

TWO

Associations in a Bind: The Emergence of Political Corporatism

Jonathan Unger and Anita Chan

During the 1980s, as the Chinese state moved to free up the economy and to relax direct Party controls over society, it needed mechanisms to bridge the gaps in control that were created. As noted in the preceding chapter, very large numbers of associations were accordingly established, usually on the government's own initiative, to serve as intermediaries between the state and diverse constituencies and spheres of activity. This range from associations for different sectors of the economy, to science and technology associations, religious councils, cultural and social welfare groups, and sports associations: the numbers and range keep growing. It is important to note that all of these so-called "non-governmental associations" (*minjian xiehui*) must be officially registered, and that only one organization is recognized as the representative for each sectoral constituency. It is a mechanism for governing that is not unique to China. Political scientists refer to it as "corporatism."

The Nature of Corporatism

In an ideal-type corporatist system, at the national level the state recognizes one and only one organization (say, a national labor union, a business association, a farmers' association) as the sole representative of the

sectoral interests of the individuals, enterprises or institutions that comprise that organization's assigned constituency. The state determines which organizations will be recognized as legitimate and forms an unequal partnership of sorts with such organizations. The associations sometimes even get channelled into the policy-making processes and often help implement state policy on the government's behalf.

Corporatism, moreover, usually involves more than just a working relationship between the state and the associations representing interest groups. An actively interventionist state often helps to organize the relations *between* the various sectoral organizations. It bases its intervention as a grand arbiter or mediator on the premise that the government is the guardian of the common good, of a national interest that supersedes the parochial interests of each sector. Yet within such a corporatist framework, the state does not attempt to dominate directly. It leaves some degree of autonomy to the organizations within each of their respective spheres of operation. But to ensure that the compacts and agreements achieved at the top get implemented effectively, it demands that the organizations exercise some discipline and control over their own memberships.

Corporatism is usually depicted as counterpoised to democratic pluralism and free market forces. Indeed, the term was initially associated with Fascist governments during the 1930s. But in recent decades, corporatism has been used to describe a broad variety of political arrangements under governments both democratic and blatantly undemocratic, from Britain and Australia¹ to Japan to Latin America, and even to describe certain aspects of Communist rule in Romania, Poland, and the Soviet Union.² Corporatist mechanisms, in

¹ As just one example of what was clearly a corporatist arrangement, in Australia throughout most of the 1980s the government brought the national union federation and the peak employers' associations to the table to hammer out a uniform national wages and conditions-of-employment package for each industrial sector, under the very activist coaxing of government ministers.

² Writings on East European socialist corporatism include Daniel Chirot, "The Corporatist Model and Socialism" [Romania], *Theory and Society*, No. 9 (1980), pp. 363-81; Valerie Bunce and John M. Echols III, "Soviet Politics in the Brezhnev Era: Pluralism or Corporatism?", in Donald Kelley (ed.), *Soviet Politics in the Brezhnev Era* (New York: Praeger Press, 1980), pp. 1-26; and David Ost, "Towards a Corporatist Solution in Eastern Europe: The Case of Poland", *Eastern European Politics and Societies*, Vol. 3, No. 1 (Winter 1989), pp. 152-74. On post-Communist corporatism in Eastern Europe see, e.g., Paul Kubicek,

short, do not define a political system: a polity can contain corporatist elements and at the same time be a dictatorial Communist Party regime, or an authoritarian Third World government, or a liberal parliamentary state.

Among the different types of institutional arrangements that come under the rubric of corporatism, the side of the spectrum that democracies such as Australia, Britain, and Japan occupy is often referred to as liberal or societal corporatism, in that the leaders of the peak associations are beholden to their memberships, not the state, and the state is not directly in a position to dictate the terms of agreement between sectors. Ronald Dore, who has studied societal corporatism in relation to Japan, sees it as involving institutionalized *bargains* struck between consenting parties in an effort to balance between their own group interests and the gains for all to be had from a wider public interest.³ So often has the term been applied in the past several decades to state-mediated industrial relations in Europe and elsewhere that many non-comparativist social scientists today only employ the term ‘corporatism’ within a Western liberal capitalist context, and assume that it necessarily entails a voluntary tripartite state/employers/labor unions arrangement.

At the other end of the spectrum from societal corporatism lies what is variously called authoritarian or, more often, state corporatism, where the weight of decision-making power lies very heavily on the side of the state.⁴ Under state corporatism, the government may even

Unbroken Ties: The State, Interest Associations and Corporatism in Post-Soviet Ukraine (Ann Arbor: University of Michigan Press, 2000).

- ³ Ronald Dore, “Japan: A Nation Made for Corporatism?”, in Colin Crouch and Ronald Dore (eds.), *Corporatism and Accountability: Organized Interests in British Public Life* (Oxford: Clarendon Press, 1990), p. 4.
- ⁴ Philippe C. Schmitter, the most eminent of the theorists of corporatism, has devised a one-sentence core definition of state corporatism that is often quoted in studies of corporatism: “Corporatism can be defined as a system of interest representation in which the constituent units are organized into a limited number of singular, compulsory, non-competitive, hierarchically ordered and functionally differentiated categories, recognized or licensed (if not created) by the state and granted a deliberate representational monopoly within their respective categories in exchange for observing certain controls on their selection of leaders and articulation of demands and supports” (Schmitter, “Still the Century of Corporatism?”, in Fredrick B. Pike and Thomas Stitich (eds.), *The New Corporatism: Social-Political Structures in the Iberian World* (Notre Dame:

take charge of creating and maintaining all of the corporatist organizations and may grant itself the power to assign and remove their leaders at will. Often state corporatism—in which, remember, the state recognizes as legitimate one and only one association for each sector of society—serves a function for a dictatorship of preempting the articulation of societal interests and preventing the emergence of autonomous organizations. The watchword of state corporatism is top-down control.⁵

What both ends of this corporatist spectrum hold in common is the notion that organized consensus and cooperation are needed, in contrast to the divisive competition and conflict entailed by pluralist interest-group models of organization. Harmony is the catchword of a corporatist system, regardless of whether this harmony is truly consensual or imposed from above. And it is very often a *goal*-oriented harmony, orchestrated to serve a national mission. Corporatist solutions are apt to be sought during wartime or by regimes that stress rapid economic development, guided and spurred by a government simultaneously dedicated to enforcing political and social stability. For instance, Japan, Taiwan and South Korea each erected strongly authoritarian corporatist structures during periods of intensive development and amidst perceived threats from abroad; and over

University of Notre Dame Press, 1974), pp. 93-4). Notably, his definition is only relevant to some forms of *state corporatism*. Schmitter's definition does not address societal corporatism, in that he declares membership in a corporatist association is "compulsory" and the state holds "certain controls on their selection of leaders". This does not apply to the behavior of associations in such countries as, e.g., Sweden or Austria that have a tradition of strong societal corporatist mechanisms. Nor is membership compulsory even in some state corporatist associations in China, as is clear in Jonathan Unger's chapter examining Chinese business associations.

⁵ Judith Howell notes that states on both the extreme right (that is, fascist states) and on the extreme left (that is, totalitarian communist states) can be labeled as monist, in which the state and the so-called institutions it sponsors are almost indistinguishable. (Jude Howell, "Trade Unionism in China: Sinking or Swimming?", *Communist Studies and Transition Politics*, Vol. 19, No. 1 (March 2003), p. 116). Notably, Howell characterizes the current Chinese political structure as a monist variant of corporatism. We beg to disagree, in that within the past two and a half decades Chinese political authoritarianism has undergone a great deal of loosening up. Though still very far from being pluralistic or democratic, China certainly cannot be described in the same terms as under Mao.

time, internal and external pressures pushed these states more in the direction of societal corporatism, and democratization.⁶ A question that we will seek to answer is whether China, which has inherited the very different type of authoritarianism that is associated with Communist Party regimes, has now adopted some of the state corporatist attributes that had been common to these East Asian neighbours. We will also investigate whether some of the features of societal corporatism that more recently have emerged within the East Asian genre of corporatism are also beginning to emerge in China today.

In this discussion it should be noted that corporatist arrangements, regardless of whether they are of the state-corporatism or societal-corporatism variety, do not *define* any political system anywhere; they are instead institutional mechanisms in the service of governments and particular sectoral constituencies. For most of this period, Taiwan's polity comprised a one-party state, Korea's was military-based, and Japan was authoritarian (and state corporatist) in the decade prior to World War II and since then a parliamentary democracy (and societal corporatist). For its part, China today is governed by a powerful web of Party and government officials, a legacy of a Leninist regime. It should be remembered in the pages that follow that it is only *within* this latter context that corporatist mechanisms are utilized in China as a means to promote new political and economic goals.

Corporatism Chinese Style

Even before the advent of Deng and the reform era, China already possessed corporatist structures. During the period of Lenin's rule in Russia, the Bolshevik administration had built corporatist structures

⁶ E.g., T. J. Pempel and Keiichi Tsunekawa, "Corporatism Without Labor? The Japanese Anomaly", in Philippe C. Schmitter and Gerhard Lehmbruch (eds.), *Trends Toward Corporatist Intermediation* (London and Beverley Hills: Sage, 1979); Hung-mao Tien, *The Great Transition: Political and Social Change in the Republic of China* (Stanford: Hoover Institution Press, 1989); Hsin-Huang Michael Hsiao, "The Labor Movement in Taiwan: A Retrospective and Prospective Look", in Dennis Simon and Michael Kau (eds.), *Taiwan: Beyond the Economic Miracle* (Armonk: M. E. Sharpe, 1992), esp. pp. 155-6, 166; Leroy P. Jones and Il Sakong, *Government, Business, and Entrepreneurship in Economic Development: The Korean Case* (Cambridge, Mass.: Harvard University Press, 1980), pp. 293-6; also Hyug Baeg Im, "The Rise of Bureaucratic Authoritarianism in South Korea", *World Politics*, Vol. 39, No. 2 (July 1987), pp. 246-47.

into the framework of the Soviet state, and the Chinese Party had followed suit when it came to power three decades later. This borrowed Russian model was premised on the notion that a harmony of interests prevailed in a socialist state: that leaders and led, management and workers, were all united in the mission to establish a prosperous socialism. Within this model, corporatist sectoral agencies such as industrial unions and peasant associations were to serve as 'transmission belts' (or what in China was called the 'mass line'), providing a two-way conduit between the Party center and the assigned constituencies: by top-down transmission, mobilization of workers and peasants for increased production on behalf of the nation's collective good; and by bottom-up transmission, articulation of grassroots rights and interests.

In reality, under both Stalin and Mao the notion of such a two-way corporatist structure became a charade; directives came down through the structure, but constituent opinion and demands were not allowed to percolate up. As will be seen in Anita Chan's chapter, during periods of comparative liberalization under Mao during the 1950s, when corporatist organizations such as the peak union federation attempted to carry out their ostensible functions by transmitting upward their members' grievances, Mao and the Party leadership promptly slapped them down and dismissed their leaderships. Mao finally lost patience with these sporadic manoeuvres to put flesh on the bones of the corporatist structures, and during the last decade of his rule he dissolved the peak labor union federation altogether. There was to be no space for even the small degree of autonomy implied by state corporatism. Only the 'transmission belt' organizations that contained absolutely no potential for mischief-making were allowed to persist in skeletal shape.

Yet, in form if not in essence, a sort of proto-corporatism did exist throughout Mao's rule. The formal structures were already in place when, after Mao's death, the system loosened up sufficiently for the state corporatist organizations to begin to operate as such. So, too, the union federation and the other corporatist bodies that had ceased functioning during the Cultural Revolution chaos of 1967-68 and up through the 1970s were allowed to revive as peak organizations. They quickly gained a representative authority within government channels that they never had been able to hope for under Mao.

During the 1980s, as the Chinese state moved to free up the economy and to relax direct Party controls over society, it needed additional mechanisms to bridge the gaps in control that were thereby created. Thus, in addition to rejuvenating the corporatist organizations of the command-economy era, a large number of new associations were created to serve as corporatist intermediaries and agents.

China in this sense approaches state corporatism from the opposite direction as the other East Asian states that have practiced state corporatism. These had used state corporatism as a mechanism for further strengthening the state's grip over the economy and over society, whereas in post-Mao China state corporatism has served an opposite function, as a mechanism through which the state's grip could be loosened. It represents a shift from a Party command system that dominated directly (for which that freighted word 'totalitarian' was arguably accurate) to one that dominates partly through surrogates (state corporatist). The main actors in these Chinese associations often have been government bureaucracies that administer different spheres of the economy and society and that stake out claims to represent assigned constituencies. What was witnessed during the 1980s and 1990s was a gradual devolution of power from the center that widened the operational space of some of the existing bureaucracies and so-called mass organizations, rather than the rise of independent associations.

The top Chinese official in charge of registering China's new associations noted in the early 1990s, as this process was in train, that "on the one hand the establishment of government organs to supervise the associations ought to be strengthened, and on the other, in order to realize the state's macro-control of associations, it is necessary to draw a divide between the associations and the government so that they can function normally".⁷ A problem here is that the Party and state bureaucracies, when instructed from on-high to help establish corporatist associations, have sometimes been temperamentally inclined to follow the government's autocratic traditions and their own career experience and to smother the new creations through all-embracing interference. In at least some cases, this embrace has been so tight as to call into question whether even the term 'state corporatism' is warranted. Yet, as shall be seen in the

⁷ *Renmin ribao* [People's Daily] (domestic edition), May 6, 1993, p.3.

chapters by Keech-Marx, Read, and Zhang and Baum, it has become increasingly evident as time passes that an increasing number of associations are taking on an identity as sectoral representatives almost entirely separate from the state.

Corporatism of course is not the only framework that social scientists employ in examining the phenomenon of intermediate organizations that stand between state and society. As described in the Introduction and in Chapter One, the notion of a ‘civil society’, as conceived by Gramsci and others, similarly focuses on an intermediary level of associations and on the ‘space’ that they help to create. But we are convinced that such an analytical framework assumes too much independence for many of China’s associations. State corporatism, we contend, provides a more accurate description of what persists today among almost all of China’s large, prominent associations.

The sway of corporatism in China can be readily observed empirically. As noted, all Chinese associations, of all types, need to be officially registered. China is *more* corporatist in this respect than any other nation that we know of, in that all associations not only must be officially registered but also must first have a Party or state-related *sponsor* in order to register.⁸ As just one example, the All-China Women’s Federation, a Communist Party mass organization, serves as sponsor to many of the associations that relate to women, and many of them were in fact established by Women’s Federation staff members. In a similar vein, an official research institute may serve as a sponsor to a scholarly association, and an agricultural technology bureau may sponsor an association that spreads technology to specialist farmers. The sponsor is responsible for the good behavior of the association, and thus needs to be cautious. This often entails the state agency or Party-related sponsor serving in a supervisory capacity. In many cases, the official sponsor completely dominates an association.

In this system of controls from above, once an association already has an official sponsor it is allowed to register with the Civil Affairs Ministry or, for local associations, with the local Civil Affairs Bureau.

⁸ There is a possibility that this rule will be relaxed. In 2004, a Civil Affairs Ministry official was quoted as predicting that NGOs eventually will be allowed to register without having to be sponsored by a government department. (*South China Morning Post* [Hong Kong], October 19, 2004).

Since an association's continued existence depends on the Civil Affairs system, it must remain in the good graces of both its sponsor and the Civil Affairs office. Periodically the Civil Affairs Ministry culls out associations by initiating a re-registration process. One such round of re-registrations began in 1998, and by 2000 the number of registered associations had plummeted by 50,000, from 187,000 to 137,000.⁹ By the end of 2006, the numbers had more than rebounded, to 346,000, and in reporting this, the Vice Minister of Civil Affairs said the ministry would strengthen supervision of the NGOs.¹⁰

In strict corporatist fashion, in China only one association is allowed to be recognized as the representative for each sectoral constituency.¹¹ So rigidly did the government initially adhere to this corporatist regulation that when two national associations of calligraphy connoisseurs emerged in the 1980s, Beijing decreed that one and only one could be legally registered, and ordered that they therefore needed to merge into one national association. More locally, when fans of a popular soccer team in the city of Shenyang in the late 1980s spontaneously organized themselves into two fan clubs encompassing two different social constituencies, the city authorities demanded that even fan clubs had be legally recognized and that the two clubs would accordingly need to merge, since only one could be recognized and registered.¹² Over the course of the past two decades the authorities have become more relaxed about the rules and today tend to look the other way when several truly innocuous local social organizations emerge that serve similar functions. Sometimes these are allowed to register or, if small enough, to remain unregistered so long as they keep a low profile. But this is at the discretion of the authorities, and such low-key local associations can be considered the permitted 'informal sector' of a corporatist system.

⁹ Qiusha Ma, *Non-Governmental Organizations in Contemporary China* (London: Routledge, 2006), p. 66.

¹⁰ Xinhua (New China News Agency), February 7, 2007.

¹¹ The rules for registering are noted in Edward Gu, "State Corporatism and Civil Society", in Wang Gungwu and Zheng Yongnian (eds.), *Reform, Legitimacy and Dilemmas* (Singapore: Singapore University Press, 2000).

¹² Both examples are from a personal communication to us in the early 1990s from Gordon White.

For the vast majority of associations—including all of those that are of any size—sponsorship and registration remain requisite. Far more than that, all major associations in China, and a great many minor ones, have been established on the government's own initiative, from the national level downwards. For a number of the more important associations, membership is obligatory for every person or organization within the assigned constituency.

The operations of almost all of the important associations are subsidized by the Chinese state; and their leaderships are selected by the government. Indeed, the appointed leaders frequently hold concurrent posts in the relevant government agencies. Moreover, a very large number of the associations assist the government in implementing public policy and in communicating government policy lines to their memberships. Some specialist associations in the PRC even have inputs during the policy-making process, much as if they constitute a consultative arm of government.¹³ In all of these respects, these are quintessentially state-corporatist organizations.

Yet at the very same time that the new corporatist structures get erected and firmed up by the Chinese state, forces simultaneously are at work that undermine and weaken the central state's powers over some of them. For a start, a number of the associations in the economic sector have been designated as the representatives of constituencies that produce for a market that is no longer dominated by the state. Moreover, in the looser *political* climate of recent times these associations are coming to recognize their own organizational interests and the bottom-up wishes of their assigned clients and have sought greater 'space' to work toward these within the corporatist framework. However, in reaction, as Jonathan Unger's chapter shows, the state has also been known to react by retightening controls over strategically important associations rather than let them slip from its control.

We shall analyze these trends at two different levels of organization: (i) corporatist mechanisms organized at a national level, that is, peak

¹³ This has been the case since the 1980s. See Wang Ying, Zhe Xiaoye, and Sun Bingyao, *Zhongguo shehui zhongjian ceng: gaige yu Zhongguode shehuan zuzhi* (The Intermediary Level of Chinese Society: Reform and China's Associational Organizations) (Beijing: Zhongguo Fazhan Chubanshe, 1993), esp. pp. 43-69. Also see White, 'Prospects for Civil Society', esp. pp. 70-86.

corporatism; and (ii) corporatist institutions that center on the regional and local levels.

(i) Peak Corporatism

The effort to seem responsive to an assigned constituency is evident at the national level among some of the old ‘mass’ organizations that had existed under Mao. As one important example that is discussed in Anita Chan’s chapter, the peak trade union federation, the ACFTU, anxious both to retain support from below and to enhance its own status, has been increasingly assertive in its requests to participate in the bargaining within the government that goes into administrative directives and in drawing up new legislation that pertain to workers’ interests.

In most discussions of the corporatist arrangements in Western economies a third vital participant, besides union federations and the state, is composed of the associations for large industrial corporations. Almost all of China’s heavy industry and most of the largest enterprises in other sectors of industry remain under the ownership of the central state. Under the command economy of Mao’s time, all of the enterprises came under the *diktat* of industrial ministries and bureaus. But under Deng Xiaoping and Jiang Zemin, the government wanted to encourage competition and initiative among the industrial enterprises, and so in 1993 an initial group of seven of China’s industrial ministries was abolished, and most of these—including, for instance, the Ministry of Light Industry and the Ministry of Textiles—were transformed directly into associations. This was clearly intended to be a state-corporatist arrangement, with the government indirectly but firmly in control of the associations’ affairs. Officials of the ministries were retrenched but became the officials of the new trade associations. In this and many other cases in which government agencies have been transformed into associations, the personnel retained their government pension plans, health-care benefits, and other official perquisites.

In a different sort of corporatist arrangement, the Chinese government has quietly accepted the International Labor Organization’s basic principle of a tripartite corporatist structure in industrial relations. The union federation officially is supposed to represent the workers, the government’s Labor Bureau is to represent the state, and a specially-created organization known as the Chinese Enterprise Directors’ Association (CEDA) is to represent Chinese employers. Interviews with

all three organizations enable us to detect three distinct voices. This can best be illustrated in the three different positions that have been adopted over the past decade and a half during the drafting of national legislation that affects their assigned constituencies. At such times, the union federation dutifully fights to secure legal protection for workers' rights and benefits; CEDA argues on behalf of the interests of enterprise management; and the Labor Bureau takes an intermediary position.

Separately, the high-level white-collar constituencies have also been assigned peak corporatist representation. The most important of these associations are the so-called Democratic Parties, residues from pre-revolution times that had been powerless handmaidens to the Party under the 'united front' policy of Mao's day. There are eight of these so-called Democratic Parties in all. Each was, and still is, assigned to recruit from a specific social grouping: one to serve as a representative for high-level intellectuals, another specifically the technocrats and scientists, another the doctors, another school teachers, and yet others the overseas Chinese, the Taiwanese and people with former Kuomintang connections. Another, the Democratic National Construction Association, is reserved for private industrialists and businesspeople.

Under Deng, the eight parties were reinvigorated. But for all intents and purposes their leaderships are still vetted by the Communist Party. In turn, the memberships are kept highly selective, with the intention of coopting and incorporating the elite of these sectors—while granting them a mechanism to provide input on behalf of their constituencies within corporatist channels. To further this, in addition to the normal 'transmission belt' routes of access to the officialdom, the Democratic Parties are allowed to promote their sectoral views by way of consultative assemblies, which employ corporatist selection mechanisms. In both the Chinese People's Political Consultative Conference (CPPCC) and to a lesser extent the National People's Congress, a disproportionate number of seats get reserved for the representatives of these Democratic Parties.¹⁴ In the mid-1980s, in a bid to give further sectoral representation to China's

¹⁴ Gerry Groot, *Managing Transitions: The Chinese Communist Party, United Front Work, Corporatism and Hegemony* (New York: Taylor & Francis, 2004); also Anita Chan, "The Changing Ruling Elite and Political Opposition in China", in Garry Rodan (ed.), *Political Oppositions in Industrialising Asia* (London: Routledge, 1996), esp. pp. 165-75.

growing body of private entrepreneurs, the All-China Federation of Industry & Commerce joined the Democratic Parties as a constituent member of the CPPCC.

Most of the intellectuals and entrepreneurs who occupy seats as delegates from these corporatist associations support further economic and political reforms—but they usually are *not* pro-democracy. Nor, it seems, are the great majority of China's intellectuals and students.¹⁵ China's urban educated, generally elitist to the core, fear that any system of democratic elections would put China's destiny into the hands of a peasant majority ill-equipped to vote sensibly: far better to open government channels to the advice and influence of the well educated—their own kind—through an expansion of the power and prestige of corporatist forums such as the CPPCC and through greater independence for their own organizations. Even the student protesters in the massive protest movement at Tiananmen in 1989 were not calling for a system of multi-party elections based on universal suffrage, but rather were demanding government recognition that people could form and control their own representative associations. The protesters encapsulated this desire in the very titles of the groups that they initiated: for example, the Beijing *Autonomous* Students' Association and the Beijing *Autonomous* Workers' Federation. To the extent that they were demanding a *structural* change in the political system, it was to effect a shift to a societal corporatism in which they could choose their own leadership and set their own agendas.

There are many different constituencies in China, and in the two decades since then different individuals and groups have reacted to corporatism differently. As will be seen below, some people have sought to establish or join small local groups that have a measure of independence from government control; while other Chinese, in contrast, have sought to use their constituency's assigned association precisely as a means to have links to the state. As just one example, businesspeople have sometimes found it to their advantage to participate in order to develop contacts with, and protection by, the

¹⁵ On this see Jonathan Unger, "China's Conservative Middle Class", *Far Eastern Economic Review*, Vol. 169, No. 3 (April 2006), pp. 27-31.

officials who regulate their activities,¹⁶ as well as to have a better knowledge of official policies. Sometimes it is not just the state that wishes to employ associations to strengthen linkages between socio-economic constituencies and the government.

(ii) *Regional Corporatism*

What first meets the eye when focusing on China's localities are the state-corporatist features of local associational life. In a form of state-corporatist decentralization, each successively lower layer of regional government in China—the province, city, county, township, and village—comprises a small empire that holds levers of control over many of the organizations and activities within its own borders. The provincial government or, at a lower level, the city or county government currently holds corporatist leverage over the associations that operate at its own level, much as the central state retains a hold over the peak associations. A county-level Women's Federation branch, for instance, comes under the direct leadership of the county government and county-level Party committee.

But at the very same time, the county branch of the Women's Federation is also administratively beholden to the higher levels of the Federation. In short, it receives instructions from two sets of masters. Over the past several decades, the relative balance in this system of 'dual leadership', as the Chinese call it, has been in flux. During some periods the local association branches were predominantly under the sway of the top-down hierarchy that culminates in the peak-level associations, which in turn were controlled by the central state. During other periods, the local association branches came more under the direct power of the local areas' government and Party leadership.¹⁷

Under the central state's policies in support of decentralized economic initiatives, as local leaderships have gained greater control over their own economic resources and become less dependent upon higher government levels for financing local government operations, they simultaneously have been gaining greater corporatist control over

¹⁶ On this, see, e.g., David L. Wank, "Private Business, Bureaucracy, and Political Alliance in a Chinese City", *The Australian Journal of Chinese Affairs*, No. 33 (January 1995), esp. p. 68.

¹⁷ An analysis of this system of seesawing shifts is contained in Jonathan Unger, "The Struggle to Dictate China's Administration: The Conflict of Branches vs. Areas vs. Reform", *The Australian Journal of Chinese Affairs*, No. 18 (July 1987), pp. 15-45.

the associations in their bailiwicks at the expense of higher authorities. This message was driven home to us in explicit terms by the Party secretary of a wealthy rural township. His township administration was gaining a very substantial income from new enterprises and was generously endowing new educational and welfare facilities and bankrolling the expansion of other government services, including the activities of the corporatist associations within its territory. The Party secretary was adamant that, although technically the personnel of the associations came under the 'dual control' of both the township and the higher levels of government, in reality all of the local organizations looked overwhelmingly to his township government for guidance.

This often is of little consequence, in that the local government administrations normally serve as agents and surrogates of higher authorities and the central state. But at times they are also rivals to the higher levels of government: for control of economic resources and tax revenues, for example. And in this toing-and-froing, the regional or local authorities normally seem able to depend upon the solid support and connivance of the associations and constituencies that lie within their little corporatist empires.¹⁸ At times, therefore, it appears that local corporatism works *against* the state and against the peak level corporatist associations.

In short, even if corporatist instruments continue to develop in China, it is not likely to entail a coherent set of corporatist machinery that can be readily coordinated at the top in Beijing through a web of peak national associations. Rather, to the extent that local governments have the room to pursue their own interests, national and local corporatist arrangements uneasily co-exist, at times pulling in opposite directions.

The various government and semi-government entities that sponsor and supervise associations also have their own agendas and ambitions that sometimes are at odds with those of other government entities in the very same districts. Through the different corporatist associations that they control, they may take the initiative to enlarge the base of

¹⁸ On this alliance of local interests within a corporatist framework, see Victor Nee, "Organizational Dynamics of Market Transition: Hybrid Forms, Property Rights, and Mixed Economy in China", *Administrative Science Quarterly*, Vol. 37 (March 1992), esp. p. 3. Also see Jean Oi, *Rural China Takes Off: Incentives for Industrialization* (Berkeley: University of California Press, 1999).

their own constituencies, even if this entails testing the corporatist rule that only one association can be recognized as representing a given sector. In a city in Hubei province, for instance, the trade union organization and the municipal Women's Federation ended up contesting some of the same constituency turf, with the union establishing women-workers' committees in enterprises.¹⁹ In a parallel fashion, David Wank has described how in the city of Xiamen in the 1990s, the All-China Federation of Industry & Commerce's local Chamber of Commerce sponsored the founding of a new local association for very small private businesses that was in direct competition with the municipal Industry and Commerce Bureau's Self-Employed Laborers' Association. In this case, the Bureau appealed to the central authorities; and the central government, in true corporatist fashion, ruled that only one set of associations was to be allowed, and that this was to be the government Bureau's. The Federation-backed association was forced to cease operations.²⁰

At the very same time, the scenario is further complicated by the fact that a local or regional government not only manoeuvres to safeguard its prerogatives and resources *vis-à-vis* the state above it, but simultaneously is also wrestling to retain its powers and control over resources *vis-à-vis* the enterprises and citizenry below it. With economic liberalization, a very considerable amount of private and semi-private initiative has emerged, giving rise to new tensions with government authorities as well as new patronage/dependency relationships between the private businesses and the local political authorities who oversee them. Thus, notwithstanding the ties of subordination that bind association branches to the local authorities, the associations have come under increasing pressure from below to represent and lobby on behalf of their assigned constituencies. In short, some of them have come under pressure to shift more in the direction of societal corporatism, which is anathema to the government.

At the Periphery: Associations Organized from Below and Unrepresented Sectors

When the authors first began examining Chinese associations in the early 1990s, in the aftermath of the suppression of the Tiananmen

¹⁹ White, "Prospects for Civil Society", p. 74.

²⁰ Wank, "Private Business, Bureaucracy, and Political Alliance".

protests, almost all associations were strictly state corporatist. But even at that time, some small local associations were really under the sway of members. In most cases, these were not associations that had emerged due to a state organ's initiatives, but rather due to socially involved groups of individuals. Some of these small associations had gained a measure of autonomy, and a measure of control by their membership, by placing themselves officially under the wing of registered associations, much as if they were subsidiaries. They thereby placed themselves one step removed from direct supervision by a state organ. Since then, this has become a more widespread practice. An environmentally conscious group may, for example, become a loosely connected adjunct of a sympathetic state-corporatist association that is in turn run by, say, a province's Environmental Protection Agency. Or a group concerned with local poverty or the aged or AIDS prevention or women's problems may get itself designated as a subsidiary of an association that is in turn controlled by a sympathetic government or semi-governmental agency. But in such cases, the groups' goals and activities normally have been deemed to be safely non-dissident and in line with the government agency's own goals. In this respect, they operate at the whim of, and within the discretionary context of, the corporatist system of controls.

Some of these local groups have sufficient local official support that they directly register as associations under the sponsorship of a government organ, yet retain a degree of bottom-up independence. The chapters by Xin Zhang and Richard Baum and by Samantha Keech-Marx focus on such local associations, which tend to maintain cooperative working arrangements with the local authorities. Nevertheless, as noted, the central government remains wary of any associations that are not strictly state corporatist, lest they become seeds for independent dissident political activity. A substantial number of these local associations that carry out work on AIDS, poverty alleviation, and the environment have secured money from foreign NGOs, and in 2005 a national investigation was launched by China's security bureaus to examine such associations' ties. Semi-independent organizations in China occupy a delicate, precarious status.

Some small environmental groups, labor-rights activists, legal-support groups, and the like find it impossible to try to directly register, and are not in a position to get a registered association to take them under its wing. In such a case, the group is apt to register as a

profit-making company, describing itself as a consultancy firm, or as a for-profit night school, or as a for-profit research institute. Donning such a guise gives the group a legal status, but opens it to taxes, and leaves it vulnerable to having its activities closed down whenever it strays from its registered purpose. Those groups that cannot afford the cost to register as a commercial firm run the risk of being labelled an illegal organization when discovered.

However, if sufficiently innocuous, local, small, and low-key, some groups are allowed to exist outside of, and below the level of, the corporatist framework. Starting in the latter half of the 1990s and gathering momentum in the early 2000s, there has been an explosive growth in small, irregular associations that are not registered at all and yet are tolerated at local levels. Many of these are what in English would be called charities, depending upon local volunteers to help provide welfare to the needy in a community. Local governments encourage these, as they help fill niches in government services. Others are recreation groups, such as exercise clubs (especially *tai chi* groups) that meet in parks, or amateur Chinese opera singing groups and the like. Local authorities have decided that even a strongly corporatist structure for associations has its limits.

That is precisely the point. All of the groups that are listed in the above four paragraphs lie at the periphery of associational life in China. None can be national in scope, none can be large, and none can draw adverse attention from local authorities lest they be quickly closed down. They exist at the sufferance of local states and of the local corporatist system that comes under the supervision of the Civil Affairs Bureaus.

While some types of small groups are tolerated, associational activity is not tolerated in several crucial areas that are sensitive to the central government. As a result, two large groups have been excluded almost entirely from access to corporatist structures—the farmers and, until very recently, workers in the non-state industrial sectors.

During Mao's rule, a state-dominated peasant association had been politically active on behalf of the Party, but disappeared in the early 1980s. Farmers face a government policy of exclusion, without a farmers' association at the local and national levels. Only associations with very narrow purviews, such as technology-extension associations for specialist crops or for specialist pig breeders and chicken farmers, have been permitted, but not an association that covers all farmers.

The government seems averse to the establishment even of a strictly state-corporatist farmers association under tight government control. Possibly, there is a fear that at the grassroots of such an association, societal-corporatist patterns could potentially develop and that an association could become the organizing point for discontented farmers. Inasmuch as farmers comprise a majority of the populace and since vast numbers of them have experienced a hard time during the reform era, China's corporatist system is being used not to link them to the state, but rather to keep them unorganized, without any association, since the government controls whether an association is allowed to exist.

In this respect, the farmers' circumstances are somewhat similar to the bulk of the blue-collar workers in the burgeoning private and foreign-invested factories, who until very recently have largely been excluded from the corporatist mechanisms. Most of the workers in these sectors are drawn to their jobs out of poor parts of the countryside, and they receive low pay and tend to endure poor working conditions and vastly excessive work hours of up to 12 hours a day.²¹ Until recently, eager to further develop China's cheap-labor export boom, the central government chose not to intervene in this sector. Thus very few union branches were installed in these factories, and the national labor statutes that are on the books were barely enforced. Importantly, such workers were prevented by the government from organizing their own unions on the corporatist grounds that China already possesses a trade union and that only one is permitted. In very recent years, the official union federation has at last shifted course. Having lost members and revenues as state enterprises have folded, it has sought to recoup by organizing union branches in foreign-invested enterprises, including, with much fanfare, Wal-Mart.²² As of now, it appears that only the farmers are to be left outside the corporatist fold.

Conclusion

This chapter's discussion of the empirical evidence regarding associations in China observes that corporatist structures almost everywhere prevail.

²¹ Anita Chan, *China's Workers Under Assault* (Armonk: M. E. Sharpe, 2001).

²² Anita Chan, "Organizing Wal-Mart in China: Two Steps Forward, One Step Back", *New Labor Forum*, Vol. 17, No. 2 (Spring 2007), pp. 87-96.

Given this, we believe it is far more useful for analysts to perceive of China's associations through the prism of corporatism rather than in civil-society terms. Only at the periphery do we find any small, local associations that are not in the grip of the central or local state and that are accountable to their memberships. While a relatively small proportion of these can be identified as quintessentially civil-society associations, especially those that work on issues such as the environment, women's rights, and poverty, the great bulk of the small associations that lie outside the bounds of state corporatism are innocuous hobby groups that are so localized, low-key, and marginal that even the most local level of the state has not bothered to incorporate them within corporatist structures. They provide a very thin reed indeed in terms of developing a robust civil society.

This is not to deny that China's associations might not, at some future point, potentially contribute to the development of civil society. It is accepted among social scientists that a genuinely societal-corporatist association participates in civil society. It is conceivable that a state-corporatist association in China could gradually come under the sway of its membership—could, in short, become societal corporatist in nature, and thereby part of civil society. One can envision a scenario similar to what was experienced in Taiwan, South Korea, and Japan, where democratization was accompanied by, and in some cases preceded by, major shifts in the direction of societal corporatism. It is entirely possible to conceive of this occurring even without democratization. All that is needed, after all, is for an association to come predominantly under the influence of its members. Logically, there can be numerous instances of this in China. This could occur where members are influential people who have a reason to be active in an association, or where the government, for its part, does not have the energy or time to want to dominate a particular association, or where an official association, with government approval, finds it needs to reach out to its constituency in order to remain viable.

The latter sort of case is discussed by Anita Chan in her chapter on Chinese trade unions. There, direct enterprise-wide elections for union branch officers have begun taking place in some parts of the country, providing union members with some leverage over their local union association. But in the great majority of associational arenas, a relatively vigilant Party state has exhibited a reluctance to cede any

control over the associations that count. Jonathan Unger's chapter, for instance, recounts a roll-back in an important businesspeople's association that in the mid-1990s was beginning to come under its members' sway. The government moved proactively to reverse this, obviously aware of the dangers that would be posed to the party's unilateral rule by the rise of powerful, autonomous, organized constituencies. The development of societal corporatism and civil society is not on the cards in sectors where the party state chooses to stand guard in this way. In vital areas of economic and societal activity, state corporatism continues to hold sway in the operation of associations.