On the Culturalization of Ethnic Economy in China

Yi LIU  
Southwest Minzu University

Jiayan XIAO  
Hubei University of Technology

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Abstract: In their article "On the Culturalization of Ethnic Economy in China" Liu Yi and Xiao Jia-Yan examine the cultural impact of autonomous minority regions on national economy. This study surveys the internal factors that include geography and history as well as external factor such as govermental policy. The findings suggest that cultural factors should be taken into greater consideration, as they are an important aspect in the inner motivation to push forward the economic development of ethnic areas at a faster pace. The paper argues that culture can afford the most efficient pathway for these ethnic areas in terms of economic transformation and development, since economic progress can be made by the culturalization of human resources, industries, enterprises, products and institutions.
Liu YI and Xiao JIA-YAN

On the Culturalization of Ethnic Economy in China

The Chinese regions inhabited by minority groups are normally known as "Autonomous Minority Regions," or sometimes as "Ethnic Areas." It is well-known that there are 55 minority groups in mainland of China, where the total population is about 113,792,211. They represent 8.49% of the total population of China, according to the sixth national demographic census in 2010 on the basis of National Bureau of Statistics of the People's Republic of China (State Council Census Office of China /Department of Population and Employment Statistics of National Bureau of Statistics of the People's Republic of China, China 2010 Census Data. 353). Minorities inhabit mainland of China, spread over five autonomous regions in the west, occupying the 'autonomous regions' of Guangxi Zhuang, Tibet, Xinjiang Uyguar, Inner Mongolia and Ningxia Hui, in addition to Yunnan, Guizhou and Qinghai, which are non-autonomous regions with some ethnic minorities. There are also 30 autonomous prefectures, 120 autonomous counties, and 1200 ethnic townships in the other provinces. They make up 86.4% of the west area and 70% of mainland China.

Peoples in these areas have made outstanding contributions to Chinese emancipation under the leadership of Chinese Communist Party. However, they have been left far behind in extreme poverty during the so-called 'construction period,' during which the country is trying to achieve the goal of becoming a "Prosperous Society" ("Xiaokang") by 2020. After the death of Chairman Mao Zedong, Deng Xiaoping (1904-1997) led far-reaching market-economy reforms until his retirement in 1989. In order to overcome the depressed economy, he proposed several strategies to enhance rapid development and economic production in seaside cities in the east of China. There were also incentives for exploitation of natural resources and raw materials in the western ethnic areas.

This paper focuses on the setbacks that have prevented the economy from advancing in these areas. Among the various reasons, one is the over-dependence of a developing economy based only on natural resources, as well as less public expenditure in these areas, gaps in the constructions of infrastructures, as well as industrial structures, lack of urbanization, small incomes, among other causes. The study shows how cultural aspects are as relevant as economic ones.

In China, the central government still directs local economic development. The so-called "Two General Strategies Project" put forth by Deng Xiaoping helped seaside regions in the east to develop more than western ethnic regions, as all kinds of institutional and financial resources were delivered to the eastern area (Zhang Yi & Wang Yong-qiang 27). Since the 1978 a Reform Policy has been carried out to increase public investment in ethnic areas in order to push forward their economic development. This was particularly so in the decade from 2004 to 2014. The year of 2007 saw a strong tendency to increase the investment, with 16.0612 billion invested. Investment in 2014 was 7.5 higher than the 2004 amount (see Chart below).
This huge amount of constant investment from the central government has contributed to launch a rapid growth of economy in these ethnic areas. However, the speedy development in eastern areas of China has contributed to maintain the economic gap between the west and east, which is, in fact, becoming rapidly bigger. For instance, the absolute value distance of Gross Domestic Product (GDP) was enlarged from 2.5 billion in 1995 to 27.9 billion in 2014, as big as 11.19 times. The average per capita GDP has been enlarged from 7000 RMB in 2000 to 25000 RMB in 2014, as much as 3.57 times more. Other examples are the value difference in cable length has been enlarged from 279.031750 kilos in 2011 to 505.837825 kilos in 2014, as big as 1.81 times more, or the mobile telephone exchange capacity has been enlarged 5.2 times from the year of 2001 to 2014. The number of net users has been increased 8.1 times from the year of 2002 to 2014.

In light of evidences that even with greater investment with a bigger economic gap exists, the need to explore other resources has been suggested. The resources include; geographical, historical and political, mainly focusing on five items that range from differences in GDP (gross and personal), income, infrastructure construction, industry structure and percentage of urbanization. The eastern developed area includes 11 provinces like Beijing, Tianjin, Hebei, Liaonin, Shanghai, Jiangshu, Zhejiang, Fujian, Shangdong, Guangdong and Hainan, while the ethnic areas include Sichuan province as well as 8 other regions.

Data collected from China Statistical Yearbook (2014-2015) demonstrated that the difference in GDP between the eastern area and the ethnic area had been enlarged to 279417.03 billion in 2014 from the previous 24969.19 billion in 1995. Before the Reform Policy was applied, the gap in the average personal GDP was 212.9 RMB between the eastern area and ethnic area. This amount grew to 885.8 RMB after 1990. After the implementation of the Western Development project in 2000, the gap of average personal GDP between the eastern area and the western part was 7000 RMB, but 10 years later, the amount dramatically increased to 21000 RMB. The four years between 2010 and 2014 witnessed an even bigger gap between the east and the west of China.

The citizens' income refers to the total amount of their final expense and savings. It is regarded as a decisive factor which influences the daily living cost, usually applied to evaluate regional living standards. In terms of citizenship income, the gap between the east and the ethnic areas in 2005 was
4591.71 RMB. This amount increased to 9514.8 RMB in 2014. In 2005, the gap in terms of villagers' average net income between the east and the ethnic areas in country regions was 1094.25 RMB, and it increased 2.14 times more to be 2342 RMB.

In spite of the promotion of living standards in ethnic areas, the absolute poverty population increased to 1.28 billion from 26,880,000 with regards to the national criteria for grouping the poverty of 2011 (2300 RMB). In comparison with the eastern area, the relative poverty population is getting even bigger coexisting with the absolute poverty population in the country areas of ethnic area (Chi Zheng-he & Yang Yi-yong 63).

It is generally known that infrastructure is one of the foundations of national economy as well as an essential condition for economic development and modernization. Among the different infrastructural aspects, the Western Development Project that has launched the improvement of traffic and transportation in ethnic areas, shortening the distance between the more developed eastern area and ethnic regions. In 2014, the ethnic area finished the railway construction of 2200 kilo-miles, which was larger than that in the eastern area. 14003200 kilo-miles more of highway was also constructed, reaching 37200 more kilo-miles than in eastern China. In spite of these advances, eastern regions have a well-developed tube and public transport system, as well as rich shipping transportation in seaside locations, all of which are still deficient in ethnic areas.

In case of the communication industry, the length of optical cable line has been left far behind in ethnic areas. In the east, this amount has risen from 2790317.50 kilos to 5058378.25 kilos between 2011 and 2014. However, since 2006 mobile telephone exchange capacity has dramatically enlarged in ethnic areas, in comparison with eastern areas. The number of internet users also grew slowly between 2002 and 2006 in both eastern and ethnic areas. In 2006, the number of internet users in the east grew rapidly reaching 8.1 times in 2014 in comparison with the amount in 2002. The growth in the ethnic area was still slow in the same period; only 4.5 times higher in 2014 than it was in 2002.

From the perspective of industrial structure, the main driving forces behind the economic growth in the ethnic areas come from secondary and tertiary industries, while the industrial structure for sustainable development in overall China should be listed as the secondary, tertiary, and primary industry (Liu Zhi-jie 82).

It is well-known that the contribution of the industrial structure to the economic growth of a country lies mainly in the second and the third industries. In China, primary industry has occupied only 9.1% of the gross value of output in the east, while western ethnic areas, based on traditional agricultural economy, contribute 19.4%. With respect to secondary industries, the percentage has decreased each year in the east, while in the western ethnic areas it has suffered a steady increase. With respect to the tertiary industry, the percentage in the east has increased on a large scale, while in the west ethnic area, has decreased. All these data suggest that economy in the ethnic areas depends mostly on the primary and secondary industries, and that infrastructural investment and resource development are an urgent need.

Another important aspect is the geographical environment, regarded as a fundamental foundation for economic development and well-being (Huang Xiao-mao 74). For example, the fertile soil would
bring advantage to the agricultural industry (primary sector), rich mineral resources to the secondary sector; flat terrain to transportation, and comfortable environment to production. Furthermore, the mild climate offers better living conditions, and a wealthy neighbor encourages more trading, etc.

It is generally held that ethnic areas are frequently the representation of economical poverty place in China, since they are located in remote, cold and barren mountainous areas, full of canyons, plateaus, hills, and particularly rocky hill karsts. For instance, 80% of Guangxi province is located on hills, 10% on water, and only 10% is left for agricultural field and land (Ning & Zeng 2009:119).

With regards to urbanization, a major criterion for evaluating the national or regional economic development, ethnic areas grew at 33.46%, that is, 20.25% behind the east, and 5.53% behind the national average. In 2014, the urbanization of ethnic areas greatly increased to 45.86%, getting to closer the eastern regions, but still 8.91% behind the national average. Although investment in western ethnic areas was much higher than in the eastern regions, the gap is still there, and it has been argued that greater investment on infrastructure should be made by the government in order to reduce this gap (Wu Meng 2014:23).


The chart above provides data regarding public fiscal expenditure in the decade between 2004 and 2014. The high line refers to the eastern regions and the lower line to the west ethnic areas. Measurements are given in billions RMB (China Statistical Yearbook, 368-374). As fiscal expenditure highly depends on economic conditions, it is obvious that reward in fiscal expenditure will be significantly lower in the ethnic areas than it would be in the more developed east. This suggests that more fiscal expenditure does not necessarily result in greater economic development. Thus, the argument towards bigger investment in the west is by the notion of ‘fairness’, social stability, political harmony, etc. (Yang Yan-Zhao 34). Thus, the so-called "West-Strategy" has sought to promote specific policies of fiscal levy, financial credit, industrial development, agricultural economy, and so on, all of which have failed to close the gap between the developed east and the west ethnic regions.

It has been suggested that geographical and historical factors are the congenital condition for the slow economic progress and development of west ethnic regions in China. However, these factors
remain largely unexplored. Experiences from other countries such as Japan has shown that education and the promotion of human cultural resources are just as important as technological innovation.

The concept of culture encompasses various aspects that in the Chinese language refer to lenticular cross-lamination (’wen’), as well as generation and transformation (’hua’). It also has connotations referring to "comprehension and tolerance" (Shao Tai-xin 25).

Although there is no fully accepted concept of culture, roughly speaking, it can be classified in its broad and narrow sense. In its broad sense, culture refers to a combination of material and spiritual wealth through the participation of communal institutions, being hard to pin it down. In its narrow sense, culture is made up of ideologies, beliefs (including religion), customs, habits, moral sentiments, academic thought, literary arts, technology, and so on.

In practice, it is easier to work on the narrow sense of culture in order to make it into a resource that will help bridge the economic gap between the east region and the less developed west ethnic areas. With regards to the educational gap, one need to take into consideration ideology, which in ethnic areas is traditional and may have hindered back regional development (Zhang Yong-liang and Huang Yuan-guang 117). For instance, innovation potential is reduced in these regions as enterprise investments are taken for granted as means of poverty relief. Any desire for potential higher profits is overlooked. Emphasis is placed more on equipment rather than on the development of human resources, training and education. A lot of investment is expected to be applied in the construction of building and factories, rather than on technology or management improvement.

In promoting these environments, the efficiency of some local governments is low, as there is a lack of sense of management and service. Administrative procedures are cumbersome, with strong inclination to local protectionism. Thus, some scholars have argued that "for the less developed regions, it is reform that should be made rather than infrastructure construction, to improve the investment environment by way of institutional innovation. Such changes would make the most of capital for fundamental infrastructure in order to optimize the configuration structure of the two sorts of capitals, public and private, and enlarge the economic growth potential to its greatest extent in order to supply more employment for the society." (Huang Shao and SHI Hao 14)

As mentioned, backwardness in education has also led to backwardness in ethnic national cultures, since education can function filtrating, clearing up, transmitting and preserving culture. Education can also select culture as the content of education, and have it transmitted to the youth in order to preserve it for future generations. Finally, it plays a role in communicating culture, further disseminating across time and space. Thus, the backwardness of culture would also have a negative impact on education.

This paper argues that there should be greater emphasis placed on education in order to reach cultural transformations at all levels. For instance, interactions in education are not only important to the relationships between teachers and students. After graduation, students transfer what they have learnt to society at large (Zhou Song-feng 27). Indeed, the gap in education between the ethnic areas and the east of China is one of the most important ones. In 2014, the expenditure in education in ethnic areas was 53872925 RMB, occupying 17.7% of the national total amount, and only half of that
in the east of China, which was 106968216RMB, 35.2% of the total amount nationwide. A worse situation is the so-called 'Matthew Effect', an accumulated advantage by means of which human resources in the west ethnic areas keep flowing to the east in endless stream, including not only over 2 billion of rural migrant workers, but also huge quantity of college graduates and technicians. This effect has resulted in a talent crunch in those ethnic areas. For instance, researchers carrying on a Survey of Demand and Supply in Wulin Mountainous Area state the following:

Most of the human resource flocked to the east, it seemed a loss in training labor force, but there are at least two strong points. On one hand, when some of the human resource flocked to the east, the total population would be reduced, which would increase the average local personal percentage of human resource, being benefitting with the local economic development to some extent; on the other hand, the ethnic areas get reasonable to apply for expenditure of education training from the Central Government, since the talents developed in the west ethnic areas had benefitted with the economic development in the east. Reversely in this way, the talents training and educating in west ethnic areas would be pushed forward further.

The present priority in economic development seems imply the economic progress, but it is in fact slow pace, unsustainable. Without advanced education, without advanced human resource, and then without innovative ideas, without advanced culture consequently, which are taken for granted endogenous power in urgent need for the economic development. The transportation and infrastructure construction are dependent on the national fiscal expenditure, the industry project would be easier to be found, with some investment from outer resource, by earning from some other places. The inferiority of the ethnic areas in the poverty regions can hardly compete with the developed areas. Therefore it is incredibly correct to take the way of applying the limited expenditure onto the education and talents training. (Liu Yi & Lang Yu-ping 96)

In response to these problems, many scholars including Wu Qiong (17), Zhou Min-liang (26), Ma Xing-sheng (217), Li Jia (148), Wu Zeng-hao (160), and ZHANG Qian-you (29) have argued that cultural factors play key role in economic development in ethnic areas of China. Economic anthropologist Karl Polanyi, a leading figure in this field, pointed out that economy does not stand as an independent unity, and that it is embedded in other institutions like kinship, religion or culture (47). In this process of embedding, economy is inevitably colored with culture (Lan Pei and Liu Wei 46). In this way, economic events can also be traced back to culture. Indeed, it is the diversity of culture what has transformed the various modes of regional economic development patterns. Disregarding the impact of cultural factors upon the lives of ethnic communities the west of China can result in more poverty, experts have warned.

Therefore, it has been argued that it is necessary to explore pathways for culturalization as a means to economic development in the ethnic areas of China. There are several examples of the success of ethnic cultural economy in China. One of such is the program Liu San-jie Image (also
known as Sister Liu Image), which it has integrated Liu San-jie's songs. These are songs from various communities such as the Zhuang minority, which inhabits the Zhuang Mountains. Another group includes the folk songs and performances of the Guangxi ethnic minority. There are also the 'tales from the river Lijiang', stories by native fishermen in this region. The program Liu San-jie Image has become so popular that it stands for the best logo of tourism products and has gained both economic and social interest. The first show in 2004 attracted an audience of 1,100,000 people, obtaining a revenue of 79,000,000 RMB. Over the years, 20 billion tickets have been sold, that is, 55% of the local GDP in 2015 (Guan Hui-xuan and Chen Hui-xuan 30).

Unlike natural resources, cultural resources are characterized with intangibility, inheritance, stability, ability to share, endurance, effectiveness, monotone increasing. They play roles of directness, supporting capacity, cohesive power and impetus in pushing human society forward (Wu Shen-gang 11). The pathway of culturalization for the economic development in Chinese ethnic areas is founded a) on their particularities, b) on their cultural function in relation to their potential economic power, and c) on the specific pathway as it is put into practice. Thus, the solution to economic development can be traced back to the change of attitude towards ethnic cultures. More specifically, the pathway of culturalization means helping ethnic cultures regain respect, fondness and self-confidence, eliminating all negative attitudes in the dialogue between the more developed east and western ethnic areas (Zhen Chang-de 47). In this way, instead of destroying or abandoning traditional factors, the self-reliance of the native ethnic culture can become the foundation and a good starting point.

Five elements need to be framed within the dimensions of the culturalization of ethnic economies: 1) the culturalization of human resources, 2) the culturalization of industry, 3) the culturalization of enterprises, 4) the culturalization of products and 5) the culturalization of institutions. These dimensions allow us to envision a long way of hardships and challenges in order to move forward in the direction of culturalization of ethnic economic development. In the following lines we present two case studies that briefly indicate the path to implement the above dimensions.

Guzhang County in the Tujia-Miao Autonomous Prefecture of Xiangxi, Hunan province is generally known as 'tea-county'. The production of tea in this area was usually offered as tribute to the Royal Family during the Tang Dynasty, and for this reason the area was also known as 'tea-proud'. The region is one of the Top Ten areas that produces Chinese Tea; a tasty variety full of color and fragrance, once awarded Gold Medal at Paris International Fair. Guzhang County includes some of the least populous administrative units in the province, inhabited by the following ethnic groups, Xiang 乡, Miao 苗, Shen Miao 深苗, and Qian Miao 浅苗, each with their own languages (Wu Yunji and Shen Ruiqing 129). Their native cultures are characterized by simple agrarian lives, honest and frank personality, persistence, bravery, and a hard-working spirit. These characteristics have helped push forward economic advancement. During the Maoist reform period, many of these areas turned to planting rice and wheat, instead of tea. It was believed that tea was product for leisure and fancy life, and not for basic subsistence. To alleviate poverty, Guzhang local government decided to push tea industry forward and back the region's economy. With great efforts, the local government funded
farmers as much as 10 million RMB to plant tea trees; additional funding was supplied to help tea-planters. Unexpectedly, tea planting was very poorly received by the villagers. During the first year, farmers were highly motivated to do extensive planting, but the second and third year saw a growing reluctance to plant tea. Interview and investigation in the village revealed that farmers held the tradition of planting rice and wheat like their forefathers (Liu Yi and Lang Yu-pin 173), providing evidence of the loss of the more ancient tradition of tea-planting.

Another case has to do with the disappearance of cultures, first through migration and also through political intervention. Yunnan Province is situated in a mountainous area in the southeast of China. Most of the population lives in the eastern part of the province because in the west, the altitude can vary from the mountain peaks to river valleys as much as 3,000 meters. Yunnan is rich in natural resources and has the largest diversity of plant life in China. The major ethnic groups in the area include Yi, Bai, Hani, Zhuang, Miao and Dai. It has been argued that the origin of the Dayak tribes (also pronounced Dyak) in Borneo Island is precisely Yunnan province (for more information see the paper by Luqman H. Zainuri 119). Minority population in the area of Yunnan amounts to 92.2%, making it one of the most difficult regions to integrate into China. Although the Maoist Cultural Revolution (1966-76) suppressed many aspects of its ethnic cultures and religious practices, Yunnan continues to celebrate its cultural diversity with the re-flourishing of local customs and festivals, including diverse art forms such as music, dance, crafts and accessories, literary traditions, clothing, architecture, and so on (Liu Yi-Lin and Zhang Wan-Wu 4).

To conclude, this paper has suggested that economic advancement of ethnic areas in China needs to benefit from fusing economy and culture in a clearer way. The paper has also provided a framework for economic culturalization in China, and a pathway for local ethnic areas to achieve rapid economic development.

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**Author's profile:** LIU Yi teaches Education Economics and Management at the School of Management of Southwest Minzu University, Chengdu, China. His interests in scholarship include Economic Culture of Chinese Ethnics. Yi's publications include *On the Pathway of Culturalization of Economy for the Ethnicity in China* (2017), *The Theory of Economic Harmonious Development* (2010), *An introduction to the folk culture of minorities in Southwest of China* (co-authored with Yuping Lang, Yi Liu, Ningdong Yang, and Chun Li) (2009). Email: <853761069@qq.com>

**Author's profile:** XIAO Jia-yan (corresponding author) teaches English literature, intercultural communication at the School of Foreign Languages in Hubei University of Technology. Her interests in scholarship include Intercultural Communication, and Chinese-English Literary Translation. Her publications include *A Comparative Study of English Translations of HONGLUOMENG---- Approach of Conceptual Metaphor* (2009); "Translation and modification: A case study of the English translation of the characters' names" *The Story of the Stone* (FORUM, 2016/2); and "Time sequence and the conveyance of experience: A comparative study of the English translation of the Analects" (Foreign Languages in China, CSSCI, 2016/6). E-mail: <2564541803@qq.com>