

# CHINA'S WTO ACCESSION: A MOUNTAIN IS STILL A MOUNTAIN

AN INTERNET SURVEY

In mid-December, the Rising Forum,<sup>1</sup> moderated by Nantian Beilang (“a northern wolf in the south”), a blogger on China’s popular NetEase Web portal, conducted a survey of reader’s opinions regarding the benefits of China’s accession to the World Trade Organization (WTO). Following is a slightly edited translation of the responses. The organizers promised an unspecified prize for the best essay, to be determined by reader votes.

## **Nantian Beilang’s introduction:**

Let’s use numbers to review the five years since China’s accession to the WTO:

- 10 million: Since its accession to the WTO in 2001, China’s imports have averaged nearly \$500 billion annually, and have created about 10 million jobs for its trading partners.
- 57.94 billion: After nearly five years of China’s membership in the WTO, foreign investors have extracted profits totalling \$57.94 billion from China, and China’s total imports have amounted to about \$2.4 trillion.
- 13 percent: The percentage of China’s contribution to the world economy has increased to 13 percent. Our country, the world’s sixth-largest economy in 2001, jumped to third place in 2005.
- 16 percent: China has suffered the most anti-dumping measures of all WTO members. From 1995 to the first half of 2005, a total of 2,743 anti-dumping measures were imposed globally, of which 434, or about 16 percent, were imposed on Chinese products.

The accession can be said to have brought a combination of benefits and drawbacks.

But what effect has entering the WTO had on ordinary Chinese people? What has been your personal experience with it?

## **Responses: December 12th–December 16th**

When China first joined the WTO, we were happy and supportive. We thought that the dust had finally settled, and that Mr. Long Yongtu<sup>2</sup> and his predecessors had signed our entry tickets after their lengthy negotiations in the marathon process. But just as we were secretly cheering for being allowed to enter the gates of WTO, we discovered the many drawbacks that accompany it. We were required to open our own markets; before we had tidied up our own home, we were compelled to welcome others in. We had to protect intellectual property and file lawsuits against violators. We had to open up our services and trade, as a result of which China’s automotive tariffs dropped, and the banking and insurance industries opened up, along with legal and accounting services. It seems that China has been opening up at a rapid pace, but I wonder whether foreign countries have kept up by opening their same markets to us.

The arrival of foreign wolves may have promoted the establishment of our domestic legal system, especially for the protection of intellectual property against piracy of books, DVDs and movies, and has spurred us to do the work on intellectual property that we had neglected to do over the past 20 years. It was because foreigners could file lawsuits against us and would refuse to sell key technology to us that the domestic battle to protect intellectual property began.

—Fengwang Shunü (“phoenix fair maiden”)

The biggest change for me in the five years since WTO accession is that school tuition has begun to rise to international standards. Medical costs are also rising to international levels, but the quality of healthcare remains comparable to African standards.

—Xueyankun 19

No comment; it will be deleted even if I make one. Still, I want to hold a position here.

—Youjing Hai (“sea of loneliness”)

Cars have become cheaper, but we poor people still cannot afford them.

—Zhengzong Pengzhe

Burdens that should not be borne by the common people are shouldered by them for the sake of getting in line with international practice; but the benefits that should be enjoyed by the common people are denied in the name of “Chinese characteristics.”<sup>3</sup>

—Qysndt

In these last few years, I have finally come to understand what it means to get in line with international practice, and what the national situation is!!

—Ec5T

... To “remain in the shallows of the world” typically suggests a degree of immaturity. Now as we face globalization on the stage of the WTO, we should ask how deeply we have progressed into the world.

A market economy is an economy ruled by laws and regulations—that is part of entering the WTO. China’s excellent performance in its first years of WTO membership is mainly related to its elimination of more than 2,000 laws, regulations and policies that conflicted with WTO principles, and its promulgation of a large number of laws, regulations and policies that have allowed China to achieve such splendid economic results. But there is no way for China to become a country with a “completely market-driven economy,” because that would require us “entering the world” much further in terms of legal and social structures, political and democratic system, independent judicial and administrative systems, independent oversight and so on. There have been many pushes toward these kinds of reforms in the past five years, but to date it has been impossible to resolve the root causes of our innumerable social contradictions, mainly because our brilliant economic achievements have not been able to make up for the lack of openness and transparency that keeps us “in the shallows of the world” . . .

How far are we advancing into the world? Opinions differ, but one thing is certain, if the resolve of the top leadership to “increase the influence of reform and implement across-the-board openness” does not change, the domestic reforms that would help us to advance further into the world may hit a roadblock. China pledged to implement across-the-board openness during the new transition phase (2007–2011), but for a country with complex national feelings such as China, it will be an enormous challenge to set up a completely market-driven economy in which the people become the real masters of the market rather than spectators, and for which the establishment of the legal system will be a crucial element.

—Fengwang Shunü

Is it possible to have a completely market-driven economy? For example, when grain and oil prices began to rise, the common people hoped the government would take measures to control

the increase. The government did indeed take measures, and by immediately taking action, the government has prevented the common people’s meager savings from devaluing too much. If in a completely market-driven economy the government leaves the market to its own devices, and unscrupulous merchants opportunistically hoard grain and causing a man-made famine, the common people would still blame the government! So, I’m suspicious of phrases like “a completely market-driven economy.” There’s economic planning even in America; it’s not a completely open market. National security requires readjustments. So, I think people find it hard to believe that WTO accession is purely for achieving “a completely market-driven economy.” I’ve always believed that the reason for a country to enter the WTO is simply to more effectively exploit other countries . . .

—Fengwang Shunü

The change is too great! The nominal value of my salary has increased nearly 20-fold, but the relative value of it has decreased nearly four-fold. My wife has lost her job and I have to pay for her retirement benefits and medical insurance. There is no money for my son’s schooling, so I have to allow him to drop out.

—Njgxlcl

Tuition has risen to international standards, medical costs have risen to international standards, housing costs have risen to international standards, electricity costs have risen to international standards, gas bills have risen to international standards and oil prices have risen to international standards.

But personal income has not risen to international standards.

—Cnlaomo

The quicker and deeper our “plunge” into the WTO, the better. But let’s not have another “WTO plunge” with so-called Chinese characteristics.

—Qingfeng Liangyue (“clear wind, cool moon”)

I work in a port, and my salary has not increased much these years, but the handling capacity of the port has increased by several multiples. Busy!

—Zhongxin Youzi

First bring the legal system in line with the people, then we’ll talk . . .

—Pengpai Rexue (“surging hot blood”)

Judging by the numbers, China’s economy seems healthy and can develop indefinitely. However, those who have really benefited from it are not the low-income people but the bourgeoisie; the rich get richer. Peasants, for example, have suffered as a result of lower tariffs on farm produce. The government granted only minor compensation to them, and since deductions are made to this compensation by officials at every level, it is even smaller by the time the peasants actually receive it!

—Samo

Yes, we've entered the WTO, but what has changed in our lives? All I can do is sigh over pressure that grows heavier by the day, while income has not increased at all. Things are becoming cheaper, but also more unaffordable.

—Zzxhwx

My salary was 699.8 yuan (\$87.50) before and after China entered the WTO. Luckily this year I benefited from the Civil Service Law; my salary advanced one grade and is now 846 yuan (\$105)!! It's enough to buy a winter coat!

—Chengshi Yingxiong ("urban hero")

To tell the truth, I usually write articles smoothly and without difficulty. It is because the articles I write are fairly simple, nothing but casually making a fuss about an imaginary illness (otherwise, unfortunately, my teacher would not give me a good grade), though at least they're more than just empty words in the end, because I add in lots of information. In this case, however, I hope you'll excuse my incompetence. It's not that I don't want to write, but that I can't. As an ordinary citizen, I just see the Party's instructions on TV, and the whole nation celebrating our WTO entry on the news. My main impression is that we now have another subject to splash around on the New Year's Eve TV specials. In practical terms, nothing has happened except price reductions on electronic products and cars. Even at cheaper prices, however, these products still have no connection with my daily life. So I find it's too difficult to write about this topic. Still, I'm giving my support to my other e-friends on 163; for if any of them wins the prize, maybe he or she will be hired as an editor at some press agency. Good luck!!!

—Meigui Dianxia ("your highness the rose")

(Reply to Fengwang Shunü): Entering the WTO doesn't mean we have to shed tears of gratitude, like some old rural granny on her first visit to the city. We have to go in as if we're entering a livestock market, a casino or an arena.

The benefit of inviting wolves into the house is that it speeds up the elimination of our "old and weak-sheep enterprises"; by dancing with wolves we can develop a Chinese tiger.

—Nantian Beilang

(Reply to Nantian Beilang): If it weren't for Deng Xiaoping visiting the United States and opening the door, you wouldn't be on the Internet, not to mention moderating this forum!

Reform-and-openness is the way to a strong country!!

Shame on Nanbei Tianlang for misleading readers as moderator!

Shame on some ignorant Internet-friends above who go along with the notion of closing and locking up our country as well!

—Li Guangming

(Reply to Li Guangming): Oh, you're always too sensitive!

Please read carefully. That series of figures was published on official Web sites and in the mainstream media. Everybody is reconsidering the benefits of entering the WTO. This posting

was expressing personal opinions. You're free to express your own opinion on the basis of the changes you've experienced in the five years since you first arrived in Shenzhen. There's no need for you to spout off here. And anyway, who brought about the WTO accession that fills you with such joy? And who is it you're attacking with your endless blathering?

—Nantian Beilang

(Reply to Nantian Beilang): There are lots of other statistics on the official Web sites and in the mainstream media. Do you want me to find some figures that reflect the achievements of reform-and-openness for you?

—Li Guangming

As a low-level working-class employee, I haven't felt any changes since the WTO accession. Life still goes on as before. A mountain is still a mountain and water is still water!

—Make9903

Lots of common import and export rights are controlled by bureaucrats to advance their own selfish interests!

—Li Guangming

I don't have any special feeling about it. But my grandpa says nowadays it's difficult for peasants to make money, and very easy to spend it. I can't understand this. I'm wondering if any economist can explain it.

—Xin Xiao ("laughing heart")

Our lives have definitely changed these last few years. Social injustice is becoming more apparent, and social unrest is increasing. We are more open in some areas but more conservative in others. The cell phone messages carry fees, so do banking services. . . .

—Zhangkou shuohuazhe ("yawning while speaking")

When will China's salaries be brought in line with international standards? China has been in the WTO for five years, and other things have been brought in line with international standards, but not salaries!!!

—Zfj0627

We're seeing more foreigners, the cities are becoming even more disorderly, people are getting even meaner and society has become even more abnormal.

—San Buguan ("three disregards")

Don't you know that the price of deep-fried dough sticks has risen again, and I was told it was to get in line with international standards! My monthly salary could buy 2,500 big deep-fried dough sticks before, but now it can only buy 2,000 small ones! Costs are rising and deep-fried dough sticks are shrinking! Hey, international standards are really expensive!

—Wlplj123

The American market is flooded with made-in-China products. It would be very difficult to live in America without

buying Chinese products (I suppose that's true in all western countries).

—Jcaoxian

In the five years since China entered the WTO, my quality of life had fallen sharply.

First, I can't afford housing. Secondly, I can't afford a car. Thirdly, I can't afford to be a dutiful son (no money to send my parents). Fourthly, I can barely afford to support my child.

—Peipei She (skin-shedding snake)

(Reply to Fengwang Shunü): What you wrote is the kind of logic used by secondary school students and learned from school textbooks: it is the logic of picking bones from eggs. American democracy? There is also corruption and poverty in America. You don't know how to make comparisons yet; you haven't set up a concept of the general and the exceptional. You can't break the pernicious habit of speaking ill of good things, describing bad things as good, and pouring dirty water on others. I'd like to ask: if a "completely market-driven economy" allows unscrupulous merchants to seize the opportunity to hoard up grain and to cause a man-made famine, will public law allow it?

—Peking Duck

(Reply to Nantian Beilang): The most important thing is to increase income, not to simply drop prices.

—Hanjianwei85

I am unemployed.

—Haidebao111

(Reply to Li Guangming): This fellow really speaks common sense! His Excellency Deng [Xiaoping] could have simply allowed us to live as slaves, yet he did not; instead he allowed us to enter a society that is half-feudalism and half-capitalism. How grateful we are! Long live His Excellency Deng in heaven! Long live, long, long live!

—Li.shunli

No feeling.

—A fish not yet drowned

Reform-and-openness is a concerted attack on elitism from both within and without.

—Li Guangming (article attached)

A Final Reminder to China's Leaders:

Not long ago, some "leftists" online came out against Deng Xiaoping's reforms; now they also want to come out against China's opening-up policy and its accession to the WTO.

The current privations of ordinary people are not the fault of Deng Xiaoping's reform-and-openness policy, but of the corrupt pillaging of the bureaucratic elite.

The bureaucratic elite is most fearful of reform-and-openness, which is a concerted attack on elitism from both

within and without. Reform-and-openness will wipe out the rights with which the elite have advanced their selfish interests. It reduces to scrap paper the bureaucratic elite's approval rights, seal of authority and various authorizing certificates, and returns all kinds of rights to the common people.

The Boxers' calls for boycotting foreign goods, and the booming of warship guns in the Sino-Japanese War all faded before long. Isn't it common knowledge that today's China is only prosperous on the surface? A huge internal crisis is being hidden from view. The history of the late Qing will repeat itself if China rejects reform-and-openness, and China's leadership will be remembered for its corruption and incompetence in the same way as the Empress Dowager's.

If China can make real progress in reform-and-openness, our country will quickly and thoroughly blend into the international community, and perhaps step to the forefront of the world stage. This will be an excellent historical legacy for the Chinese leadership, which will secure its reputation for a hundred generations.

What more do leaders hope for but a good reputation? They have only one mouth to eat with like everyone else, and need only one bed to sleep in just like everyone else.

Being a leader is both a responsibility and an honor!

—Li Guangming

Everything should be in line with international standards and practices, if international standards and practices are to be followed at all!

—Phlq

(Reply to zzxhxw): Same thoughts as you!

—Hp16865

Basically, it's impossible to survive in society anymore, so I've returned to school.

—Goldsound

It's necessary for a big country like China to become part of the world. However, we must ensure the equilibrium of our domestic resources, ensure domestic labor costs, and ensure against paying the environmental costs.

—Flying beyond seven continents and four oceans

I haven't felt any advantage from WTO accession. I only see the poor become poorer and the rich become richer. I urge the government to appreciate the hardships of the people and seriously address their livelihood issues.

—123321123456

The more I live, the more ill at ease I feel!

—Wo Yi Haoren (a single good person)

(Reply to make9903): You're wrong. The mountains are stripped and the water reeks!

—Jimoshenxian

As a worker, I have no special feelings; my life is much as before.

If foreigners want to cheat us, and can't be satisfied with taking advantage of us and showing off their cleverness, we should tell them we're not going to play the game any more and simply close the market. Let's see who fears whom and who gets the best of the deal.

—Ljxssz

How is Guangming wrong? Do you all feel ordinary people's lives have changed?

What I feel about WTO accession is that someone who talks about communist theory is not practical; they just talk about economic treason. China's economy from now on will encounter constant restraints, will suffer economic sieges from developed western countries and eventually will collapse like the Qing dynasty.

Think about it: is it possible that some rich people would allow a poor man to become stronger?

Do you think China's basic industries are advanced? Our basic industries seem to still be at a 1970s level. Yet without the backing of a good industrial base, how can we compete with products produced with advanced equipment, technology and capital management?

Let's use China's major automotive manufacturer, China FAW Group, as an example. It has 100,000 employees, but Toyota Motor Corp. needs only 7,000 employees to reach the same output.

Is this what we have to accept in order to enter the WTO?

Besides, have ordinary people's lives changed? Before China joined the WTO, ordinary people could afford buying homes within eight to 10 years; now they can't afford housing for 20 years, even if they give up all food and drink in the meantime. Is this what we have gained?

I'm not saying it hasn't brought any good. There are some benefits, but not for our ordinary people. The beneficiaries are those in high positions who have teamed up with international capital, and who have found respectable outlets for their laundered funds.

Nothing left to say—it's too depressing!

—Ng\_5678999

After WTO entry,

It feels like selling prices have dropped

While purchase prices have risen.

Can't afford to see a doctor, can't afford housing.

—Meiguo jiushi xiaoqiang (America is a small power)

The poor get poorer, the rich get richer. The growing gap between rich and poor will directly affect public order and

will also bring regional and social division. Political and democratic reform has become a matter of urgency, and eliminating the wide gap between rich and poor is the most important issue for the Chinese government.

—Xiaoyong\_84

Things are still changing. Money is getting ever harder to come by, people can't afford medical care, can't afford homes, can't afford schooling. These changes have become more conspicuous since China joined the WTO.

—Dingdunhua

Everything has come into in line with international standards, but why not ordinary people's salaries?

—Aisheishei58

Tuition, medical and housing costs, electricity and gas bills and oil prices have all come in line with international standards, but income has dropped in line with Chinese characteristics. Entry to WTO is entry to death.

—Christome

China's constitution is even more perfect and democratic than America's. What's the use of it, not to mention some agreement? The ordinary people only serve as a cushion for the comfort of others! They're just played for fools!

—Zhangyujieda

I've come to most dread the words "with Chinese characteristics"!

—Mona Lisa Smile

Translated by Wang Ai

The original Chinese survey and responses can be accessed at <http://bbs8.news.163.com/jueqi/789620,50.html>.

#### EDITOR'S NOTES

1. The name of the forum, *Jueqi Luntan*, is a clear allusion to the phenomenon of China's rise in the international community.
2. Long Yongtu, who is responsible for trade negotiations and multilateral economic and legal affairs, was the chief negotiator for China's resumption of GATT contracting party status and its accession to the WTO.
3. Deng Xiaoping formulated China's economic reforms and departure from Marxist theory as "socialism with Chinese characteristics." See Deng Xiaoping, "Build Socialism with Chinese Characteristics," from a talk with a Japanese delegation on June 30, 1984, <http://www.wellesley.edu/Polisci/wj/China/Deng/Building.htm>.