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## ECONOMY AND ANTHROPOLOGY: UNDERSTANDING CHINA'S ECONOMIC TRANSFORMATIONS

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**I.** **E**CONOMIC INDICATORS PAINT A ROSY PICTURE OF CHINA'S 30-plus years of economic transformations. Today, China is the world's second largest economy by nominal GDP and by purchasing power parity after the United States (Library of Congress 2006). It is also the world's fastest-growing economy, with growth rates averaging 10 percent. China is also the largest exporter and second largest importer of goods, the largest manufacturing economy in the world, and the fastest growing consumer market in the world (Barnett 2013). More importantly, according to the World Bank (2014), more than 500 million people have been lifted out of poverty as the poverty rate fell from 84% in 1981 to 13% in 2008.<sup>1</sup>

Even if we have to take such indicators with a grain of salt—given that numbers are notoriously inflated and generally unreliable in China (see Silk 2013)—it is beyond doubt that general living standards, life expectancy, and opportunities have risen since Maoist times. Especially in cities, quality of life—at least in economic terms—has significantly improved. Nonetheless, what such economic indicators and analyses blatantly omit is the subjective living experience; the way people think and reflect about their lives. Neither do they tell us much about Chinese people's desires, aspirations, and fears. This is where anthropology can make an important contribution: not only by showing the

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1 Measured by the percentage of people living on the equivalent of US\$1.25 or less per day in 2005 purchasing price parity terms (World Bank 2014).

subjective, people-based perspective, but also by questioning economic simplifications of complex social processes. Below, I will use an example from my research in China to illustrate this point.

**II.** During my research on social support in Guangzhou, China,<sup>2</sup> one of my interlocutors was 80-something Mrs Xu. Hunched over and bow-legged from osteoporosis, her eyes almost blind from cataracts, Mrs Xu was among the many elderly women who spent their days at the Protestant church that had become one of my research locales. Happy to indulge in a distraction, she willingly told me about her life. And what a life it had been. Born before the communist revolution, she was sold by her father, a notorious gambler, into servitude to a rich family. Unable to bear the maltreatment and exploitation that a female servant—in amongst the lowest ranks in the imperial social hierarchy—suffered, she ran away and wanted to commit suicide. Yet, Mrs Xu continued on, a kind woman passing by talked her out of it, and subsequently adopted and took care of her. Nonetheless, with no education and given her low social standing, Mrs Xu had few options regarding her future. Lacking exceptional beauty and grace, she could not hope to climb the social ladder by marriage. Indeed, the man she eventually married was kind, she said, but poor. They had one daughter who died young, and after a miscarriage she was not able to have more children. Thus, when her husband died in the mid-1980s, she was left alone.

When we met, Mrs Xu lived in a small, roughly four by five meter room in the apartment that had once belonged to her husband. After his death, his sister fought with Mrs Xu over the inheritance, eventually selling the unit. A prolonged legal fight ended with a court order that obliged the current owner to let Mrs Xu live rent-free in one of the apartment's rooms. But, Mrs Xu said, "They cannot wait for me to die and have the place for themselves."

Due to her poor health and low education Mrs Xu had only worked for eight years before her employer encouraged her to retire.<sup>3</sup> This was not long enough to qualify for a pension. Thus, the only income Mrs Xu received was 415 Yuan<sup>4</sup> widow's pension per month, which put her below the poverty line. For this reason, the government paid for her electricity, water, and other utilities. Mrs Xu had developed various health problems,

2 This research project "Soup, Love, and a Helping Hand," is based on fieldwork conducted during 14 months between 2006 and 2007 as part of my post-doctoral studies at the Max Planck Institute for Social Anthropology, Germany. A two months revisit in 2010 was funded by the Universidad de los Andes, Colombia FAPA fund.

3 Chinese women's retirement age is 50 to 55 years depending on their position. During Maoism, however, especially women were often encouraged to retire early so their child could take their workplace.

4 About 52 US\$ according to the 2006 conversion rate.

and paying for medication and doctor's visits had become her major concern. Extremely high medical costs are notorious in China today. Not only do hospitals charge exorbitant prices for medication, but hospital stays are also prohibitively expensive. The year before we met, Mrs Xu had to stay in hospital for a procedure which cost 30,000 Yuan.<sup>5</sup> While her medical insurance covered the required medication, she had to pay for the bed and food by herself. She was only able to do this after saving money over a prolonged period of time. Not surprisingly, Mrs Xu was afraid that she would need further treatments or suddenly fall ill.

To better understand Mrs Xu's situation, we have to put it into historical context. During Maoism, the majority of urban Chinese residents lived in an all-encompassing social world. State socialism, after all, was grounded in a specific social contract: in return for laboring for the socialist revolution, (urban) citizens were granted wide-ranging social benefits and privileges.<sup>6</sup> These included subsidized housing, consumer goods, transportation, and cultural facilities; medical care and pensions; as well as education and child care services. These were principally provided by the employer, a state-owned factory, company, or administrative office. The majority of urban residents thus lived and worked in tightly controlled spaces—work-units (*danwei*)—with little reason or need to venture beyond its confines. Yet, the all-encompassing social system and ideology of social equality did not obviate the importance of kinship in people's everyday life.<sup>7</sup> Lack of available housing as well as age-based income differentials, for example, gave parents a decisive edge over their adult children's economic situation. In addition, despite child care facilities, grandparents continued to play an important role in child-rearing. As a result, on the eve of China's economic reforms, urban society was a tightly knit web of work-unit cells where neighbors were work colleagues and social relations were reinforced by close proximity and kinship bonds. Despite its Orwellian character, the work-unit offered near-ontological security (Giddens 1991) as regards the daily necessities of life.

With the reform period that started in the late 1970s, state provided services have been severely cut back as the government aims to change citizens' position as supplicants to the state, to one of consumers of market-based

5 About 3750 US\$ according to the 2006 conversion rate.

6 In the countryside, people lived in communes that also provided basic living necessities, yet benefits were never as all-encompassing as in the city. To avoid rural-to-urban migration the government implemented tight controls.

7 Neither did it preempt gender discrimination. Women usually lived in the husband's *danwei* and had to commute to their places of work. Due to their alleged natural disposition they were also expected to take on more household responsibilities. Their "double burden" was thus marked by both time and space.

social services. Beyond this, kin are constitutionally obliged to support each other, in a policy that is backed by an official revival of Confucian family values. While urban residents have generally fared much better in the reform period than the rural population, the transformations of the last three decades have nonetheless dramatically affected people's everyday lives. The basic social security system (including medical insurance) in urban areas, for example, covers only the very minimum. The elderly in my research projects in China, time and again, emphasized that they exercised regularly to avoid becoming sick. Besides illness, housing,<sup>8</sup> the rising costs of living, children's education, care for the elderly, and unemployment, all present extreme financial challenges to Chinese urban families today.<sup>9</sup> In addition, urban residents also have to reorganize the logistics of their everyday lives: Children of working parents have to be picked up from school; somebody has to cook, shop, and clean the house; the sick and elderly need to be taken care of. In all these situations, resources and services have to be mobilized by the individual. It is here where kin and other social relations gain increasing importance.

In this market-based and kin-supported new Chinese social system, Mrs Xu who had little income and no living relatives was left in an extremely vulnerable and disadvantaged position. On a certain level, we can read Mrs Xu's story as a tale of economic restructuring in the neoliberal vein. Yet, statistics and economic indicators leave out important facets, notably the subjective experience of the dramatic transformations that China has undergone, and the social and emotional costs for the people involved. It is here where anthropology can make an important contribution. Examining the economy as an embedded social phenomenon, a total fact, we can better appreciate the complex transformational processes in China's recent history and their effects on people's everyday lives. Indeed, the anthropological lens highlights an important aspect of China's reform programs: the "disembedding" of individuals (Yan 2008).

With the reforms of the state-sector, collectives such as the work-unit

8 In Beijing, where housing prices are the steepest in the country, a 70-square-metre home costs 20 times the annual household disposable income, according to a 2011 report by the International Monetary Fund. This is four times higher than in Britain and double the prices in Japan. In Shanghai, the price-to-income ratio is around 14 times (Shao and Qing 2013).

9 This financial "squeeze" is most felt by the "Cultural Revolution generation," today's 60-something-year olds, who came of age during this Maoist period of political upheaval. Frequently, lacking formal education, they were at a decisive disadvantage in the reform-period labor market, and left in low-paying public sector jobs, self- or unemployed. At the same time, however, they have to support their elderly parents, and pay for their child's education. The latter is considered an investment in their own future, since hopefully the child will one day support her parents in return.

and/or the neighborhood have changed or become undone; political identities, such as “socialist worker,” were devalued. Moreover, after the violent experiences under Maoism, the disruptions caused by the reforms have undermined collective responsibility. They have led to a perceived “moral vacuum” and ultra-utilitarian individualism (Wang 2002; Yan 2003; Zhuo 2001).<sup>10</sup> This is nurtured by the growing wealth gap and concomitant sense of loss and injustice especially among the older Chinese (Yan 2009). While few Chinese want to return to Maoist times, many older people mourn the loss of purpose, camaraderie, and the ideals of equality they grew up with. They enjoy the generally improved living standards and new opportunities, but also feel bewildered by the multitude of new things, ideas, and demands. Urban women, for example, often assume special responsibilities in caring for the extended family since they are more likely to be laid off than men and retire earlier. Yet growing physical distances and socio-economic differentiations, in combination with financial insecurities, caused many of my female interlocutors to feel overpowered by their social and financial responsibilities. Older retired people, meanwhile, frequently lamented the changes in their neighborhoods: They knew ever fewer people and commented that nobody “has time anymore,” while their children were “busy with their own lives.” Older informants thus often felt a bit lost and that they had “nothing to do.” “Too much time” and a feeling of “uselessness,” in turn, troubled the unemployed. In addition, almost all my informants, throughout the research, had experienced some form of social conflict with family, friends or neighbors, over money or over diverging interests and ideas.

Indeed, multiple moralities and ideologies aggravate the experience of “disembedding.” New (government-promoted) values such as self-responsibility and building social capital exist alongside historical concepts such as moral indebtedness and reciprocity (*renqing*). The difficulties that arise from this patchwork of old and new values become clear, for example, in the recent government attempt to legally define the historical concept of *xiao* (filial piety). Besides a set number of hours that adult children should spend with their parents per week, the proposal also included directives such as teaching parents how to use the Internet. Widespread protests emphasized the incompatibility of modern work-schedules with such requirements. Similarly, the concept of reciprocity which stipulates that favors should

10 Besides outrageous scandals involving corrupt Chinese officials, newspapers, TV, and internet are also filled with numerous cases of extreme behavior by regular citizens that range from road-rage killings, violent family feuds, poisoned food stuffs, and elaborate scams.

eventually be returned requires trust in other's goodwill. Today this is complicated by rapidly growing income differentials and the rise of utilitarian thinking. Thus, whenever Mrs Xu's neighbors helped her out with some small household task, she gave them some money. Even though she was hard up, she preferred to pay them since she could not return their help, and she felt uncomfortable being morally indebted to them.

A purely economic analysis of Mrs Xu's living situation would probably highlight her living below the poverty line, the financial support she received from the government, and classify her as belonging to the precariat. Yet, Mrs Xu emphasized that she did not need anything. When I visited her the first time, for example, I brought some apples as is customary. But Mrs Xu refused to accept them, pointing out that she still had apples from a friend's visit a week ago and that they would only turn bad. She went on to show me the cake she had left from last Sunday's church visit where it was given out to the community's poor. Mrs Xu also had four bottles of cooking oil. Every Chinese New Year, her husband's employer would distribute them, and she could never use them up within a twelve-month period. Similarly, on the same occasion, her church gave her shampoo, but she never finished the bottle before the turn of the year. Apart from her worries about sudden medical expenses, Mrs Xu had no material needs. What she lacked was sociality: family and/ or community.

As I have argued elsewhere (Fleischer 2011a, 2011b, 2013), the contemporary disembedding of the individual in China is paralleled by the formation of alternative communities and new ethics or moral models. The young generation of only-children has generated a veritable volunteering revolution, seeking to improve their "marketable skills" and to expand their social networks. At the same time, new social groups and clubs are formed and religion, especially Christianity, has become a major draw. Protestantism in China has the highest growth numbers worldwide.<sup>11</sup> Mrs Xu and her husband had become Christians as soon as churches reopened in the early 1980s.<sup>12</sup> Mrs Xu could not emphasize enough how much the church had helped her. They had given her clothes, household items, and food stuff, and also collected money for her, for example, when she had to stay in hospital.

11 Bays (2003: 488) claims that on any given Sunday, there are almost certainly more Protestants in church in China than in the whole of Europe. The International Religious Freedom Report 2010 by the US Department of State counts 50,000 registered Protestant churches and nearly 90 million Protestant believers (US Department of State, 2010).

12 Heavily regulated and controlled since the communist revolution, during the excesses of the Cultural Revolution (1966-1976) religion was completely forbidden, churches closed and destroyed, practitioners accused of bourgeois behavior and often violently punished.

But, showing me how much of these donations she had left over, Mrs Xu emphasized that it was especially the non-material support that had really helped her. “My life would have been much more miserable without them; they are my family.” Mrs Xu may have lived below the poverty line, she may also have experienced material hardship and relied on people’s goodwill; yet, what mattered most to her was the loss of community. It was in the church community that she found social support and a sense of belonging that helped her overcome her loneliness.

**III.** I have used Mrs Xu as an example to show that social support is uniquely located at the intersection of economic, political, and social realities. It also involves changing social ideologies and conflicting emotions. All of these dimensions are intimately intertwined and continuously shifting in relation to one another and to local, regional, and global politico-economic circumstances. Examining the issue of social support from an anthropological perspective shows that only by understanding economic restructuring as an embedded social phenomenon, a total fact, can we grasp the complexity of these transformations and appreciate what they mean to the people involved. Anthropological studies of people’s perceptions, practices, and ideologies can contribute importantly to our fuller understanding of contemporary economic processes. It is in this sense that I hope this number of *Antipoda* focused on “Economy and Anthropology,” together with the previous one, will contribute to providing a better understanding of a wide range of economic questions and issues in Latin America and beyond. ✱



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