

# Reporting the Chinese economic juggernaut and justice

## ABSTRACT

The recipients of the 2006 Pulitzer Prize for international reporting were two correspondents for *The New York Times*, **Joseph Kahn** and **Jim Yardley**, who won for their series of articles on legal issues in China.<sup>1</sup> While visiting New York in May for the awards ceremony, Kahn and Yardley, who are based in Beijing, took part in two roundtable discussions at the *Times* to talk about the series as well as about some of the rewards and challenges of covering China.

**T**HE following excerpts from the discussions were transcribed and edited by ALISON McCULLOCH, a New Zealand journalist on the *Times* staff.

*Why did you decide to look at legal issues?*

**Joseph Kahn:** The year before, Jim and I had done this series on inequality issues—the wealth gap in China—and one of the themes that ran throughout several of the pieces that we never really tackled head on was the idea that there was basically no good way to resolve disputes in China. There had been a huge increase in the number of popular protests there, peasant unrest—also workers—for unpaid wages or bad working conditions in factories. In any other country, or any other fairly sizeable economy, you would expect that a lot of that would be channelled through the legal system. For whatever reason, you were never seeing those things resolved through the legal system in China. They ended up getting resolved by people protesting or somehow burying their anger and internalising it, and simply muddling their way through. And so we decided to just tackle that head on.

Before I went back to China this second time,<sup>2</sup> I made a list of stories that I really wanted to keep an eye on, because people are always looking for

benchmarks in China's transition to a more modern society, a more open economy, a more open political system. One of the things I thought would be interesting was if I could just find one good case of a court somewhere in China declaring somebody innocent of a crime that the authorities were determined to convict that person of. And what a great benchmark of progress that would be; an inkling of an independent court system.

I remember one day early in 2005, I was talking to a lawyer friend of mine and I said, 'You know, just as a lark, I'm just wondering have you ever heard a good case of somebody where the court just declares the guy innocent of a crime that the authorities really want to convict him of.' He burst out in laughter and said, 'Not only can't I tell you a single case of that, I can tell you four or five cases of people who were absolutely—that I know personally—who were just absolutely framed up for a crime that they never committed where the evidence was rock solid that they hadn't committed it and still they went to jail, and in one case ended up on death row'. And that for me became the first story in our legal series.

*Do you want to talk about some of the special circumstances of covering China. One concern people here have had generally is how you protect sources, and certainly you're working under regulations from the Foreign Ministry. How do you work within this protocol?*

**Jim Yardley:** You actually ignore it really. There are all these restrictions. You take it for granted your phones are bugged, your email. I use the Times email which is encrypted, and think it's OK. But I wouldn't write anything particularly interesting in it. But your text messages are, unequivocally. Joe once sent me a text message that said, 'I'm going to do that thing', and I just sent him one back that said, 'I forgot, what is it?' He said, 'I'm flying to X to meet Z'. And he flew to X and called Z, who said, 'Look I'd love to meet you but the state security guy is sitting right here with me.'

If you did it by the book, every time you travelled you would call the Foreign Ministry but you would certainly call the local Wai Ba.<sup>3</sup> But most of the time you just go—the Foreign Ministry in Beijing understands that foreign reporters do this and part of them, I've always thought, kind of likes it because there's such a disconnect between Beijing and the provinces that we help them know what's going on. You check into a hotel, you try not to get them to use your passport, because it has a 'J' on it—a special designation. If they're really diligent, the hotel would call the local public security bureau. Some cities are so big and busy, they don't do that. Joe and I have each been

detained. Joe was taken down to the police station overnight. I got a knock on the door at my hotel at 7am. In my case they were terse but friendly, and ‘what are you doing here’, and then you just get told to leave.

**Joseph Kahn:** The truth is that it’s probably, for a foreigner with an American passport, of the major stories around the world, it’s frankly probably one of the safest places to report. I mean there are very, very few cases of foreigners being murdered, kidnapped, beaten up by the police. They even have a special status, as a foreigner there, but there are huge obstacles to reporting. We’re closely monitored, our phone is tapped, we’re subject to detention whenever we leave one of the major cities if we’re not travelling with permission and probably the biggest barrier to us is that the Chinese who work with us are subject to Chinese rules which are very different from the rules that apply to foreigners. You can’t help but think about, not so much your own safety but the safety of the people who are working with you. And it’s not only the direct risk that you expose people to by the stories that you do but the unpredictable retribution that they may decide to impose, not on Jim or me, but on someone who works with us who earlier has violated some kind of rule or seems like a likely suspect or something like that. So the fact is that they actually do keep quite a few controls on us, indirect controls, in that way.

*Joe, you’ve been in the region for a longer time, have these issues changed?*

**Joseph Kahn:** It’s still very similar if you want to cover anything that’s going on at the government level. The access is very, very limited and you do get it usually on the terms of the people who will go and speak to you, and often you’re not going to get information that has not already been revealed in the Chinese press. It’s part of their propaganda effort so it’s really not worth lining up for those interviews. The first time I was in China in the mid-90s, I felt required to try to get access to people in big state-owned companies or government ministries or the police if there was some sort of interesting criminal development or whatever, and you ended up spending so much of your time sending faxes and begging them for an interview and then you have an interview and it’s disappointing.

I realised by my second time, I’m just not going to do that. They have their propaganda machine, it’s huge and they control all the media in China, they control all the television, they closely monitor websites and they have international satellite networks and they put up their point of view all the time. And unless I need a very specific comment on a very specific allegation,

I really don't waste my time trying to get government interviews. We just go and do thematic stories on other subjects and it's a much more satisfying way to cover China, much less frustrating way to cover China.

*What do you see visually going on in terms of the Olympics and what do you not see?*

**Jim Yardley:** Beijing is now a miserable place to live. There's a website that the government runs, of air quality, and there's a 1 through 500 measure of particulate matter, 1 being perfect and 500 being 'you're dead'. Two days ago, we were all dead. It was just staggering.

What's driving a lot of that is construction dust. Beijing has a lot of natural impediments in terms of pollution but this year is the No. 1 busiest year for construction. Forty three facilities under construction right now. There are 20-some temporary facilities going up. They are expanding dramatically the subway line. They're building new bridges and roads into the Olympic village. There's this whole connected commercial development in which real estate developers are destroying old parts of the city and throwing up new stuff. There are 25,000 migrant workers in Beijing working only on Olympic venues, not including commercial stuff.

In terms of handling the press, they're building all the buildings, but whether they're going to live up to the 'you get to come in and go where you want, don't worry about it'—I'd be very surprised. They could face a huge backlash if they don't do that. At the very least, they're going to have to expedite their processing for approved interviews.

*Is this the most significant thing happening for them right now?*

**Jim Yardley:** It's gigantic. It drives so much. There are people who ask, 'Will China make any political change?' And they're saying there's no way they will do it before the Olympics because they don't want anything that could risk stability, so if they're planning intraparty democracy, if they're planning to expand elections or anything that we don't even think is a big deal but they think is gigantic, it's very unlikely it will happen before 2008. The Olympics oddly, I think, have retarded any effort at reform, they're so paranoid about clamping down and keeping things stable at a time when there's so much unhappiness in the countryside.

**Joseph Kahn:** I think they have used the Olympics as sort of as an excuse, although they then quickly added other excuses like 2010 Shanghai World Expo—it's been going on for some time.

China is actually on the surface an extremely boring place. They really

are anti-news. They've tried to essentially eliminate politics from the society, completely. Everything is apolitical. The whole red-blue thing that occurs in this country in which the states and everything is colored one way or the other, the intense divisiveness of the 2004 election, there's no equivalent to that, there's no 'which side are you on?' People talk very loosely and usually I think very inaccurately about factions in the Chinese government and this faction supports this and that faction supports that, but that is so speculative and so non-transparent that the government's face to the public is unified. The No. 1 buzzword in society is stability. Everything is about stability so the Olympics is about stability. We have this big event, everything has to be stable because otherwise China will lose face to the world so we need stability for that, but then after the Olympics there's still going to be an instability problem because we're now capitalizing on the Olympics.

As long as you're constantly emphasising stability you get every official doing that and actually it filters down to ordinary people who believe that you can't prosper without stability. So, yes, it is true that the Olympics have become an intensive focus of attention but not so much because they see the Olympics themselves I think as an absolutely transformative event but because rather it's become an excuse for not discussing all the other stuff that could be more problematic.

*If we had fallen asleep 20 years ago or slipped into a coma 20 years ago and were just revived this last weekend, probably all of us would be shocked that Japan did not rule the world. Right now it seems you are sitting on one of the world's great stories, which is this emergence of China, but what do you think it's going to be in 10 or 20 years?*

**Joseph Kahn:** The only answer is that nobody has any idea, and anyone predicting an absolute sort of straight line trajectory of 10-plus compounded annual economic growth and continued political stability and more momentum after the Olympics and ever greater amounts of foreign investment and continued open markets for Chinese goods around the world and instead of two million engineers, 10 million engineers will be graduated by Chinese universities every year—those are all possible, it's moving in that direction—but so much of it assumes all these variables and you just don't know.

I mean, how is the rest of the world going to end up reacting to all of this? What does the new Chinese middle class do? What do all these people who are left behind—how do they eventually adjust to it? What happens? Is there an internal dynamic inside the Communist Party that leads to some sort of

diversification in the political class?

The backlash against growth, or the downside of growth is hugely evident and visible in social tensions, huge environmental problems that they have no idea how they're going to overcome. There's a growing awareness of China's rising economic and political power, certainly in the United States but also in Europe and those are going to create issues and challenges for China that I don't think we know yet how they're going to address.

There are purely economic issues. There are political and diplomatic issues, there are social issues. All of which is what we cover and write about and if anyone can forecast accurately the outcome, they can have our job.

*Can you talk a little bit about what seems like dichotomy, this economic juggernaut the Chinese have going and this political system that seems to want to hang on to tight control. They seem at odds?*

**Joseph Kahn:** I think it's a big question, one that has basically been asked for the past 25 years—that the initial thrust of Chinese reform in 1978 was economic not political and at that time, the Western world faced a sort of a more deliberative choice: do we cooperate with this still Communist system and encourage them to open up and grow economically or do we hold back.

At that time, the decision was sort of made to basically open up trade and investment with the assumption that within a few years they're going to be completely incompatible. You're going to have a more and more dynamic economy and people are going to be demanding political openness and here we are 27-some years later and we still have a one-party state with a repressive political apparatus and now the most dynamic developing economy with the largest foreign currency reserves in the world, the biggest trade surplus the US has ever experienced on a bilateral basis, and they're way too big to shut down in any way. There is no way to challenge China economically without shooting ourselves in the foot. So now it's unclear to me what the economic leverage is over China's political system. I don't think it exists. There may be other internal social contradictions and political contradictions that will create pressure on the political system, but I don't think the economy per se, the access to free trade, for example, or the ability to make money is in and of itself pressure on the political system.

*When the Chinese President was in the US, we had a number of pieces from Americans calling for boycotts of Chinese items—fed up with all this flooding the market. And now the situation over oil. I wonder if there's any kind of confrontation coming with China?*

**Joseph Kahn:** Well, we barred the Chinese oil company Cnooc from buying Unocal, which probably we would not have done if the bid was from an Italian oil company or a British oil company, so that was pretty specifically—actually we never formally barred it, there was a lot of concern in Congress and then Unocal decided not to accept the Chinese bid because they thought it would be difficult to push through. So that was almost social and political pressure without any explicit ruling from the government.

More generally, are we going to have a conflict with China over oil? The vast majority of experts say that that is completely unnecessary, but not necessarily impossible. I mean, oil is this fungible commodity and there's just so much of it on the world market. China needs its share, the US needs its share, there really is no particular incentive for one side or the other to try to lock up exclusively some oil supplies somewhere and there's no real evidence that that's exactly what China's trying to do. Where I think the conflict comes in is there's a competition to have some influence over new resources, for one thing, and secondly China is using what it sees as gaps in US foreign policy to develop relationships with rogue states that have oil. Iran, Sudan, Venezuela recently. Where the US picks a fight with somebody, China will sort of step in and try to line up some business partnerships there. However, even in Sudan where China has big oil operations, three quarters of what it's producing is being sold on the world market. They're not putting that all on the ships and shipping it to the port in Shenzhen, and distributing it only in China. Their argument is they're creating more oil for the world market than would otherwise be there so there's no inevitability to the conflict, I don't think.

I also think that neither a Democratic nor Republican administration is likely to get actively involved in boycotting Chinese goods or slapping economic sanctions on China. There's a lot of buzz and talk about it but when push comes to shove, I don't think there's any constituency in Congress for an outright economic confrontation. There's way too much progress between the two countries now for that kind of a fight to develop. Ten years ago, it was a little bit more likely but even after Tiananmen and the aftermath when every year China was coming up for MFN [most-favored-nation trade status] renewal in the Congress it passed every year.

*Where do you see the whole intellectual property issue going?*

**Joseph Kahn:** It's certainly the big issue now for American businesses in China, and a lot of multinationals, and it's probably the dominant issue in

trade talks— it's a potential WTO case—the US is continuing to threaten to bring China to the WTO. Apparently it's very difficult to enforce under trade laws but pressure is enormous and there's a lot of pressure within China from people who have trademarks and copyrights and also suffer some abuses.

I look at it as being a pretty fascinating issue but also basically a development issue. I think when the balance changes internally between those who are taking advantage of violating others' intellectual property and those internally who have intellectual property to protect China will get with the programme in a way that's similar to the transition that, say, Taiwan made or South Korea, both of which were at some point seen as copycat model economies that now are not problems in that area. I think that transition's occurring relatively quickly in China but the balance is still toward those who are doing better by copying and stealing.

Every time you talk about some grievous violation in China you'll get a historical lecture from Chinese officials about how, yes, we've got our tensions with Taiwan but you guys had civil war. On intellectual property, you'll get that lecture: the US had a period of stealing British intellectual property and every country in East Asia had a legacy of stealing intellectual property from the US and from Europe and building up an economy based on that and then the balance shifted and they made the transition. And I think China's point of view is we're not going to make that transition until our balance shifts; we're not going to cut down our economic growth so that Disney shareholders get another couple cents on each share.

## Notes

1 The articles can be found in *The New York Times* archive via nytimes.com

2 Kahn worked in China previously for *The Wall Street Journal*.

3 The Wai Ban is the local Foreign Affairs office.

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