited to learn that we would have a chance to attend lectures in Fudan University as it is one of the top education institutions in China and I have been reading a lot about the university. That is why when I realized we did not have enough time to visit around campus, I was somehow disappointed.

The lecture today was about Chinese politics given by a professor from Fudan University. He gave us a brief introduction to Chinese political system, the Communist Party of China and its leaders, as well as an explanation of the changes taking place in China's politics through the past years and in the future and their impact. The current leaders of CPC today are from the fourth generation of leaders with Hu Jintao, Wu Bangguo, Wen Jiabao, Jia Qinglin, Zeng Qinghong and Li Changchun being the most powerful and prominent. He emphasized there would be profound impact on the economy of China and even the world since there is a leader change this year (fifth generation). To be honest, his lecture was somewhat difficult to understand for me because I am not familiar with politics, especially Chinese political system. Therefore I lost track sometimes during the lecture. What I noted the most during the whole lecture was that there is only one female member among many prominent leaders of the CPC, giving me the impression that male-female ratio in Chinese political mechanism is very disproportionate and it is quite hard for women to get higher on the political ladder in China.

In the afternoon, we were taken to Shanghai Urban Planning Exhibition Centre where the whole city from the past until now is presented through different kinds of arts and models. What impressed me the most was the 360 degree theatre where various sites of Shanghai are displayed on 360 degree screen that give a strong visual impact on viewers? The day ended with a 3D movie we watched in one of the biggest cinema in Shanghai.





## Day 3, September 5<sup>th</sup>, 2012

Today we studied Chinese economy with Professor Wu Chengqiu from Fudan University. Frankly speaking, this is the lecture I anticipated the most as it is the only one out of four lectures having some relations to APM subjects. Professor Wu first explained Chinese economic development background and emphasized that China was the pioneer to reform its economic system among communist countries and thanks to those reform policies, China could be able to develop at such fast pace.

According to professor Wu, up until 1820 China was still the largest economy of the world with 32.9% contribution in the world GDP. At the time, Made in China was regarded as of superior quality. However, in 1952, China only accounted for 5.2% in world GDP. This figure increased up to 4.9-15.1% from 1978 to 2003 as a result of China's vigorous attempt to open the country's economy. Before 1978, China's economy was centrally planned, marked by state-owned enterprises or collectively organized economy in rural areas. From 1978 to 1984, China carried out various reforms in rural areas, especially in family contract responsibility system for agriculture. Since 1985 to 1989, China carried out reforms in urban cities, especially price reforms, rapid development of township and village enterprises, mainly in light industry. 1989-1991 periods marked a lot of economic adjustments, especially in response to the Tiananmen Square protest. From 1992 to 1997, China aimed at a socialist market economy. China ended her double track system and started to employ export oriented development model. In 1994, China started its tax sharing fiscal system and carried out exchange rate reform. From 1998 to 2002, central bank management system reform and housing reform were conducted. This period was ended by China's joining WTO, opening a new era for this country. China spent 5 years later to improve its socialist market economy. From 2009 to present, large amount of resources have been invested in improving infrastructure and industries, especially on high-speed railway or monetary policy change. Professor Wu presented multiple aspects of China development process. This process is characterized by marketization, privatization, urbanization and industrialization as well as various policies on banking system, tax and foreign investments. He also pointed out major problems caused by rapid growth of Chinese economy. They are inflation and property bubble, economic growth without job growth, overdependence on investment or on foreign market, income inequality, environment degradation and so forth. From those problems, professor Wu explained the experiences and lessons learned through the development and gave some suggestions for improvements in the future.

From the lessons learned, China is recommended to treat market and state owned enterprises pragmatically, carry out reforms gradually, consider the relationship between the central and provincial governments and the economic federalism as an incentive mechanism. Above all, the relationship between the 3 players in the economy State – Market – Society relationship should be focused on in order to alleviate the tension between the state and the people.

Professor Wu's lecture was very informative and inspiring. He also tried to answer our questions regarding the current inventory surplus and decline in export of China. He said one of the major reasons of this phenomenon is probably because companies in China are producing much more than what they actually need, just in case they can make use or digest the inventory stock later on. This causes redundancy in stock and thus, when export slows down, goods pile up and lead to the inventory surplus. He used solar panel and housing as examples for over production in China. This is interesting to us because unlike other commodities, solar panel can be associated with highly developed technology and sustainable energy source, thus it is quite strange that solar energy can be considered as redundant. Professor Wu answered that question by stating that quantities and quality are totally different from each other, and that being able to produce solar panels in large quantities does not necessarily equal being able to produce them with

good quality.



In the afternoon, in order to help us to gain a better understanding of how foreign companies operate and do business in China, Professor Chen took us to a semiconductor company whose headquarter is in Shanghai, Spectrum. Spectrum is a young company with a history of just more than 10 years; however, the company has managed to attain stable growth through years and achieved the top position in this industry in China. We met Spectrum's Vice President and had a short conversation with him. According to Mr Chen, Spectrum was established in America but then was moved to Shanghai because the founders saw the enormous potential in this emerging market. Until now, Spectrum has been exporting its products to more than 70 countries and areas. Spectrum's comparative advantages lie in its strategy to outsource manufacturing in regions where labour and materials are more reasonable than in Shanghai and its own R&D centre that provides R&D solutions to customers. In the future, Spectrum aims to expand its market to Latin America and Africa. In response to our question regarding the obstacles foreign firms may encounter when they run business in China, Mr Chen stated that firms should establish good relationship with the government and should be able to demonstrate their willingness to invest in and maintain long-term sustainable development in China. This requires firms not to have a short vision and not to overlook benefits in the long run. Unfortunately, Spectrum does not have any intentions to recruit interns at present but according to the vice president, the chance to enter the company in the future is still left open for those who are competent, committed and tolerant.



In the afternoon, we went to Tianzifang where there are a lot of craft shops, art coffee shops and studios as well as artfully renovated residential architecture. At night, we went to Pudong district, the so-called new financial hub of modern China with many financial centers presenting here. The experience we had at Oriental Pearl Tower was terrific and incomparable.



**Day 4, September 6<sup>th</sup>, 2012**

Today our lecture at Fudan University was about China's foreign relations in a multi polarizing world by Professor Chen Zhimin. According to Professor Chen, China's foreign policies had witnessed multiple changes in the latter half of the 20th century and all those changes reflect China's desire to become a peacekeeper in the region and in the world with a grand strategy: "Peaceful rise, peaceful development and harmonious world". China's policies in recent years are to integrate Chinese economy into world economy, develop partnerships with various major powers, participate responsibly in multilateral regimes, contribute to stability, prosperity and justice in Asia and around the world as well as defend more assertively of its key interests and pursue a growing international status. Current controversial issues related to China's policies with the US, in East Asia and in Southeast Asia were also discussed in the class. Professor Chen also addressed my questions regarding sea territory dispute between China and Vietnam and explained that the possibility of a war between the two countries is minimal. However, Professor Chen still gave me the impression that he is more favorable towards China's side and his answer was somehow defensive for China. Maybe it is because we are exposed to different information every day and I am still inexperienced that makes me feel like that.



In the lecture, Professor Chen introduced the development of China's power through the time. In the 1950s, China was still in alliance with the Soviet Union but then came to confrontation with both Superpowers in the 1960s. In the 1970s, China was in quasi alliance with the U.S against Soviet Union and since the 1980s, after many of its reforms, China sought for peace and sustainable development. Since the 1990s, China had been adapting to the post-cold war era. According to professor Chen, China is a fragile great power with wide arrays of domestic and social problems, energy and environmental challenges as well as disadvantages resulting from the separatism with Taiwan or Tibet. As a political player, China expresses her desire to take the peacekeeper role in terms of human support and money. In managing the relation with the U.S, Professor Chen suggested that China should consider the impact of independence and globalization process,

the balance of economic terror and the shift of paradigm of world politics since the 9-11 events. Other factors to be taken into consideration include the difference in learning capacity between the Chinese and the Americans; the changing views, notions of stakeholders and the existence of a minimum nuclear deterrence capacity. Finally, professor Chen emphasized that in terms of GDP per capita, China is still a developing country, thus one more time stated that China is just a fragile great power.

In the afternoon, we had our free time so I and some other friend decided to go to Shanghai Madame Tussauds Museum. We had a wonderful time there. After that, we decided to take a tour around the city on a city tour bus. After dinner, we went to the other side of the Bund and admired a fabulous Shanghai under the moonlight. The other side of the Bund has magnificent and classic Europe architectural features, which is totally opposite from the modern and sophisticated architecture on the other side. This also reflects the change of Shanghai over time and the immersion of different culture into this city over the past centuries.

## **Day 5, September 7<sup>th</sup>, 2012.**

On the 5th day of our field study, we studied China's modern history and Sino Japanese history issues with Professor He Ping. According to Professor He, in the past, there were so many issues such as Nanjing Massacre, unit 731 experiment, History textbook controversy and so forth that intensify lateral relationship between China and Japan. Those incidents and issues have shaped a hostile and negative attitude towards Japan and the Japanese in many Chinese's eyes. History issues and Chinese perception towards Japan have always been complicated and ambiguous. Through the time, there have also been increasingly different views towards Japan. Professor He described the change in thinking about Japan in China and introduced "China's new thinking on Japan", a shift from victor narrative to victim narrative. In recent years, lots of influential scholars in China have published their works expressing their new thinking on Japan. For example, Ma Licheng has "New thinking on relations with Japan", Shi Yinghong with his statement "We cannot forget history, but we cannot stagnate in history either" or Shi Zhaohui with his view "Hatred is deep rooted so it is difficult to forget and forgive." However, years ago these scholars with such novel thinking about China's relation with Japan were reported to be treated unfairly afterwards and had to retreat from their political lives. Only some of them have become active again.

In recent years, Chinese people have grown a more positive perception and attitude towards Japan. According to researches and surveys in Professor he's presentation, today more Chinese people start to forgive Japan for what they did in the past and have a better view on them. This is probably because the efforts from the Japan's side to fix their image such as sending rescue teams to support Chinese after the earthquake in Sichuan, timely inform of abnormal natural phenomena to the Chinese government and even because of the tsunami in Tohoku in March, 2011. However, from the Japan's side, most Japanese people still possess negative view on China and Chinese people and persist in keeping hostile attitude towards the other side. Upon hearing that, I asked Professor He the reasons why unlike Chinese people, Japanese people hesitate to change their mind about Chinese people and questioned whether it is because Chinese people do not take enough action to show their sincerity and empathy towards Japan people. Surprisingly, Professor He answered my question by asking another question, that why Vietnamese people could forgive the Japanese or the French or American despite all the loathing things they did when they came to Vietnam in the early 20<sup>th</sup> century. That question baffled me for a while since I had never thought of such issue before. To my understanding, Vietnamese people have forgiven, but never forget, all the crimes committed by those armies when they came to Vietnam. It has been years since the declaration of independence in Vietnam and now those countries have invested in Vietnam a lot. We cannot be dragged into the trauma after war, all we need is to move on and look forward to a more developed Vietnam in the future. That is also why we have learned to forgive those war criminals. After hearing my answer, Professor He Ping seemed to agree on that. He also added that the perception and attitude between the two nations cannot be changed through an overnight process. To change this unfavorable perception, enormous efforts and time are required from both sides.

From what we discussed in class, I realized that there are various motives that drive a country's general perception and view on another nation. The government seems to influence and direct its citizens' thinking and views; however, under the pressure from the popular opinion, the government may also have to adjust its view and visions accordingly. Academic studies, emotions of ordinary people and political judges are interdependent. Emotions drive judges and studies, and the other two influence emotions.

In the afternoon, we went to the General Consulate of Japan in Shanghai to hear more opinions from the Japan side. The talk was conducted in Japanese so I was at a loss sometimes. Surprisingly, at the General Consulate of Japan in Shanghai, we were told that the controversy between Japan and China was not as intense and extreme as being reported on the mass media. In fact, more and more Japanese people have a better image of China and have decided to visit Shanghai and stay there longer for their work. They even bring their families to China, especially to Shanghai. There have also been a lot of cooperation and exchanges in terms of trades, education and academic research between China and Japan in recent years. What is displayed on TV and newspaper about the tension between China and Japan may have already been distorted, exaggerated for provocative purposes. Therefore, we were advised to think carefully when exposed to a source of news and information, to view from different perspectives when it comes to judgments of other people and be open-minded to accept new thinking.



We spent our last night in Shanghai in a German restaurant where they have live music. Everyone had a good time together and we even requested the band to play our favorite songs and sang along.

**Day 6, September 8<sup>th</sup>, 2012.**

Today we had to leave Shanghai for Jiaxing. I had a regretful feeling because 5 days were too short to explore this beautiful city inside out.

On arrival at Jiaxing station, we were greeted and welcomed by parents of Estee, a member in our group. They were very friendly and welcoming as they arranged the bus and restaurant for us, they even took us around the city, helped us hire tour guide who could speak English very well to famous sightseeing sites and assisted us when we went to tourist spots.

Our trip in Jiaxing started with a visit to South Lake, the historical place where the first national congress of the Communist Party of China secretly moved from Shanghai to here and held a meeting on a boat running around the Lake. This is why the birth of the party was declared here and this place became a sacred place to Chinese people. On some islands across the South Lake, there are also various other historical spots as well. Due to the limitation of time, we had to move to a different place very quickly.





In the afternoon, we went to Xitang historic town. My first impression of the town can be described by the word “packed”. It was really crowded and stuffed with so many people coming from all directions. As a result, it was quite hard to move around since we had to take care of our belongings and be careful in order not to be lost. Despite being filled with people, Xitang town was one of the most original and interesting places I visited during my trip in China. The atmosphere in the town was full of the distinctive odor of “stinky tofu”, which may make you frown even from hundred meters away. I had heard of this street food several times and had always wanted to have a try but the smell just put me off. However, since our guide said Xitang is famous for its delicious stinky tofu, I summoned all my courage and tried for the very first time. Much to my amazement, stinky tofu was indeed very tasty and flavorful that I became addicted to it on the instant. Strolling along the riverbank, we came across a lot of small traditional vendors, craft shops and artisans’ works that helped to create an aesthetic and poetic view of the place. Besides the antique residences and temples, in Xitang we also found many bars and clubs playing current trendy music to attract young people. Most interestingly, thanks to the instructions of the cousin of a member in our group, we had the chance to visit a special shop that sends message to the future. In this shop, customers are able to choose any postcards they want, write their messages and then send them to a certain time point in the future. The service fee was unbelievably cheap, and the shop was full of young and energetic students like us. At night, we got on boats going along the river again. When the boat was paddled along the stream, we could catch the very lively and vibrant images of Xitang town at night. The experience was really terrific.



**Day 7, September 9<sup>th</sup>, 2012.**

Today we got on bullet train again and transferred to Nanjing. Never been to China before, Nanjing in my mind is a very miserable city with all the pain and damages remained after war. I thought it wrong. Nanjing, as it accumulated in my camera, is a bustling and busy city with both modern and traditional architecture blending together on the streets. One thing I noticed in Nanjing is that it is very hard to catch a taxi there. People in need of going around by taxi have to walk to the taxi waiting spot and then wait for at least 30 minutes. That is why in Nanjing, we mostly walked all the time. We also tried KFC in China. According to Chinese students in our group, KFC in China has the best taste among KFC outlets in the world, thus we decided to buy KFC for lunch. The taste was very much up to my expectations.

In the afternoon, we went to the Nanjing Massacre Memorial Hall. The Memorial Hall was built in 1985 by Nanjing government to commemorate 300,000 innocent victims who lost their lives to the Japanese army during the Nanjing Massacre. Right at the entrance, the outdoor exhibit created a strong and long-lasting visual impact on us as to how horrible the crimes Japanese armies committed here. Disperse sculptures, carvings, statues or walls listing the names of the victims reminded us of the agony of the living hell Nanjing people had to suffer. Nanjing Massacre was the mass slaughter caused by Japanese armies during their six week capturing the city. Together with mass murder of innocent civilians and unarmed soldiers, rape, looting and other loathingly brutal crimes were also committed by Japanese armies. Even though the death toll of Nanjing Massacre reported by Chinese government is still in controversy as to whether it has been exaggerated or not, it is undeniable that Nanjing Massacre was one of the most dehumanized and abhorrent war crimes ever in the history of mankind. I was particularly moved when reading narratives of the survivors after the Nanjing Massacre who in just a few moments lost everything and became the witnesses of the most horrible crimes in the world. I am delighted that the major criminals in the Massacre have been sentenced to death penalty for their inhumanity and wish other criminals would be brought to justice in the near future.



In the evening, we tried foot massage. After a tiring day walking under the rain, that was the best remedy to refresh ourselves and recharge energy. Foot massage in Nanjing was very cheap, and the massagers were skillful and friendly. Before coming to Nanjing, we were advised against speaking Japanese in order to avoid getting into trouble with local residents. However, while doing foot massage, the massager asked me whether I am Japanese and even started the conversation in simple Japanese with me. I believe even though the painful residue of the Nanjing Massacre cannot be forgotten, even though anti-Japanese

sentiment is still intense, even though hatred and skepticism towards Japan still exist, Nanjing people themselves have learned to forgive and to move on.

## **Day 8, September 10<sup>th</sup>, 2012**

Today we planned to visit Sun Yat-Sen Mausoleum. However, since the Mausoleum was closed on Monday, even though we had climbed all the way uphill under the burning sunlight, we could not enter the Mausoleum and had to make do with taking pictures outside. Dr. Sun was born in Quangdong, China and is regarded as the father of modern China since he devoted his whole life to fight against the imperial Qing dynasty, bring about the 1911 revolution and found the Republic of China. After visiting the Mausoleum, we moved to the Xiaolong Tomb of Ming Dynasty. The tomb and the surrounding architecture, especially the Sacred Way with many statues of warriors and animals guarding the tomb were awarded world historical heritage site.

At night, we celebrated the last day of a successful field trip at KTV, the well-known karaoke chain in China.

## **Day 9, September 11<sup>th</sup>, 2012**

Today we moved back to Shanghai to fly back to Fukuoka, Japan. While waiting for Professor Chen and other students in front of Shanghai station, we were approached by a group of beggars. Our TA was very attentive to them and kindly asked us to take care of our luggage because those beggars may also be professional pickpockets as well. According to him, in China, it is common for beggars to train children or the elderly to disguise as beggars and pickpocket other people. Upon hearing that, I remembered seeing many beggars and homeless people on streets and in stations almost every day in China. This sad situation reflects the fact that even though China is developing at fast pace and that there are more and more rich people in this nation, the gap between the rich and the poor is being expanded uncontrollably and various social issues have arisen from the incapability of Chinese government to address social equality here.

Our flight back to Japan ended 9 days in China. Beyond my expectations, this field study program not only gave me the answers to my misunderstandings about China's development but also gave me the chance to learn new things that I never learn before. Had it not been for the program, I would not have had the opportunity to meet such wonderful fellow teammates who are so supportive and genius, I would not have had the honour to meet a vice-president of a leading company and listen to his experience, I would not have been able to attend lectures of well-known scholars from Fudan University nor listen to speech by Japanese ambassadors. These opportunities are priceless, and I am grateful that Professor Chen accepted me as a member of this learning program.

## **6. Program accomplishment**

See below for final reports by participants. The views expressed here are their own and do not necessarily reflect those of the instructor or the University.

### **AY2012 Summer Field Study Program Understanding China in a Year of Transition**

## **Comparison of Nanxiang Steamed Bun Restaurant and DinTaiFung**

**What can we learn from the two prestigious Xiaolongbao  
restaurants?**

**TSAI, Tsung-Yuan (Anson)  
CHEN, Hung-Chen (Amy)**

## **Introduction**

During our time in China, we found Xiaolongbao is a representative local food, and it is. People can either buy one from the street in order to have a taste or dining in a high-priced restaurant. Due to its popularity, in nowadays, Xiaolongbao has widely spread and been known as one of the most loved snack in Chinese cuisine that could be found all over the world. In the Xiaolongbao industry, the competitors are everywhere. Among these Xiaolongbao sellers, the most prestigious two are the Nanxiang Steamed Bun Restaurant from Shanghai and Ding-Tai-Fung from Taiwan. Both are now stand as individual Xiaolongbao chain brands and have successfully entered the international market. In this research, we would like to compare the two restaurants and discuss about what we have learned. The content includes the history of Xiaolongbao, introduction of Nanxiang Steamed Bun Restaurant and DinTaiFung, SWOT analysis, customer perspective and our conclusion.

### **I. Xiaolongbao and its origin**

Xiaolongbao is a kind of Chinese dim sum originating from Shanghai with the feature of thin wrappers holding great volume of soup and minced meat in a tiny shape. The history of Xiaolongbao can be traced back to Qing Guangxu period (1875 AD – 1908 AD) in Nanxiang Town, which is in the suburb of Shanghai. The owner of the restaurant RiHuaXuan, Mr. Huang Mingxian, was selling big steamed bun with pork filling on his cart in the garden Guqiyuan. Soon, Mr. Huang became popular to the visitors for the juicy pork steamed bun he sold. Neighboring restaurants began to sell the similar pork buns. In order to avoid vicious competition among the restaurants, Mr. Huang decided to make his bun into small-sized one and emphasizing on the stuffing. He used the aspic for steaming to make rich soup inside the bun and made the wrapper thinner, so it tasted juicier than ever. Thus, the Nanxiang Xiaolongbao was created.

After that, Nanxiang became the home of Nanxiang Xiaolongbao and it eventually became known as Shanghai-style Xiaolongbao. Later, the recipe of Xiaolongbao has been adapted all over China. The dish is consumed more in the south of China where unleavened dough is used to make the dumpling skins. Especially in the JiangNan area, many other tastes and features appeared gradually. After 10 decades, the technique of making Nanxiang Xiaolongbao has already been regarded as Shanghai Intangible Cultural Heritage. In order to deepen the cultural influence of Nanxiang, from 2007, an annual event “Shanghai Nanxiang Steamed Buns Cultural Festival” is held during “Shanghai Tourism Festival”, which starts from middle of September to the beginning of October.

### **II. Overview of Nanxiang Steamed Bun Restaurant**

Nanxiang Steamed Bun Restaurant is famous in whole China with over one hundred years’ brilliant history. It was established in 1900 by a relative of HuangMingxian, named Wu Xiangsheng. The former

restaurant RiHuaXuan was destroyed by a bombard in the wartime. Mr. Wu found the possible opportunities in the old City God Temple area, and therefore took the cook master Zhao Qiurong to open the small snack shop named “Changxinglou” next to the Nine-Turn Bridge and the Yu Garden. Later, the shop was renamed “Nanxiang Steamed Bread Shop”.

Now, the Nanxiang Steamed Bun Restaurant runs by the Shanghai Old-Town Temple Restaurant(Group) Co., Ltd., a management organization of the catering enterprises subordinated to Shanghai Yuyuan Tourist Mart Co., Ltd. Although, it still locates in the same place since it opened. However, the business scale expands constantly. The restaurant has been rebuilt for 3times since 1991 and provides a better environment for customers. The menu developed from single small steamed buns to multiple directions, providing more choices of flavors. In this modern age, Nanxiang Steamed Bun Restaurant tries to create a win-win situation combines sightseeing and delicacy.

Based on the brand advantages, Nanxiang Steamed Bun Restaurant not only expands the domestic market by having 28 branches in China, but also makes great efforts to develop its oversea market. In April of 2003, the first oversea was opened in Roppongi of Tokyo, Japan. By now, there are 16 branches in Japan, South Korea, Indonesia, Singapore and Hong Kong.

### **III. DinTaiFung’s establishment**

The legend of the DinTaiFung was started by a young man who was originally from Shanxi to Taiwan, and delivered oil for a living. Bing-Yi Yang, the founder of DinTaiFung was born in 1927 in China’s Shanxi Province. As he grew up, he was influenced by his uncle who was serving as a commander for the Kuoming Party army during the civil wars, and had made him decided to join his uncle and worked as a military supplies officer. During the wars time, the Kuming Party army held a series of investigations in search of possible Communist spies. Yang saw many people were being accused for espionage, and he started to worry that he might be falsely accused and he was getting panicked. Therefore, under the pretext of studying in Taiwan, Yang left the army and hoped to started his new life in Taiwan, where he could also received his another uncle’s supports. By the time he came to Taiwan, he was only 21 years old.

After Young settled down in Taiwan, his aunt introduced him to the owner of an oil shop which was called “HengTaiFung” Oils, and he started his works there just as an oil delivery man. He was working really hard during the daytime and also having part-time job at night, the owner of the oil shop was quite impressed by his hard working, and soon the owner promoted Yang. Then, at the age of 28, Yang married his wife Pen-Mei Lai who also worked at “HengTaiFung” as a helper. However, two of them kept working at “HengTaiFung” for another 3 or 4 years until the owner closed the shop due to wrong investment.

Yang and his wife had decided to open their own oil shop after “HengTaiFung” was closed. They

rented a small house to start their new oil business, and named their shop as “DinTaiFung” in order to serve as a memory to his former boss and his wife. With the well connection that Yang established during working at “HengTaiFung”, their new oil shop ran pretty well when the shop just opened, and soon relocated their oil shop to the current “DingTaiFung” restaurant at Xing-Yi Road. However, by the time changed, the canned packaging salad oil was introduced, people switch traditional peanut oil to the new oil due to its convenience. “DinTaiFung” Oils faced the new challenge of the new trend. With the decreasing sales, and the economic pressure of raising a big family. Yang took the suggestion from a friend who’s the owner of a restaurant, he dedicated half of the oil shop to start making steaming dumplings and noodles, which has become the starting point of “DinTaiFung” restaurant business. Luckily, their steamed dumpling gradually earned the reputation, even though they didn’t do any promotion for their restaurant. Eventually, many people became their long-term customers, and it was even reported by the news. The steamed dumplings became so popular that Yang stopped his oil business and dedicated his entire time to the restaurant business. The “DinTaiFung” Oil shop had thoroughly transformed into a popular restaurant selling a delicacy. The one time oil deliverer had become king of the well-known steamed dumplings.

#### **IV. SWOT analysis of DinTaiFung and Nanxiang Steamed Bun Restaurant**

After the basic understanding of the two restaurants, we are planning to dig more into the two restaurants’ business features. We decided to use SWOT analysis to evaluate the two restaurants for their restaurants’ strength, weakness, opportunity, and threat.

- **Strength**

The strength of DinTaiFung is their quality and service. They request each store of DinTaiFung has to be consistent, from their food to their services. Every single detail has to be the same. You may think it is hard to maintain the same quality in each store, but you can go to visit their different stores and you will find out that it’s real. Also, service is their other advantage. If you walk in their restaurant, you could enjoy like you walk into a 5 stars hotel. Every employee is well trained and international. They are requested to speak English and Japanese fluently and don't need to worry about the language barrier. However, Nanxiang has their strength of their long history of the Xiaolongbao. Their Xiaolongbao has already gained a great reputation for people to visit and try. Moreover, the restaurant runs a smart price strategy to meet the demand of different customers. Each floor provides different menus with different prices, the more upper floor the more expensive. If people don't want to wait the long line at first floor, they have the choice to go upstairs which is more expensive but with tables. In addition, they use economical and practical ways to promote on the first floor. They make the production visible, which is like a performance, and limited serving time for specific flavor of Xiaolongbao.

## ● Weakness

The local Taiwanese people have complained about the prices in DinTaiFung are way too expensive. Take an example of the Xiaolongbao prices, in DinTaiFung 12 steamed pork dumpling per portion takes 190 NT dollars and compared to the other local famous Xiaolongbao stores which only takes 90 NT dollars for 12 steamed pork dumpling per portion. Although, DinTaiFung had already being well-known as one of the representative food within Taiwan and it also spread out its fame overseas, people still pursuing the delicious food with cheap price, and it will probably ends up the tourists have become their only customers. On the other side, although Nanxiang is an international chain restaurant, they only have several web pages under their subordinated enterprise's website. It's also confusing that they have two different websites for their branches in Japan and Singapore but there's no independent official website for the original store for people to browse and check the information. Besides, they lack of promotion on social network society. Although Facebook and Twitter, the most well-known SNS are banned in China, they are still lack of SNS promotion by using Chinese SNS, like RenRen and Weibo. It may cause inconvenience for customers not able to get direct and sufficient details instantly when people would like to know more about the food and store information.

## ● Opportunity

DinTaiFung has already opened 71 shops across the U.S., Asia, and Australia; they still have the chance to become more international. We have noticed that DinTaiFung haven't started their business in Europe, South America, and Africa yet. They may have their concerns about the regions in those places, but it still could be a great opportunity to develop their business into more global. However, at this stage, Nanxiang only have their stores in Asia. It would be a great opportunity to expand their market outside Asia. Besides, they can enter the food industry by production frozen Xiaolongbao under their prestigious name "Nanxiang" and launch gift series selling with the special sauce. What's more, they can cooperate with the local hotel and Airline Company to serve their Xiaolongbao as special menu.

## ● Threat

The quality and services are always the main focus in DinTaiFung. They requested their stores have to be consistency, however, when one of their branches infringe the trademark or contract; it could be a big threat for the company's brand image and customer's loyalty about the company. Take an example of the Shenzhen branch. They sold the foods that were never appeared on the DinTaiFung's menu before. Although those dishes turned out to be pretty popular for the Shenzhen's citizen, the DinTaiFung's company still couldn't accept it, because it violated the rule of consistency, and could possibly affect the



brand image to their customers. As an international chain restaurant, the threat for Nanxiang is mainly from DinTaiFung, which has more influence in the global market. Besides, the oversea competitors, there are also competitors from the Nanxiang old town, which is the birth place of the Xiaolongbao. Among these local restaurants, GuYiyuan, is the most famous one. Moreover, there are threats from the domestic market, especially from the JiangNan area where Xiaolongbao dishes are famous, such as NanJing and Hangzhou. These places also develop their own style of Xiaolongbao dishes.

## **V. Customers Perspectives**

It is always better to know more about the customers' opinions, which are the real feeling in order to improve the restaurant services and quality. Here we are going to pick up the customers' comments from the viewpoints of who have been to DingTaiFung and Nanxiang Steamed Bun Restaurant to demonstrate the different opinions from the magazines and reporters to show the most truthful feeling. We started from the blog, like PIXNET and Wretch which are the two most use blog website in Taiwan, and also the travel website from other countries.

From the customers' criticisms, most of them gave DingtaiFung's xiaolongbao highly recommended in average. Talking to the food itself, the texture is good and the in stuffing of xiaolongbao are quite juicy. Besides of this, the menu also offer a plentiful choices to customers like the dessert, fried rice and the peripheral commodity which are created as the gift or souvenirs for customers to take back home. According to the customers, the providing survice at DingTaiFung also being highly appreciated. For example, the waiters who are working in DingTaiFung could speak fluently English, Japanese or the other foreign languages to meet the demanding from the foreigners. Therefore, the highly quality of waiters some kind become one of the appealing points for attracting the customers, of course, the people who have experienced the providing survice from DingTaiFung were all impressed by its high efficiency and kindly smile. On the other sides, seems like the interior of DingTaiFung didn't pursue for the splendid decoration but only keep it simple and clean style. Generally speaking, from the customers perspectives, the DingTaiFung had a great performance on its food and the survice also good as for most of the customers. But some of them got the complains on its price which is being pointed out as too expensive or over priced.

Switch off the focus on DingTaiFung, Nanxiang Steamed Bun Restaurant also attract lots of tourisms and gourmets take their way long for visting here to have a taste of xiaolongbao. According from the customers' visiting experience, the most torturing thing is the long line up crowds. Nanxiang Steamed Bun Resturant got a special way in its survice, the food price is being leveled from 3rd floor to the first floor from high to low. The different floor offer the totally different survice and food. Most of the customers said that the first floor provided the worst quality on its survice and food like the texture of xiaolongbao is not

as expected and really make the customers down. As for the second floor, it's the most chosen options for the customers which is scored as having the well performed food with acceptable price. Except of these comments, there's lots of complaints on the food quality which Nanxiang offered, like the in stuffing isn't that great as its shown on the menu that really made the customers feel quite disappointed. On the other hand, the Nanxiang Steamed Bun Restaurant is being build in the classical gangnan courtyard style which really integrates itself into the whole tourism attractions and making the restaurant itself as one of the tourism hotspots within the area.

Except those dining experiences provided above, some of the customers even pay visit to both DingTaiFung and Nanxiang Steamed Bun Restaurant. From those visitors' words, DingTaiFung's texture is smoother and the skin is more flimsy than Nanxiang's that tasted more like the steamed dumplings. Looking on the other sides, customers said that both two of them all provides the plenty choice on its menu, but DingTaiFung starts cooking the food right after the customers order and the Nanxing offers the food in reheat way, which may cause the texture performing not as good as DingTaiFung. Not only is the cuisine, the survice also one of the important focusing points for the customers. In comparison, DingTaiFung's waiters are more kind and can reach customers' needs in most of the cases and Nanxiang's waiters are busying in serving the food to each table so they did not put more consideration on the customers. In spite of the survice quality, most of the customers said they can feel more local atmosphere while in Nanxiang since the all waiters are dressing up in the reformed Chinese traditional clothes and the restaurant itself's design are more attractive than DingTaiFung's which is not that characteristic and fascinated.

## **Conclusion**

What these two successful restaurants share in common? Both of the stores are famous and attractive. However, by comparing two restaurants, we found different factors leads them became successful. Nanxiang Steamed Buns Restaurant has a long history and traditional technique of making buns, it emphasizes on the traditional cultural influence. Although, DinTaiFung has a relatively short history, it emphasizes on its quality products and service by realizing its belief "consistency". Nanxiang is an example of developing its original advantage"tradition"as its business strength, and DinTaiFung is an example of creating new value of eating Xiaolongbao in a modern style. From the two examples, we can know the advantages are the key to help ones' success. However, the most important thing is to differentiate the target customer and market. In other words, the restaurants need to know what customers come to their store for. Are people coming for a traditional taste, or a happy dining experience? The two restaurants are successful because they know "what to sell" and "how to sell" to the customers.

Our views of future prospect for the two restaurants are to improve the "weakness". For Nanxiang,

the old restaurant needs to be promoted by innovative way. The need to keep up the trend to use SNS and has its own website. For the DinTaiFung, the restaurant has to consider about the solution to the complaint of high price. In order to keep the quality and the high level of restaurant, maybe it's hard to remake the price. Instead of lowering the price, they can "give more" for customers, like free side dishes, or holding promotional event that give special discounts, these may be another ways out.

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# **Shanghai Field Study Final report**

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## **Overinvestment in China: The case of Kangbashi District, a “Modern Ghost City” in Ordos, Inner Mongolia**

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Satoshi Ono**

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## **1. Introduction**

The world economy has gradually approached to a halt, losing its momentum of former prosperity. Many factors contribute to this global phenomenon; Financial Crisis in 2008 decelerating the world economy, along with on-going Financial Crisis in the Eurozone, and recently the territorial disputes in East Asian countries, damaging its economic ties they so hardly tried in developing the past years. This report tackles on China, the “world’s factory” and its problems especially in its investment sector, putting focus on the case of Kangbashi, a city now known to many as “Modern Ghost City”, matters concerning governmental interventions and its effects, the cause to the overflowing investment on housing market.

## **2. Economy Overview of China and Kangbashi**

In recent years, China’s economy has grown in a remarkable speed. Buildings, constructions, motorways are all part of a national project to transform China into a global economic powerhouse and it has. China, now has gained itself an indisputable position of central figure in the world market so far as to be called the “world’s factory”. It has surpassed Japan in 2010 in GDP<sup>1</sup> rising up to be the 2nd biggest economy. It has over the decades grown at around a staggering pace of 14 % annual growth in GDP until 2007. However, recently the social market economy has decelerated in growth rate to a 1 digit rate of around 9% since 2008<sup>2</sup>. Many economic organizations and entities forecast the growth rate to stabilize or worse fall further, unable to recover the former momentum. The awakening tiger carries many social, political and economic problems, along with external factors, which contributes to its economic slowdown. Few of them include; rising price of households, environmental crisis, product safety and quality controls, territorial disputes, and over-dependence on exports influenced by the global, especially economic stagnation in the West. One problem which is very harmful to China’s economy and its future growth, with potential to spread like a tumor of a cancer if not properly taken measures against, is the real estate over investment and its price inflation. Apparently extreme cases of this problem can be observed in Ordos and several other cities in northeast part of mainland China; Inner Mongolia.

Interestingly, GDP in Kangbashi, Inner Mongolia amounts to almost 25,000 US dollars per capita; a value higher than the average in mainland China. It is expected to surpass Hong Kong’s by 2014 and Singapore’s in the recent coming years, according to Lian Ji, the region’s vice-chairman. Its abnormal growing speed has caught some attentions from worldwide. People may start wondering and questioning; why and what makes it growth so fast? Does high GDP really improve the standard of living? Is it a good opportunity to invest in Kangbashi? A look at the high GDP graph of Kangbashi may imply so, giving a well-developing

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<sup>1</sup><http://www.bloomberg.com/news/2010-08-16/china-economy-passes-japan-s-in-second-quarter-capping-three-decade-rise.html>



image and a good impression of the city. However, this is a dangerous misunderstanding and a deadly trap for investors who do not conduct thorough investigation. Let's take an in-depth look and put focus in this real case study; to discover the facts underlying this numerically highly developing city of Kangbashi.

### **3. Clarifying Consequential Problems of Overinvesting in Real Estate Markets**

Kangbashi is a new district in Ordos, a wealthy coal-mining town in Inner Mongolia had become China's largest producer of coal. Moreover, it is the biggest source of the world's supply of rare earths. However, this city is known to the Chinese as a "Ghost City". As of end of April 2010, Kangbashi had a population of nearly 30,000 people. However, they have estimated 64 million empty apartments; demand is by far less than its supply. Even though they have so many buildings in Kangbashi, the local governments have been reported to have encouraged investing in buildings to earn tax revenue. State-owned banks were also told to hand out loans to these developers. This caused the investors to come to Kangbashi and buy some houses for investment. Helen Zhu who is the chief China equity strategist mentioned "*The over investment will not affect that much because China is so huge and Kangbashi is just a small city*"<sup>3</sup>. However, if the issue remains unsolved, more problems will arise as housing market strongly influences and is influenced by both consumer products and infrastructural industries and therefore most likely will result in critical consequences. It poses a threat like the historical recession in 2008 in the global financial sector to be repeated again if both central and local government refuses to tackle head-on. Moreover, there exist other cities which have the same overinvestment issues, and Kangbashi is only one of them. This may swell to cause serious problems like housing bubble, and economy slowdown.

A potential problem arises from overinvesting on real estate. It adds values on real estate than it actually holds and causes inflation on housing price and consequently bubble is formed. Once the fluctuation reaches a certain standard, the bubble pops and the price of real estate sharply drops, springing the value of real estate back to its original value or in worst case lower. As many financial firms use mortgages as securities when lending money, the value of its securities becomes valueless, causing a debt crisis. As companies rely on financial firms to finance its operations, this will stagnate the economy as a whole as mediators of financing will cease to operate in extreme cases.

A further forecast of problem can be brought to attention. What will happen when China's economy slow down or even worse, crashes? Considering the proportion of GDP dependence on exports to China, Taiwan is the biggest exporter in the world. The Economist used to calculate the proportion of GDP among countries around the world on the percentage of export amount of China, Taiwan has 14.3% and ranked

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<sup>3</sup> A view from China: <http://www.goldmansachs.com/our-thinking/view-from/a-view-from-china/index.html>

number one, followed by 10.4% by South Korea, and Malaysia by 9.9%. If China has economic crisis, Taiwan's economy will be seriously damage too. In additionally, Taiwan is not the only victim. Korea, Malaysia and many dependent nations from all over the world will also be affected.

Another issue will be the increasing inequality of wealth. With the social trend of price of housing growing, those households or investors who can afford it will buy for the purpose of leveraging to earn money easily. A clearer explanation would be; borrowing 1 million US dollars from the bank to invest in a real estate which you sell by 1.2 million dollars. Pay a 10% interest to the bank (100 thousand dollars), and the remaining 100 hundred dollars becomes the profit as a result of the transaction. Also as buying a house requires a certain level of wealth or of potential purchasing power; the lower income class cannot conduct these transactions to gain profit. As a result of these issues, the gap in wealth expands with the current system of real estate investment.

#### **4. Driving Factors of Real Estate Investments**

Now that we've clarified the potential problems, let's take a look at the causes or driving factors underlying the overinvestment on real estate market.

First of all, why hasn't the central and local governments taken any measures? A political factor plays its part and it is in the local government's best interest to do so. Mr. Wu from Fudan University argues that the local government actually gets pressure from the central government. (They need to increase the province GDP by the designate goal from the central government and if they couldn't, their job may be replaced.) Therefore, one of the main goals for local governments is to increase GDP and its growth. Tulloch, a Hong Kong based analyst with Forensic Asia who has been researching on China's real estate data, added "*It is essentially the modern equivalent of building pyramids. It doesn't really add to the betterment of lives, but it adds to the growth of GDP. It is basically happening because China is a command economy and the Chinese government can dictate where the resources are spent.*"<sup>4</sup> As Tulloch states, government has spent a lot of capital on investing infrastructure and industries. Yet, some children do not have money to go to school or even if they do, schools require them to bring their own chair because schools cannot afford them.

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<sup>4</sup> China's Ghost Towns: Overdevelopment in the Real Estate Market

<http://www.economywatch.com/economy-business-and-finance-news/Chinas-Ghost-Town-Overdevelopment-in-the-Real-Estate-Market/22-08.html>

The fundamental problem, a structural one, underlying this issue is the poor protection and the poor utilization system of capital. Due to low consumption rate, households and investors attempt to keep the current value of their capital if not to increase it. Depositing in banks should solve the problem given the return of interest rates. However, the deposit interest rate is lower than that of the inflation rate of the economy, causing deposited cash to lose its value over time. Therefore, households and investors search for opportunities to invest. Since investments on foreign markets are regulated and domestic opportunities are limited, households and investors turn their heads towards real estate, which is in fact increasing in value day by day. Also the profit gained is not so much deducted by property tax. It is not only one of the few ways to protect and preserve private funds but a very attractive method of actually making profit. As foreseen expectations of increase in housing demands with rural human resources flowing into urban and urbanizing areas, Ordos was expected and still is expected, to host the populace.

A factor driving the investment in safe and profitable housing market is backed by low consumption rate, also another structural problem. Lack in sufficient social safety net of health care, governmental support of after retirement, consumers turns conservative and tend to save more for future securities rather than to consume. Limited public services also drive consumers to save rather than to spend. Another factor is aging of population with concentrated wealth and therefore consumes less rapidly. Lastly, the underdevelopment of consumer finance prohibits consumers to buy products. Sometimes a societal factor works together in this case. The example of “home mortgage slaves”, as some young male are categorized into, due to the social pressure of owning a house as a requirement for marriage shows clearly. These “slaves” devote large portions of their income to the payment of mortgages and thus does not have the purchasing power to buy other products, in some cases necessities.

Due to some factors, China’s economic has slow down lately. For example, the political issues; Diaoyu Island, labor cost in China has increase, environmental factors (high pollutions from the factories), everything become so expensive in China and so on. What is the government really doing now? How can the problem be solved and improve? The next part will cover what is the government doing now and why doesn’t the government just restrict and lower investment on real estate?

## **5. Government Intervention and Countermeasures**

Now that we’ve clarified the potential problems and its driving factors, let’s look at measures conducted by the government, with focus on central governments as local governments are driving factors of this problematic phenomenon.

The measures taken by the central government can be broadly classified in 2 part; transaction limits and protection of its financial system. Transaction limits consist of limits on speculations and restriction on purchase by non-owner occupiers. A speculation is defined by an act of investment for short-term return...Therefore limits on this part avoids transactions for the purpose of short-term return such as buying a real estate expected to rise sharply. The restriction on purchase by non-owner occupiers stops purchases of real estate for the purpose of profiting from transaction balance. These transaction limits has ceased further investment on real estate and inflation price. Apparently, the implementation of these countermeasures in Kangbashi was too not in time and has resulted in creating a hollowed city of Kangbashi.

Second framework of governmental intervention to tackle the problem of overinvestment is its measures of protecting financial system. The central government has put on curbs on leveraging from housing markets. Leverage brings high risks as lending of large amounts of capital is concerned. Therefore, this response both tackles the problem of excessive inflation from over pricing and risks of debit crisis. To supplement the implementation of the measure, limit on loan-to-value ratio of enterprises has been put. This limit prevents firms to excessively borrow money, which assures leveraging practices from occurring. However, this also makes it harder for companies to finance its capital, as stock market is underdeveloped in China and most parts of financing are done via debt financing.

Given these countermeasures, some may ask “Why doesn’t the government just limit and lower investment on real estate?” Apparently, the solution is not so simple. China’s growth is supported by vast investment on real estate, exports or external demand and infrastructure demands. As real estate market lures and enhances activities in industries of infrastructure and consumer durables, a halt to investment will surely slowdown these related activities and thus slowdown economic growth, a problem the central government cannot afford to take. If investments on real estate declines, various types of metals including steel, cement, glass and such commodities will drop. This not only affect domestic markets but also global commodity prices which in turn will bring about a negative cycle of further decline in economic activities. Consumer durables such as furniture, refrigerators, automobiles, and etc. are all dependent on house investments. Long story short, slowdown in investment will lessen demand both domestically and internationally, which results in less consumption. A declined consumption will further push down demand and therefore lowering investment. Given these relationships, the central government cannot simply run to forceful intervention.

These governmental countermeasures has had effect on treating the temporarily symptoms of the problem. A more fundamental change needs to be implemented to solve these problems of as driving factors derives from the structure of the system.

## **6. Possible Solutions for Further Implementation**

There exist many discussions amongst economic researchers and analysts of economic entities as to how to tackle the complicated problem China currently faces. One, realizable and supported by many, is acceleration of social housing programs. This approach guides investment and therefore construction boom of private real estate toward social housings which are accommodation units for lower income groups. Implementation of this solution tackles 3 problems at once; it keeps investments running by guiding it toward accommodation units that provides social safety net and as a result allows lower income consumers to purchase additional products. It also brings out the bulk of potential labor forces in rural areas by providing them foothold to participate in the labor market, and therefore lead to more production and growth of its economy. However, social housing programs are not profitable but create loss and therefore the government needs to consider the period of its best implementation to avoid any stagnation effect to their economic growth.

Another possible solution is to loosen restriction on housing demands for first-time buyers, owner-occupied housing and low income groups. This may create risks of default mortgages but appropriate proportion will stimulate the economy and accelerate monetary circulation within the economy.

One solution which is debated and requires a full leadership for implementation is its structural reform. Firstly, households and investors need more outlets for their savings. The current deposit interest rate is insufficient to give an incentive for households and investors to deposit in banks with their capital depreciating. Loosening restrictions on foreign investment is a possible method. In terms of domestic markets, a potential market to expand is the stock market which is still perceived to be underdeveloped in mainland China. This leads to the second point of deepening local financial market, especially for local governments. As selling of real estate and encouraging investment are the local government's main revenue, a system where local governments can finance for its competition is a way that does not lead to overinvestment and construction boom. Since the current low interest is very attractive to firms to finance its capital, it is not so attractive to those depositing in banks. A higher interest that exceeds the inflation rate will give incentive for households and investors to deposit in banks rather than taking the form of private real estate investment to preserve their private fund. Another supplementary measure is to base a

broadly based tax which enforces property owners to pay higher tax. An example of Taiwan may be applied. In Taiwan, the government changes its policy given its inflation in real estate prices; a buyer of a house over NT\$ 30 million will need to keep it for 2 years before selling it. People who sell it beforehand are required to pay more tax. This case may not be applied in Kangbashi given its small population due to the countermeasures taken too late by the government, it doesn't really work out with this policy. However, the government of Inner Mongolia can and should change its policies. Otherwise, government policies can actually be part of a process that creates a bubble economy, and along with it, unplanned and unwanted negative externalities.

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2012 Summer Field Study Program  
**Understanding China in a Year of Transition**

**NGUYEN Thi Thanh Man**  
**PHAM Thi Phuong Thao**



## **I. Background: current situation and consumer's perception of Made in China**

There's no denying that recent years witness an extremely rapid and miraculous economic development of China. According to the research of European Central bank, over the ten years to 2008, China's real exports grew by above 20%, more than twice as fast as world trade. Furthermore, China's export is estimated to grow by 15% annually and within the next 20 years, China's export will double from the recent 10% to 20% in the year 2030 (Pula, Gabor and Santabarbara, 2011). This estimation proves that Chinese products are occupying a considerable percentage of the global market share. It is evident that Chinese economy plays a very important role in the global economic development in the current period. This densely populated nation preceded Japan and has become the world's second biggest economy and there is a forecast that China will surpass the US in 15 years' time. However, apart from impressive figures on Chinese exports in recent years, the quality of china's products is a controversial issue which brings ambiguous information to consumers.

Nowadays it is obvious that in the commodity market, 'made in China' is a very popular phrase. Undeniably, Chinese products can be seen almost every shop and labeled on every article. This is a clear proof that Chinese products are gaining impressive market shares worldwide. However, for nearly all consumers, 'made in China' refers to cheap, poor quality, mass-produced products. In actual fact, according to 243 surveys carried out by Interbrand in 2005, consumers did have negative feedback to Chinese products. For the most part, consumers have a perception about Chinese brands that they are cheap, poor value, poor quality and unreliable (Interbrand, 2005). According to the survey made by JWT about 'made in China' products for American and British consumers this year (see **Figure 1**), the results have been improved but not satisfactory enough. While half of respondents reckon that American or Japanese – made goods are reliable and high quality, 65% of them regard Chinese products as mass-produced, 56% think them as cheap, 46% as poor safety standards and 35% as poorly made (Vaughn, 2012). What's more, according to the survey of European central bank, researchers conclude that "Of all the trading countries, China exports the lowest quality goods to the EU market and there was no quality upgrading (relative to other competitors) in the recent decades" (Pula, Gabor and Santabarbara, 2011).

There is actual evidence that consumers' actual perceptions on products made in China are absolutely reasonable. Many scandals concerned with Chinese products' quality is raising a global worry about the quality as well as the safety products imported from this nation. "In 2008, about 300,000 children in China were sickened and at least six babies died when some

manufacturers added melamine to infant formula to make the milk appear more nutritious. The chemical helped cover up the fact that the milk had been diluted with water to increase the amount the milk producers were able to sell.” (The New York Times, 2011). The situation of inferior products has arisen not only in domestic market but also in countries importing Chinese goods. In 2008 a food scandal in Japan did raise an alarming concern about the quality and safety level of Chinese food. “Dozens of Japanese people say they have fallen ill after eating Chinese-made dumplings” (BBC News, 2008). As a result, “Chinese food items have been periodically rejected in Japan, Europe, the United States, and elsewhere in recent years” (Gale & Buzby, 2009). In addition to the quality of Chinese food, the country actually coped with the inferiority of toys for young children. “20 out of 242 toys selected randomly in eight provinces and metropolitan areas were found to be substandard, the General Administration of Quality Supervision, Inspection and Quarantine said”. And “The safety watchdog tested children's shoes, bicycles and baby walking chairs. Up to 20% of each product were found to have problems.” (Goldwert, 2011)

Besides, referring to China, people often think of it as a nation renowned for a copycat culture. “Recent US findings are showing similar results to other international research that confirms that China is the single largest source for counterfeit goods (Dobson, 2010). Chinese counterfeit commodities comprise not only daily goods such as handbags, watches and drugs but also luxury goods like smart phones and cars and there are even fake Apple stores here. As a matter of fact, counterfeiting is an attractive activity of great interest to manufacturers from countries that are rich in natural resources and labor like China. The cost and time for research and design and marketing is obviously minimized. Moreover, counterfeiters don’t have to conform to any standard during the production procedure and management. With a view to maximizing profit, counterfeiters usually use inferior materials to produce goods. Hence, it is said that fake goods production in China may bring a great deal of profit to manufacturers. Nevertheless, counterfeit products with low quality certainly do great harm to consumers. Also, this must be a tremendous loss for counterfeited brands in terms of profit and destroying the real manufacturers’ reputation. This should be the reason why consumers don’t have much trust in made in China commodities.

Issues regarding the quality of Chinese goods have a significant impact on the national economic growth. Inferior products which don’t meet quality and safety standards lead consumers around the world to think twice before buying Chinese-made goods. That’s why according to a survey made by Interbrand, “the majority of respondents (79%) believe that a “Made in China” label hurts Chinese brands” (Interbrand, 2005). In the short term, made in

china products with its advantage of competitive price which is much lower than similar ones exported from other countries still make up a high percentage of global market share. However, in the long run, if there is no improvement in the product standards of Chinese commodities, the quality made in China products will certainly hurt the national exports. Actually, Almost 40% of UK consumers are less likely to buy Chinese-manufactured products because of the 2007 toy recall crisis, while 38% of Hong Kong consumers reduced their purchases of China-made products with the toy and food sectors the worst affected (Kabadayi and Lerman, 2010). What's more, scandals over the quality of China's goods actually will prevent the national exports from penetrating overseas market at that time. Simultaneously, exported Chinese goods will encounter stricter and more cautious inspection in importing nations.

In addition, the state of Chinese commodity's low quality is raising a concern among foreign investors into China. Actually, the country is regarded as a source of cheap labor and natural resources and it draws much pay attention to overseas investors. However, "Fed up with the poor quality of having their products made in China, American businesses like Sleek Audio are moving production back home" (Prasso, 2011). And issues on low quality, too much travel, communications problems, shipping delays, rising costs, ruined products make foreign investors like Sleek Audio sustain severe losses. Consequently, such companies have an intention of leaving China for their native countries so as to avoid wasting time and some losses. Moreover, the infringement of IP law certainly makes investors discreet when entering Chinese market. When there is a huge number of Chinese counterfeit products and the national government still have no appropriate measures to tackle the problem, overseas companies keep worrying about a scenario that their products will not be protected in Chinese market.

## **II. Reasons for low quality of "Made in China"**

Among copious factors leading to the notoriously downgrade in quality of "Made in China", 4 most prominent reasons could be Chinese traditional culture, hesitation to apply changes of state-owned enterprises (SOEs) and collectively owned enterprises (COEs), cluster-based industrialization in China and poor regulations and facilities.

In the first place, Chinese traditional culture is one of the prominent reasons for the inferiority of quality of Chinese products in recent years. In the past, "Made in China" was a reputable guarantee for superior quality and high-class products such as silk, porcelain,

fireworks or architectural works (Lau, Zhao, & Xiao, 2004). This ancient quality control was predicated mostly upon the skills, attitude and experience of craft workers and artisans, and quality control was confined within quality inspection after products were finished (Lau, Zhao, & Xiao, 2004). Thousands of years have passed since then and until the introduction of modern quality control concept to China in 1957, quality control process in China literally remained unchanged, in which firms and manufacturers primarily invested in highly trained quality inspectors to inspect finished products rather than take quality control in during manufacturing or engineering process seriously (Lau, Zhao, & Xiao, 2004). Today, quality inspection is not enough to assure perfection in product quality. In order to be on par with high quality standards and requirements in developed countries, this traditional method of quality control needs to be replaced by updated and advanced quality management concept and technology (Lau, Zhao, & Xiao, 2004). After the introduction of “open door” policy in 1978, Chinese government had been forcing the implementation of new quality standards and pressured manufacturers to employ Total Quality Management paradigm in Chinese firms. However, Chinese firms were reported to resist these changes because they found it hard to adopt revolution in corporate cultures, systems and practices (Lau, Zhao, & Xiao, 2004). Scholars such as Philipsen and Littrell conducted a study of how willing Chinese culture would be to accept new method of quality control (which is Lean Six Sigma in their study). They scored Chinese culture based on GLOBE and Hofstede cultural dimensions and found out that Chinese culture itself embodies remarkable barriers to the implementation of new quality control technology in firms and factories. First, Chinese firms have the tendency to have a stronger focus on immediate economic gains (achieved partly by neglecting quality management) rather than the long-term benefits that continuous improvements in quality control would bring (Philipsen and Littrell, 2011). Secondly, in Chinese culture, managers are afraid of “losing face” because new quality control method would shed light on their mistakes, inefficiencies or misconducts in managing the manufacturers in the past (Philipsen and Littrell, 2011). Thirdly, to guarantee superior quality, all sectors and processes in the firm are required to be transparent and all employees are expected to freely share ideas for further improvements. However, immensely influenced by Confucianism, Chinese organizations which are characterized by strong hierarchy and low employee involvement discourage free expression of ideas and union of employees (Philipsen and Littrell, 2011). Since this goes against the traditional expectation that one should respect and obey authority, new quality control method finds it hard to penetrate into Chinese firms. Finally, new quality control concept allows the empowerment of individuals in the factories, which is regarded as a threat

rather than an opportunity in most Chinese enterprises since employees are afraid of holding greater individual responsibility and employers possess high sense of uncertainty avoidance (Philipsen and Littrell, 2011).

Another noticeable reason for the lack of quality control sense in Chinese firms lies in the functions of SOEs and COEs. It is evident in China that the industrialization process in China is marked by cluster-based industries with several collectively owned enterprises and robust government intervention with the dominance of state owned enterprises (Li, Anderson & Harrison, 2003). Even though recent years have witnessed the dynamic growth of individually owned enterprises and businesses in China, it is undeniable that SOEs still make up for 44% of urban employment and account for approximately 70% of Chinese government revenue (Li, Anderson & Harrison, 2003). Being strongly dependent on the government in strategic and operational decision making, budget and subsidies has created a passive working behavior as most SOEs and COEs have few or almost no incentives to keep up with the changes and fluctuations in market demands and the sophistication of customers' needs (Li, Anderson & Harrison, 2003). As a consequence of this passive environment, the philosophy of quality did not have any opportunity to fully penetrate into and permeate through Chinese organizations (Li, Anderson & Harrison, 2003). After China entered WTO in 2001, being able to adjust to new competitive market environment has become an essential and indispensable requirement for all firms to survive in a globalization context. Many SOEs and COEs have recognized the importance of improving products quality and started to employ various methods in hope of keeping up with the increasing standards of quality requested by business partners. However, few manufacturers really do justice to the true sense of quality control since they just focus on theoretical concepts without actually implementing practical measures to enhance quality (Ruan and Zhang, 2010).

One additional factor leading to the lack of sense of quality in China could be accredited to the cluster-based business in China. According to Ruan and Zhang (2010), China's industrialization is fundamentally on cluster basis: applying the philosophy of "One village, one product" or "One industry in one county", many small and medium-size enterprises in China in the same or related industries concentrate geographically together. On the one hand, this geographic proximity enables easy flow of technological know-how and fine division of labor, as well as sets up a strong entry barrier for the whole industry (Ruan and Zhang, 2010). On the other hand, this encourages the number of firms to rocket rapidly, reduce economies of scale of the cluster and thus trigger sheer competition among firms in one cluster. (Ruan and Zhang, 2010) Therefore, to maintain low production cost, Chinese

manufacturers have no other choice but to squeeze or even sacrifice other “unnecessary” cost such as quality management cost (Ruan and Zhang, 2010). Cluster-based industry also poses a threat on profits of a firm should it consider upgrading quality control by implementing new quality management method without the consensus and commitment to do the same thing by other enterprises in the same cluster (Ruan and Zhang, 2010). This is because consumers stereotype products from the same clusters as being produced similarly; they may have difficulties distinguishing high quality and low quality products (Ruan and Zhang, 2010). When it comes to price sensitivity, consumers would probably pick the cheaper products even products with higher price may be of superior quality. In this case, upgrading product quality would jeopardize the company since consumers may fail to do justice to their “high-quality” goods and thus they would gradually lose business (Ruan and Zhang, 2010).

Last but not least, low quality of “Made in China” also results not only from management inside firms but also from uncontrollable factors such as laws and regulations as well as equipment and technology in China (Li, Anderson & Harrison, 2003). As China transformed from socialist economy to market-driven economy, Chinese government have been making intensive efforts to encourage firms and manufacturers to upgrade their product quality (Li, Anderson & Harrison, 2003). However, laws and regulations, such as punishment regulations, though introduced nation-wide, are reported to have many loopholes and not to be strictly enforced and just be of formality demonstration. In addition to that, in China, there is inadequate supply of up-to-date facilities, equipment, technology as well as skilled employees to support perfect quality supervision (Li, Anderson & Harrison, 2003). According to Li, Anderson and Harrison, Chinese enterprises have to make do with very old and obsolete machinery and equipment (2003). For those possessing advanced equipment, the problem lies in their inability to fully understand its usage and operation (Li, Anderson & Harrison, 2003). For those who do completely understand the technology’s functions, they are unable to utilize and optimize its capacity (Li, Anderson & Harrison, 2003). Insufficient skilled and knowledgeable workforce, together with outdated technology and loose regulations of government, has made product quality a serious problem for Chinese manufacture and export for ages.

### **III. The hidden truth behind the myth of “Made in China”**

For years, “Made in China” products have been considered cheap, mass-produced and of inferior quality. This perception has permeated to every corner of the world and has become a

stereotype of all Chinese commodities. In fact, despite being perceived as low quality, mass-produced, low-cost and inferior products, China has constantly improving quality of its manufacturing products. Facing upon more extreme reactions from consumers, heavier restrictions on exports by many countries, or the fear of losing business to other competitors with better product quality, Chinese firms have been making concerted efforts to climb the quality ladder (Ruan and Zhang, 2010). This progress can be demonstrated through 2 case studies of Chinese manufacturing commodities in domestic and international market.

To begin with, in domestic market, blamed and boycotted by consumers for producing cheap and low quality products, previously notorious Chinese firms fought to find a way to upgrade quality in their own cluster. One typical example is the case of Wenzhou shoes in Zhejiang province. Wenzhou footwear industry started in the late 1970s and since then the number of firms expanded dramatically, leading to a fall in economies of scale and an increase in competitiveness (Ruan and Zhang, 2010). In order to gain price advantage, many firms felt no hesitation to adopt low cost strategy to cut cost even by using substandard or fake materials (Ruan and Zhang, 2010). In consequence, the whole industry suffered from a quality crisis as consumers no longer trusted Wenzhou shoes (Ruan and Zhang, 2010). Wenzhou shoes were banned from many department stores in various cities and the situation got even worse when 5000 pairs of Wenzhou shoes were burned by Hangzhou Industrial and Commercial Administration (Ruan and Zhang, 2010). Facing the threat of being wiped out of the market, footwear firms in Wenzhou established Wenzhou District Footwear Association to set up quality standards for products, implement several regulations to punish firms producing low quality goods or to prevent such goods from being shipped out of the town, and restore the trust of genuinely hard-working enterprises (Ruan and Zhang, 2010). The local government also got involved by delegating inspectors to firms to sample and check products, issuing certificates to guarantee product quality and providing various incentives to encourage local enterprises to form their own brands (Ruan and Zhang, 2010). After years of vigorous efforts, Wenzhou shoes came back to the market and became one of the leaders in quality (Ruan and Zhang, 2010). Besides Wenzhou shoes, multiple other domestic firms also found ways to upgrade their product quality after experiencing quality crises.

On international scale, Chinese manufacturers also achieve numerous accomplishments in terms of quality. According to a report by European Central Bank in 2011, quality of “Made in China”, especially goods exported to Europe has been relatively high in recent years compared to other developing and emerging countries such as Latin America or ASEAN countries (Pula, Gabor and Santabarbara, 2011). This report has revealed that since

1995 Chinese exports have been surpassing other regions in the world in quality competitiveness and by 2007 replaced the position of Newly Industrialized Countries (NIEs) to be ranked 4<sup>th</sup> in terms of export quality after Japan, the U.S. and the EU15. In some industries, Chinese products have been on par with, or even been among the country leaders in quality (Pula, Gabor and Santabarbara, 2011). For instance, in office equipment industry, from the 5<sup>th</sup> position on the quality ranking chart in the mid-1990s, China gradually upgraded products quality and thus moved up to 2<sup>nd</sup> position, just after the U.S. in 2007 (Pula, Gabor and Santabarbara, 2011). These achievements were attained by the active struggles of Chinese manufacturers to produce products of superior quality as they have to import high quality raw materials from abroad so as to maintain consistent quality in products. European Central Bank report does not only disclose the truth behind the unfair perception of Chinese products that all “Made in China” is of low quality and cheap price, but also exhibits the willpower of Chinese firms to go global by upgrading quality. China as of now, besides cheap and low quality goods, has been exporting the same kind of products as developed countries with quality similar to or the same as the one produced by technologically most advanced competitors such as the U.S., Japan or EU (Pula, Gabor and Santabarbara, 2011).

#### **IV. Conclusion**

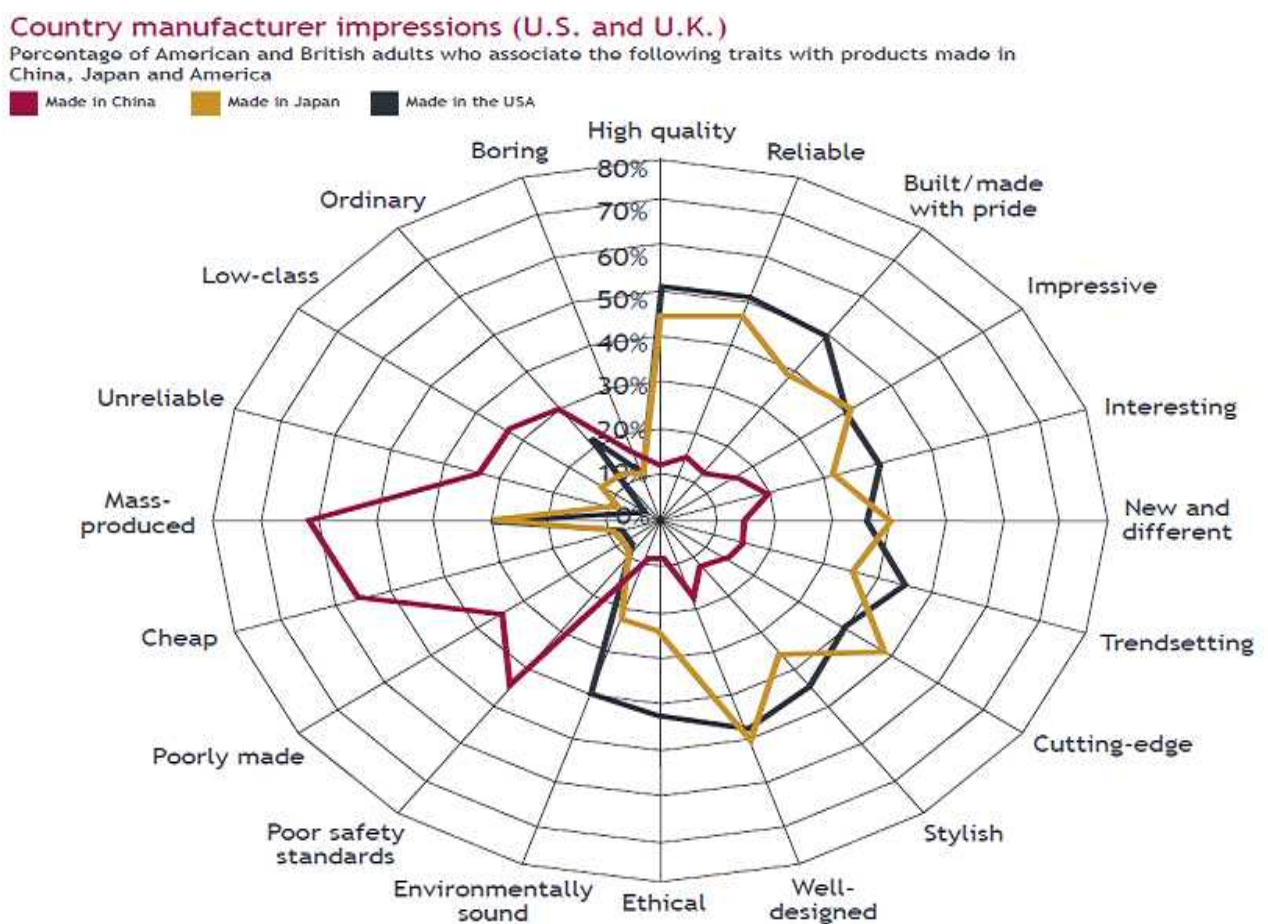
For years, the superior quality of “Made in China” has been a humiliating topic for the country. Pressured by stricter rules on the way to become a player in international market, China has no choice but to catch up with quality by improving its products. Even though China has been climbing up the quality ladder through time, upgrading quality control and management throughout the whole nation is not an overnight task. This is a painstaking process requiring vigorous efforts, time and determination. Recommendations have been suggested by scientists and scholars in the hope of enhancing the quality of “Made in China”. There are various methods to improve quality management in China. On national scale, the government can raise the level of understanding of quality management. Up until now, though quality management has been introduced nation-wide, lack of understanding of quality control and insufficient government intervention and incentives are to be blamed for the inefficiency of quality management in China (Lau, Zhao, & Xiao, 2004). The job of Chinese government is to raise awareness of quality control, to ensure the comprehensive understanding of quality management and to guarantee quality management is employed in not only SOEs or COEs but also in other small and medium sized enterprises (Lau, Zhao, &



Xiao, 2004). Chinese government is also recommended to solve the root of the problem by implementing customer-focused and market-driven quality strategies, or by strengthening education and training in quality management on a wide scale (Lau, Zhao, & Xiao, 2004). Quality problem once solved can become a powerful tool to push China's export and pave the way for this rising dragon to become a new quality leader.

### SUPPLEMENTARY

Figure 1:



Source: Vaughn, J. (2012). Remaking "Made in China". August trend report examines emergence of Chinese brands on global stage. Retrieved from <http://www.jwtintelligence.com/2012/08/august-trend-report-examines-emergence-chinese-brands-global-stage/>

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2012 Fall Semester  
Field Study Program “Understanding China in a year of transition”

## **Case study of Insadong and Tianzifang**

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This Report is to summarize what we have learned in the Shanghai Field Study. We learned a lot of things in various fields in this Field Study. Due to many field trips and lectures, our team got a lot of interest in the urbanization of Shanghai city, and specifically in the town Tianzifang in Shanghai. We analyzed some issues of Tianzifang and connected it to a similar character town in Seoul, “Insadong”. We will be introducing Insadong and two issues of there which can be connected to urbanization of Seoul. This report is to show what we had interest in and how we analyzed these issues.

Insadong is located in Chongro which is in the heart of the Seoul metropolitan area and has played major parts in Korea society and culture. Over the times, Insadong has been a hub of tradition and culture, crowded with stores selling ceramics, old paintings, wood works, brassware, and many other relics of the past. Travelers can have a little image of Korea’s cultural heritage with ancient antiques so that Insadong was named ‘the street of traditional culture’. Now, Insadong is not a mere cultural street anymore and was reborn as a site for education of tradition, for enlightenment of Korean culture and for communication among other countries. Insadong still has many traditional houses and back alleys where the scale and beauty of the surface still remain. This area has a big pedestrian volume especially or tourist throughout both the day and night, and weekdays and weekend. Insadong is one of the ancient and traditional towns in Seoul which cannot be seen as other places in Seoul. It is one of the towns that has been in Seoul from the past times and still in town. In the early 20th century when Japanese and Korean collectors and specialists looked for Korean antiques, Insadong became a place for selling antiques. In the 1950s, factories, storages, and religious facilities came into the place. Smaller shops were congregated in the area and formed the Nakwon market. The area was slightly mix-used when there was a characteristic of the time. Since the 1970s, galleries began to move into the area and strengthened the image of a fine art street. In addition, large and medium-sized office buildings were constructed in the periphery of the area. The current image as a street of traditional culture was fortified in the 1980s when stores selling antique paintings and furniture, and traditional craft works were agglomerated into the area. The area began to take a more commercial look when restaurants, teahouses, and cafes grew rapidly in the 1990s. Perhaps such a change was not unrelated to the changed profile of visitors and customers from the middle-aged and high-taste specialists to the younger-aged and ordinary people. (Kim, 2011) ”180 galleries, 48 antique shops, 47 traditional picture mounting shops, 33 painting brush and rice paper shops, and 19 traditional

hand-craft shops”(Kim, 2011)

As Insadong got developed and more developed, it is sought to find a better way to connect themselves to urban development to Seoul and Insadong. One of the ways of the new design methodology for quantitative street lighting design plan using space syntax model is introduced. To utilize results from space syntax model specifically, the correlations between levels of local integration and measured illuminance values, and pedestrian movement and measured illuminance values in Insadong area are analyzed. There is not a strong correlation between them. These results indicate that the street lighting in Insadong area appears to be inappropriate in pedestrian movement classification point of view, and the establishment of a redesign framework of street lighting plan is required. As such, on the basis of such a detailed analysis, a new quantitative street lighting plan based on the level of pedestrian movement for Insadong area in Seoul, Korea is proposed.

The outdoor lighting should support the design concept of the area and building, provide orientation, and be comfortable. Especially for street lighting, quantitative aspects of light such as recommended illuminance, luminance, and uniformity of them should be verified and applied for both vehicles and pedestrians. The illumination is also able to enhance the safety of people and the security of property. The previous studies showed that crime and other deviant behavior were diminished in well-illuminated places. After the state of Indiana in the United States upgraded its entire street lighting system between 1953 and 1955, the number of reported criminal assaults declined by more than 70%, and the number of robberies dropped by 60%.

Now, Insadong is not a mere cultural street anymore and was reborn as a site for education of tradition, for enlightenment of Korean culture and for communication among other countries. Insadong still has many traditional houses and back alleys where the scale and beauty of the surface still remain. This area has a big pedestrian volume especially for tourist throughout both the day and night, and weekdays and weekend. In this study, due to the importance of Insadong area in Korea, a detailed analysis of space use pattern and quantitative street lighting conditions for Insadong area is conducted using the space syntax model.

Another interesting issue can be that in Insadong area, everything is written in Hangeul, Korean language. Every store name even though they are an English brand, its outdoor

signboard is written in Korean. Insadong is made like this so that foreign tourists can feel very Korean atmosphere. In Korean language, we both use Chinese Characters and Hangeul. Hangeul is actually the pure Korean language. So every outdoor signboard is written in Hangeul. The store that attracts mostly is Starbucks in Insadong. All over the world, there is Starbucks coffee and they all have the same 'STARBUCKS' signboard but in Insadong there is the only signboard which is written in Hangeul. This became one of a tour spots, too so many tourists come to see this Hangeul signboard.



During this Field Study, according to the chance to see the famous Shanghai's rehabilitation area, Tianzifang, we paid more attention on the concept that was used in the rehabilitation that played in that area and be positive for its potential Humanistic value based on a balance between the economic and the building of better social environment. By analyzing the three issues of Tianzifang, this report will reach to answer the necessity of sustainable development.

### **A) Protection of the architecture**

When realizing the owners disseminate the historical value of Tianzifang, the question about how the quality of the architecture itself can be assured became important. Still, as all the buildings in Tianzifan were built as the traditional Shanghai Lilong buildings, how the structure can be functional was doubted.

Although, the fabric of Tianzifang was well-designed, actually, tenants can do decoration in

some way, which was mentioned in Tsai's thesis:

*Esther herself is an interior designer, and she designed her restaurant. "There are no guidelines for adaptive work, but the leasing contract says that the building has to be returned as it was," said Esther. (Tsai, 2008)*

This woman's words shows tenants can be freely make any change of the architecture as long as they can make the architecture returned as it was. Even it can be understood as all the tenants own the property right of their shops, the demand of the protection of all the Neighborhoods Buildings in that area. What's more, to suppose when tenants changed the inside structure of the architecture blindly, the possibility of the collapse of the architecture is disastrous.

#### **B) Potential conflicts between residents in different floors**

It is easy to compare the opportunities of renting the stores to tenants for residents own different floors in Tianzifang. No matter how much they reduce the rent, the environment of the store and convenience was concerned by all the tenants. For residents own the floor higher got much more apprehension of the small number of renters. However, most of them prefer to enjoy the subsidy from government in case the Neighborhood Buildings be planned to reconstructed or be use as the commercial land in the future.

#### **C) Difficulties in demand of labor force**

Tianzifang area developed most because of the large demands from the source of foreigners. In the same way, the level of requirements for recruiting labor force was enhanced because of them. The requirement for foreigners which be considered as the basic condition in international companies is also be found in such simple area in Shanghai. To quote Tsai's example in his thesis, (Tsai, 2008)





(Fig. 4-20)  
*In fact, this*

*restaurant also has a branch in Xintiandi.*

By reading this want ad, a changing demand of talents can be realized. As the want ad itself was written in English, the basic language ability went to the pride of place. To image the big pressure of local people doing job hunting in such area, we realized the international atmosphere burned in Tianzifang and led to demand of labor force squint towards to people with foreign background.

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# **Vice and Virtue of Rising China to the United States**

**Understanding China in a Year of Transition / China**

**LEE Jongpyeung**

**WANG Yaopeng**

In recent years, the signs of China becoming the super power have been showing through China's growing economic power and upgraded international standing. China's growth set a great tension to the whole world. The fear of China becoming a massive power made some countries to claim the necessity of halting China's development which may lead to unstable world system causing disputes over the world and they eventually outbreak the third world war.

"China threat theory" was posted by numerous scholars. Firstly, in August 1990, one associate professor who came from Japan's defense university named Tomohide Murai wrote a report to discuss Chinese potential threat. In his report, he described China as a country with potential threat that is similar to the former Soviet Union (reference). China is the hostile country to the US like the former Soviet Union only with its massive power but also uncontrollable states where civil war, crime, proliferation of nuclear weapons, and etc. are prevalent. Secondly, an American scholar named Samuel P. Huntington set a discourse over China, pointing out China's very different ideology and culture comparing to the west. He firmly believed these differences will inevitably cause the conflicts among countries. For instance, China's communism set adverse view toward the US democracy with its strong nationalism originated by Chinese communist ideology.

China threat theory holds hegemonic discourse which presumes China's mighty power and concerns over China causing conflicts with other states. "China threat theory" triggered whole world to think over whether China's increasing power and occupation of high position

are vice or virtue to the United States. Therefore in order to find the answer to this universal question, this paper analyzes the good and bad impacts of rising China to the United States.

### *Virtue of Rising China to the United States*

In the 1970s, the tie between the United States and China partially played a significant role in ending Cold War by countering Soviet Union. The post-Cold War system under the US order stabilized the world order and emerged the term 'globalization'. Globalization enabled free trades by eliminating trade barriers among nations and made countries to rely on each other not only in the trade sector but also in other sectors. With the globalization, countries began to be interdependent on each other and every matter became transnational. Therefore, China's rapid economic growth and its gradual military buildup have greatly threatened neighboring countries. The close linkage among nations assumed China's economic growth and reform, but with China's stunning economic progress, countries have become offensive since 1990s. In 2008, beyond the international financial crisis, "China threat" was highlighted once more. However, does China, where regarded as an upcoming hegemonic power and the challenger of United States, really want to gain world hegemon by confronting the US?

In the present world order, the United States is the number one economic superpower while China is the number two. These two major economic powers are under the complicate structure which is very controversial and cooperative. The United States and China are under the interdependent economic structure. Two countries have suffered from exchange rate troubles, but to China, the US is China's biggest export market, owning 10 % of Chinese total

export and to US, China has become its biggest creditor. Under this interdependent economic structure, two countries' greed-the US's excessive appreciation toward China and China's US bond disposition- is negative for both countries. Namely, Sino-US relationship is the 'clashed cooperative relations' which can draw the conflict but also the huge benefits accordance with their cooperation.

Chinese international politics and global economy systems have evolved since the 1970s and its entrance to the globalization has abled China to set an intimate relationship with the United States. Gradually, two countries have become very important to each other and they are expected to collaborate on the global issues of terrorism, environmental pollution, financial crises, and etc. Furthermore, the United States and China have maintained cooperative relationships by holding unresolved issues of Taiwan and North Korea over 30 years and exchange rate appreciation. China and United States are expected to be the good strategic partners in the international world.

### *Vice of Rising China to the United States*

"China threat theory" has existed for a long time over the world and this paper will introduce the bad aspects of China's rise to the US by using discourse analysis, economic analysis, and foreign policy analysis.

First, hegemonic discourse indicates that China threat theory comprises four threats- military threat, policy threat, economic threat, and culture threat. China's quick development in its economy and military has threatened the US and made the US to check on China's

development. Second, realist A.F.K Organski's power transition theory argues China's successful economic growth will lead to politically and militarily powerful country and China became the hegemon. Lastly, under the cultural institutional perspective, strategic culture can influence the practical strategy that China's strategic culture, expansionism, can significantly adopt to the realpolitik. China's power expansion to the diverse fields may tense the US in protecting its international status and its safety.

Since May 2005, the US Commerce Department decided to set quota limits to seven kinds of textile imported from China. Compare to the previous year, these seven textiles' export sales did not reach 7.5%. The reason for this happening can be traced back to the 1972 when China and the US began their international trade. The Sino-US trade relation can be divided into four parts. First part took a place from 1972 to 1978. In this period, US president Nixon came over to China and signed Sino-US Shanghai joint communiqué. In this agreement, both countries admitted the necessity of setting up international trades for the mutual benefits. However, China was very poor and the total international trade funds for seven years were only 38 billion dollars. Second part started from 1979 to 1991. In 1979, China and the US accomplished diplomatic agreement and in 1980, they signed Sino-U.S. trade agreement which raised the total international trade funds to 142 billion dollars and the annual growth rate in 15.8%. Third part was from 1992 to 2001. China reformed and promoted open theory and increased the total international trade fund to 4846 billion dollars. The striking improvement in trade shifted the favorable balance of trade to unfavorable balance of trade to the US side. Last part, began from 2002 and till now, China took a part in WTO and its international standing has risen up. China's active participation in international trade has set

the US to aware of China and its potential capacity to threaten the US. The US has set hundreds of companies to China become the biggest investor in China to restraint its trade and economy.

Through this chart, rising China’s threat toward the US can be sensed. These charts show both the US and China’s GDP and GDP per capital.

Table 1: GDP Annual Growth Rate in American and China (billion dollars)

| GDP Annual Growth Rate in American and China ( billion dollars) |        |        |        |        |
|---|--------|--------|--------|--------|
|   | 2007   | 2008   | 2009   | 2010   |
| U.S.A   | 138438 | 142646 | 142563 | 146578 |
| China   | 32508  | 44016  | 49090  | 58783  |

Table 2: GDP Annual Growth Rate in American and China

| GDP Annual Growth Rate in American and China |       |      |       |       |
|--|-------|------|-------|-------|
|  | 2007  | 2008 | 2009  | 2010  |
| U.S.A  | 14.16 | 0.44 | -2.44 | 2.83  |
| China  | 14.16 | 9.63 | 9.11  | 10.03 |

(Source: China State Statistics Bureau)

Viewing the table2, China’s GDP annual growth rate is much higher than that of the US. Nowadays, with the development of modern society, Chinese government has paid more attention to manufacture, technology, and electronics industry. China’s great contribution to these sectors, Chinese GDP now ranks top five of the world. These significant and ceaseless China’s developments have threatened the US.



Furthermore, Samuel P. Huntington's discourse on China explains the vice of rising China to the US. According to Samuel P. Huntington, China and the US has the confronting ideology from the culture to the politics. Moreover, he pointed out the significance of China's nationalism in response to the rising China. Samuel P. Huntington mentioned China's intention 'to bring to an end the overlong century of humiliation and subordination to the West and Japan'(Huntington 1996, p.229) which refers to 'driven by nationalist sentiment, a yearning to redeem the humiliations of the past, and the simple urge for international power, China is seeking to replace the United States as the dominant power in Asia'. (Bernstein and Munro 1997, p.19). This China's bad intention toward the United States is another factor may affect badly to the United States.

The launch of China's reform has taken a place over three decades with the extreme speed. Its development is outstanding and especially its economy has grown in astronomical level. If China continues its growth in this phase, there is a possibility that China surpass the United States. This power shifts has threatened the whole world and the present hegemon, the United States, tensed the most. However, China's rising power has impacts on both chaos and challenges in the international relations. Power transition usually derives through the international conflicts as rising power expects to gain more authority over the declining great power. This cause fear not only to the former dominant power but to the whole world where are used to the former global system. However, China's rise can be the great opportunity for the whole world to remain peace by solving chaotic world problems with the US under the cooperation. The China threat theory is a prediction and it may or may not deprive US's

international position as the hegemonic power. China may instead build a good relationship with the United States.

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2012 Summer Field Study Program  
**Understanding China in a Year of Transition**

**Xiang Zhi**

**Ma Shuwen**

## **INTRODUCTION**

September 11, 2012. The Japanese government regardless of the Chinese opposition, with the so-called landowners signed a "buy island" contract. So that the DIAOYU Island issues deterioration became a crisis. Many mainland cities held public anti-Japanese demonstrations, parts of looting appear; the two sides continue to send business ship to navigate a cruise around DIAOYU Island.

## **BACKGROUND**

September 2010. The allision issue happened around Diaoyu Island. Although with Japanese release and Exempt from prosecution Chinese captain and make things come to an end, but the two countries around the Diaoyu Islands between ownership disputes will keep going on.

April 16th, 2012. Shintaro Ishihara the governor of Tokyo in the United States Washington in a local conference speech he said: "the government decided to buy the Diaoyu Island from private hands "he says the plan already gets the permission from the land owners ".

According to Japan "Sankei Shimbun" July 7<sup>th</sup> 2012, days of reports, July 6<sup>th</sup>, the Japanese government official to visit in the Tokyo metropolitan government office Mr Ishihara, to communicate want to buy and make the Diaoyu Islands, south island, north island "nationalization" the policy. The Japanese government officials also have to start with the island "owner" negotiations. Japan wants to planning to achieve the "nationalization "policy in this year.

On July 7<sup>th</sup>, 2012. China foreign ministry spokesman responds so quickly that they are set Japan's against to buy the Diaoyu Island and said Chinese sacred territory will never allow anyone to bring business.

"Sankei Shimbun of Japan on July10th, 2012, report says, the US state department official has avoided the Diaoyu Islands sovereignty problem, reiterated that does not participate in the attitude of the sovereignty dispute. The Diaoyu Island question, Obama government first no foreign direct mention "applicable security treaty", and is only taken indirectly, circuitous comment. Hillary Clinton in the October 2010 foreign minister talks after the press conference, the first mentioned is security treaty article 5 of the applicable objects.

On August 8<sup>th</sup> 2012, Taiwan president Ma Ying-Jeou attended the effect and 60 anniversary activity, the east China sea regional security puts forward "east peace initiative", and called on all sides to appropriate ways of dealing with disputes, to maintain the peace of the east China sea.

2012, August 19<sup>th</sup> the right-wing forces of Japan landed the Diaoyu Island illegally. And then China started the demonstration to against their behavior.

August 21<sup>st</sup>, US-Japan war game nears the Guam—on Tinian Island. Japan's defense ministry officials said that the purpose of this game is assumed Diaodu Island occupied by liberation army and practice the reaction of it.

President Ma Ying-Jeou on September 7<sup>th</sup> went to Pengjia Islet where has distance from Diaoyu Islands is only more than 140 kilometers to do the inspection and gave us a speech. he criticized a serious of series of Japanese move was "violation of international law, is of aggression, theft behavior"; Also called on islands in the east China sea issue from all walks of life to stop opposite and internal friction, keep unity.

On September 9<sup>th</sup> President Hu Jintao attended the 20<sup>th</sup> APEC leaders' informal meeting and had a conversation with the Japanese Prime Minister Yoshihiko Noda Hu indicated that the current Sino-Japanese relations and the Diaoyu Island issue also showed the Chinese side position. He said that "The Chinese government in maintaining territorial sovereignty issues stand firmly, and Japan take any way "purchase island" is illegal, invalid, we firmly opposed that behavior." By next day on 10<sup>th</sup> September afternoon, Japan government determined that the Nationalization "policy. And next day 11<sup>th</sup> September Japan government signed the business contract with the "owner" of the Diaoyu Island.

During these series of action, the anti-Japanese emotions get stronger and stronger in China most cities. People show their protest emotion by demonstration, violence, stealing, and also there are some patriotic personages and reviewers also joined big ripple" commentary war" on the internet coincidentally.

### **Coincidentally or Inevitability**

According to the CNNIC (China internet network information center) essential data, until to 2012, June 30<sup>th</sup> the Chinese Internet user up to 538 million people. As we known, China as a

developing country who has a large number of citizens, Along with the national economy developed, network infrastructure improved Internet penetration raises quickly. The age of Chinese netizens structure is not balanced, the young characteristics, under-25 year's old netizens proportion has exceeded half (51.2%), under-30 year's old, or even more than the proportion of Internet users into 7 (70.6%). College graduate or above more than forty percent (43.9%), still show strong characteristics of highly educated, but compared with the calendar year, it has shown obviously civilian trend. So in my opinion, I think it must be inevitability this time.

## **VOICE OF INTERNET**

### **Sober:**

“One Japanese said that ", even if we don't visit to the Yasukuni shrine, South Korea people don't buy our cars, oppositely our annual visit to the Yasukuni shrine, the Chinese people still buy our products. That's the point. We need to give morechance to our domestic companies, and far away from the Japanese goods, that's a little bit difficult but we can try and do it.”-----Tianjin netizen

“In view of the United States and Japan's domestic political pressure, SongXiaoJun(military expert) judged, Diaoyu island occur more chances of conflict, and America who are in the Middle East mire also won't intervention. However, once the military conflict, the Diaoyu Island is likely to become the lever of the Asia-pacific and the world pattern.”-----Military expert Song

“Diaoyu islands problem is almost the same as the South China Sea issue, it is only a pieces for the United States to return to Asia Pacific. In order to maintain him in the Asia-pacific dominant right, the United States tried to in the area of the major countries play a balance between the game, both must constantly stimulate and use the contradiction between them, and to avoid conflict of upgrade and even disrupt his return to Asia's strategic steps. Yet the Sino-Japanese relationship is not simple as the United States thought, also doping historical problems, national emotion and complex factors, the US wants to control this is not easy. And be in nationalization islands problem, the Chinese strong against let Japan also more let the United States understood, it must pay some price to play this game.”-----Reviewer DengPing

**Wild:**

“To overthrow Japan, boycott Japanese goods.” -----Guangzhou netizen

“Today’s China is not the same as 60 years ago. Chinese Die for the China, revenge blood stain it, all the people will support Chinese government, beat the war”-----Jiangsu netizen

“We should sign up for the "death for everyone” determination to get peace, for the United States should also be so! According to used experience the war to resist U.S. aggression and aid Korea the Chinese government is predict the "the worst" preparation, but the result is victory, so we also need to have such determination to against to Japan. -----Sichuan netizen

“The people of the whole country for the fishing foundation donations, to support the a pro-democrat Diaoyu activist to buy advanced equipment, for the fishing personage to provide the life to ensure the safety and property security. -----Beijing nettizen

I picked up some typical message that I saw in the BBS. I can understand their patriotic feeling and strongly believe that they will do some action as what they said. Maybe some of them just influenced by the anti-Japanese education so that they just only hate what the Japanese ancestors did. Or just follow suit to against. But let us calm down and think it over what is the most important should we do or what can we do for our government to solve this kind of issue instead of doing useless stupid things and wasting time. I don’t think violence can solve everything, that also I don’t think Sino -Japanese will fight because of Diaoyu island. It is not to pay attention to the interests for the whole and also so savage and impulse. That is unfair to the citizens. That’s not a perfect decision then.

We are happy to see these soberly view point that not rude, but also realizable. We need to see clearly and think it over when something happened. Also know some background of it. That won’t be so stupid during our behavior.

In the other hand, the Chinese netizens cannot instead of all the citizens but also is a kind of reality reflection of what do people thought now days. Internet is a kind of good and express place for them to impress their real mind, thinking, and also can influence the contemporary social problems in China.



## **What is the essential reason making the netizens gone wild?**

Mentioning about the reason why the Sino-Japan relation is very complicated, the first idea comes to mind is the historic issue between China and Japan. It has been really a long times ago since my first lesson about the historic war between China and Japan. However, I still have an extremely vivid imagine about the Japanese soldiers holding the bayonet and trying to kill Chinese people. In fact, I did not clearly remember the exact words describing or what thing or film lead me into a cruel image about Japanese soldiers, but the feeling of this kind of imagine can not change until I came to study in Japan.

So if what makes Chinese had a cruel image about Japan and Japanese is the anti- japan history, then we can assume that there is significant effect toward the cognition of this period of history on Chinese. And where do we usually learn all this history? It is the Chinese government provides all the resource for us to learn it, which is called the patriotic education champion.

## **The reason for starring a Patriotic Education Champion**

After the culture revolution, Chinese Communist Party was facing three big crises, “Crisis of faith in socialism, crisis of belief in Marxism, and crisis of trust in the party”(Chen, 1995). What made it worse is the action done by CCP about the Tianannmen pro-democracy movement, the trust of the publicity toward CCP collapsed. All these incidents made the leaders of CCP rethought about the policy after the People of Republic of China established. Then they figure it out the missing part was the ideological education. Here are some words by Deng Xiaoping one of the leaders at that time.

I have told foreign guests that during the last 10 years our biggest mistake was made in the field of education, primarily in ideological and political education—not just of students but of the people in general. We did not tell them enough about the need for hard struggle, about what China was like in the old days and what kind of a country it was to become. That was a serious error on our part.<sup>1</sup>

After the Tiananmen pro-democracy movement, the Patriotic education Champion started.

Although the complain was officially started in 1991, it was not carried out at full scale until August 1994 when the CPCs Central Committee issued the “Outline on Implementing Patriotic Education (Wang, 2008).”

1 See Deng Xiaoping (1994). “Address to officers at the rank of general and above in command of the troops enforcing martial law in Beijing.” (June 9, 1989), *Selected Works of Deng Xiaoping, Vol. III*. Its English translation (translated by People’s Daily) is available at

### **How the CCP developed the patriotic education Champion**

After 1991, it was settle down that CCP was trying to rebuilt pubic ideology. What was their main idea model for this movement? And what was the methodology to accomplish the achievement?

From Wang (2008), in the new textbooks approved after 1992, the official Maoist “victor narrative” was superseded by a new “victimization narrative” that blames the West for China’s suffering. “China as victor” has slowly been replaced by “China as victim” in nationalist discourse. So now we can see the main change after the Maoism lost its charismatic power on publicity and the unethical behavior, which made the CCP lost its trust from the publicity.

*Chinese modern history is a history of humiliation that China had been gradually degenerated into a semi-colonial and semi-feudal society; at the same time, it is also a history that Chinese people strived for national independence and social progress, persisted in their struggle of anti-imperialism and anti-feudalism, and was also the history of the success of New-Democratic Revolution under the leadership of the CCP.*<sup>2</sup>

We can see there are mainly two purpose of this patriotic education champion. One is to reminder people the humiliation period of history when Chinese people suffered a lot from, and in order to avoid that happened again we have to fight against the country that dare ever try to invade us again. The other purpose is quite obvious, the CCP tried to gain the trust form publicity by emphasis the how they released Chinese people from the hands of devil imperialism country (we will emphasis on Japan).

In March 1995, the Ministry of Civil Affairs announced that, after a careful nomination and selection process, 100 sites were selected as the national level “demonstration bases” for patriotic education (Wang, 2008).

TABLE 1. The 100 National-Level Patriotic Education Bases

|                                  |  |
|----------------------------------|--|
| External conflicts<br>(40 sites) | 20 sites—anti-Japanese War (1937–1945)<br>7 sites—Opium Wars (1839–1842 and 1856–1860)<br>4 sites—Korean War (1950–1953)<br>1 site—Russian invasion (1858)<br>1 site—the 1962 China-India War<br>1 site—the 1662 War with the Dutch over Taiwan<br>1 site—Invasion of the Eight-Power Allied Forces (1900)<br>5 sites—Other general anti-imperialism museums/sites |
| Civil Wars (24 sites)            | Civil wars between CCP and KMT (1927–1949)   |
| Myths (21 sites)                 | 15 sites—Wonders (ancient architecture, museums of ancient civilizations)<br>4 sites—Relics for prehistoric civilization<br>2 sites—Great achievement after 1949   |
| Heroes (15 sites)                | 7 sites—CCP Leaders<br>4 sites—Model workers<br>4 sites—Patriots   |

2 Ministry of Education 2002. “Lishi Jiaoxue Dagang [Teaching Guideline for History Education]. Beijing: People’s Education Press.

We can see that 20 out of 40

sites in the external conflicts parts are about anti-Japanese war. That is why among all these countries which has invaded china, we have a profoundly impression about the anti-Japanese war, which contributed to the hate from Chinese publicity to Japan and Japanese. On the other hand, there are 7 out of 15 sites are about the CCP’s leaders, which infer to purpose that they want to regain the trust and support again.

In October 2004, Beijing put forward a new patriotic education project—“Three One Hundred for Patriotic Education.” The “three one hundred” are 100 films, songs, and books with a common theme of patriotism. Seven PRC ministries and CCP departments, including the Ministry of Education and the Propaganda Department, jointly recommended 100 selected films, 100 selected songs, and 100 selected books to the whole society. Many of these films, songs, and books were

about modern and contemporary Chinese history—as evidence, one selected book is entitled, ‘‘Never Forget Our National Humiliation.’’ 3

Other than manipulated Chinese people by emphasis on the history in the history textbook, the CCP also did something on the entertainment part by introducing patriotic books, films and songs.

Here is another evidence that the CCP is trying to brainwash people by telling them what a great contribution they did toward building the new China, but never mention about the Tiananmen movement or the Cultural Revolution which set China back for 50 years.

Our party has inherited and carried forward the Chinese nation’s outstanding tradition, and has made the *biggest* sacrifice and the *biggest* contribution in the struggle of national independence and safeguarding of national sovereignty. We have therefore won the heartfelt love and support from people of all nationalities in China. The Chinese Communist is the firmest, the most thoroughgoing patriot. The CCP’s patriotism is the *highest* model of conduct for the Chinese nation and the Chinese people. 4

**Conclusion:**

Zerubavel (1995) finds that the relationship between collective memory and society’s legitimization is best evidenced by the typical attempt of nationalist movements to create a master commemorative narrative that legitimizes their aspirations for a shared destiny by emphasizing a common past for its members. That is what the Chinese government did; to be exactly what the CCP had done, using a period of history to create a master commemorative narrative that legitimizes their aspirations for a shared destiny by emphasizing a common past, which is the humiliation period of history for its members, which is us the citizens of China.

3 “Mo Wang Guochi” [Never Forget Our National Humiliation],  
Beijing: Haiyan Chubanshe (Haiyan Press), 2002

4 Jiang Zemin (1996), translation by Xinhua News Agency.

Every  
times,  
if there  
were

conflicts between China and Japan, the effect of patriotic education plays a major role in anti-Japan action by Chinese. As we said it before, almost half of the citizens are college

graduated. Back to the beginning of this education is in 1991, they are exactly the generation who were studying under the patriotic education developed by the Chinese government. And the belief on patrios is deeply rooted in their mind and heart.

When they get the sign that their country is going to lost its benefit, they will start to defend their country by doing anything, because they learnt if they did not start to fight, then they would get beaten.

From this sentence, we can draw a conclusion that every time's anti- Japan movements by Chinese are the productions of the patriotic education which did not lead Chinese to understanding the history in a proper and rational attitude and doing the useful behavior, but violence and crucial action towards the Japan by supporting the idea to start a war between China and Japan.

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# **Is Nationalism an Effective Card to Play?**

**A case study on the dispute of  
Diaoyu Islands in 2012**

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## **Introduction**

In spite of the Chinese government's opposition, the Japanese government confirmed to purchase the disputed Diaoyu Island, as known as Senkaku Islands, on September 11<sup>th</sup> this year, which directly triggered the outburst of national wide demonstrations on territory dispute against Japan. (BBC News, Sep.11<sup>th</sup> 2012) Small anti-Japan demonstrations were held on the day when Japanese government officially declared its purchase of the islands. (BBC News, Sep.12<sup>th</sup> 2012) A sequence of large-scale protests was erupted in major cities in China. There were demonstrations with huge crowds held in as least 19 cities on September 15<sup>th</sup>. (Fenghuangwang, Sep.15<sup>th</sup> 2012).

It was not the first crisis over the Diaoyu Islands; however, the civil reaction has been the most vicious in these two decades.

Throughout the crises over the Diaoyu Islands, Chinese people appeared to be more restrained, which was the result of the efforts of Chinese government. In the crisis of Diaoyu Islands in 1996, Jiang Zemin banned student demonstrations, and the State Education Commission instructed university officials in mid-September to channel students' feelings properly and prevent "too drastic words and deeds" that might hurt national stability and economic growth, when authorities became aware that more than 200 messages calling for anti-Japanese protests were circulating on campus electronic bulletin boards. (Lam, 1996; and Munson, 1996)

Though there is no certain evidence to assert the manipulation by the Chinese government behind the riots, being different from the reaction years ago, the government has shown more obeying the people's intention this time, even it was an unavoidable outcome of the long-time endorsement nationalism. The article is going to observe the purposes and risks to the use of nationalism.

## **The possible purposes to use the nationalism as a tactic**

One very possible purpose is to enhance the government's bargain chips by displaying a strong civil appeal. Same as the demonstrations found in the Taiwan Straits crisis of the mid-1950, the Sino-Indian border war of 1962, the Sino-Soviet border clashes of the 1960s, China's movements dealing with territory disputes were not an intense concentration of military action, but some mixture strategies with domestic mobilization and popular emotion



coupled with nationalistic rhetoric (Townsend, 1992).

To some extent, expressing the opposition by civil anger has made its effect in the face of Japan, to strengthen the statement. The primary information sent to Japan was clear that the anti-Japan sentiment couldn't be underestimated. Being afraid of the violent anti-Japan activities, several of Japan's biggest firms have suspended operation at some factories in China as a safety concern (BBC News, Sep. 18<sup>th</sup> 2012). Japanese companies with exposure to China, particularly steelmakers and car manufacturers, were attacked bitterly as the boycotts hit the sales and stock market (Financial Times, Oct. 10<sup>th</sup> 2012). It is conceivable that the shocking of the market has influenced the decision-making in Japan, as Noda expressed in the later September that reaction by Chinese people was beyond expectation (Fenghuangwang, Sep. 20<sup>th</sup> 2012).

Also, a democratic government may excuse their policy as being reflective to the demand and expectation of the electorates, but the Chinese government can not; therefore, the nationalism has become the statecraft to explain to the world that the government's action is the appeal of the people (Moles, 2012). The civil demonstrations have enabled the authoritarian government to fill the need of explanations for constraints on its political actions on the international stage, and to alter its foreign rhetoric flexibly.

### **Multiple risks by using the nationalism**

Notably, though the deterrence of Chinese nationalism has made its positive impact for China, the negative impact to abuse the nationalism is also permanent.

In the study of Chinese nationalism by Suisheng Zhao, he defined three kinds of nationalism in contemporary China, which are state nationalism, liberal nationalism, and ethnic nationalism. (Zhao, p. 26, p. 23, p. 21, 2004) China's international conflicts with Japanese have stimulated the nationalist movement and sentiments on both state and ethnic level. The territory dispute reflects the state interests and goals (Townsend, 1992), which makes it nature for most Chinese people to defend the integrity of state's sovereignty. Nonetheless, the popular support against Japanese threats is also a result of the complex of national history and symbols (Moore, 2010). The mixed emotion indicates that the anti-Japanese activities are far beyond the territory disputes, which makes it extremely difficult to control and manipulate.

The complex feeling is the result of the Chinese double-track policies on the nationalism building. On the one hand, Chinese government has made sure that the young generation will not forget the crucial battles in Sino-Japan war by its patriotic education system. As Zhao put out, the patriotic education campaign featured a multifaceted approach to building sentiment that aimed at establishing broadly based support for the communists state (Zhao, p.239, 2004). The Chinese authorities' initial claim to legitimacy rested largely on its role in organizing resistance to Japan (Downs, and Saunders, 1998), which made any anti-Japan activity "political correctness". Coordinating with the patriotic education, in the last 20 years, the Chinese government also laid its legitimacy in its ability both to develop China into a powerful modern economy and to raise individual living standards (Downs, and Saunders, 1998). Both legitimation strategies have successfully appealed the Chinese people to share the values and goals with the authority.

The nationalism cultivation may be too successful that it is hard for Beijing's leaders to control, as it became assertive and particularly powerful when China's national interests or territorial integrity are in jeopardy. The outrageous protests in September showed that people are getting out of hand. If the government constrained the protests too hard, or fail to deliver on their nationalistic promise, the perceived failure of the CCP to defend China's territorial would have led to public criticism and had negative impact on the regime's legitimacy (Downs, and Saunders, 1998). Compared with the Diaoyu Islands crisis in 1990, criticism of the CCP's performance to express was much stronger in the 1996 case, reflecting heightened nationalist sentiment (Dawns, and Saunders, 1998). Foreshadowing by the incident in 2010 that the Chinese fishing, a comparative weakened Chinese government (Kristof, 2010) may have to weigh the regime's legitimacy more.

There are inevitable conflicts and risks confronting the pro-nationalistic movement.

One crucial conflict is that the government has to make balance the anti-Japanese sentiment and a good economic relation with Japan to maintain its economic growth. The close economic and trade relation is significant to both China and Japan. In 2007 Japan has already been China's third largest trading partner and China surpassed the US to become Japan's largest trading partner (Chen, 2007). A potential boycott and continuously uncertain circumstance will definitely harm the trust bilaterally, and the economic transition of China will need the participation of Japan.

Another more profound impact is the restraint put on the Chinese government to adjust its foreign policy and posture. Once the public has been mobilized through nationalistic appeals, elites can become trapped in the own rhetoric and choose to pursue risky security strategies (Downs and Saunders, 1998). Usually, the pragmatic nationalism is used in pursuit of “positive compromise” (Shen, 1998) in China’s foreign policy, which indicates that the Chinese authority will ultimately secure its primary mission to keep the stability domestically and internationally (Zhao, p. 261, 2004). However, on matter of national security, such as territory integrity, it takes longer time for the government to sooth the public appeal, even hard to subside the furious people , due to the high-profile rhetoric in the first place to show the “political correctness”. Therefore, the Chinese adjustment of its postures in the foreign affairs is hysteretic which is not efficient for the further negotiation.

Domestic politics also constrains the country to play an active role in global governance. The absence of Chinese top leaders in annual meetings of the International Monetary Fund and World Bank in Tokyo conveyed the message that the Chinese government will use any political and economic method to protect their territory rights (Anderlini, 2012). However, the posture also incurred a rethink whether Beijing can shoulder the responsibility to lead or not (Beattie, 2012).

One more negative impact is the expanding aggressive image to the other countries as the violent behave was incredibly harsh during the demonstrations. Though a direct link between nationalism and international aggression is far from clear (Zhao, p.249, 2004), there are theories arguing the modern nationalism might distort a state’s true interests and threaten other states (Morgenthau, 1993). Since the early 1980s, China’s leaders have followed a policy-known as the periphery policy or good neighbor police-to defuse tensions along China’s immediate borders (Zhao, p. 275, 2004). In 1997-1998, China advanced a “New Security Concept”, a reformulation of peaceful coexistence with the neighboring countries (Finkelstein, 1999) as it has recognized the economic growth, military power and past aggressive behavior made it to be a potential threaten to the periphery countries (Shambaugh, 2004-2005). The strong nationalistic rhetoric may frighten the neighboring countries to adjust their foreign policies to China. It may also push Japan and the United States to seek to contain China (Downs, and Saunders, 1998). In another words, because of the negative image of nationalism has been argued in the contemporary world, Chinese nationalism may be

alarmed by the international society. Instantly, China may be able to achieve its goals by using the nationalism, it takes the risk to weaken its relative power position and also create enemies.

Last but not the least, the nationalism can be used by political elites to gain an advantage for their own domestic political life. Though the nationalism has been cultivated by the national mechanism, it can be used both to mobilize support for powerful elites and to fend off potential challengers (Gagnon, 1994). The authority construction is fractured and fragmented amongst a plethora of competing agencies and powerful individual. The Politburo and the Politburo Standing Committee, the Foreign Ministry, the Ministries of Commerce, State Security and Finance, the National Development and Reform Commission, and the People Liberation Army are sharing the power of to determine the domestic and foreign affairs (Swaine, 2012). There are 9 members in the Politburo Standing Committee, and each of them controls part of decision-making power and being influential in different sectors. It is possible that the political elites use the nationalism to accomplish the private political purpose. The domestic political struggle will hinder the government to make a just decision and react effectively.

### **Conclusion**

The outburst of Chinese nationalism on the dispute of the Diaoyu Islands may be unavoidable. The violent behavior dragged the international attention, which also brought a notorious reputation to the Chinese nationalism. Primarily, the protests were the vent of sentiment of Chinese people. The patriotic education on the one hand instill the victim mentality to the people, on the other hand, the Chinese exceptionalism (Moore, 2010), the belief that China is truly unique in all the world, fuels the desire for Chinese people to aspire the greatness again. These factors have contributed the accumulation of Chinese nationalism.

In the short-term, the nationalism may be used as tactic deterrence to Japanese authority. However, from the concerns of economic influence, national image, constrains on policy adjustment, and negative impact on the primary foreign policies, it may not that effective in the long-term.

The education of citizenship is urgent to the government to operate. Coordinating with the patriotic system, to enhance the manner to express the opinion in the public is in the demand.

Political expression is a nature desire for each civil person, that sooner of later, the government will be confronted with the self-determination and liberal nationalism. Well-educated citizens can lower the possibility of violent and irrational behavior.

It is also the time for the authority to strengthen its ability to deal with the foreign challenges relying more on the government level, which means that the routine for the government to deal with the territory disputes need to be changed. The nationalistic rhetoric may be soon out of effectiveness.

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Understanding China in a Year of Transition

## **How Nanjing Massacre was perceived by the world?**

**Different viewpoints toward Nanjing Massacre upon countries**

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## **Introduction**

The word 'Massacre' means an indiscriminate and brutal slaughter of many people according to definition of Oxford Dictionary. (Oxford Dictionary, 2012) As synonym, there are words such as 'genocide', 'mass-killing', 'holocaust (especially in case of Jews)' and so on. Scholars divide the usage of these words in terms of the reason, target people or object of the incident happened. However this division is still on debate since we cannot perfectly categorize the reasons of human being's cruelty and also, there is not only ethnic, racial but also variety of groups of people who got slaughtered under the name of Massacre or Genocide. The definition of Massacre itself is already cruel enough and some naïve people might think this only happened among barbarians in ancient times. In reality, there are actually quite number of Massacres or Genocides happening even recent years. If you research little bit more about the massacres that happened recently, you cannot avoid questioning yourself by which reasons made these incidents happened. Then you will face another surprising fact that these Massacres or Genocides are not always described or perceived as the same way all over the world. Especially Nanjing Massacre, which is also known as the Rape of Nanjing (Chang, 1997), is sometimes rejected to be proved or even ignored in Japan while China consider this as its international symbol of suffer.(Fogel, 2000)

In this report, I would like to demonstrate different points of view of describing and understanding Nanjing Massacre, which I had the biggest impression from visiting Nanjing Massacre Memorial hall during my field study to China. I mainly used three different books representing countries' different point of views toward Nanjing Massacre; one is written by Chinese-American journalist, another one is written by Japanese professor of Asia University in Tokyo and the last one is written by Japanese associate professor of Western Michigan University who was educated both Japan and the United States.

## **Nanjing Massacre**

Nanjing Massacre was started from 13<sup>th</sup> of December in 1937 after Japanese Imperial Army conquered Nanjing during the second Sino-Japanese war. This massacre toward not only civilians but also prisoners of war was continued until March of 1938. (Fogel, 2000) During six-week of massacre large number of people were brutally slaughtered and raped. However, the presence of this Massacre itself is still on debate in Japan while Chinese people consider this as national suffers. Due to different points of views toward Nanjing Massacre, it is said that not a single account or interpretation of Nanjing Massacre became dominant and brought agreement. As a result, the actual numbers of victims are keep changing based on the

definition of ‘victims’, ‘atrocities’, ‘perpetrators’ and even ‘Nanjing’. Three nations, China, Japan and United States mostly lead internationalization of Nanjing issue while influence national consciousness of public awareness. (Yoshida, 2006)

### **China’s point of view**

Nanjing, the city itself has been a cultural, political and patriotic symbol of China since it has been capital of Ming and Qing dynasty. Therefore, when they use the word ‘the rape of Nanjing’, it implies first, physical rape and at the same time, psychological ‘rape’ that Chinese people got from this incident as well. (Chang, 1997)

In 1937, Japanese Imperial Army started bombardment Shanghai and unlike Japanese expectation that it would be easy to be conquered, Shanghai was fall after three-month of harsh fight. After harsh war, Japanese troops moved to Nanjing for revenge of fight at Shanghai. Nanjing was their next target because they thought Nanjing itself is meaningful city as an invader to step on. (Chang, 1997) On 13<sup>th</sup> December in 1939, Japanese 66<sup>th</sup> Battalion received an order of eliminating Chinese captives, prisoners of war. Reasons for this were for getting rid of food shortage, possibility of retaliation and furthermore preventing guerillas attack; implying this was inevitable. However, Chinese claims that since Japanese already brutally destroyed cities on their way to Nanjing unlike their argument, these reasons abovementioned could not be believed fully. (Chang, 1997) Inside the Nanjing, according to some historians, since there were half a million civilians and 90,000 Chinese troops while Japanese troops only had 90,000, so Japanese troops lied to Chinese soldiers that there would be no harm if they surrender and took them to the place they were to be slaughtered.(Chang, 1997)

While Japanese argues about unavoidable situation of eliminating Chinese troops of war, Chinese witnesses, Japanese, American journalists claims that executions were done as killing contest, discipline practice and as games. In addition, physical rapes toward Chinese women were done regardless of age, daytime or even inside of sanctuary places. (Chang, 1997) Inside Memorial Hall of Victims in the Nanjing Massacre, it is said that over 20,000 of women were raped and some of them were sent as ‘comfort women’. (Nanjing 1937, 2012)

Regarding the number of victims, even Chinese themselves could not be sure. Among Chinese, the number of ‘300,000’ is widely accepted. Still, the exact number is still on debate. According to historian Sun Zhaiwei, using only Chinese burial records the number reached over 227,400. Another number 377,400 could be made by confession of Japanese prisoner. Recently, professor Wu Tien-wei from Southern Illinois University announced death

toll of over 300,000 consisted of 190,000 collectively eliminated and 150,000 individually eliminated.(Chang, 1997)

One interesting fact of China's response toward Nanjing Massacre is that Chinese government did not 'actively' ask Japan for compensation, apology or any further research during the cold war period. According to Chang (1997), who was Chinese-American journalist, China, Taiwan and even United States tried not to mention regarding Nanjing Massacre issue to Japan since they were in the era of competition. China and Taiwan put effort on getting back to normal trade relationship with Japan as fast as possible while United States needed sound relationship with Japan in order to keep in check with Soviet Union's power of communism. (Chang, 1997) At the same time, Japan itself did not admit Nanjing Massacre during this period as well. Few Japanese historians or politicians who admitted Nanjing Massacre were socially threatened by Japanese people. After Tiananmen Square incident, China tried to flourish patriotic education o popular accounts of the massacre were available to public. (Yoshida, 2006)

### **Japan's point of view**

Even inside of Japan, there are groups of people who have different opinions toward Nanjing Massacre; among politicians, soldiers participated in Nanjing Massacre and scholars.

Japanese who claim there was no brutal massacre at Nanjing insisted that the main purpose of invasion was to take needed military action to conquered Nanjing, it was not to conduct indiscriminate slaughter after the city fell. On the way to Nanjing, Japanese imperial army did not conduct any unlawful acts. It was Chinese troops who destroyed their houses killed people. Street was deserted since civilians were told to move to safety zone and Chinese troops did arson to houses so that Japanese troops could not make use of facilities or food. (Higashinakano, 2005) On the other hand, Commanders of the Japanese army even issued 'precautions to be taken when attacking and entering Nanjing' and mentioned there must not be any unlawful acts. In 'precautions to be taken when attacking and entering Nanking', there are sentences saying all units should refrain from looting and unlawful acts. Also it includes maps that had location of 'Safety Zone of Nanking' which is determined as neutral by diplomatic agreement provided by foreign concessions or missionaries. This is because on December 8<sup>th</sup>, commander-in-chief of the Nanking Defense Corps Tang Shengzhi ordered to all noncombatants must be inside of Safety zone provided by International Committee. This issued order strictly emphasized 'as the member of Imperial Army', all units should follow these discipline and moral standards so that they can follow international law.

(Higashinakano, 2005) However, even though there were flags red cross surrounded by a circle around Safety zone it was not clear where the boundaries were. Finally, unlike Safety Zone China had in Shanghai, Japanese later decided not to consider Nanjing Safety Zone as Safety Zone since it is hard to prevent Chinese forces from entering Safety Zone and also the boundaries of it was not clear made 'insurmountable difficulties'. (Higashinakano, 2005)

Among victims of the rape of Nanjing, a number of Chinese and American scholars and witnesses assume that the number of victims consisted of not only civilians but also prisoners of war who were slaughtered by Japanese army after surrendered. However, Japanese scholars claimed that execution of prisoners of war was not conducted. The reasons for this is that Japanese document related to treatment of prisoners of war mentioned about how to treat prisoners of war but did not contain the way of executing, and it is sure that Japanese troops followed. (Higashinakano, 2005) According to 'The Disposition of Prisoners of War' published by the Infantry School in 1933, *with the exception of special cases, all prisoners maybe released where they were captured or having been moved to another location*'. Also, in 'Instructions Concerning Warfare' which was issued in 1937 when Japanese army was attacking Shanghai, Japanese military personnel were not instructed to shoot prisoners of war. (Higashinakano, 2005) Higashinakano(2005), who is professor of Asia University, insisted that based on documents of that era including abovementioned ones, Japanese military personnel respected international law by instruction of the Vice-Minister of War. However, in some battle record documents, there is sentence saying 'all prisoners are to be killed', and actually that order made the brutal slaughter happened. On the other hand, again, Higashinakano(2005) argues that no authorized regimental or battalion commander issued that order since there is no evidence or trace that this order was issued by regimental commanders or it was done in unavoidable situation. For example, there were executions at 4<sup>th</sup> Company later but that execution was conducted as no choice for Chinese soldiers who were surrendered but not obeying Japanese' order and waiting for the moment to go back to battle field so that it was very hard for Japanese army to manage them. (Higashinakano, 2005)

Regarding Death Toll and rape incidents records provided by Chinese or other countries' journalist, Japanese pointed these burial records are frequently changed or sometimes eliminated from number of documents. Also regarding witnesses opinion, Japanese argued these witnesses' records are not well preserved so that we cannot even know the exact age or family name of the people, so it is hard to avoid possibility of fabrication. (Higashinakano, 2005)

Another interesting point from Japanese is about 'Tongzhou Massacre' which was claimed to be conducted on July 29<sup>th</sup>1937. According to 200 of the 380 Japanese and Korean residents of Tongzhou were slaughtered. Japanese settlers were cruelly and brutally murdered, tortured and raped. (Higashinakano, 2005) This Massacre were recorded books regarding Nanjing Massacre written by Japanese but not mentioned in Iris Chang's book. By using Tongzhou Massacre, professor Higashinakano(2005) insisted it was Chinese troops who conducted actions opposed to international law.

### **Viewpoint from the United States or other countries.**

People outside from China and Japan had critical role during Nanjing Massacre and also after the incident. There were missionaries, Red Cross, Red Swastika Society, professors, business men and even Nazis who directly or indirectly tried to help people of Nanjing from massacre and rape. They provided Safety zone or place for Chinese to hide even though Japanese troops forced to come in. Also from their letters, diaries, pictures and testimonies, world can be aware of Nanjing Massacre. For example, German Nazis business men John Rabe was regarded as living Buddha to Nanjing people and American missionary Wilhelmina Vautrin who was dean of a college tried their best to protect people from rape. Journalists Frank Tillman Durdin from New York times, Atchibald T. Steele from Chicago Daily news, and C. Yates McDaniel from AP news risked their life and informed the real massacre happening inside Nanjing to the world. (Chang, 1997) Red Cross chairman John Magee took film of Nanjing and publicized as well. (Yoshida, 2006) After Pearl Harbor, the public opinion toward Rape of Nanjing was even more overwhelmed so that American public started to perceive 'Japanese' as whole as cruel barbarians, who exceeded all Nazi brutalities. (Yoshida, 2006)

However, unlike what they did during the massacre and sympathy they had right after the massacre, after the Tokyo trial, United States actually did not ask that much responsibility or compensation of war to Japan just like Germany did since U.S.A needed Japan as a military basement for preventing spread of Soviet Union's power, Vietnam War, and Korean War. (Chang, 1997) During 1990s, after Iris Chang's publication 'The Rape of Nanjing', Nanjing Massacre was resurfaced. However, at the same time, to some Americans sometimes this incident regarded as even 'a quid pro quo' done by United States to Asia Pacific, which leads to nationalism and ethnocentrism. (Yoshida, 2006)

## **Conclusion**

To conclude, there were different interpretation and understanding of Nanjing Massacre depends on countries especially among Japan, China and United States. Choosing which interpretations to believe might be up to each person, however, at least people of the world should know what other interpretations are existing in the world in order to prevent distorting filtered nationalism inside interpretation and Rashomon effect. By researching this topic I could read some scholars opinion blaming about 'Japanese' or 'Chinese' so called innate culture embraced the cruelty of massacre so it was obvious for them to conduct brutal activities; I was thinking even if it can be proved to be truth, does it meaningful to solve current facing situation? What current and future generation needs is the thoughts and wills of searching for ideal universal human rights just like Yoshida (2006) mentioned. George Santayana (1998) said 'those who cannot remember the past are condemned to repeat it.' Accepting other people, especially other country's opinion toward their own country's sensitive issue is not an easy matter. At the same time, no reason can justify any massacre or any apology can erase of brutal memory. However, what we can do as people living in this current generation is at least learning different countries' view about what happened before give a try to understand each other so that we would not repeat sins again.

I myself by writing this research paper, I could at least understand what makes Japanese claim Nanjing Massacre was fabricated and what makes Chinese claim Nanjing Massacre as international symbol of suffer. Still I am not the position of deciding which is true or lie but now I got the power of knowledge to express my opinion and do rebuttal wisely while respecting other's point of view. In fact, just like professor of Fudan University said during field study lecture, history is consisted of academic studies, political judges and the last but not the least emotion and opinion of ordinary people, we still have chance.

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# China in Americans' Distorted Mirror

Why the US cannot understand China

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## INTRODUCTION

Although it could be presumptuous to say the rising China definitely pertains to a declining America, it is true that, since the beginning of this century, along with the prevailing debate on the rising China, a diluvian of controversies and conjectures about the relations between China and the US have gushed out the world over. (Beckley, 2012) No matter the outcomes of such discussion on the future of Sino-US relation predict that the story to have a sad ending—sink in to a marsh, compete for the position of the bellwether, and might eventually lead to an inevitable war (Mearsheimer, 2010); or, a much brighter one—both China and the US could be stoics to make some concessions (Glaser, 2011), even do as their rhetoric saying—to cooperate (U.S. Department of State, 2012), the premise is, know about each side—what do China and us think.

However, comparing to the US, which adopts the Westphalian system and shares the mainstream values—chasing for freedom, equality and democracy; China, whose values and ideas are relatively ambiguous, becomes much more elusive for the international society—especially the West, to “understand”. The reason why China in the contemporary age could hardly be understood is more than the difficulties to understand the history and culture in the ancient China, but risk that to assert whether China has completely adapted to the Westphalian ideas or not. (Kang, 2010) Fortunately, we saw the academia has never suspended its endeavor to explore (for Chinese side, might say disclose) such differences between China and the West. For example, Mark Leonard’s book “What Does China Think?” got published in 2008, attempted to clarify the how the ideological competition in China “might pose to the European and American world-views” (2008, p.2). More recently, Andrew Nathan and Andrew Scobell (2012) have their joint work “How China Sees America” published on *Foreign Affairs*, present possible origins of China’s fears as well as how and why such fears might build/influence China’s views of the US.

Interestingly, besides those objective discourse analyses, there are also some relevant works summaries Chinese views more absolutely. Michael Auslin’s (2012) article published online—“For China, It’s All About America”, complains that, China itself exaggerated the US’s effect in all its foreign affairs has hampered the US to build a better relationship with China. Regardless of the consideration about attracting the readers’ eyeballs, we should cast

doubt to Asulin, what are the assumptions when strongly asserting China has monofocus on the US?

This paper will answer the question in the first section, trying to extract the premises and assumptions of Auslin's article, and discussing that, to what extent, the author's statement could be proposed, and if there is any inappropriate part in it. In this section, will also use news and some academic works to challenge Asulin's idea. The second section will go a little bit further. Rather than conclude what China really thinks about the US—countless works have already been done, this paper will examine if there is any potential factor that might always make the US hardly understand what China thinks.

### **IS ALL CHINA THINKS JUST ABOUT THE US?**

In Auslin's (2012) article, the discussing variable is bilateral relations with other states, he states that, China, differs from the US, has no reliable and tied allies in the Asia region—like Japan and Singapore's alliance with the US. Also, not unlike the US who usually seeks for reciprocal relations with the other states, the bilateral relations between China and other are always utilitarian—for trading market and resourcing importing, and unequal, as China regard itself as “a co-leader of the global Communist bloc” and yet could not expunge the memory of being “the center of Sinic grouping of nations up to the nineteenth century”. Thus, in Auslin's view, all the China's relationships with other states are subordinated “to the political competition with the United States”.

Auslin's statement seems to be reasonable, when seeing Chinese Media yowling at the US to leave the South China Sea issue alone (Buckley, 2012) and China insist the existing game rules of the International society are unequal, that obviously serve the interests of the West—which aims at the US (Ruan, 2012). However, such a statement could be vulnerable if we trace back a little bit. In March 2011, when Hillary Clinton talking to the U.S. Senate Foreign Relations Committee, she said with out any florid rhetoric: “Let's just talk straight *realpolitik*. We are in competition with China.” (Dombey, 2011) Associated with Clinton's (2011) latter article “America's Pacific Century”, such a clear claim shows the intentions of the US's decision of “back to Asia”—not for those small countries but because of China. In this sense, no matter how Americans embroidery their sayings with the free trade, democracy and equality, or, rather than we (the US) want to back to the Asia, it is, the Asian Countries want the US (McCain, 2012), the notion is—even someone may reject such a saying—Contain China. Therefore, what Auslin claims in his article that, the US seeks for the equal relationships with the other states could be hypocritical. The US as the same as China

described by Auslin, treat the small countries as its own “pawns”. In other words, Auslin’s perfunctory statement could not bare even a simple question—“vice versa?” If the US has called on the competition in the very first place—that the US attempt to contain China’s raise and consolidate its own position in Asia Pacific region, even world-wide, there are rare reasons for America to criticize China, because it is passively involved.

Just one month after Auslin published his essay, Pei Minxin (2012) wrote an article “Everything You Think You Know About China Is Wrong” on Foreign Policy. In the article, he points out that Americans’ perception about China is lagged, and contrast with Auslin, Pei describes “xenophobia”, could be a pawn for regime to “survival in hard times”. Pei claims, in the South China Sea dispute Many Chinese have “already hold the United States responsible for recent escalations” and they believe that it is “the United States goaded Hanoi and Manila into confrontation”. Obviously, lack of the consideration about the legitimacy which CCP relies on, result in Auslin’s another flaw—confidently conclude that China use the small states as the pawns in its game with the US—but reality may go to the contraries.

Moreover, one middle conclusion there, in Auslin’s article, is China subordinated its national interests to the competition with the US. Therefore, the assumption is that the exchanges like economical trade and culture exchanges serve for improving China’s international position and eventually obtain support to confront the US. If such a logical reasoning could be true, there should be a potential precondition, that is, China has already decided to sacrifice its other interests, but raised the antagonism to the top of the agenda—which is more initiative than passive. However, the precondition does not exist. In Andrew Nathan and Andrew Scobell’s paper they summary four rings for China’s security concern—both internal and external, which include the integrity of territory, stable relations “with 14 adjacent countries”, “complex regional diplomatic and security problems” and the world far away but might have special influence on Chinese politics (2012, pp.33-34). Though Andrew Nathan and Andrew Scobell conclude these four rings shaped China’s view of the US, the precondition is different. The start point here, in Andrew Nathan and Andrew Scobell’s essay, is rather than initiatively compete with the US, but China’s passive consideration about its own security and stability. If we criticize China that it always treats the US as the provoker behind the scene, we also have to ask, why America is there.

Auslin boosts America’s pursuit of free trade, mutually beneficial relations and kindness to provide aids all over the world. Ironically, the leader of Senate Majority, Harry Reid said he wants Made-in-China uniform for US Olympic team to be burned (Miller & Parkinson, 2012) just days after Auslin’s essay got published. More Recently, Huawei Technologies

Company and ZTE have been accused, because the two companies are suspected that may be involved in spying activities. But this farce soon ended with a saying of “no clear evidence” (Menn, 2012). Besides, if Auslin’s assumption is true, we should also be able to find a kind of “mutually-beneficial status” between China and the US, and all the following reasoning would, therefore, becomes refutation. Apparently, Auslin is also inconclusive about such saying, and added “at least on theory” in the end of that paragraph.

Above all, Auslin’s statement does neither meet the reality, nor convincing in the logical soundness. He raises the US to an excessively moral position, and neglects China’s essential consideration, or may say core-interests, about its stability—both within and out of its territory. Hence, this article might tells us more about “how the US thinks about how China treats the US”, rather than “how China thinks”.

### **CHICKENS TALK WITH THE DUCKS?**

It is not the first time that China feels that to talk with the US about itself is extremely demanding. Besides the inevitable loss in mutual translation between two languages and value system, two different types of pathways of two countries’ development impede two sides to understand each other. Not alike the US, who “became” the superpower, China is actually trying to “return” to its glory—the center of the relatively isolated East Asia Region (Wang, 2010). Thus, for the US, the raise of China seems to be a newcomer, who would threat to its present domination in the region or even the world; but for China, the re-emergence is justified and natural, and America’s intervene is aberrant.

Besides, the Americans tend to use their own values and knowledge system to evaluate and predict China’s behavior, by a more universal model. Even when they recognized there are some special characteristics of China, they are rarely able to use suitable measure to analyze the case. It is true that, different from the West, Confusion civilization is much more implicit. However, thins get much more confused when the ancient China meet the modern world. Presently, regardless of the barrier of language, it is not as difficult as before to learn about the ancient China, but it is tougher to find out what does modern China thinks. The difficulty is, rather than the lack of knowledge and understanding about the China before, the extent matters—how much the western values take place of the traditional Chinese values and ideas (Kang, 2010).

Unfortunately, Chinese values definitely are not prevailing as its commodities suffuse through out the world and occupied every corner of the US. There are few western scholars who are doing cross-subject research on Chinese study—not only about the history, but also

literature and sociology, and International relations. Chinese scholars, who have the advantages of the perception of Chinese mind, are much more prefer to use existing western theories and ideas to explain China (Nathan & Scobell, 2012). In such a way, explanation of what China is doing could be relatively easy for the West to understand—the effect is immediate, but the consequence could be pain. In a long-term, unless China adapt the Western values completely, the stronger China is, the more misunderstanding China will face.

## **CONCLUSION**

Because of objective factors, such as language barrier, and other subjective factors hinder the US to understand China systematically. On one hand, it caused by the flawed perception of self-position—over looked the influence of America on China, and neglect of China's essential interests. On the other hand, compare to the economy development, China has little enthusiasm on building and exporting its own values system, and clarify itself to the world.

Of course, it is viable to adopt the western theory to demonstrate what China is doing, and it could be much more efficient and effortless. However, in the long-term the misunderstanding of China could be accumulated, and China will yet yield to the West—under the control of the Westphilia ideas. Without a clear and completed value system, incorrect ideas like Auslin presents in his article, would abrade China's positive image and deter its process back to the glory.

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