

Trust, Belief and Politics

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Good afternoon, Ladies and Gentlemen:

I feel honored to exchange with you my opinions on trust and confidence at 2004 Europe Asia Young Leaders Forum. My topic today is “Trust, Belief and Politics”.

Ever since the last decade of last century, research made specifically on the problem of trust has reached an unprecedented climax, making it a hot topic worldwide. In my opinion, this has much to do with people’s conflicting emotions. As one of the oldest values of mankind, no one will doubt its significance. Yet, the problem is that everyone recognizes its importance, but many people tend to ignore trust and confidence in action, or think other things are more important.

I wonder whether you have gone to Xiu Shui Street, which is close to this hotel. It is a famous commercial street where there are much more foreign tourists than in Wangfujing Street. It may be one of the most reputed scenic spots in Beijing since it is not in the least inferior to Imperial Palace in terms of fame and few foreigners to Beijing do not know it. What’s most unique about it is that you can buy the most famous branded goods in the world at an unbelievable low price. Of course, they are not genuine. For instance, you can buy a pair of Rolex with barely 30 yuan. And you can find there internationally famous brand clothes sold at extremely low price. It is a pity that there is no BMW there. Shanghai has a similar market named Xiangyang Road Market. There are on average 50,000 customers visiting there every day, including about 1,000 foreigners. The rent of shops there has an average annual increase of 10%, almost the same as China’s GDP growth rate. Now, the rent has exceeded more than 40, 000 yuan a year, and even a movable sales wagon rents at 8,000 yuan.

In their recent determination to relocate the two markets, both Beijing and Shanghai municipal governments meet with great resistance. Our reporters learn that the so-called relocation is to move them to less conspicuous places because trading fakes openly really distains China’s international image. What’s more, passages in the two markets are so narrow that the fire engines cannot even get in once they are on fire. Xiu Shui Street is one of the 11 major spots that are most likely to cause fire. Xiangyang Road Market is even more crowded. The move meets understandably strong objection from the businessmen because their business will definitely be influenced. We can even say that they show some consideration for the customers since it will be inconvenient for them to buy fake goods later. The most interesting

oppositions come from some scholars, who call the “street of fake goods” as “new antique”, “representing a kind of urban culture”. In their opinion, the two markets serve as the illustration of China’s authentic image of freedom and promote grassroots diplomacy, adding affinity to China’s peaceful emergence. An article in a magazine in Shanghai even puts, “Those foreigners, who come to China for the first time, used to have more or less negative impressions on China before, such as the government’s interference in the people’s freedom, low educational level of the people, poverty and backwardness all over the country and so on. However, after they walk around the Xiangyang Road Market, their bad impressions evaporate to a great extent. This way, the so-called “China threat” and “China collapse” purposely exaggerated by some foreign media will collapse by themselves.” With a view to the fact that trade of fake goods has assumed such profound and noble meanings even at the expense of a fire, we find that trust and confidence, the most basic values, is in fact very vulnerable in people’s mind. In this sense, Xiu Shui Street is a good sample to test people’s conflicting emotions towards trust and confidence. I think BMW Foundation Herbert Quandt and CEIBS must have arranged us to live so near to Xiu Shui Street on purpose.

China has a tradition in attaching great importance to trust and confidence since ancient times. Statistics shows that in *The Analects of Confucius*, the most important works in China’s cultural history, “trust and confident” appears 38 times, less frequently than “benevolence” (109 times) and “propriety” (74 times), but more frequently than other words describing one’s moral character, such as “goodness” (36 times), “righteousness” (24 times), “respect” (21 times), “courage” (16 times) and “shamefulness” (16 times), and no less than the frequency of “trust” appearing in *Bible*. As what I mentioned just now, the problem of trust and confidence is more a problem of words than of action. Francis Fukuyama, a Japanese American economist has made a comparison of trust and confidence in many countries. He concludes that the United States, Japan and Germany are typical of a high level of trust, while the level of trust in South Korea, Italy and China is low. In the former, large-scaled private companies can easily take shape; while in the latter, private enterprises seldom move beyond the family. Another difference is that there are both large private enterprises and small ones in the former, while there are only small private enterprises in the latter. Such differences in economy result from their difference in the level of trust.

Why people cannot follow the principle of trust and confidence even though they have recognized its importance? As far as China is concerned, I think it has something to do with beliefs held by the Chinese.

Belief is that you really believe in the supreme value and eternal existence of something. Scholars generally believe that belief is an important basis for mutual trust. Sociologist Max Weber told the following story. Once he passed through Indian Land by train, and he sat next to a salesman, who made some comments on the strong local

religious atmosphere. He said, “Sir, I think everyone has religious freedom. However, if I find that a farmer or a merchant does not believe in religion at all, then I will not trust him in as minor a business as 50 cents, for if he does not believe in anything, then why should I believe that he will pay me?”

It is generally held that we Chinese do not believe in religion. Recently, our magazine published an article written by a scholar, who thinks that we Chinese believe in Confucianism instead of not believing in any religion. What’s novel here is not his opinion, but his explanation of such an opinion. From his perspective, our belief in Confucianism is at two levels. One is that the intellectuals learn ideas about how to be a man, how to do things, how to be an official and how to rule, and then practice such ideas. Once an intellectual becomes an official, he changes into a missionary who preaches Confucianism. The other is that the average people believe in Confucianism by way of believing in the officials. Their firm belief in the uncorrupted officials is religion-like. The grassroots in China always firmly believe in “good government” represented by “just-minded magistrates” and “upright officials” and their idols are those uncorrupted, righteous, and wise officials. Their belief is so firm that it cannot be changed by their hatred towards the malfeasants. All previous dynastic changes in China can be called a process during which people’s trust in officials represented by the emperor has been destroyed time and time again as well as a process during which people are always stubbornly duplicating their belief.

That is to say, we Chinese have a common and enduring belief, which is highly impersonated. Government officials are followers, disseminators, practicers as well as what the people believe in. Viewing from this point, it is much different from other religions in that Bodhisattva, God and Allah in Buddhism, Christianity, and Islam respectively can only be what people believe in, but not what they rely on. People can confide in them to get inner serenity or hopes for the future, but not to get help from these super-naturals in real life. Therefore, followers of the religions often form groups to help each other. Hence mutual trust based on common belief develops.

On the contrary, what we Chinese believe in is super powers in reality, which can be both believed in and relied on. So most often we will turn to government officials or government for help when we meet with some unsolvable problems or some social problems. In ancient times, people would beat the drum in front of the official institutions to make the injustice he suffered known by the officials or knelt down before the sedan when the officials went out on business. At present, governments at all levels have an organ called “Xinfang Office” (Office of Letters and Calls). “Xinfang” is really an interesting phrase, since it can also be interpreted as “call-ins based on trust” (In Chinese, Xin can be interpreted as both letters and trust). During our investigation in Beijing at the end of last year, we found that a large number of people who came to Beijing to call for justice gathered in a remote village called “Village of Calls” in Beijing. Many of them had lived there for a long time. Though they came from all parts of China, they all had experienced injustices and had got no

satisfactory results after appealing to government at all levels. At last, they came to Beijing in the firm belief that their problems would be solved justly by central government. Many of them lived in the underground passage of crossroads. Some begged all their way to Beijing. Once they got some money, they bought tickets that took them nearer to Beijing. This way, it took them 12 days to come to Beijing. When our reporters asked them why they were willing to have such a rough time to come to Beijing, they simply answered that the truth would turn out one day and if the provincial government cannot solve the problem properly, they could still turn to the Communist Party for help.

Isn't this kind of perseverant and simple faith belief? But this secular belief is different from other religious beliefs in that trust based on the former is vertical, upward and unidirectional because what people can rely on is mainly from above, that is, from the Government, while trust based on the latter is horizontal and bidirectional because the followers can not rely on bodhisattva, God and Allah, but to help each other among a religious group.

This may help to explain why we Chinese seldom spontaneously form mass organizations and tend not to believe anyone other than our relatives. That's because we are not accustomed to and are afraid of relying on that kind of horizontal relationship. For thousands of years, social relationship in China, described by Confucius as the relationship between "ruler and subject" and that between "father and son", has been characterized by its verticality. In the vertical and hierarchical society, there are more vertical relationships than horizontal ones, and often the latter is likely to be ruined. Under the powerful bureaucratic and all-sided control of society, mass organizations can hardly survive or perform their roles. In extreme times, mutual trust in a family was destroyed, and people's marriage should be approved by the organization, which required that husband and wife check each other's political loyalty and encouraged the children to unveil their parents' problems that they had discovered.

Traditional Chinese government is just like the sky while the Chinese are like crops in the field, exposing with no shelter under the sky. So the Chinese have to depend on the weather. A good government is like sunshine and a cloudless sky, while a bad one is like thunder, lightening and hail. In this case, "blue sky" (just-minded magistrates in figurative sense in Chinese) becomes naturally the Chinese's belief and "sun" becomes the most frequently used word to praise the supremacy. While in some countries, the mass organizations serve as houses, shielding people from the bad weather. So in these countries, the government is not trusted by people, and is even called "necessary evil".

However, there is a big problem in our belief, namely, instability. The problem arises because what we believe in is realistic, visible, applicable and provable, instead of being abstract and unreachable. To us average people, government officials are

disseminators and practitioners of the belief as well as what we believe in. However, people can hardly keep stable and this is especially true with a group of people. Officials may become disqualified for us to believe in by wavering in their belief or making mistakes. An uncorrupted official will certainly consolidate people's belief and win their trust, while a corrupted one will destroy it. When it is constantly abandoned by some disseminators and practitioners, the belief in society will necessarily fall into crisis. As such belief is likely to be affected by changing political situations in reality, what is believed by Chinese people is instable and halfway – sometimes, it is firm, sometimes, it is faltering; sometimes people will believe in it, sometimes people will not believe in or feel uncertain about it. Integration of belief and dependence makes the belief characterized strongly by pragmatism. When one can no longer depend on what he believes in, his belief will fade to some extent. Though he may say that he still believes in it, this may not be the case. Whether he believes it or not depends on whether he can get some benefits from it. In my opinion, this is where we Chinese do not practice our theory and walk our words.

In a word, politics has exerted deep-rooted effects on the Chinese belief in the past several thousands of years. You may argue that this cannot be called a true belief, however, we Chinese has no other nobler and more enduring one. It's a reflection of the stability of the social structure of China and the Chinese stubbornness. Just as Hegel said "Whatever is, is right", the Chinese belief, as a mirror of the current social relationship in China, must have its own rationale. Political trust based on the belief has in fact become the basis of social trust of the whole China. Despite the high rate of bad debts in some Chinese state-owned banks, Chinese people continue to deposit their money there, without worrying that the banks might go bankrupt. This is because they believe firmly that the Government will not let happen the evaporation of their deposits overnight. To any government, such kind of political trust is an important proof of the legitimacy of its ruling as well as valuable political wealth.

Of course, trust is under the influence of factors other than belief. Political trust is only one kind of trusts, though it is critical. People's social interaction in daily life, market trading behavior in particular, is important in building trust among them. Trust should be the outcome of long-term cultural effects, which need to develop over time. However, many people are likely to abandon trust and confidence only for immediate economic interests. An enterprise can not become reputed for its credit until it turns one-time gaming into repeated gaming in regulated market economy. As we all know, it is still not long before the planned economic system has been replaced by market economic system. "The right to private property" is not written into the Chinese Constitution until this year and the "Administrative Licensing Law", the key law governing the government, is put into effect only this July 1st. Therefore, China still has a long way to go as far as the law-based and horizontal trust is concerned. Moreover, China's entry into WTO is expected to further expand its economic interaction and cooperation with outside world. This will greatly help us to learn to build trust during transnational trade and cross-cultural interactions.

Anyway, before we change our belief, or, when we are still in the process of the establishment of new mechanism of social trust, the responsibilities and roles shouldered by the government are irreplaceable. Meanwhile, the government is in an effort to accomplish the tough transitional task to meet people's needs and to establish a new type of politics, which is not highly centralized, but democratic; which does not override the society and the law and never break the rules at random, but is supervised by the society, and which is bounded by law and is to respect and protect human rights. In recent years, Chinese Government has made great progress in these respects. However, there are still some problems. The endless emergence of corruption of government officials in particular has reduced the level of people's trust towards government to a record low. The universal suspicion and dissatisfaction towards the rich in the society is also closely connected with distrust in government officials. On the one hand, people suspect that the rich get some special treat from the corrupted officials during the process of their wealth accumulation; on the other hand, when the rich are involved in criminal cases, people worry that they will be shielded by government officials. Disappointingly, such suspicions and worries are repeatedly confirmed, resulting in further distrust in the rich. This will exert a negative effect on the development of Chinese market economy and the building-up of commercial trust.

The Communist Party of China has announced that the Fourth Plenary Session of the Sixteenth Central Committee will be held on September 16th to enhance the CPC's ruling capabilities and improve its leadership. People generally expect that the conference will formulate strategic plan for China's political system reform to further improve the government's image. Owned by China's state news agency and covering mainly report and analysis of political and economic news in China, *Orient Outlook Weekly* which I work with regards construction of political civilization in China as its supreme goal and targets at the mainstream people, especially those in emerging stratum. It also attaches great importance to the major problems that reflect and affect the development of Chinese politics, economy and society and expects that it can make special contributions to the establishment of a new trust mechanism in China.

That's all. Thank you for your time!