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What Happened to “Greater China”?: Changing Geopolitics in the China Triangle

Allen Chun

I. Introduction

*A*lthough I am an anthropologist working in Taiwan, doing research most recently in relation to contemporary Taiwan, I actually started out my career more interested in Southeast Asia, focusing initially on problems of a more historical or sociological nature. In the study of Southeast Asia, it is difficult to ignore the presence of the Chinese, who make up a large and significant proportion of the population, especially in Malaya, Indonesia, and the Philippines, not to mention nations on its geographical periphery, such as Vietnam, Thailand and Burma. Relations with the Chinese go back centuries, first with generations of traders, then followed in the 19th century by mass emigration of laborers from southeastern China. In dealing with the diverse disposition of Chinese everywhere else, the obvious questions can be posed: How does one reconcile the nature of cultural continuities or discontinuities? Do these diversities reflect back on cultural questions of a more fundamental or seminal nature? That is what other scholars usually ask, but I am admittedly not very interested in such questions, even as an anthropologist. What I find more interesting in such experiences is that it is quite difficult to ignore the regional or global context of any culture or society, even China *per se*.

All local cultures and societies live in constant interaction with larger geopolitical forces, and how we understand that context is paramount. In past decades, Western scholars have looked at China and East Asia in general from a variety of regional or global lenses. Such

societies, especially in the postwar era, have been the focus of what William A. Callahan has called “social science fantasies.”¹ The rise of “miracle economies” in East Asia—first Japan, then Taiwan, South Korea, Hong Kong and Singapore—gave birth to the term “Four Little Dragons.” Since this rise corresponded closely with the “stagflation” of Western capitalism in the 1970s, many scholars singled out culture as a possible determining factor in this unique development. Sociologist Peter Berger coined the notion of economic culture.² In a book entitled *In Search of an East Asian Development Model*, he noted the “comparative advantage of Sinic civilization,”³ but the first to underscore the role of Asian values in the rise of East Asia was political scientist Roderick MacFarquhar in an essay in *The Economist* entitled “The Post-Confucian Challenge.”⁴ Models of East Asian capitalism filled the scholarly literature in the 1980s but shifted in the 1990s to focus more on overseas Chinese capitalism, which corresponded on the one hand with the bursting of the Japanese economic bubble and on the other hand with the rise of transnational Chinese capitalists throughout East and Southeast Asia. At the same time, scholars began to compare Japanese models of capitalism with Chinese ones, but all of these discussions hinted at distinctive features, i.e., unique ideologies, institutions, and practices, that were supposed to drive these discrete economies.

As variations on the theme of a so-called Sinic mode of production, there are diverse tendencies as well. Gordon Redding has taken Berger’s notion of economic culture most seriously, by attempting to show how distinctive ideologies or institutions can be elucidated to shed light on Chinese business organizations and practices everywhere.⁵ Sociologist Gary Hamilton, on the other hand, while recognizing the relevance of cultural influences on Chinese economic organization, argues against relying on a “sociocentric” model, noting that “Chinese capitalism cannot be understood apart from the dynamics of the global economy, because...Chinese capitalism is not a domestic capitalism (i.e., the product of indigenous economic growth) but rather is integral to world capitalism itself.”⁶ Another sociologist, Ezra Vogel, tends to see a balanced role between culture and sociopolitical context, which can be used to contrast the industrializing experiences of Hong Kong, Taiwan, South Korea, and Singapore,⁷ while anthropologists Aihwa Ong and Don Nonini, looking from the vantage point of Southeast Asia, view the success of Chinese capitalists largely as an extension of inherently transnational tendencies and skills.⁸ Finally, there are many scholars who take seriously the role of Confucianism in the develop-

ment of capitalism, either in Weberian or other terms. In the 1980s, even the Singapore government actively explored the applicability of Weber's Protestant ethic to Confucianism, which helped to promote the primacy of Asian values in cultural policy, in the form of religion, as a prime mover in economic development.

In raising these examples, I am not particularly interested in pursuing any of these complex themes, any of which can easily be the subject of separate books. My point is to show, by way of background discussion, that the way in which scholars look at China is often the product of inherently larger concerns. The debate regarding East Asian capitalism is equally reflective of a deeper debate about the nature of capitalistic development as it is inflective of the way scholars generally perceive the role of culture in constituting society or driving institutional life practices. In the final analysis, they are not end points in themselves but are intended to have ramifications that disguise the way that we contrast the relative economic and political potentialities of East versus West (or what political theorist Samuel Huntington ominously calls "the clash of civilizations"⁹), while serving as foci for extending academic debates over the nature of capitalism or revitalizing Confucianism.

II. Greater China

The notion of Greater China is a product of rather different concerns and circumstances. But since I already mentioned the ominous words of Samuel Huntington, one might be interested to know that he also has a position on Greater China. He has argued that, through what he calls "Greater China and its Co-Prosperty Sphere," "China is resuming its place as regional hegemon, and the East is coming into its own."¹⁰ I cite Huntington's comment here simply to dismiss it summarily, as it really reflects an extremist version of Yellow Peril Orientalism that was promoted avidly by Cold War era polemicists and now by their successors in the CIA and Pentagon. On the other hand, Greater China, as I understand the term, was initially coined in the 1980s and became popular in the 1990s to represent what seemed to be a newly emerging phenomenon at that time. A major scholarly journal on contemporary Chinese affairs, *The China Quarterly*, devoted a special issue to this in 1993. As its editor, David Shambaugh, neatly put it, "Greater China is a complex and multifaceted phenomenon which exists even if the term to describe it is not entirely apt."¹¹ In effect, the phenomenon

that Shambaugh alludes to here refers not just to the face of a newly emerging China, as though it is the product largely of its own internal political struggles and social transformations. I would also say that this newly emerging phenomenon took on distinctive meaning in the context of subtle unconscious changes taking place within the modern world system, during which one can see a renewed importance in the particularistic role of cultural forces and relationships. I deliberately phrase my description of the phenomenon in this way because it is crucial to explain what was really old or new about it; secondly, why we tend to see the inherent influence of cultural factors; and thirdly, what happened when use of the term Greater China began to fade into obscurity toward the end of the millennium.

First, the phenomenon itself: it is generally recognized that, in the 1980s, one began to see growing interactions and interdependencies between China and its neighbors, Hong Kong and Taiwan initially, then broadly expanding outward in Asia through links with other ethnic Chinese. China watcher *par excellence* Harry Harding notes that the first references to the notion of Greater China most likely occurred in journalistic articles in Taiwan and Hong Kong that foresaw and advocated the emergence of a “Chinese common market” that would link Taiwan, Hong Kong, Macao, Singapore, and PRC, using terms like *zhongguoren gongtongti* (Chinese communal entity) and *zhongguoren jingji jituan* (Chinese economic corporation).¹² I emphasize the advent of the phenomenon as described above and our initial attempts to characterize it as a term rather than the appearance of the term itself, because I do not think that the term for Greater China, at least in Chinese (*da zhonghua*), ever became a popular or useful term in Chinese intellectual circles, unlike in the West. One can debate the hypothetical question of whether Greater China is actually an Orientalism, but the phenomenon itself is very real. As cursory attempts to phrase it suggest, the phenomenon began in earnest with the increase of economic flows and relations between China and its neighbors. These economic bonds developed into a broader community that enveloped common cultural interests and political sentiments. In other words, it became more than an E.U.- or NAFTA-like common market. Its multidimensionality also raises obvious questions about its ramifications for other domains of life, society and polity. At the same time, while one can recognize that this is a complex economic, cultural, and political phenomenon, on the other hand our attempts to understand it functionally have invoked debate and confusion about the concepts and

interpretations used to define the term. In other words, are we really looking at interaction, integration, or reunification? This confusion in conceptualization at a functional level underlies the controversy over Greater China as a problematic idea, much more than the understanding of what constitutes "Greater" and why. In geographical terms, the nucleus of Greater China has been unambiguously Hong Kong and Taiwan, but how far one can extend it elsewhere in Asia through the network of Chinese is a matter of definition.

Nonetheless, the phenomenon of Greater China emerged clearly in the 1980s and into the 1990s, followed by a growing awareness and attention to it in intellectual circles in the 1990s. In economic terms, we see in this period of expansion greater flows of capital between the three places that constitute what I prefer to call the "China Triangle," and the nature of these flows is very uneven. In the post-WWII era, Hong Kong had always been heavily engaged in and dependent on trade with PRC for goods of all kinds, principally for subsistence items, while serving as an *entrepôt* for China trade going to and from the rest of the world. Active investment by Hong Kong entrepreneurs in China was made possible in the post-Maoist era by the change in policies initiated by Deng Xiaoping. This coincided symbolically with the Sino-British agreement in 1984 to return Hong Kong to Chinese sovereignty in the sense that it ironically signaled the opening up of capitalism in China and Hong Kong's role in it. This change in policy not only opened the floodgates of capital but also opened up flows of people between China and Hong Kong. Most of the movement was unidirectional; special economic zones in Shenzhen (bordering Hong Kong) then elsewhere acted as magnets to attract Hong Kong investment, which in later years spread everywhere in China. The outflow of capital from Hong Kong to China has continued unabated to the present to the point where Hong Kong manufacturers today employ more workers in south China than in Hong Kong itself.

The case of Taiwan is slightly different. In 1981, the PRC's no-tariff policy for Taiwanese imports, followed by the creation of a special economic zone in Fujian, served as initial incentives to attract Taiwanese investment. The flow of Taiwanese goods and capital into China was mostly unidirectional, too, in the sense that the KMT government in Taiwan was slow to open up its Cold War embargo against PRC goods until much later. As in the case of Hong Kong, the opening up of economic trade on both sides eventually increased the flow to a point today at which it is constantly growing. On the economic face

of things, Greater China is supposed to be getting greater and greater. More interaction should bring about more dependence, but does this bring about more integration, and is more integration the backdrop for eventual reunification (as though to suggest that this is really what PRC had in mind when it first coined such meaningful terms as “socialism with Chinese characteristics” and “one country, two systems”)? The interface where phenomenon meets concept is unfortunately also the interface where fact meets (discursive) fiction. At the outset, I deliberately set aside this *problematique*, because this is where the confusion starts, and this is where the phenomenon starts to get complicated, beyond anyone’s imagination. If we stay only at the descriptive level of phenomenal change, Greater China has never stopped getting greater, but this already contradicts our later discovery that the concept has most recently faded away.

In the cultural terms of the 1980s, the phenomenon of a Greater China really refers to the emerging popularity of Hong Kong and Taiwanese pop culture, despite official disdain by the CCP. Canto-pop and Mando-pop have diverse, complex origins in Hong Kong and Taiwan. One should not assume *ipso facto* that they are merely indigenous creations of an ongoing folk culture. In an earlier essay, I argued that popular culture in both places is, in fact, a unique consequence of changing geopolitical forces.¹³ The advent in the 1970s and 1980s of what we recognize today as Hong Kong and Taiwanese pop culture was made possible by overt depoliticization of the cultural domain. Mass mediated culture emerged against the current of more dominant forces, like Mandarin and Cantonese cultural spheres as well as Western ones. Despite its actual origins, the cultural face presented by the PRC took on a different tone. Pop culture was not just the influx of modernity; its politically subversive nature made its channels (including back-door ones) even more informal than the economic ones. Needless to say, the cultural flows that defined Greater China in this regard were almost exclusively unidirectional. Thomas Gold was correct to term Greater China culture *gangtai* (literally, Hong Kong-Taiwanese).¹⁴ Perhaps even more than Greater China’s economy, the cultural affinities were quite explicit. The fact that it was a Chinese language medium culture made the cultural content of this Greater China unabashedly modern, if not openly Western. Reverse cultural flow from PRC back to Hong Kong and Taiwan did not occur until much later, and this was obviously a consequence of the emergence of pop culture in China precipitated in part by *gangtai* culture. One can ruminate on cultural developments,

which, as in the case of the economy, might inevitably invoke questions of presumed integration, synthesis, and resistance. Yet it is clear that economy and culture do not seem to work in exactly the same way and, thus, should have different implications for a Greater China.

An interesting spin off from the cultural dimension of Greater China described above is the idea of cultural China invoked by Tu Weiming. In a special issue of *Daedalus*, Tu remarks that the term *cultural China* originated in Chinese intellectual circles and that in his usage it refers to two communities of people: (1) ethnic Chinese who inhabit Greater China and abroad, and (2) concerned individuals (including non-Chinese intellectuals) interested in the fate of China.¹⁵ Although his use of cultural China was not meant to coincide with Greater China, it was motivated by the same perceptions that saw a greater community of mind that transcended China *per se* and by values that advocated a renaissance from the outside that could serve as a paradigmatic model for “a declining core.” As a neo-Confucian intellectual historian, he is obviously not referring to pop culture as the great synthesizer but some other cosmology that could, in theory, unite Chinese and Sino-philes everywhere and whose center of gravity is perhaps closer to Cambridge, Massachusetts (i.e., in the global center).

The third dimension of Greater China, the political, is perhaps the most questionable. If one reads the literature, one gets a sense that the political is implicitly intertwined with other dimensions of Greater China. In overt terms, Greater China is not about political relations binding PRC, Hong Kong, and Taiwan. Instead, it is a communal entity built on informal, extra-political, or transnational ties relying on concrete economic and cultural bonds that seem to have political ramifications. The diverse politicized literature is really a function of how various people read the significance of its economic and cultural relations. Even the astute Harry Harding makes the following conclusion in his analysis of Greater China: “the re-creation of a global Chinese culture has been a natural process: the product of a common ancestry, facilitated by modern communications.”¹⁶ The institutional developments in relation to a more universalistic Chinese culture suggests increased communications brought about by the withering away of physical and bureaucratic obstacles, while the linguistic and cultural affinities between people can exploit common values in tradition or interests in modernity to create such a global village. More importantly, this cultural sphere of Greater China seems to have only positive effects that might facilitate any eventual reunification. In the realm

of economy, Harding argues that the emergence of a transnational Chinese economy is not just about the embrace of capitalism as a motor for raising its own standards of living and that its political machinations in Greater China are played differently by all sides of the China straits:

From Beijing's perspective, economic interaction is viewed as a way of facilitating the eventual political reunification of China. The mainland Chinese government has therefore adopted a series of policies to stimulate commercial relations with Hong Kong and Taiwan, most notably the creation of special economic zones directly opposite them, for political as well as for purely commercial reasons. Hong Kong, in turn, regards economic ties with the mainland as a way of cushioning its return to Chinese sovereignty in 1997, in that they will give Beijing a large and direct stake in preserving the territory's political viability and economic prosperity throughout the transition. On Taiwan, in contrast, economic interaction with the mainland is seen in the short term as a lever for extracting political concessions from Beijing, especially with regard to renouncing the use of force against the island and allowing Taiwan a larger voice in international affairs, and possibly a way of promoting democratization.¹⁷

I think the complicated relationships that Harding spells out reflect less the complex nature of the phenomenon than the complicated nature of his thinking. More importantly, it is not possible to divorce his logic from his politicized reading of real or imagined intents of policy strategy on different sides of the divide. I do not deny that there is politics in the way policies are practiced on all sides of this battle; I spell them out merely to suggest that there are other kinds of politics at work here, too (i.e., a more abstract kind of geopolitics).

At this point, it might be useful just to underscore and problematize certain aspects of Greater China. First of all, it is without doubt a transnational phenomenon, but I would argue that this is the product of changes in both the local and global environments. To be sure, none of this would have been possible without the post-Maoist transition in PRC that not only gave rise to capitalism but also actively engaged in interaction with the rest of the world. This change of policy garnered the active support of Hong Kong's rich capitalists who ended up being the biggest promoters of reunification with the motherland and toeing the official line to suppress democracy. However, in its overt transnationalism, scholars tend to neglect the fact that the border-crossing nature of Chinese capital and people has been no different from the

transnational transformations of Western capitalism seen elsewhere. That is to say, in the demise of the Cold War and imperial politics, the opening up of the market in China has generally followed the path of what Lash and Urry aptly call “disorganized capitalism.”¹⁸ The flows were not literally random or chaotic, but the implicit decentralization effectively broke down standard notions of political, economic, and cultural affiliation, and this is what Greater China has symbolized. Secondly, despite the cultural façade of Greater China, I argue that the unifying effect of a common culture is highly exaggerated and plays at best a secondary role. I doubt if a common pop culture would unify anything political (Tu’s Confucianism actually stands a better chance), and the nepotistic ties that bind the Chinese entrepreneur to his ethnic homeland are equally exaggerated. Chinese businessmen—especially those Chinese traders who dominated commerce for 300 years in Southeast Asia—had always been, according to Wang Gungwu, penultimate multiculturalists.¹⁹ Successful survival required adaptability to local conditions, including assimilation, if necessary. The first principle of any entrepreneur, even in multinational corporations, is usually to exploit the markets that are most familiar. In this regard, the rapid expansion of overseas Chinese interests into Greater China was simply a natural reaction prompted by the dismantling of political or bureaucratic barriers. Thirdly, an obvious feature of Greater China that ultimately proved to be more salient than culture itself was its center of gravity. Whether it was economic, cultural, or political, its critical mass was always centered outside China, if not in Hong Kong then somewhere within the Triangle.

To sum it up in a sentence, whatever made Greater China what it is—its driving force, however defined—was essentially located outside PRC. More importantly, the thing that created this gravitas was not any one factor, although scholars usually underline the economy. It is more precisely the unique confluence of both local and global forces; on the one hand, the ideological or political forces transforming PRC society and polity as a whole and, on the other hand, the changing face of transnational capitalism, which in many senses has subtly accommodated the fluid nature of transborder flows and nurtured the informal economy and hybridized identities that continue to thrive and mutate in PRC, expanding back outward.

If this confluence is what I call geopolitics, then I should point out that geopolitics, too can always change. In fact, it is undergoing basic

transformation, and this change is perhaps reflected most aptly in the recent demise of Greater China in the emergence of other things.

III. Post-1997 Hong Kong

At this point, I would like to shift the substance of my discussion to something explicitly different, namely, post-1997 Hong Kong. There are many ways of talking about Greater China as an ongoing regional entity *per se*, but nothing captures this fundamental change in abstract geopolitical disposition better than the kinds of changes that have permeated Hong Kong in the last decade. Ironically, every time I return to Hong Kong, I am surprised at how little things have changed, that is, on the surface of things. But these are really just illusions. In fact, I would go so far as to say that much of what is now portrayed as the standard history of Hong Kong is fiction or, in other words, a subtle, elaborate rewriting of the original facts. The historical irony of Hong Kong's official handover to China on July 1, 1997 (or "return to the motherland," depending on one's point of view) was that the future of Hong Kong, which had been ceded in perpetuity, was made to coincide with the end of the 99-year lease of the New Territories, a land mass several times larger than Hong Kong island and Kowloon put together. Few people remember now that the New Territories was supposed to be administered as an extension of Hong Kong, with due respect to native (presumably unchanging) tradition, even though the reality of modern expansion later effectively incorporated it into the larger colonial history of Hong Kong. On the other hand, the Chinese government continued to play along with the official reality of the lease, denying all the while the validity of Hong Kong's status as a ceded colony (being the result of a treaty signed under duress). Handover Day became a Chinese national holiday, and the coincidence of Hong Kong's celebration of the Queen's birthday on the eve of the handover then canonized the five-day weekend into an event of unreal proportions many times over. The reality of Hong Kong's colonial existence, no doubt already mystified by its official "disappearance," was suddenly resurrected by the fiction of a lease that had already been meaningless, if not long dead. Convenient rewriting of the facts is not trivial but instead a staple feature of Hong Kong history. In the same vein, one can question whether the guarantee of a capitalist status quo in post-1997 Hong Kong really means that nothing has changed. Contrary to expectation, appearances are deceiving.

Even though the inevitability of repatriation made the transitional period leading up to 1997 ripe for a resurrection of anti-colonialist fervor, a renaissance in nationalist sentiment, and the promotion of self-censorship as a precursor for Sinicization PRC style, very few of these developments continued into the new era. The People's Liberation Army, under the intense scrutiny of the media, entered Hong Kong, but little else materialized to signal the advent of military or Party domination. Despite the fears of political oppression that initially prompted the media to adopt self-censorship, the relative freedom of the press in airing critical views of official government policy after the establishment of the S.A.R. regime ran counter to the trends prompted by heightened nationalism, which was supposed to be the point of departure for all other institutional changes. One can speculate as to why so little has changed on the socio-political face of things, especially in light of various indicators to the contrary. The Chinese government made several official proclamations in order to counter fears of an anticipated suppression of press freedom. It indicated that it would adopt a position of noninterference in local affairs, but that was only a partial reality that disguised the changing nature of Hong Kong's "public" sphere. The fiction contributing to the notion that Hong Kong was an autonomous "region" was reflective, to some extent, of the PRC's position that (at least in some functional respects) Hong Kong could be regarded as separate from China. Economically, China was integrally linked to the global economy through Hong Kong, and the 1998 Asian recession had demonstrated that Hong Kong still played a major role. In social and local political matters, Hong Kong's autonomy impacted relatively less on developments on the Chinese mainland. As long as the political scheme of things insured the appointment of Beijing-sympathetic cliques to power, media opposition was a matter for local government to handle and did not directly impact upon Beijing.

Yet curiously enough, in practice, freedom of the press was restricted only to *local* affairs. As Frank Ching noted, the Hong Kong media tread more cautiously in news pertaining to China, or, to be more precise, news and information that required the cooperation of Chinese agencies and China-backed companies.²⁰ Some other topics were too sensitive or were totally taboo, such as the activities of official agencies that fronted for the Communist Party. As Michael Curtin observed, the boundaries of media openness were a function of the fact that the Hong Kong media was not a local entity but one whose market depended upon expansion into China. As he said, "this strategy of

expansion into the mainland market thus requires the cooperation of government officials, if the industry is going to reap the benefits of its popularity.”²¹ Thus, the principle of media freedom was compromised in order to satisfy the reality of market access and control. This in turn reinforced the perceived necessity of self-censorship. In theory, autonomous, but in practice...

Following up on the assumption of autonomy, most of the media attention has turned to the plight of the democratization movement. The inability to institute a truly democratic government in post-1997 Hong Kong mostly has to do with the legacy of British rule. The governor and members of the legislative council were appointed. Chris Patten’s attempts to introduce fully free elections in the post-1984 transition were, contrary to rhetorical fanfare, just facetious last-ditch efforts by a colonial lame duck administration to frustrate the Communist takeover. Moreover, few scholars emphasize the fact that the people who tend most to mute support for democratization are rich capitalists, who are guaranteed a proportional functional constituency in the post-1997 legislature. Maybe this is the cost (and benefit) of being able to do business in the PRC. In the transformation of Hong Kong’s public sphere, the political free rein given to bourgeois capitalist interests comes in effect at the expense of suppressing the autonomy of the public. What, then, does this say about the nature of capitalism in China?

In short, business interests are in fact intertwined with politics in ways that influence—at an *underlying level*—support for or the compromising of certain ideological principles (whether it is identity or democracy). This *unholy alliance* between business and the new regime was not only designed to be the foundation of the new order, its success was dependent largely on suppressing those democratizing forces that represented a challenge to this power relationship. This realization increasingly solidified “the rules of the game.” In the final analysis, this complicit relation of power (or *guanxi* connections) is the biggest threat to the emergence of a truly democratic public sphere. This is the *real* face of post-1997 Hong Kong. Moreover, similar transformations have been taking place elsewhere, regardless of with whom the PRC does business. Star-TV, Yahoo, Microsoft, and Google, to name a few, have succumbed to “political correctness” as the price of admission into the China market. While this does not affect global capitalism as practiced elsewhere, its ramifications for Greater China, where culture and the economy are defined by ever increasing flows of capital and people as

well as expanding bonds of interdependence, cannot be understated. In post-1997 Hong Kong, it has already changed the underlying fabric of society, contrary to appearances. If that is the case, what can this say about Greater China itself as a powerfully emerging and systematically mutating entity?

IV. Concluding Remarks

At this point, one must first ask, does Greater China exist anymore? If we define the phenomenon superficially as that transnational entity characterized by increasing cultural and economic flows between extra-political Chinese-speaking societies, then Greater China should, if anything, be greater and greater. But this does not accord with the declining popularity of the concept itself. Without doubt, something else has changed considerably. The center of gravity has clearly shifted. Hong Kong and Taiwan no longer represent the foci that provide the driving force behind the system, as though models for “a declining core” in Tu Weiming’s terms. The center has definitely moved into the PRC itself, and the rules of the game that define the system have been rewritten. In the year leading up to the handover of Hong Kong in 1997, many debated the future of capitalism and democracy in Hong Kong while others debated whether Hong Kong would maintain its status as an important hub of capitalist development and pivotal *entrepôt* for international trade. Some argued that the PRC’s policy of continued support for capitalism would insure Hong Kong’s ongoing dominant role. Others argued that Hong Kong would eventually be overshadowed by the rise of Shanghai.

Shanghai’s rise to prominence as an unrivaled cosmopolitan center is a story in itself, but I think there is much substance to the contention that Hong Kong has already lost its role as prime mover within Greater China. Much of it has to do with a simple fact: the development of capitalism in China. It is not just that capitalism is transforming a traditional way of life. Capitalism itself has taken on a life of its own, and in rewriting the rules of the game it has increasingly sucked in the rest of the world. One of the things that drives the logic of this new capitalism can be plainly summarized in Reaganite terms: “it’s the market, stupid!” The way in which the centripetal pull of a limitless market has been wielded to make people conform to political correctness should make utilitarian theory proud.

To call its mode of operation *guanxi* capitalism (pejoratively, crony capitalism) would be overly simplistic. China is consciously aware that it is at the center of an expanding global market, both in terms of outsourced production for the world's developed nations and the consumption of global products. This awareness has in turn allowed it to use its pivotal role to control access to desired resources or benefits of the system by making people conform to the rules of the game in all other respects. Thus, the media has learned that it is free to print whatever it pleases in matters pertaining to Hong Kong (hence is autonomous), but that in matters involving China or cooperation with Chinese agencies it is forced to toe the proper ideological line as the price of admission. Increasingly, reporters toe the line, especially when they discover that the economic survival of their own enterprise is dependent on expansion into the China market. Similarly, Taiwanese businessmen, entertainers, and professionals of all sorts have learned to mute any expressions of sympathy for Taiwanese independence so as not to jeopardize their own prospects for cashing in on the lucrative China market, especially when it has become obvious that this market is much richer than their own. Most recently, PRC authorities revoked a tourist visa to Hong Kong for Taipei Mayor Ma Ying-jeou for making politically incorrect remarks. These sanctions seem superficial, even frivolous at times, but they underscore that the market is *in theory* open, people are free to make money, and there is no attempt to control the redistribution of income (as has been the case of orthodox socialism), but access to the market is *in practice* a privilege that can be politically controlled, if deemed desirable or necessary. Hence, the economy's new tie to political ideology; or in more familiar terms, socialism with Chinese characteristics.

More fundamentally, the subjective positioning behind this new capitalism is hardly what one would expect from a poor Third World nation. China is supremely confident in its ability to pull the strings behind the system and in the process protect its own sense of ideological purity. The continued flow of global investment attests to their faith in this regard. Driving this "Sinocentricity" is a resurgent nationalistic fervor that has enjoyed mass support and underlies its embrace of any Greater China, wherever its center lies. Ultimately, the biggest fiction is that of "one-country, two-systems." The ritual façade of the handover has marked the fictive significance of 1997. The fiction of Hong Kong's autonomy in a meaningless ideological framework has reset the clock

on its eventual integration with China. Embrace of the motherland has refined institutional capitalism to new heights.

If the advent of a new kind of capitalism is the real engine that drives both China and Greater China at the core, at least in economic terms, one might then ask, "What possible ramifications does this have for the politics of Greater China, if not the rest of the world?" As someone who claims to be totally disinterested in politics, except as a perennial sideline skeptic, I do not even care to speculate about what this might mean for Hong Kong's eventual reintegration and the prospects of Taiwan's reunification, independence, or its continued ambiguous status *vis-à-vis* China and the rest of the world. This is already a fertile ground for ongoing debates among political scientists and China watchers everywhere. Nonetheless, one might be interested to know that, despite my intense disdain for Samuel Huntington's clash of civilizations theory, I happen to think that his pessimistic view of China's emergence as a superpower is probably correct.

Regardless of political ramifications, Taiwan's increasing economic interdependence with the mainland is already *sui generis*, and an irreversible process that may not lead necessarily to integration in an institutional sense but has nonetheless laid the foundation for binding contractual relationships at all levels, involving the complex interests of many parties. The situatedness of China in an expanding, if not shifting, market core reiterates not only the domination of a market-driven logic but ultimately its vulnerability to political manipulation. One must ask, what is really fueling China's drive toward economic prominence? The drive in itself is something that appeared only recently. It did not exist during the era of Maoist socialism, and China's global ambitions are in large part an extension of the nationalist identity that surfaced after the breakdown of Maoism and has continued to aggregate.

Despite its place in a developing world, China's current mentality is reminiscent of the Great Leap Forward. One need only look at Shanghai's ambitious design for its future to see that the size of the ego that drives them is as tall as its forthcoming skyscraper. The kind of mass nationalist sentiment that has buttressed these progressive developments is anything but "banal," to mimic Michael Billig's famous phrase.²² The search for national identity, which in its extreme forms of ritual effervescence has given way to patriotic fervor of all kinds, was one of the hidden agendas that emerged indirectly in the collapse of a Maoist ideology of class consciousness. It is also deeply rooted in the

cultural psyche of China's mandate of history, which, in its more recent historical manifestation, is a deep-seated desire to reverse the humiliation caused by a century of imperialist domination, the latter being an ephemeral phenomenon, relatively speaking. But that, as they say, is a topic for another day. ●

Notes

1. William A. Callahan 2004.
2. Peter Berger 1987, p. 7.
3. Berger and Hsiao 1988.
4. Roderick MacFarquhar 1980.
5. Gordon Redding 1993.
6. Gary Hamilton 1996, p. 331.
7. Ezra Vogel 1991.
8. Aihwa Ong and Don Nonini 1997.
9. Samuel Huntington 1996.
10. *Ibid*, p. 238.
11. David Shambaugh 1993, p. 653.
12. Harry Harding 1993.
13. Allen Chun 1996.
14. Thomas Gold 1993.
15. Tu Weiming 1991.
16. Harry Harding 1993, p. 673.
17. *Ibid*, p. 666.
18. Lash and Urry 1987.
19. Wang Gungwu 1991.
20. Frank Ching 1998.
21. Michael Curtin 1998, p. 288.
22. Michael Billig 1995.

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