

NETWORK ASIA

COMMENT

Win-win for China?

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What will the credit crunch and financial crisis in Europe and North America mean in Asia, and in particular in China? That must have been one of the questions posed in the meetings held in Beijing over the last month by China's leaders. As well as assessing how the Olympics went, they will almost certainly have been thinking about the 30 years of reform since December 1978 when China started its economic liberalisations. As 2008 comes to a close, there will be more public events 'celebrating' this turning point in China, Asia, and, as it turns out, the world's development. But external events, more than usual, will have taken their attention.

China could either be in a win-win, or lose-lose position. As things stand at the moment, its economy is still growing by 9%, a 1% drop on the earlier part of the year, but still way and afar ahead of the developed world, where there is likely to be zero or negative growth this year. Its banks, insulated by the non-convertibility of the Chinese Yuan, and already cleaned up after nearly imploding during the Asian financial crisis almost a decade ago, are in decent shape – or more decent than their Western counterparts, many of whom have shares in them. China has 2 trillion in foreign reserves, a massive war chest against any economic downturn. And its proportion of public debt to GDP is, in comparison to Japan, the UK, or the US, tiny. There will be some cheap assets going in the next few months, which Chinese may well be poised to take either a minority, or a majority share in. Suddenly, China the saver, the hoarder of massive bank deposits, looks like a champion of prudent fiscal policy and stability. Its investments might even be seen as one of the few areas where the world's economy can be kick started in the months and years ahead.

But there is a downside to China for all of this. Shrinking overseas markets for China's manufactured goods in the US and EU is a bad thing. Already factories are closing in the Pearl River Delta. Manufacturers, put off by inflation and rising transport and labour costs, and complaining about the restrictions placed upon them by the Labour Law passed in January this year, are starting to look to places like Vietnam, Laos, and Cambodia. Chinese people, while their consumer spending is up a healthy 20% on last year, are still not quite able to supply domestically the sort of market China had found abroad for its goods. And Chinese overseas investment policy has been marked, since the big losses last year from stakes in the US fund Blackstone and Barclays, by caution. The 'netizens' of China at least have been vociferous in their criticism of a government that seems to

only be able to lose money when it operates abroad. For a few moments in September, during the worst of the crisis, it looked like China might even buy a large stake in Morgan Stanley (it already owns 9%). But the moment came and went. China feared, no doubt, both the risk of losing yet more money in the short term, and the possibility of major political backlash in the US. The time is still not right.

A stable, benign international environment was what Deng Xiaoping, in the 1980s, said was most necessary to allow China to continue to develop its own internal capacity, and sort out its own formidable contradictions. Seeing the economies of the major powers in the rest of the world take a dive is not, most policy makers agree, in China's interests. The last thing it wants to see is major unemployment, lay offs, and investment dry up. Its strategy has been to move towards the higher end of manufacturing, create something approaching a knowledge economy, promote Chinese brands in the global market place. But these remain projects which will reach their fruition a decade or more in the future. At the moment, the Chinese economy is a work in progress. What is happening outside China in the global financial markets is a very unwelcome interruption.

The other major issue discussed in October which relates to China's own internal development is agricultural land reform. Every inch of land in the People's Republic of China currently belongs to the state, though in the last 30 years there have been increasingly long periods of lease available. In 1978, when the reforms first started, more than 85% of Chinese still lived in the countryside, working on the land. Very ironically, because of mass campaigns to send young people out of the cities, the late period of Maoism witnessed a process of de-urbanisation. In 2007, official figures show that something like 55% of Chinese, at least according to their registered place of abode, live in the rural districts. When the 'floating population' of up to 200 million is taken into account though, it is probably true to say that now more Chinese live in urban areas than in the countryside.

In October, China's leaders proposed legislation that would allow farmers to use their land and the leases on it as security for loans. This is a major step away from state control of a fundamental part of the economy. And it reflects how the reforms really took off three decades ago, with the largely accidental creation of Town and Village Enterprises, a by-product of the massively improved efficiency in the agricultural sector, meaning that tens of millions of farmers were able to devote their energies to other business rather than working on

the land. During his visit to Shenzhen as part of the famed 'Southern Tour' in 1992, Deng was to admit that this was a wholly unplanned part of the liberalisation process, and it's most successful. Such an outcome, he went on to say, showed the flexibility of socialism, with Chinese characteristics.

Whether the current reforms will have such a dramatic effect won't be known for several years. Land figures large in Chinese history. Mao Zedong and his fellow Communists in the late 1920s and 1930s were to make land reform a key component of their new liberation. Peasants then were saddled with massive rents. As a consequence of consolidation over history, landlords who owned larger tracts of land appeared. This process continued after the revolution in 1949. By 1956 China's land was nationalised. But its use, and legal treatment, remains a bedrock cause of unrest. More and more rural land is being put over to industrial or building use. The way some of it has been appropriated by village and town officials and business people has caused major discontent. Of the thousands of protests each year, a good proportion arise from land disputes. Here the Chinese are not so different to people in other countries, many of whom feel so passionately about their land rights they will pursue cases for only a few inches of land they believe belong to their borders through the courts for years, at risk of massive expense.

Will we see Chinese laden with large mortgages and debts the way so many in developed countries are? It seems unlikely. As the government is cautious in its approach to investment abroad, so Chinese middle class seem conservative and cautious in their decisions about their own financial affairs. Even so, it is likely in the years ahead that, just as China was reflecting on the meaning of its recent 30 years of history, ironically a considerable portion of global economic power was suddenly to shift towards it, and other Asian powers. In the months and years ahead, there will be fewer self-righteous lectures from economists and commentators in the West about the doomed Chinese system, in view of what has happened recently. And for that reason, win-win or lose-lose, China still comes out a winner of the events of the last few months.

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I I A S NEWS



NWO – Humanities Internationalisation grant: History of Science in Asia

IIAS and the Needham Research Institute (NRI) at Cambridge University, UK, recently received a grant to establish a network of European scholars studying the history of science in Asia. In 2009 and 2010, IIAS and Prof. Christopher Cullen (NRI), together with Prof. Harm Beukers (Scaliger Institute, Leiden University) and Dr. Catherine Jamie (REHSEIS, Paris), will organise a series of workshops in Cambridge, Leiden and Paris.

Dr Markus Schleiter receives Fritz Thyssen grant

Markus Schleiter, IIAS fellow since March 2007, received a grant from the Fritz Thyssen Stiftung für Wissenschaftsförderung in Cologne, Germany. He will use the grant to continue his research on *Constitution of Cultural and Traditional Practices of the Bihor People*, for which he will spend a few months in India doing anthropological fieldwork.

Collaboration Wageningen University: Marine protected areas in Eastern Indonesia

The Royal Netherlands Academy of Arts and Sciences (KNAW) has awarded a Mobility grant (Scientific Programme Indonesia-Netherlands, SPIN) to IIAS and Prof. Leontine Visser. From October 2008 to October 2009, Indonesian post-doc researchers will visit IIAS and Wageningen for additional training in social science methods related to and research on marine protected area management in Eastern Indonesia. In addition, a workshop and training for the post-doc researchers and their university students will be held in Denpasar, Bali.

IIAS welcomes new Board members and new Academic Committee members

As of 1 January 2009, Prof. Barend Ter Haar (Leiden University) and Dr Marcel van der Linden (IISH Amsterdam) will leave the IIAS board after two consecutive periods of 4 years.

IIAS is pleased to welcome (Leiden University) and Prof. Thomas Blom Hansen (University of Amsterdam) as new members of the board.



Prof. Maghiel van Crevel



Prof. Thomas Blom Hansen

Alexander von Humboldt Foundation extends funding for IIAS fellow

IIAS fellow Dr Irina Morozova received a 9 month extension from the Alexander von Humboldt Foundation for her research on *The Transformation of Political Elites in Kyrgyzstan and Mongolia, 1924-2006: A Comparative Historical Analysis*. The research is carried out under the auspices of GiGA Deutsches Orient-Institut in Hamburg.

IIAS will host AKSE conference in 2009

The Association for Korean Studies in Europe has approached IIAS to host the 24th Biennial Conference of the Association for Korean Studies in Europe from 17-21 June, 2009 in Leiden, the Netherlands. The conference covers the subject areas pre-modern history, modern history, modern Korean society, religions and philosophy, linguistics, anthropology and folklore, literature, and arts and archaeology.

Grant from Korea Foundation

Dr Melody Lu received a grant from the Korea Foundation to carry out a research about 'Technologies of governmentality and migration policies in South Korea and Taiwan'.

This research is scheduled for the period 1 September 2009 - 30 June 2010.

New Memorandum of Understanding

In collaboration with IIAS alumnus Dr Alex McKay, IIAS signed a Memorandum of Understanding with the Namgyal Institute of Tibetology in Gangtok, Sikkim, India. The agreement provides facilities for the exchange of researchers, the organisation of joint seminars, as well as the publication of joint research results.

For more IIAS news and information www.iias.nl

Asian Laureates announced

Since 1997 the Prince Claus Fund Awards are presented annually to artists, thinkers and cultural organisations in Africa, Asia, Latin America and the Caribbean.

The focus of the 2008 awards is culture and the human body. With this theme the Prince Claus Fund for Culture and Development celebrates ingenuity in forms of expression that touch on the human body, particularly by individuals, groups and organisations that are positively engaged with their surroundings and society.

2008 Principal Prince Claus Award to Indian writer, Indira Goswami



Indian writer Indira Goswami (1942, Guwahati, Assam) will be presented with this year's Principal Prince Claus Award of € 100,000.

Goswami, in the judgement of the Prince Claus Award jury, is an outstanding writer who reveals the lived experience of ordinary people. Through powerful graphic descriptions and haunting images she shows how central the body is in human affairs, how political, religious and cultural systems are codified through the body; and how life process, gender, age, poverty and conflict are defined physically.

Indira Goswami is a scholar of Assamese and Ramayana literature, a former professor and Head of Modern Indian Languages and Literature at Delhi University. She works together with others to translate her works into English, to make English literature available in Assamese and vice versa.

She is a courageous public intellectual, speaking in defence of disadvantaged groups. Through her mediation of recent peace talks in Assam, she has worked hard in trying to help resolve a conflict that has caused 10,000 deaths. A woman of remarkable insight and conviction, Indira Goswami (Mamoni Roisom Goswami as she is popularly known) is honoured for the unique quality of her writing, for identifying and expressing the inscription of cultural norms in the body, and for her influential social

and cultural activism through literature. Asia's talent was also represented among the ten 2008 Prince Claus Awards of € 25,000, with Asian laureates announced in the fields of visual arts, photography and film and performance, fashion and dance:

Li Xianting (b. 1949, Jilin Province, China)

Curator and critic, Li Xianting is a pillar of modern Chinese art. At a turning point in his country's history, he recognised and encouraged emerging talent, promoted new trends and organised ground-breaking exhibitions. He edited and wrote for fine arts publications, bringing contemporary Chinese artists to national and international attention. He challenged the authorities, opened space for experimentation and fought for reform of the national arts system. A lifeline for many independent artists, he continues this work as director of the Songzhuang Art Museum.

Li Xianting is honoured for his lifetime dedication to the development of contemporary art in China, for his rigorous analytical thought and for championing individuality and freedom of spirit.

Venerable Purevbat (b. 1960s, Tov Aimag, Mongolia)

Venerable Purevbat, an outstanding artist and teacher of the Vajrayana Buddhist tradition, brings scholarly discipline in Buddhist aesthetics to his art. He is also a great innovator, adding modern influences to create a dynamic and distinctive style. Purevbat founded a school to train artists and teachers in many fast-disappearing traditional Buddhist arts and established the Zanabazar Mongolian Institute of Buddhist Art, which mounts exhibitions, documents historical sites and undertakes restoration projects. His inspirational activities and dissemination of knowledge have created a renaissance in Mongolian cultural identity.

Venerable Purevbat is honoured for the rigorous authenticity of his methods and techniques, for re-establishing an important 'un-modern' aesthetic practice, for his dedication in fostering future generations, and for nurturing local identity through artistic tradition and culture.

Dayanita Singh (b. 1961, New Delhi, India)

Dayanita Singh is a master photographer who offers an acute vision of contemporary Indian realities that have been hidden or ignored. Her diverse works range from the daily routine of a girl in a Benares ashram to

the rising wealthy class, as well as the fading old elite of Goa. The photo-book *Myself Mona Ahmed* (2001), broke new ground, combining photos gathered over 13 years in the life of an Indian eunuch with the subject's own descriptive texts.

The quality and control of her compositions and the intellectual insight and subtle social commentary in her portrayals of the private and the interior, have won international recognition and influenced a new generation of local photographers.

Dayanita Singh is awarded for the outstanding quality of her images, for providing a complex and well-articulated view of contemporary India, and for introducing a new aesthetic into Indian photography.

Ma Ke (b. 1971, Changchun, China)

A bold voice in contemporary fashion design, Ma Ke asserts the cultural and social dimensions of clothing the human body. While studying, Ma Ke found that unique designs incorporating local cultural value, using sustainable materials and skilled craftsmanship, were considered 'wu yong' (useless). She defied the clothing and fashion industries, producing simple, organic and locally inspired casual wear. Her 'Wu Yong' collection of powerful, sculpted forms draws on China's rich history and demonstrates highly creative conceptual design. It is a strong statement against both the superficiality of international fashion and the cheap, highly industrial production of clothing.

Ma Ke is honoured for the superb craftsmanship and aesthetic quality of her work, for highlighting the complex interactions of clothing, culture and the body, and for promoting socially, culturally and environmentally sensitive design and production.

The awards ceremony will take place on the 3rd of December in Amsterdam.



3rd IIAS Fellow Symposium

The third IIAS Fellow Symposium will take place on 25 February 2009 in Amsterdam. This unique event is an opportunity to showcase the wide-ranging research carried out by our fellows in the field of Asian Studies. The IIAS Fellow Symposium is designed to give academics, and all those interested in 'all things Asia' the chance to get to know our researchers and join in lively discussions about diverse subjects.

Lectures planned for the day include Dr Mehdi Amineh talking about Energy Programme Asia, the IIAS Research programme established in 2007 to address the domestic and geopolitical aspects of energy security for China and the European Union; Dr Dipika Mukherjee on the Surinamese-Indian Community in the Netherlands; Ms Yetty Haning on Timor Sea border issues and Dr Yen Fen Tseng on migration in and out of Taiwan.

The day will also host two book launches. For further information www.iias.nl or email s.jans@iias.nl

IIAS welcomes Ian Buruma

November sees Dutch/British journalist, author and political commentator Ian Buruma on Dutch soil again. Buruma, who writes regularly for *The New York Review of Books*, *The New Yorker*, *The New York Times*, *Corriere della Sera*, *The Financial Times*, and *The Guardian* is in Holland to receive the prestigious Erasmus prize. This distinction is awarded annually by the Praemium Erasmianum Foundation to a person who has made an especially important contribution to culture, society or social science in Europe. Previous laureates include Henry Moore (1968), Claude Lévis-Strauss (1973) and Václav Havel (1986). The award ceremony takes place on 7 November. Ian Buruma is author of a number of books including *Inventing Japan: 1853-1964* (2003), *Occidentalism: The West in the Eyes of its Enemies* (2004) and the novel *The China Lover* (2008). He studied Chinese at Leiden University and returns to his alma mater on 26th November to give the 2008 Cleveringa lecture. IIAS welcomes Ian Buruma as IIAS fellow for the month of November.