

December 3, 2002

Will China Blindside the West?

By NICHOLAS D. KRISTOF

GAOSHAN, China
This is the story of the Dai family in China's remote Dabie Mountains, and a reminder that we're not doing much to prepare for perhaps the most important long-term trend in the world — the rise of China.

The Dais live here in Gaoshan, a hamlet in central China's Hubei Province. I met them in 1990, when their eldest child, an excellent sixth-grade student named Dai Manju, had just dropped out of school because the family could not afford \$13 in annual school fees.

Gaoshan had no electricity and was a two-hour hike from the nearest dirt road. The Dais shared their mud-brick house with their pig, and they owned nothing: no watch, no bicycle, no change of clothes.

I wrote about Dai Manju back then, and a reader sent her \$100 to help, but Morgan Guaranty Trust Company missed a decimal point and sent \$10,000 instead. The villagers were mightily impressed by American generosity — and carelessness.

The money went not to the villagers but to the county authorities, who used it to cover school fees for Dai Manju and other pupils and, mostly, to build a desperately needed school in another district. Since then, gaps between rich and poor have worsened in China, and so I decided to seek out the Dai family again. I thought that I would find them still living amid desperate poverty and official indifference, allowing me to write a reality-check column about how the Chinese boom has boosted coastal areas but left the vast interior little changed.

But then I came to the end of the old dirt road — and found that the path had been extended a few years ago so that now it is possible to drive all the way to Gaoshan. Every home in the village now has electricity. Two families even have telephones.

As for the Dais, they are living in a new six-room house, made of concrete. The pig lives outside. The parents proudly showed me their stove, television and electric fan.

Dai Manju turned out to have graduated from high school and then from technical school in accounting, and such lofty academic credentials are no longer uncommon in Gaoshan. She and her two siblings are working in Guangdong Province, all earning \$125 a month or more — what her father earned in a year.

These inland rural areas lag behind the coastal regions, and so the income gaps are growing. But lives are unmistakably getting better almost everywhere. (The only exception I saw was Henan Province, where AIDS is impoverishing villages.) Partly gains come because peasants in villages like Gaoshan go south to work in those sweatshops denounced by American students but treasured by Chinese workers.

The lesson, for me, is that China's transformation is trickling even into the poor interior, dragging all 1.3 billion people into the world economy. When historians look back on our time, I think they'll focus on the resurgence of China after 500 years of weakness — and the way America was oblivious as this happened.

Plenty can still go wrong in China, from a banking crisis (national banks are insolvent) to labor riots (laid-off workers are grumbling everywhere). The government is often brutal and is catastrophically mismanaging an AIDS crisis.

But it's possible for China simultaneously to torture people and enrich them. Human and financial capital are growing and being deployed more sensibly, and a ferocious drive and work ethic are galvanizing even remote nooks like Gaoshan.

For most of human history, China was the world's largest economy and most advanced civilization. Then it stagnated after about 1450, but some estimates are that even as late as 1820 China amounted to 32 percent of the world's G.D.P. — and then it utterly collapsed.

Now, with the Dais and a billion people like them emerging from subsistence, China is on course eventually to recover its traditional pre-eminence. And just as China at its peak was blindsided by the rise of the West, we're likely to be blindsided by the rise of China.

You want a Thanksgiving example of that drive I mentioned? Some years ago, a friend was among a group of Americans teaching English in Sichuan Province, and when they couldn't locate a turkey for Thanksgiving they asked a government official for help. Eager to please the Americans, he arranged a feast that included, amazingly, two turkeys.

Later it turned out that he'd confiscated them from the local zoo.