

TRANSCRIPT INTERVIEW YOU-TIEN HSING  
VPRO BACKLIGHT: METAMORPHOSE OF A CRISIS (2011)

*You-Tien Hsing will first read a section of her own work, which was part of the readings that were discussed at the Aftermath Network meetings. The intention is that all the contributions of the members of the Aftermath Network will be published.*

‘What this new regime of social stabilisation has brought is the commodification of citizens perception of justice and rights. For the grieved and unjustly treated either in the case of farmers facing industrial pollution, or land appropriation or of migrant workers facing illegal dismissal and work-induced injury, many of them measure the success of their seeking justice by the size of cash compensation. Constrained by the limited political space, in their struggle, cash became the goal of their struggle and the measure of justice.’

*Could you tell us a little bit about your professional background and how you got involved in the Aftermath Network?*

I’m a professor at the University of California Berkeley, the department of geography. I was not involved in the program in the first two years, and then Manuel Castells who is my former advisor and current research collaborator, told me about this project. He felt that there was a missing element in this Aftermath Network, which is what happened to some of the major economic players in the world, and where can we find major examples of countries that have emerged from the crisis unscarred? China happened to be one of them so since my research focus is China, particular economic development of China, Manuel invited me to join the project.

*How would you characterise this crisis?*

In China or in general? I would say it’s really a financial crisis to start with, but then it has a much broader impact on other aspects of life. It is a financial crisis because it for example led to unemployment and therefore it has a severe impact on mortgage and therefore housing issues, and as well this crisis has a major social impact: a financial crisis that led to incredibility of political leaders. People go on the street and protest and therefore it is a political crisis as well.

*Do you therefore think it is different from earlier crises of capitalism?*

Fundamentally I think there are two things that make it different from the previous crises. One is because we are in a much more globalised environment, therefore what happened in one location, in one place, can easily travel to other locations. And besides, it travels much faster, the connection is a much tighter one than in previous crises.

*And if you have to think of an image that for you represents the crisis?*

I would say.. it started very small at the corner but then it starts to spread very rapidly to a much larger area. And then things all, especially very densely populated forests, trees stand with one another much more closely, so you see when a tree caught fire and spread to other trees. So the immediate image that came in my mind is this fire in the forest.

*Do you think this is a global crisis?*

I would say this is a global crisis in terms of how this sense of losing order and how this type of uncertainty is widely shared by different cultures and economies, however I would say that this supposedly global crisis is not felt and not demonstrated, not revealed in the same way in these different places. We all feel uncertainty, some kind of problems if not now it will be in the near future, but at the same time we also feel there are different interpretations and suggestions for course of action in terms of dealing with these different types of crises, but I think this sense of uncertainty is what we share.

*And if we focus on a specific place, on China, how does the crisis reveal itself in China?*

Well I would say in the Chinese case, again like some other Western European or United States financial crises that we have seen since 2008, you don't really see that kind of financial crisis in China, however I argue in my paper that there is a crisis, a financial crisis in the making, but it's not reported in the official balance sheet. People don't see it yet, therefore in the general consensus people say China emerged from the crisis unscarred and so on. But however there is also a concern with how then politically and socially this crisis is felt. I would argue that if even there is no immediate financial crisis in China, we will see how this postponed crisis, financially, is actually being shifted at the same time to the social front. We see a social crisis in China today, as a result of the shift of this crisis from the political and economic arena to the social arena.

*So how would you describe the social crisis of China?*

That is a very big question but let me try. To begin with, one of the reasons for the successful economy in China, its capability of avoiding to a large extent current financial crisis is actually because of its ability to build a political consensus. To concentrate resources to put together a huge stimulus package infrastructure investment, and to provide more jobs at a time of the crisis globally, but then such a concentration of resources in the hands of the party state does not mean that we don't have social disparity. So we do have increasing social disparity and discrepancy, we have a very high Gini-coefficient and also very increasingly social riots, protest everywhere. But that is not what I mean by social crisis. Income disparity or increasingly frequent and more violent protest is just the beginning of the story of the crisis making because it's really how the state deals with such protest, turmoil and riots. That makes the crisis.

*And how does the state respond?*

Well the state is started with the process of legal reform. In order to vent the heat, to let people voice their complaints, they actually started legal reform since the late 80s and then also establish the whole system of bureaucracy to let people take their complaints to the specifically designated governmental agency to tell the officials what went wrong, how injustice had happened to them and so on, however after the first 10 years of such experiments of legal reform, letting people sue the government or take their complaints to specifically specified, designated government agency, it didn't quite work for various reasons. Now the most recent development is the establishment of a regime of social stability maintenance, meaning there is another set of state bureaucracy dealing with this increasingly frequent and violent riots. And it's just a straightforward cash based compensation based on negotiation between this government officials and this trouble makers to the extent that these trouble makers in their struggle to seek justice, actually have to go already in the back of their mind what they are seeking is not really achieving justice, not to get their rights

established, rather it is to seek how much cash they can get out of this negotiation with the government. So the whole sense and perspective of what is justice, what is citizenship rights, is being commodified in the sense of people negotiate for money.

*So where will this lead to, what will be the outcome of this disresponse of the state?*

The state actually is losing legitimacy. I call this anxious state versus agitated society. Meaning the state will be so anxious in terms of trying to deal with these increasingly angry society. Violence is never far from their options, also using paramilitary actions to threaten. These people know when they take the complaints, take actions to protest. They know, if they don't accept the offer of the state with cash, compensation, the alternative is to face state violence. Within that framework, they are also rather ready to accept the deal in the state and also know that it's part of the routine, this negotiation.

*And when you talk about the state, you also talk about the communist party, could you tell a little bit more about how the party actually uses capitalism or the economic system to stay in power?*

That is a great question. The characteristic of the Chinese market reform is that the party state used the force of the market to reinforce, strengthen the party state's control, over resources by not only incorporating and collaborating with capitalism, but also to make itself the most formidable capitalist by focusing its control over strategic sectors, by merging strategic large scale state owned enterprises into agglomerations, large group companies and so on, in again strategic sectors such as energy, telecommunication, defence not to mention and so on. So with these ways of concentrating economic resources with the strategy of playing the most important and dominant role in the expanding market the state has managed to integrate interest of the political and economic elites, who are very much loyal to the communist party at the same time. They have a streamlined party organisation to make sure the most talented ambitious young people are still attracted to serve the state and also share the interest and the goal of the state in continuing economic expansion.

*So this social crisis is the outcome of a deliberate action of Chinese elite?*

You can say that, but I would say it's not as much deliberate, but almost unavoidable. Result of this is economic expansion, supported by this political structure of highly integrated political and economic elite under the organisation and coordination of the Chinese communist party.

*And to go back more to the global perspective, how do the Chinese look at the economic struggle of the United States and Europe?*

Well there is an interesting novel published in 2010 called *The Prosperity, the Era of Prosperity*, it is sort of a satire, actually depicting very well how the Chinese nation state and the Communist Party and also the state represents, sees itself as the new model of development. When the Chinese leaders see what happened especially in Europe, and in the United States, it sees itself as we have finally found our position in the world as a new model, not just a leader, really showing people a turning point of development. However whether it is really an alternative path, we are not sure about that, but you really give the Chinese state and therefore is nationalism, a great boost and an image of self confidence, so you talk to people in Chinese say: "Well listen, you see what happened to the United States and Europe and we still stand up straight and we can show the world that we can make it, we can do it". That kind of image and portrayed mainly by the state, was very much

supported by a lot of people in China and helped the Chinese state to continue with what it has been doing.

*Also what we learn from other papers, which are being presented in this conference it seems like Europe and the United States are losing their faith in progress. How about China?*

It's a great question. China hasn't. It's quite the opposite; I still feel very strongly that kind of optimism. People still feel the future will be better than the present, they still believe in the future. It's not too different from the times when the United States was going through this boom time. So people, that's why investment in housing real estate property keep the value because it will always increase. The value of property will always increase, saving for the future, so the bubble idea is not, people talk about it in newspapers, economists talk about it, the doom sayers have a much weaker voice than the boom boosters for sure.

*And you, with more academic distance, how do you see the future of China?*

I worry. Very much, in terms of how this current financial situation, how sustainable it is, to continue with this such large scale investment projects based on huge debts, to begin with, and also I worry even more on the social side of things. Distribution is a problem, and this expansionism based on the displacement of people, and also using property, land taken from the farmers as a collateral, more bank loans in order to finance these expansionist type of projects. I don't see really how socially this is sustainable and how financially this is sustainable, even if socially and financially these are problems, we wonder how politically it is sustainable then. This is really the bottom line concern of the Chinese Communist Party.

*And on personal level, how do you experience the crisis?*

As a researcher, I don't live in China, my family is in Taiwan, I do research there. My friends, many of them are there. Whenever I visit one thing I do notice is my shrinking research grants provided by my American university. Funders just couldn't keep up with the inflation that is going on in China today. Everything, every time I go my hotel bills increase. When I buy books, travel, airplane tickets, all these things that is only very humble, the expenses that I need to pay for this is shrinking. But again compared to many other people who really feel the crisis, I think this is really nothing.

*About the Aftermath Network; what do you think is the shared notion of all the things being presented during this conference?*

I think there is a sense of how intellectuals do have some kind of, not just curiosity about the changes that happen around us, but also a sense of responsibility. What can we do, how can we understand it better? Whether we can be heard or not, of course is a concern, but at least we should try to understand it better, maybe we can make some suggestions in terms of what happened, what are the mechanisms that lead us to where we are today? And therefore hopefully we can make some kind of suggestions about the possible ways of dealing with it. I think the sense of intellectual responsibility I feel very strongly among these participants.