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MARKET REFORM AND CIVIL SOCIETY

A Chinese Case Study

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PREFACE

In 1989, UNRISD initiated a project on economic reform and social participation in communist countries. Studies were sponsored in China and several Central and Eastern European countries. The present paper reports on the main findings of the research undertaken in China. The study was carried out as a co-operative effort between UNRISD, the UK-China Joint Research Team and the Chinese Academy of Social Sciences (CASS). A monograph based on this research has already been published in Chinese by CASS.

This paper attempts to analyse the character of the new organizations which have emerged in the wake of economic reforms initiated in the 1980s. It is based on field work carried out in 1991 in Xiaoshan City in the central-east province of Zhejiang. There appears to have been a flowering of associations in Xiaoshan County during the Republican period between 1911 and 1949, but after 1949 most of them were either abolished or replaced by mass organizations controlled by the Communist Party. The post-Mao period was characterized by a remarkable upsurge in the number of social organizations. At the time of the survey, 93 social organizations were registered with the local authorities. They ranged from the old mass organizations such as trade unions and women's federation to a variety of economic, scientific, cultural, health and social welfare associations. The loosening of the tight control of the Communist Party, the process of decentralization of power and the diversification and differentiation of economic activities were the principal factors in the growth of new organizations.

To what extent are they autonomous and what is the nature of their relationship with the state and the party? Most of them are best described as semi-official. Before an organization is established, it must receive authorization from the state and be subjected to a network of supervision. In most cases, its officials occupy senior posts in administration and/or in state enterprises. According to the authors, it would, however, be misleading to regard such organizations as totally subordinate to the state or party authorities. They enjoy varying degrees of autonomy. This arrangement appears to suit both the state and the members of associations. From the point of view of the authorities, these associations provide a channel of communications between a state organ and the organization's members, assist in co-ordination of activities of different economic actors and carry out certain functions previously monopolized by state agencies. The members of the associations benefit from access to services, materials and other resources from the state entities. They may also benefit from contacts with influential officials and be able to influence policy in specific areas. The two parties also have a common interest in promoting rapid economic growth and in exerting pressure for policy changes or in obtaining resources from higher level authorities.

These organizations have thus assumed a dualistic institutional form that mirrors the increasing dualism of Chinese economy and society: they represent a mixture of state and private in which the public continues to dominate. The authors argue that with the continuation of economic reforms and the expansion of private enterprises, these associations can be expected to increase their numbers and diversity, enhance their autonomy and become more genuine representatives of society in their dealings with the state.

The UK-China Joint Research Team included Professor Gordon White of the Institute of Development Studies, University of Sussex; Dr. Jude Howell of the University of East Anglia; and a group of researchers from the Institute of Sociology, Chinese Academy of Social Sciences, Beijing, which was headed by Zhe Xiaoye and included Li Peilin, Sun Bingyao, Tang Jun, Wang Ying and Xia Guang.

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Dharam Ghai
Director

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INTRODUCTION

“Civil society”, “the market” and “democracy” are the positive conceptual images that dominate current thinking about China’s present and future in the social, economic and political realms respectively. They are three components of an overall conception of societal change wherein the spread of markets creates the social space for the emergence of civil society which in turn provides the social underpinnings of democratization. As such, they provide a useful framework for analysing the dynamics of socialist and post-socialist societies undergoing radical market reforms.

Though each of these ideas is often used in imprecise and ideological ways, they have considerable analytical and practical power; they reflect real processes and point toward real solutions. This paper focuses on the notion of “civil society” and seeks to examine how useful it is in describing and explaining social change in contemporary Chinese society in the era of the post-Mao economic reforms which began in 1979. We shall proceed, first, by clarifying the specific way in which we intend to use the term “civil society” and, second, by investigating the empirical utility of the idea through a case-study of one small city in the central-east region of China.

CIVIL SOCIETY: A CONCEPTUAL CHAMELEON

It is worth considering why the term “civil society” has come to prominence in general discourse about social and political change over the past decade. It is clearly part of a broader re-evaluation of the role of the state in society and the economy, a sociological adjunct to the conventional state-market paradigm familiar to economists and political scientists. At its vaguest level, “civil society” reflects the desire to curb the power of overweening states through a sphere of social organizations enjoying more or less autonomy from the state. It is not surprising, therefore, that the term gained prominence following the rise of social movements against Communist states in Eastern Europe in the late 1970s and early 1980s, particularly the emergence of Solidarity in Poland. In Hungary, it was given some intellectual substance by Elemer Hankiss’ notion of the “second society”¹ and by an upsurge of theorizing about its role in socio-political change in Eastern Europe.² To the extent that the same problematic of changing state-society relations was important elsewhere in the real

¹For discussions of the notion of “second society” and the relationship between the “second economy” and civil society in the Hungarian context, see Bob Dent, “Knowledge on the Black Market”, **Times Higher Education Supplement**, 7 March 1986; Ivan Szelenyi, “Eastern Europe in an Epoch of Transition: Toward a Socialist Mixed Economy?”, in Victor Nee and David Stark (eds.), **Remaking the Economic Institute of Socialism in China and Eastern Europe**, Stanford University Press, Stanford, 1989, pp. 208-32; and C.M. Hann, “Second Economy and Civil Society” in C.M. Hann (ed.), **Market Economy and Civil Society in Hungary**, Frank Cass, London, 1990, pp. 21-44.

²For example, see the collections in Vera Gathý (ed.), **State and Civil Society: Relationships in Flux**, Ventura, Budapest, 1989; and John Keane (ed.), **Civil Society and the State**, Verso, London, 1988. For post-1989 views, see Robert Miller (ed.), **The Development of Civil Society in Communist Systems**, Allen and Unwin, Sydney, 1992.

world, “civil society” appeared as a convenient analytical “hat-stand”, in contexts as wide apart as Sub-Saharan Africa and Taiwan.³

Given the fact that the issue of overweening state power and the need to change the balance of power between state and society/economy through fundamental reforms have dominated thought about China for least the last 15 years, it is to be expected that the idea of civil society has gained currency both within China and abroad.⁴ The events of early to mid-1989 in China gave particularly strong impetus to scholarly use of the term, because of the widespread attempts then, in Beijing and in other cities, to construct a sphere of autonomous organizational space outside of and in opposition to the party-state.⁵

In analysis of China, as in the broader comparative literature, the term civil society has been used to mean a variety of things. Underlying the often bewildering diversity, there are certain common elements. First, the use of civil society reflects an attempt to define a type of relationship between state and society, regarding them as separable, distinct spheres roughly to be equated with the “public” and “private” spheres; second, it implies a certain power relationship between state and society such that there are limitations on the state’s capacity to pervade and control society, and a certain power on the part of members of a society to insulate themselves from, and exert influence upon, the state; third, in this realm of autonomous social power and space, civil society denotes an associational realm in which autonomous organizations are formed through voluntary association to represent the interests and aspirations of members of society.

³For Africa, see Jean-Francois Bayart, “Civil Society in Africa”, in P. Chabal (ed.), **Political Domination in Africa**, Cambridge University Press, Cambridge, 1986, pp. 109-25; and David Booth, “Alternatives in the Restructuring of State-Society Relations: Research Issues for Tropical Africa”, **IDS Bulletin**, 18(4), October 1987, pp. 23-30. For Taiwan, see Hsin-Huang Michael Hsiao, “Social Movements and the Rise of a Demanding Civil Society in Taiwan”, **The Australian Journal of Chinese Affairs**, (27), July 1990, pp. 163-80; and Chou Yangsun, “Social Movements and the Party-State in Taiwan: Emerging Civil Society and the Evolving State Corporatist Structures”, unpublished PhD thesis, Columbia University, New York, 1988.

⁴For a review of the Chinese debate, see Wang Shaoguang, “Some Reflections on Civil Society”, **Ershiyi Shiji** [Twenty-First Century], Hong Kong, (8), December 1991, pp. 102-17.

⁵Western Scholars have used the idea of civil society to analyse the Beijing Spring of 1989: for examples, see Clemens Ostergaard, “Citizens, Groups and a Nascent Civil Society in China: Towards an Understanding of the 1989 Student Demonstrations”, **China Information**, 4(2), Autumn 1989, pp. 28-41; Thomas B. Gold, “The Resurgence of Civil Society in China”, **Journal of Democracy**, 1(1), Winter 1990, pp. 18-31; and Lawrence R. Sullivan, “The Emergence of Civil Society in China, Spring 1989”, in Tony Saich (ed.), **The Chinese People’s Movement: Perspectives on Spring 1989**, M.E. Sharpe, London, 1990, pp. 126-44. Dory Solinger has applied the concept to her analysis of the urban “floating population” in **China’s Transients and the State: A Form of Civil Society?**, Hong Kong Institute of Asia-Pacific Studies [USC Series No. 1], Chinese University of Hong Kong, 1991, p. 46. Michel Bonnin and Yves Chevrier have also used the concept in their discussion of the relationship between the Chinese intelligentsia and the state in “The Intellectual and the State: Social Dynamics of Intellectual Autonomy during the Post-Mao Era”, **China Quarterly**, (127), September 1991, pp. 569-93. The applicability of the concept to the analysis of contemporary China has recently been discussed in depth by David Kelly and He Baogang in “Emergent Civil Society and the Intellectuals in China”, in Robert Miller (ed.), op. cit., pp. 24-39.

In spite of these common elements, however, the term civil society is commonly used, in the analysis of China, to denote two different categories of meaning.

(i) **“Civil society” = “political society”**: In this conception, following the tradition of liberal political theory embodied in theorists such as Locke and the historical evolution of liberal democracy in Western Europe and the United States, civil society describes a particular type of political relationship between state and society based on the principles of citizenship, rights, representation and the rule of law.⁶ In Chinese terms, civil society in this sense would be translated as *gongmin shehui* (literally, “citizens’ society”); it would be a concern *par excellence* of political analysts; and it would focus squarely on the issue of the nature and feasibility of political democratization along liberal lines.

(ii) **“Civil society” = intermediate social associations**: This draws loosely on the Hegelian notion of civil society as in some sense intermediate between the state and the family⁷ and refers to organizations and associations enjoying some autonomy vis-à-vis the state and formed voluntarily by members of society for their own protection or self-interest. This broad “intermediate” notion itself translates into three specific usages. Civil society can connote (a) **all social organizations**, whatever their nature, including “uncivil” entities like the Mafia, “primordial” nationalist or religious fundamentalist organizations, or kinship units from the nuclear family on up, as well as “modern” organizations such as trade unions, chambers of commerce or professional associations. This usage virtually conflates civil society with society and makes the term “civil” redundant. In Chinese, this might translate roughly as *minjian shehui* (literally, “popular society”, a usage common in Taiwan). The term civil society can also connote (b) **bourgeois society**, the sense in which it was used by Hegel and Marx (*bürgerliche Gesellschaft*) to denote the particular form of society which emerged with the growth of capitalism, rooted in an autonomous sphere of economic activity based on private property and regulated by markets.⁸ As such, the institutions of civil society are to be distinguished from “affective institutions” based on kinship and from pre-capitalist forms of organization of the primordial *Gemeinschaft* kind. As such, civil society is inextricably bound up with the notion not merely of capitalism but also of modernity, these two concepts being embodied in the two terms of *bürgerliche Gesellschaft*.⁹ The notion of “bourgeois” or *bürgerlich* is

⁶Hugh Roberts makes a strong case for viewing civil society in these terms; see his “Editorial” in *IDS Bulletin*, 18(4), October 1987, p. 4.

⁷For the *locus classicus*, see G.W.F. Hegel, **Elements of the Philosophy of Right** (first published 1821), edited by Allen P. Wood, Cambridge University Press, Cambridge, 1991.

⁸For a critical evaluation of Marx’s view of civil society, see Alvin Gouldner, **The Two Marxisms**, Macmillan, London, 1980.

⁹This raises certain thorny issues, which centre not only on whether one should equate civil society with “bourgeois society”, but also whether one should equate “modern society” with “bourgeois society”. As Roberts argues (*op. cit.*, p. 4), while it is true that the rise of civil society has gone together with the development of capitalism, the dominance of capitalism as a mode of production does not guarantee the existence of civil society. Moreover, while there have been forms of “modern society” which are not capitalist, it is true that, in the real world, most “modern” societies are in fact based on advanced capitalism and the alternative form of modernity (until very recently), the communist or state socialist, did not have a civil society worth the name.

also linked to the world of cities or towns since capitalism developed out of the particular environment created by late medieval towns. This finds expression in the Chinese translation of civil society as *shimin shehui* (literally, “city people’s society”). This conception of civil society is more precise than the foregoing in that it directs attention to a specific type of social organization that arises symbiotically with the emergence of a market economy and a capitalist mode of production.

A third connotation of civil society is (c) **mass organizations which arise in opposition to the state**, the product of a contradiction between a dominating state and a dominated society. These are to be found in a particularly pure form in state-socialist contexts and Solidarity in Poland is a clear example, a social organization constituted through its opposition to state domination.¹⁰ It is primarily to this kind of organization that writers are referring when they allude to the rise of civil society in China in the context of the mass mobilizations of 1989. The Chinese nomenclature of these organizations is complex — they were variously called “corps” (*dui*), “societies” (*hui*), “brigades” (*tuan*), “alliances” (*lianhehui*) etc. — but they can be referred to collectively as “citizens’ groups” (*gongmin tuanti*), “mass organizations” (*qunzhong tuanti*) or “social organizations” (*shehui tuanti*).¹¹ In retrospect, the Hundred Flowers Movement of 1956-1957 and the Cultural Revolution of 1966-1968 also contained strong elements of civil society in this sense, and a comparison between the successive patterns of mass organization in these three movements would prove instructive.

As one can see by now, the use of the term civil society involves both consensus and confusion. However, if one is hoping to find the notion useful in understanding social change in contemporary China, something within the ambit of the second category, particularly sub-category (iib), would appear to recommend itself. Unlike category (i), it directs attention to an intermediate realm of organizational growth outside the realm of “politics” proper. This may be “non-political” in the short term, but it may play a cardinal role in the longer term evolution of the Chinese political system, in the sense that it provides the social underpinning for eventual democratization along the lines of category (i).

Moreover, unlike mass organizations of an explicitly political kind — sub-category (iic) — civil society organizations of type (iib) have received inadequate attention from both Western and Chinese analysts. It is our contention that there is a close relationship between the spread of market relations and the differentiation of ownership brought about by the Chinese economic reforms on the one hand, and the rise of new forms of social organization or the adaptation of existing social organizations on the other. While this process is not isomorphic with the relationship between the rise of bourgeois civil society and the emergence of capitalism out of feudalism in Western societies, it does bear strong similarities in the sense that market-oriented economic reforms, be they “socialist” or not, should bring about a radical transformation of the economy and its relationship with the state, with equally

¹⁰Bayart (op. cit., p. 111) defines civil society in the African context in similar terms, as “society in its relations with the state ... insofar as it is in confrontation with the state”.

¹¹For a detailed analysis of one of these organizations, see the paper by Andrew G. Walder and Gong Xiaoxia, “Workers in the Tiananmen Protests: The Politics of the Beijing Workers’ Autonomous Federation”, *The Australian Journal of Chinese Affairs*, 29, January 1993, pp. 1-29.

radical social and ultimately political repercussions. What is distinct in the case of China is the predominance of the party-state in this process. It has not only initiated and pushed the introduction of market forces, but also encouraged the formation of horizontal links within the economic and social spheres, and in particular type (iib) organizations. Moreover, in refashioning its relations with the economy and society, the state too has transformed its structures, functions and social character. We can expect that the changes in the state and in state policy as well as the development of market forces will foster the rise of civil society in the sense of a change in the balance of power between state and society in the latter's favour, a clearer separation between the spheres of "public" and "private", greater scope for the expression of individual and group interests, and the ability of social interests and organizations to acquire more autonomy from and influence over the state. In short, the central emphasis here is on civil society as an organic accompaniment of the spread of market relations and the consequent emergence of a new realm of social organizations based on voluntary participation and enjoying some autonomy from the state.

It is our hypothesis that this process of organizational change can be identified in two spheres. First, the socio-economic changes wrought by the reforms will bring pressures to change the behaviour of existing participatory organizations, such as the official, Party-controlled "mass organizations" which involve specific sectors of the population: e.g. the trade unions, the Women's Federation and the Communist Youth League. Here we would be looking for signs within the organization of a recognition of a changing environment, a redefinition of organizational goals, changes in organizational structures and modes of recruitment, and attempts to redefine the organization's relationship with its members, the Party and state authorities, and society at large.

Second, we hypothesize that the new relationship between state and society emerging from the economic reforms and the resultant changes in social structure will provide space and impetus for the **formation** of new organizations of an associational character. The specific functions of these organizations will be: (a) to act as a new form of intermediary linkage between state and society which the state may attempt to control to varying degrees; (b) to represent and protect an increasingly differentiated population in its relations with a still relatively monolithic state; (c) to provide means of co-ordination and co-operation between economic agents to transcend the atomizing effect of markets; and (d) to defend sectors of the population against the instabilities, insecurities and inequalities of the market or to achieve sectional advantage therein.

It is with these issues in mind that this paper will investigate the rise of new "intermediate organizations" in China. A number of questions suggest themselves: how did these organizations come into being (were they state-sponsored, spontaneous, or a mixture); how are they organized internally; how do they relate to their own constituency and to other such organizations; how much autonomy do they enjoy; and how much influence do they exert in relation to the party-state. Also, to what extent are these organizations taking on an intermediate role between state and economy: between the plethora of state institutions charged with specific regulatory responsibilities on the one side, and the various constituents of a semi-reformed "socialist market" economy on the other, be they individuals, households or enterprises? This latter concern reflects an interest on the part of the state, sparked by

a proposal made by Xue Muqiao in 1988, that such intermediate organizations could become part of a new system of “indirect” economic regulation: what could be called “socialist corporatism”. In Xue’s view, such organizations are valuable because they help to prevent the potential anarchy of the market and “serve as a bridge between the state and the enterprises”.¹² If this were to transpire, the Chinese politico-economic nexus would more closely resemble certain of its capitalist East Asian neighbours — Japan, South Korea and Taiwan — whose pattern of development has involved strong corporatist elements.¹³

THE RESEARCH SITE: XIAOSHAN CITY

The site chosen to examine such questions was Xiaoshan city in the central-east province of Zhejiang. The city covers a relatively rich area in the suburbs of Hangzhou municipality that developed rapidly during the 1980s through small-scale industry, commercial agriculture and production for export. Xiaoshan was converted from a county to a city in 1988 in recognition of these achievements and is known as one of the “ten great Gods of Wealth” (*shi da caishen*) counties of China with a GLP (Gross Local Product) per capita in 1990 of Y 2,702.¹⁴ It includes both urban and rural areas within the city boundary. Out of the total population of 1.153 million in 1990, about 51 per cent was still classified as “rural”, though if one includes the agricultural population living in the urban areas, the total “rural” population is much higher (87 per cent). In 1990, 654,000 people were listed as rural workers. Of these, 37.1 per cent were working in industry and construction and a further 14.3 per cent in the tertiary sector. The agricultural sector produces grain, cotton, hemp and oil-seed, with a particular specialization in “red hemp” and silk-cocoons. Xiaoshan also has a historical reputation as a producer of poultry, dried radishes, silk and Chinese medicine, while new specialities have been developed recently, such as a variety of aquatic products, melons, milk and mushrooms. The city’s industry is also highly diversified, dominated by light industries producing watches, toys, textiles, hardware, clothing, artwork, paper and food products, with a rapidly expanding export sector. The city was considered a suitable place for investigation, since it has developed

¹²Xue Muqiao, “Establish and Develop Non-Governmental Self-Management Organisations in Various Trades”, *Renmin Ribao* [People’s Daily], 10 October 1988, translated in Foreign Broadcast Information Service, *China Report* 88/201.

¹³For analyses of the East Asian states which stress their corporatist aspects, see F. Deyo (ed.), *The Political Economy of the New Asian Industrialism*, Cornell University Press, London, 1987; and J.J. Choi, *Labor and the Authoritarian State: Labour Unions in South Korean Manufacturing Industries, 1961-1980*, Korea University Press, Seoul, 1989.

¹⁴The exchange rate at the time of the research was approximately Y 5.3 = US\$ 1.

rapidly over the past decade of economic reforms through a dual process of economic diversification and commercialization in both urban and rural sectors.

The research covered the period from September 1990 to September 1991, with two field visits in March 1991 and May 1991. This entailed interviews conducted according to an agreed protocol, accompanied by the collection of background statistical materials on Xiaoshan in general and its social and mass organizations in particular.

Table 1: New Social Organizations Established in Xioshan Each Year, 1978-1990

Type of organization	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	Total
Political	4					1	1		1		1			8
Economic							6	1	3	2	5	3		20
Science and Technology		3	3	3	1	7	5	4	2	4	3	4	3	42
Culture and Education								1	6	1		1		9
Sports							4	1			2	2		9
Health											2			2
Social Welfare											1			1
Religious							1				1			2
Friendly											2	1		3
Public Affairs											1	2		3
Total	4	3	3	3	1	8	17	7	12	7	18	13	3	99

THE DEVELOPMENT OF SOCIAL ORGANIZATIONS IN XIAOSHAN

There appears to have been a flowering of associational life in Xiaoshan County during the Republican period between 1911 and 1949, but this could only be explored through a detailed historical study. The main available local history, the *Xiaoshan County Gazetteer*, is brief and selective on the issue, mainly stressing organizations connected with the Chinese Communist Party (CCP) which was active in the area.¹ China's first peasant association was established there as early as 1921, and a peasant association continued to exist in the county until as late as 1965, when it was converted into a "Poor and Lower-Middle Peasants' Association" as part of the Maoist upsurge leading to the Cultural Revolution. Trade unions were established by the CCP in 1927 and there were also numerous commercial and religious organizations. After 1949, however, these organizations were either abolished or replaced. For example, the Federation of Industry and Commerce, established in 1919, was abolished and replaced by a new Association of Industry and Commerce in 1950. The Women's Federation was set up in 1951 as successor to women's organizations which had existed since 1927, and the previous unions were replaced by a county branch of the General Trade Union Federation in 1950. A number of new associations were established in the 1950s, including the Handicraft Workers' Association in 1955, which ceased operation in 1966 with the onset of the Cultural Revolution; the Workers' and Labourers' Association in 1956 for workers in the private and collective sector, which also lapsed during the Cultural Revolution; and the Science and Technology Association in 1957, which disappeared during the Cultural Revolution and was revived in 1980. To a greater or lesser degree, these organizations shared a common characteristic: they were set up under the Communist Party's initiative and largely functioned as Leninist "transmission belts" between the Party and sectors of the population. With the possible exception of the immediate post-revolutionary period in the early 1950s, they did not enjoy any significant autonomy; the flow of power and influence was overwhelmingly top-down.

As can be seen from Table 1, the picture changed dramatically during the post-Mao era. New social organizations emerged, slowly in the early years but gathering pace after 1984, reaching a high point in 1988-1989 and then declining drastically in 1990. The latter phenomenon can be attributed to the general tightening of political controls after Tiananmen in June 1989, the consequent scrutiny and restructuring of some social organizations, and the introduction of more detailed requirements for registration and supervision.

At the time of the survey in 1990, 93 social organizations that had come into being during the reform era were registered with the Social Organizations Registration Office of the city's Civil Affairs Bureau, the local branch of the national Ministry of Civil Affairs. Another six mass organizations had either existed before the post-Mao economic reforms (the trade unions, the Women's Federation, the Communist Youth League and the Science and Technology Association) or, though established after the

¹**Xiaoshan Xianzhi** [Xiaoshan County Gazetteer], Zhejiang People's Publishing House, Hangzhou, 1987. There is also a gazetteer for the main urban area in the former county, Chengxiang Town, i.e. **Xiaoshan Chengxiangzhenzhi** [Xiaoshan Chengxiang Town Gazetteer], Zhejiang University Publishing House, Xiaoshan, 1989.

reforms began in 1979, were, like the preceding four organizations, under the direct leadership of the municipal Party committee (i.e. the Cultural and Arts Federation and the Overseas Chinese Federation).

The emergence of these organizations can be linked to the economic reforms in three broad senses. First, a process of accelerated social differentiation has occurred in both city and countryside. This has been based on an increasing sectoral differentiation in the economy through growing specialization and through diversification of the ownership system, with the rapid spread of non-state economic institutions, notably township and village enterprises. Second, a process of decentralization or dispersion of power over economic resources has occurred as a consequence. Third, with the spread of market relations there has been a proliferation of economic agents and a corresponding growth in horizontal ties between them which cross the traditional vertical state-structured boundaries between sectors and areas.

More and more economic actors are now outside the old protective shells of the work unit, be it a state enterprise or an agricultural collective. But separation brings isolation, and decreased dependence brings increasing vulnerability. This generates both a greater consciousness of individual interests and greater awareness of the need to protect them in the context of pressures from both the state and the market. Since the individual economic agent is powerless against both the market and a still powerful state, there is a trend towards a recognition of a group interest and, in turn, pressure for a social organization to act on behalf of this group interest.

From the perspective of the party-state, too, there has been a recognition among reformers that in the new context of an increasingly marketized economy the old forms of control and regulation would be increasingly ineffective, and that new organizational forms have become necessary to bridge the gap between the state and economy and to act as a crucial agent on behalf of the state. It is not surprising, therefore, to find that the state has been the dominant force behind the establishment of new organizations. This is not merely a question of vertical control; in an economic context in which market relations rupture the old boundaries between “systems”, such organizations can play an important role — not merely in linking the state with the independent economic actors, but also in co-ordinating between different economic “components” (e.g. forms of ownership) and different state departments. Individual state agencies not only find these organizations useful as an instrument of regulation and control over “their” sectors of the economy, but also in facilitating communication and co-operation with other agencies (more on this more below) in the context of a politico-economic system which is as yet semi-reformed — half-planned and half-market.

THE NATURE AND TYPES OF SOCIAL ORGANIZATIONS

What exactly are “social organizations” (*shehui tuanti*)? Are they in some way different from the old-style mass organizations and, if so, how? In the official regulations issued by the Ministry of Civil Affairs in 1989 (Law concerning the Registration of Social Organizations), they were defined as “mass organizations”; and they were specifically prohibited from engaging in profit-making activities. The latter criterion distinguishes them from the plethora of new types of profit-making

enterprises and companies which have emerged over the past dozen years, but it is hardly informative since it does not distinguish them from official “mass organizations”.² They are generally seen as occupying an organizational space between a state organ proper and an enterprise, an intermediate position that gives them, in theory at least, some degree of formally recognized autonomy and status as a “popular” or “people-run” as opposed to an “official” organization.

It is possible to classify social organizations, both old and new, according to their *functions*, under ten different headings:

(i) **Political:** This category of organizations — which includes the General Trade Union Federation, the Communist Youth League, the Women’s Federation, the Science and Technology Association, the Cultural and Arts Federation, the Overseas Chinese Federation, the Individual Labourers’ Association and the Private Enterprises Association — primarily functions as an instrument of political/administrative regulation, mobilization, communication and control, and as a “transmission belt” linking the party-state with specific social groups, both old and new.

These institutions characteristically are organized hierarchically from the national level downwards; they are established on the initiative of the authorities; and their organizational structure is defined, their key personnel selected and their expenses provided by the government. As such, they function in ways similar to the “old” mass organizations, bearing in mind that the role of the latter has changed during the reform era. Rather than functioning merely as instruments of political communication and control, they have had the opportunity to expand their “mass” role in the sense of representing the interests of their members more effectively in relation to the party-state, broadening their activities, increasing their membership and (in the case of the Women’s Federation) encouraging the establishment of brand-new social organizations to further the interests of their constituencies.

The most effective among the “old” mass organizations have been the trade unions, which began pushing for more autonomy in the mid-1980s under the impetus of higher levels of the organization. Locally, this meant greater freedom in internal election procedures; a membership drive among township and village industries; publication of two periodicals (the **Xiaoshan Workers Review** and the **Xiaoshan Workers News**, though the latter was cancelled after 4 June 1989); and an opportunity to raise extra income through various revenue-generating activities, including a travel agency. It has also meant more influence within the local party-state structure (see below).

The trade unions’ expansion drive has brought it into conflict with two other “old” mass organizations. The Women’s Federation, under prompting from its national organization, has also sought to expand its membership by setting up its own basic-level organizations in government departments and enterprises. It was successful in setting up a branch in the city government organs, but its efforts to expand into enterprises brought it up against the trade unions which, unlike the Women’s Federation, had substantial financial resources at their disposal (they

²Shehui Tuanti Guanli Shouce [Social Organizations Management Handbook], People’s Publishing House, Beijing, 1990.

receive two per cent of the total wage bill of an enterprise). The unions responded by establishing women workers committees within their own enterprise organizations and argued that this was enough to safeguard women's interests (the Women's Federation has a representative on these committees). But the issue is still a live one and is currently being negotiated by the city branches of the trade unions and the Women's Federation.

On another front, the Women's Federation has been more immediately successful. It has sought to reach out to the growing numbers of women (particularly rural women) who are working outside the home in small-scale enterprises or who are engaged in some specialized form of commercial agriculture or sideline. To lay an organizational base for this effort, the federation has sought to establish branches at the city district (*qu*), township (*xiang*) and town (*zhen*) levels. Moreover, it has encouraged the establishment of two organizations for working women: a women's individual business association which plays a particular role at the village level and an association of women factory directors for women managers in all types of enterprise, from state to household.

These examples suggest that the traditional mass organizations are attempting to seek greater independence and to find new roles for themselves, operating within the more permissive political environment of the 1980s up to 1989 and in response to the impact of rapid socio-economic changes on their own specific constituencies. To this extent, our first hypothesis about the breathing of new life into the traditional mass organizations does receive some support, notwithstanding the efforts by the post-Tiananmen leadership to bring them to heel.

This case is even stronger for the **new** social organizations within this category, most notably the Individual Labourers Association and the Private Enterprise Association. There has been a systematic effort by the state (through State Council regulations) to incorporate and control these organizations, e.g. by controlling their leadership and finances, or by making membership obligatory. But their organizational bases rest on individuals and enterprises that control their own economic resources and that play a growing role in the local economy. As such, though the state may attempt to use the associations to organize and control them, this can only have limited success. There is an ineluctable amount of compromise and give-and-take involved in the relationship — as such, they are in fact only “semi-official” organizations, as we shall see below.

(ii) **Economic:** There were 20 of these organizations in Xiaoshan as of 1990, including 16 engaged in agriculture, stock-breeding, industry and commerce, and four for quality management, enterprise management, economic information and consumer affairs. The members of organizations that are based directly on production tend to be enterprises, and as a whole their activities are relatively specialized, involving exchange of information, technology and management expertise and co-operation in the management of markets. Unlike the political organizations listed above, they do not play a role in representing the interests of a particular group vis-à-vis the authorities (even the Consumers' Association only handles individual complaints and deals mostly with enterprises rather than government departments).

(iii) **Science and technology:** There are 42 such associations in Xiaoshan, of which 24 are based on particular disciplines (such as the construction and accounting

associations), seven on specific skills (such as the standards-and-measurement and abacus associations), 10 on specific topics of research (such as the public transport study association). Twenty-two of these associations deal with natural science and 20 with the social sciences. The main functions of these organizations involve raising professional standards through regular exchanges of information, training, conferences, etc. Though they are professional organizations in the sense that they are based on particular professions or specialized skills, they apparently do not (as yet) act as fully-fledged professional organizations in the sense of representing a professional group interest on behalf of their members.

As for the rest, there are (iv) nine **arts and culture** and (v) nine **sports** associations; (vi) two **health** associations (the Qigong Research Association and the Old People's Exercise Association); (vii) two **social welfare** associations, including the Red Cross; (viii) two religious associations (the Catholic Patriotic Association and the Christian Association); (ix) **friendly** associations (*lianyi xiehui*), such as the Female Factory Managers' Friendly Association and the Retired Teachers' Association, which at present function mainly as social clubs; (x) **"public affairs"** associations, i.e. namely three family planning associations that are attached to the city bureaus of industry and commerce and the family planning committee.

We can press our pursuit of civil society by asking how much **autonomy** these organizations enjoy in relation to the party-state. A classification of social organizations in terms of their "popular nature" (*minjianxing*), produces three categories — "official", "semi-official" and "purely popular". The main leaders and work personnel of an "official" organization are appointed by a specific state agency as part of its official establishment of posts and its finances are either paid directly by the state or are subject to strict legal regulation. The six "official" organizations in Xiaoshan — the General Trade Union Federation, the Communist Youth League, the Women's Federation, the Science and Technology Association, the Culture and Arts Association and the Overseas Chinese Association — are distinctive in that they have a "special" relationship with the Party. Their cadres are selected and appointed by the organization department of the city Party Committee, with some important examples of "double posting" occurring between the Party and three key mass organizations: the chairman of the city Trade Union Federation is a member of the standing committee of the city Party committee; the director of the Women's Federation is a member of the city Party committee; and the head of the Science and Technology Association is a vice-secretary of the city Party committee.

In the case of a "semi-official" organization, the link with a state organization (administrative or other) is looser. Its main leaders hold concurrent posts in their sponsoring organization (which could in turn be an "official" social organization) and its finances can come from either the state or from its own revenue. Last, the "purely popular" social organization has no overlapping of personnel with its sponsoring state organization and depends on its own finances.

Table 2: Types of Social Organization

	Official	Semi-Official	Popular	Total
Political	6	2		8
Economic		20		20
Science and Technology		42		42
Culture and Education			9	9
Sports			9	9
Health			2	2
Social Welfare		1		1
Religious			2	2
Friendly		1	2	3
Public Affairs		3		3
Total	6	69	24	99

As Table 2 shows, the predominant type is “semi-official”, a category which includes all of the more important economic and professional associations which have emerged during the reform era. Since our primary interest here is these types of organizations, attention will be focused on the nature of the “semi-official” social organizations in an attempt to assess their degree of autonomy from the state, their influence over the state, and the extent to which they play an intermediary role between the state and their membership in a new system of politico-economic regulation.

RELATIONSHIPS BETWEEN SOCIAL ORGANIZATIONS AND THE LOCAL STATE

This section looks at relations between the state and social organizations primarily from the state’s perspective; in the next section this perspective will be inverted.

Although the impetus towards the formation of social organizations may come from “below” and “above”, to take on a regular organizational existence the social organization must receive official recognition from the state and must be subordinated to a network of state supervision. In Xiaoshan, the Poultry Raising Association, the Dried Turnip Association, the Poets Society and at least seven other organizations were formed by pressure from below. With the Private Enterprises Association, for example, pressure came from private owners, who sent a representative to the Industrial and Commercial Bureau to raise the issue. Something similar seems to have occurred with the Individual Labourers’ Association, which built upwards from basic branches. In both cases, however, the groups concerned were responding to national initiatives from the State Council, which had published documents calling upon them to organize themselves. By contrast, the Cement Industry Association was formed on the initiative of local officials who were concerned about the unco-ordinated growth of cement firms and saw an association as a useful way to bring order into the

industry. The county Party Secretary and a deputy secretary met with an official from the county's Economic Commission and then called a meeting with cement companies to get the association under way.

To receive official recognition, a social organization must receive approval from the state agency that regulates its sphere of operation. It must then find a state organization to which it can be formally affiliated and then go through an official registration procedure with the Civil Affairs Bureau. This set of formal procedures was not set fully in place in Xiaoshan until 1990. The framework of regulation had built up gradually from the early 1980s onwards as the utility of social organizations became more apparent to the government. It was given further impetus by the upheavals of early 1989.³

The details of the procedures vary from region to region within China. Even in Xiaoshan the regulations are not clear: e.g., the distinction between “departments in charge” and “affiliated departments” is messy in practice and may include a variety of “official” sponsoring institutions, not merely state administrative organs; such as business corporations like the local Foodstuffs Company or Animal Products Company, and mass organizations such as the Women's Federation or the Science and Technology Association, which is itself the “department in charge” of 56 organizations in the social and natural sciences.

This process should not be seen merely as a means of control, since the nature of its department in charge and affiliated unit are important to the well-being of the social organization. If the agency is well-endowed and well-situated, it can provide strong support to its affiliated social organization in terms of finance, raw materials and equipment, office space, connections and politico-administrative access. This is referred to as a “support-drawing” relationship. From the opposite perspective, moreover, an effective social organization may have many potential benefits for state agencies in helping carry out its regulatory responsibilities, by organizing the intermediate space between state and economic agents which the state organization cannot occupy directly itself. This distinct role means that it is counter-productive for a state organ to attempt to subordinate a social organization totally to its control since the performance of the intermediary mission requires a certain degree of autonomy. There is thus a role complementarity between the state and social organizations, engendering a relationship which is to some degree co-operative rather than merely subordinative.

This relationship is cemented with the “semi-official” social organizations through “double posting” whereby all or a portion of the leading positions in a social organization are filled by people who also hold formal positions in the department in charge or in the affiliated department. In the case of certain associations, all major posts are occupied in this intrusive fashion: e.g., the Individual Labourers' Association, the Private Enterprises Association and the Consumers' Association vis-à-vis the municipal Industrial and Commercial Management Bureau; the Enterprise Management Association and the Quality Management Association vis-à-vis the city's Economic Commission; the Agricultural Study Society vis-à-vis the Bureau of

³Susan Whiting, *The Non-Governmental Sector in China: A Preliminary Report*, Ford Foundation, Beijing, 1989, pp. 81-84.

Agriculture; the Poultry Raising Association vis-à-vis the Foodstuffs Company; the Dried Turnip Association vis-à-vis the Local Products and Fruit Company; and the Rabbit Raising Association vis-à-vis the Animal Products Company. In the case of other, less important associations, this intersection of leadership is more limited, such as the Cement Industry Association and the Accountants' Association. In the case of certain sports and cultural associations, there is no intersection at all.

In general, as one might expect, the amount of direct organizational intersection between the state and social organization (and in the case of "official" organizations, between the Party and social organization) varies in keeping with the perceived political and economic importance of the organization.

A social organization is supposed to provide a crucial communications channel between a state organ and the organization's members, thereby helping the state to get across ideological points or specific policies. Second, by bringing together otherwise unco-ordinated economic actors, a social organization can facilitate the state's management of, and policy implementation within, a given sector. For example, the local government has enlisted the aid of the Cement Industry Association in a drive to improve product quality across the local cement industry so as to increase its competitiveness with other districts. Third, associations take over or share certain specific functions formerly monopolized by state agencies. For example, the Enterprise Management Association and the Quality Management Association share with the enterprise management section of the city's Economy Commission, the task of upgrading and technically transforming enterprises. Similarly, the Individual Labourers' Association and the Private Enterprise Association help state agencies to evaluate the tax liabilities of member enterprises, to maintain health and safety standards, to implement the regulations concerning standards and measurements, etc.

Fourth, an association may bring together otherwise unrelated government agencies in ways which may benefit its members. This is achieved organizationally by the presence within an association's leadership of many of the relevant institutional parties, both governmental and non-governmental. One good example is the Private Enterprises Association. Fifteen of the 25 members of its administrative committee are private entrepreneurs while the other 10 are representatives from the Bureaus of Industrial and Commercial Management, Taxation, Public Security, Land Administration, Electricity and Township and Village Industry Management. This enables a range of questions central to the development of the private sector to be addressed across administrative boundaries.

Thus in Xiaoshan the two sets of organizations — state and social — are acting as complementary parts of an evolving new network of societal management. Though there are conflicts between and within levels, this organizational arrangement rests on certain common interests shared by the state's economic organs on the one side and members of the associations on the other. At the deepest level, there is a common interest in the development of the local economy in competition with localities elsewhere in China. There is also a common interest in handling multiple conflicts of interest between the state and its economic agents, among state agencies with overlapping responsibilities, among economic agents in a specific sphere and between them and actors in other sectors or regions. There is a common interest also in managing emerging markets so as to minimize damaging fluctuations, bottlenecks

and information shortages. As such, the state-social organizational nexus embodies both complementarities and conflicts and represents the emergence of a dualistic mechanism of institutional integration, parallel with and in response to the emergence of an increasingly dualistic economy.

This integration is both vertical and horizontal: vertical in that the state and an increasingly disparate economic structure are brought together through the intermediation of a social organization, and horizontal in that a social organization can act to bring together both the scattered elements within a complex economic field and the unco-ordinated state agencies which may be involved in that field. Given the realities of China's semi-reformed economy, if such an organizational nexus (and the role of the social organization within it) did not exist, it would have to be speedily invented.

THE ROLE OF SOCIAL ORGANIZATIONS IN REPRESENTING SOCIAL INTERESTS AND INFLUENCING GOVERNMENT

The relationship between a social organization and its membership varies a great deal according to the type of organization and its specific functions. In some organizations, membership is voluntary, such as various hobby or special interest associations. In others, it is legally compulsory, such as in the Individual Labourers' Association, in which self-employed workers automatically become members when they are issued business permits. The Private Enterprises Association operates along the same lines. In other organizations, notably trade associations, membership is not formally compulsory but pressures may be brought to bear on potential members to make them join. Alternatively, in some trade associations, such as the Poultry Raising Association, membership is used as a control device to exclude new entrants to the market in the manner of a guild.

Where constituents, be they individuals or enterprises, have an element of choice, they can calculate the costs and benefits of membership. With regard to trade associations, for example, there are certain costs in not participating. In the case of the Cement Industry Association, all 16 of the cement factories in Xiaoshan joined not only the Xiaoshan association but also higher-level associations for Hangzhou City and Zhejiang Province. Some of them did this with reluctance, but as far as Xiaoshan was concerned, the local government was intent on rationalizing and upgrading the industry, and enterprises were subject to a three-line whip. The reason they joined the higher-level associations, however, reflected the fact that the latter were involved in the process of upgrading cement enterprises, a process which brought substantial benefits to the enterprise concerned. Indeed, membership in not just one but in a number of associations may bring a wider range of benefits to the participating enterprise.

"Famous" enterprises may be courted by associations seeking prestigious members, particularly higher-level associations. One such enterprise in Xiaoshan, a rural township firm which produces spare-parts for vehicles, is a member of the local Science and Technology Association, but also the Chinese Public Bus Association, the Chinese Factory Directors' and Managers' Research Association, and the China Joint Automobile Association. Moreover, some individuals in the firm were themselves members of other associations: e.g., its director was a member of the standing committee of the council of the Chinese Enterprise Management Association

and vice-secretary of the Chinese Peasant Entrepreneurs' Association. Clearly an enterprise of this calibre can afford to pick and choose its associations; in fact this plant had already left several associations which it did not find useful. But membership, particularly in the national associations, did bring its benefits. As one of the firm's officials remarked, "One advantage of belonging to associations is that it means you must be quite a good enterprise and known to be operating well. For example, to be in the Chinese Enterprise Management Association means you must be good".

In the context of a semi-reformed economy in which economic relationships are highly politicized and the power of the state is still massive, clearly the greatest potential advantage in joining an economic association is as a channel of access to government (and the Party) and to the favours that only government can dispense. For example, leaders of official mass organizations cite improvements in their direct access to the local Party leadership as one of the achievements of the reform era. Such access, for example, means that an organization can "issue orders through a different bugle", as the chairman of the Science and Technology Association put it. The director of the Women's Federation argued that "to get as close as possible to the city Party committee is exactly what we want for the sake of women's interests and to improve their status".

Members of economic associations hold hopes that their associations can act as brokers between them and the state in dealing with business problems. One businessperson referred to this triadic relationship in familial terms, from the perspective of a woman married into another household: the association is the "mother's home" while the state is the "home of the husband's mother", a distinction which carries with it differences in intimacy/distance, friendliness/hostility, support/control and weakness/strength. The vice-director of an urban private enterprise went even further:

This factory wanted the Xiaoshan City government to form an association. An association can help out an enterprise like mine through its 'connections'. If you have problems, the association can help you contact government departments. Private enterprises don't have their own government department, so they see the association as playing this role. They feel as if they have no 'parents'. We're not like a village enterprise which can lean on the village leadership. So we would like the Private Enterprises Association to become a government department or for the government to create a department which takes care of the interests of private enterprises.

The power of an association in this "support-drawing relationship" is partly, as noted, institutionalized through overlapping leaderships between the association and its in-charge department and the relevant affiliated (and therefore potentially useful) government agencies. These formal relationships not only bring new opportunities for formal access to the state via the association, but also open up opportunities for informal "connections" with individual state personnel. Extra efforts are made to mobilize connections by inviting retired government officials from relevant state agencies to work in the association in order to make use of their personal relations. For members of an association, it may open up a new arena within which to form a

“relational network” involving other members of the association, leaders of the association and influential officials.⁴ This can complement the pre-existing networks they had been using to facilitate their business and can be parleyed to good effect in contexts outside the ambit of the association.

An especially obvious advantage of a trade association is where the state is a total or main purchaser of the goods produced by its members. A case in point is the Poultry Raising Association which is able to negotiate on behalf of its members with the state Foodstuffs Company, which buys a large percentage of their produce (e.g. 95 per cent of duck eggs were sold this way in 1991). Fluctuations in the free market price of duck eggs have caused problems for both the Foodstuffs Company and the producers (mostly specialized rural households) who lock themselves into contracts before the point of sale. In 1984, for example, the contract price turned out to be lower than the free market price at the time of delivery. Some producers ignored the contracts and began to sell eggs on the open market. The state called in the Poultry Raising Association to help persuade recalcitrant members to meet their contractual obligations. In the following year, the situation was reversed as the market price fell below the contractual price and the Poultry Raising Association intervened to persuade the Foodstuffs Company and other state purchasers to respect the original contract price. Though the result was a compromise, duck egg producers still received a guaranteed price which more than covered their costs (Y 0.988 as opposed to Y 0.96 per kilogramme) whereas the market price (Y 0.95) would have led to losses. In this case, the Foodstuffs Company tried to recoup some of its own losses by selling to other areas where prices were higher.

Another case is that of the Cement Industry Association which intervened in 1989 in a situation where the price of cement sold to priority local enterprises was being set below average production costs (Y 150 and Y 190 per ton respectively) by the local Commodity Price Bureau. Member enterprises complained to the Cement Industry Association, which contacted relevant government agencies and sent a formal report to the Commodity Price Bureau suggesting that the stipulated price should cover production costs. Again the result was a compromise — the price was raised (to Y 177 per ton), still below production costs.

Leaders of both associations and enterprises cited many other examples of this kind of assistance, along with a long list of other economic and technical services which trade associations had provided for their members. Underneath this, however, one senses that a trade association is a double-edged sword, with the state edge being considerably sharper than the members’ edge. In interviews with both leaders and members of trade associations, however, the members seemed inclined to be more dismissive, believing that their association had only been able to help them with relatively minor problems. The major problems facing enterprises in the non-state sector — those of procuring raw materials, securing bank credits, and finding markets — are matters for which they must largely rely upon their own devices, particularly their personal connections with officials in the relevant departments.

⁴For an exploration of networks in China, see Ruan Danqing, Lu Zhou, Peter M. Blau and Andrew G. Walder, “A Preliminary Analysis of the Social Network of Residents in Tianjin and a Comparison with Social Networks in America”, *Social Sciences in China*, September 1990, pp. 68-89.

While the organizations nonetheless are able to be of benefit to their members by drawing resources from the state, are they at all able to exert positive influence on state agencies and sway policy in favour of their members? Clearly the leaders of some of the official mass organizations — notably the trade unions and to a lesser extent the Women's Federation — feel that their power increased during the 1980s. This was by no means true across the board: e.g., the Communist Youth League had virtually been abandoned by the Party and had sought a new role as a politically insignificant, mainly sports and entertainment, organization. League cadres confessed that they felt neglected by the Party, like children abandoned by adults. The League did not know which way to turn since few young people wanted to join the organization any longer. By contrast, officials of the Xiaoshan General Trade Union pointed proudly to the fact that there was now a trade union representative on the city Party committee's standing committee, which had not been the case until very recently. Moreover, for the first time ever in May 1991, the union was holding a joint meeting with the city government to discuss issues of common concern, and it was hoped that this would become an annual event. This too was evidence, argued a union official, that "now the unions have influence in Xiaoshan and people listen to us".

Given the fact that the union has a stable financial base, it can afford to maintain a sizeable full-time staff and pay for services such as policy research. This may provide it with some leverage in local policy-making. For example, the union did some research on medical fees, which have risen rapidly in recent years, while the limit on payments to state workers has remained fixed. In practice, workers were now spending between Y 200 and Y 300 a year on medical expenses, while they were only covered for a maximum of Y 120. Based on their research, the union sent a document to the city government proposing that the maximum should be relaxed for ill workers and that the government increase its investment in health via its enterprises. As of our field visit in May 1991, the city government had not yet taken action on this proposal.

The potential impact on local policy-making of the research conducted by the associations is not confined to the Xiaoshan General Trade Union. It is increasingly common for government agencies to commission specialized associations to conduct such policy-relevant research. For example, since Xiaoshan is short of land, the government is eager to ease the problem through land reclamation. The staff of the Science and Technology Association were consulted on this issue, and produced a report which was converted into an official government document; a similar process of consultation and advice took place on the issue of land drainage. Other such associations in Xiaoshan were involved in similar work in their own particular spheres.

Having an informational input into policy is one thing, but actually contributing to a change in an established policy is another. The potential does exist because of the difference in interests between the locality and higher levels and the need to convert national policies into "local policies" that may differ significantly but work better. There is some limited evidence that local economic associations do play a role in the shaping of local policies, given the contiguity of interests in local development between the local state and business. For example, private enterprises have not been able formally to occupy land for long periods (a limit of three years has been set) or to erect permanent structures, whereas enterprises owned by rural townships and villages can. The Private Enterprises Association took up the issue on

behalf of some of its members and liaised with the major parties concerned: township governments, village governments, the county-level Rural Enterprise Management Bureau, and the Land Administration Bureau. The result was a proposal that villagers' committees would occupy land on behalf of private enterprises and the latter could then "borrow" it and erect permanent structures on it. There was a happy coincidence of interests here: the rural township governments agreed because they obtained revenue from private enterprises, which relieved the tax burden on their own collective enterprises; village leaders agreed because "their" economic assets increased and they could parley this into getting grants for infrastructure; the Private Enterprises Association was able to bring together the government agencies concerned (including the Industrial and Commercial Management Bureau), all of whom were represented in its leadership, so as to get a new policy implemented to its liking.

This is an illuminating example of the ability of an association to influence policy on behalf of its members, but one swallow does not make a spring. Cases of this kind appear to be rare as yet, although they may be a harbinger of things to come if the economic reforms continue to progress. At the present stage, the independence and influence of economic and other associations are too weak to allow us to call them "pressure groups" or even "interest groups". As organizations they are far too deeply penetrated by the state, and their leadership in consequence has too dominant a position over the membership. And yet there is movement.

CONCLUDING REMARKS

What light has this material shed upon the initial questions and hypotheses we posed at the start of this paper? First, the Xiaoshan case would support the argument that, with the socio-economic changes wrought by the economic reforms, a social space has begun to open up between the state and economic agents, and a parallel shift has occurred in the balance of power between the state and new non-state sectors. However, in a context of a semi-reformed economy, the state continues to retain a great deal of its power and has moved to occupy this space and organize the newly emergent, dispersed sources of economic power by encouraging the establishment of social organizations to act as intermediaries. Though there has been some impetus for their formation from below, the dominant impulse has come from above.

In consequence, a new type of social organization has emerged which embodies contradictory elements (one of which is still dominant); social organizations are a dualistic institutional form that mirrors the increasing dualism of Chinese economy and society. The particular mix of these contradictory elements varies between organizations of different types and functions. Let us concentrate here on the newly formed organizations rather than the "old" mass organizations and return to our indices of the presence or absence of civil society. First, these social organizations do not reflect a clear distinction between "state" and "private" spheres; rather they represent a mixture of state and private in which the public continues to dominate. Yet this very mixture creates a distinct organizational form different from the old-style mass organizations before 1978, which were essentially links in a chain of hierarchical statist controls.

Second, these cannot be described as “independent” organizations, but they do exercise (to varying degrees) a limited sphere of autonomy which reflects their intermediary status. From the point of view of the state, any attempt to extend controls over social organizations to the point of virtual *étatization* would be counter-productive because, in the context of economic dualism, there is a trade-off between control and compliance. The gap between state and enterprise would not be bridged; it would merely be displaced downward by one institutional rung.

Third, these organizations cannot be described as “pressure groups” or “interest groups” in any credible sense, since the pressure is still mainly one-way. Yet social organizations are not entirely dependent on, and subordinate to, their bureaucratic “minders”. As observed, they do have limited scope to influence state organizations and state policy in the interests of their members. However, from the point of view of the social organizations, there is a trade-off between autonomy and influence; their leaders often feel that the best way to increase their influence is to get closer to and become more intermeshed with state and Party organs, compromising their autonomy in the process.

Fourth, in general, membership in these organizations cannot be described as “voluntary” — though, again, there are voluntary elements. Even where members cannot exercise the option of exit, they can use voice, and the leaders of an association, to remain credible to both their constituencies, cannot afford to ignore this.

To summarize, one can detect only embryonic elements of anything that could be described as civil society in the precise sense used in this paper. Nonetheless, though its presence varies greatly from organization to organization, elements of civil society can be found in both major categories of intermediate organization — the “old” mass organizations and the new associations. That these elements are embryonic is hardly surprising in as much as the phenomenon of intermediate social organizations is so very recent, essentially beginning in the mid-1980s.

This relative weakness of civil society must be situated in the context of a Leninist polity and a semi-reformed command economy in which the state retains its dominant position. Its weakness must also be perceived within the context of the dynamics of reform, whereby this dominance is gradually being undermined as the number of economic actors in the non-state sectors increases. One can hypothesize, therefore, that, to the extent that the economic reforms continue and economic development proceeds apace, these socio-economic forces will grow in strength and a more powerful civil society will emerge in their train.

In the short and medium term, this could involve a growing role for social organizations as intermediaries between the state and the society/economy, in a socialist form of corporatism comparable to those of other East Asian countries — and as envisaged by Xue Muqiao. Yet the dynamics of economic reform and development would lead one to expect that the nature of any such corporatist arrangement would undergo constant change, in the general direction of a more developed form of civil society: they would become more distinctly “private”, more autonomous from the state and more influential over it, and more accountable to their members, who would enjoy greater powers of voice and exit. Ultimately, the very notion of corporatism may disappear as these organizations cease to be intermediaries

between the state and China's society/economy and become genuine representatives of society in its dealings with the state. In the light of the sudden breakdowns of state socialist systems elsewhere, such a scenario may seem bland and quietistic. But it may be preferable to an alternative scenario of radical rupture followed by an institutional vacuum or social anomie, of the kind currently visible in parts of Eastern Europe and the former Soviet Union.