CHINA, CORPORATISM, AND THE EAST ASIAN MODEL*

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The social-science paradigms that China scholars employed in former decades do not adequately fit China as of the 1990s. Western scholars today find themselves struggling to reconceptualize the workings of a Party-state that no longer directly dominates society and of an economy that no longer can be classified as 'Leninist command'. Observers of China find themselves faced with a system in free-fall transition to some system as yet unknown, to the point that it often becomes difficult to analytically frame what is occurring at present, let alone attempt analyses of China’s probable future.

A concept that is of considerable assistance in making sense of the ongoing shifts is 'corporatism'. It does not provide an all-encompassing framework for everything occurring in China today, but it does seem to hold strong explanatory value for some of the more important trends. The concept has already been aired (almost entirely in the pages of this journal) in relation to a few specific types of organization in China,¹ but the multifaceted nature of corporatism's spread in the PRC has not yet been analysed. Nor has the emergence of corporatist associations in China been viewed in comparative

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perspective. Most relevant in this latter respect would be the corporatist experiences of the East Asian capitalist states that China increasingly is looking toward as development models.

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 labour 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.²

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.

² Many social scientists have only employed the term 'corporatism' within a Western liberal capitalist context, and assume that it necessarily entails a voluntary triangular capital/labour/state arrangement. Philippe C. Schmitter, the most eminent of the theorists of corporatism, warns against any such definition that is 'so narrowly attached to a single political culture, regime-type or macrosocietal configuration that it becomes, at best, uniquely descriptive rather than comparatively analytic'. See Schmitter, 'Still the Century of Corporatism?', in Fredrick B. Pike and Thomas Stritch (eds), The New Corporatism: Social-Political Structures in the Iberian World (Notre Dame: University of Notre Dame Press, 1974), p.86. Schmitter has devised a one-sentence core definition of corporatism that is often quoted in papers on the topic and that will serve as the touchstone for our own use of the concept: 'Corporatism can be defined as a system of interest representation in which the constituent units are organized into a limited number of singular, compulsory, noncompetitive, 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?', pp.93-4.)
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 Australia\(^3\) to Japan to Latin America, and even to describe certain aspects of Communist rule in Romania, Poland and the Soviet Union.\(^4\) Corporatist mechanisms, in 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 sees this type of corporatism 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.\(^5\)

At the other end of the spectrum from such societal corporatism lies what is variously called authoritarian or state corporatism, where the weight of decision-making power lies very heavily on the side of the state. Under state corporatism, the government may even 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 such 'representative organizations' serve a function of pre-empting the emergence of autonomous organizations. The watchword of state corporatism is top-down control.

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3 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 called the Accord, under the very activist coaxing of government ministers.


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.

**Corporatism in East Asia**

The capitalist states of East Asia fit this scenario. Japan, Taiwan and South Korea each erected strongly authoritarian corporatist structures during periods of intensive development and amidst perceived threats from abroad. Over time, as shall also be seen, internal and external pressures have pushed these states more in the direction of societal corporatism. 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, is now beginning to adopt 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.

Japan, the earliest model of East Asian development, and later Taiwan and South Korea had been intent, like China today, upon rapid development, each government in turn confronting the obstacles faced by late industrializers. State involvement in securing a competitive edge for industry — which this century has extended to the point of corporatism — has made particular sense where the development strategy was not merely protectionist in nature but aggressively export-oriented. And, notably, the paths to industrial development of the East Asian countries — including China of late — have been strongly export-oriented.

These East Asian governments shared a common advantage in adopting state-corporatist solutions: every one of them already possessed well-organized bureaucracies with established traditions. Moreover, on the eve of their developmental pushes they were ‘hard’ states, with systems of government that were largely autonomous from, and relatively immune to, interest-group pressures. The Meiji Restoration in nineteenth century Japan had brought a government to power that was not beholden to any powerful constituencies and that was determined to preserve Japanese independence through state-inspired modernization. From the mid-1940s onward the exiled Kuomintang government on Taiwan was positively hostile toward the island’s indigenous constituencies and interest groups. It sought to preserve its own political hegemony by keeping them weak and subordinate to the state. The
Korean military that assumed power in Seoul in 1961 likewise sought to remain above and impervious to sectoral political pressures from below. Similarly, within China on the eve of the Dengist economic revolution, the Communist Party of China and the bureaucracies that it controlled were hardly influenced by either social demands or non-governmental interest groups; considerably more than in Taiwan or Korea, the Chinese government enjoyed a high measure of political autonomy. Theorists of corporatism list this common element of 'hardness', of relative state autonomy, as one of the core ingredients determining whether state corporatism can be successfully imposed.

Just as important, the East Asian states have shared a cultural bias favourable to corporatist structures. In the Confucianist teachings that pervaded all of the East Asian cultures, giving primacy to private interests had been viewed as equivalent to selfishness. The greater good was ideally manifested in a consensus overseen by the moral authority of the leadership, reflected in a moralistic father-knows-best paternalism.6

The notion that individual and sectoral interests should be compromised for the greater good, as represented by a higher leadership, was conducive in the modern age to patriotic appeals, and East Asian governments have not been slow to wrap themselves in the garb of nationalism and 'national interest' in their promotion of corporatist solutions. Worldwide, an appeal to patriotic sacrifice has comprised a common strategy of state-corporatist regimes, and the East Asian governments held a cultural advantage here in their efforts to promote the sanctity of national interests.

The East Asian model of corporatism borrowed heavily from Japan's experience earlier this century, when the Japanese state had begun erecting corporatist structures to control and coopt the lower classes, to prevent them from becoming autonomously organized. For instance, the Japanese state established government-controlled agricultural cooperatives in the early 1900s to handle the purchase of agricultural inputs, sales of produce, and provision of credit, tying the peasantry into a dependency relationship with the government-assigned association. So, too, during the 1930s Japan's small-business sector was organized into government-aligned peak associations, which were sanctioned to control their memberships through state-backed decrees. And whereas industrial labour unions had been seen as a threat by the government and business alike, some of these were granted formal recognition by the state in 1941 at the expense of being coopted formally into the war effort: 'It was a classic case of state-initiated encorporatization'.7

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In Taiwan, the Kuomintang government, following the Japanese example, in the early 1950s enforced corporatist hierarchies upon the Taiwanese populace both as a political and economic control measure. In particular the government took over the farmers’ associations that the Japanese colonial regime had established and tied the peasantry into a dependency relationship with the state through much the same provisions of services as had the farmers’ cooperatives in Japan. They were hierarchically structured, with the general managers appointed by the KMT government; and consequently ‘the associations at all levels operate more as quasi-governmental institutions . . . than as bodies articulating the farmers’ interests’.

So, too, the state took an active interest in regulating and controlling associations in other spheres of activity: Taiwan’s industrial and commercial associations, professional associations, labour unions, and religious organizations. ‘Nearly all of these associations are hierarchical, exclusive and non-competitive. All are registered with the government; once they are licensed other competitive groups in the same trade are legally prohibited’. In these respects, the corporatist mode of organization was adopted to a tee.

The state-corporatist ideal was also embedded in Taiwan’s legislative processes. Major groupings such as the farmers, workers, and businesspeople were provided with an official quota of seats in the National Assembly and Legislative Yuan, near-powerless bodies whose purpose was to legitimize the ROC regime.

The corporatist framework arguably was least strong in terms of controlling the business sector. Taiwan’s export-driven development has been spurred largely by small and medium-sized enterprises owned by indigenous Taiwanese, some of which have grown into large corporations, and the state preferred not to have this multitude of independent firms coalesce in strong peak associations.

In contrast to Taiwan, Korea’s export-oriented development was powered by a relative handful of large conglomerates, the so-called chaebols (the Korean equivalent of zaibatsu), whose activities were overseen, coordinated

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9 Ibid, p.46. Special regulatory agencies were established at all levels of government to oversee these ‘voluntary’ organizations. As an additional measure of control, the government went to considerable lengths to ensure that the key officeholders of the associations were KMT members, many of whom were required to undertake regular retraining at Party schools to reinvigorate their loyalty. But tight control was not the government’s only interest. The state’s administrative agencies sometimes treated the representative associations virtually as extensions of the state, relying on them to execute government policy decisions, and even soliciting their officeholders’ input into policy formulation. As Hung-mao Tien notes: ‘Many interest groups in Taiwan thus assume quasi-governmental roles . . . As long as this relation serves the associations’ interests well, they have little need to lobby outside the government administration’ (p.57).
and orchestrated by government bureaus in a system of state corporatist arrangements.\(^\text{10}\)

In both Taiwan and Korea, the state was intent upon keeping industrial labour docile, and in both countries turned principally to corporatist levers to achieve this. In Taiwan, the labour laws stipulated that one and only one union was to operate in all enterprises with thirty or more employees,\(^\text{11}\) and the state made sure that the recognized union was controlled from above by the KMT.\(^\text{12}\) Similarly, in 1963 Korea introduced legislation requiring all unions to be legally recognized by the government and stipulating that they were to be unified under a single union for each industrial sector, with the state given the power to intervene in their operations.\(^\text{13}\) In both countries, the corporatist peak union federations were kept ineffectually quiescent and inactive. In the East Asian model of state corporatism, in short, labour was largely excluded from representation, unlike the populist variant of some Latin American states where pre-existing labour unions were voluntarily incorporated into a pro-statist coalition. In contrast, the East Asian newly industrializing economies (NIEs) were firmly in the mould of what one analyst of corporatism describes as common to the ‘bureaucratic-authoritarian state’, where ‘corporatism is the

\(^{10}\) 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.246-7; also see Robert Wade, * Governing the Market: Economic Theory and the Role of Government in East Asian Industrialization* (Princeton: Princeton University Press, 1990), p.307. The chaebols differed from Japan’s zaibatsu in that they have not controlled their own banks, and thus were dependent on government-owned banks. They were therefore in a much weaker position than the Japanese zaibatsu, and could easily be induced into state corporatist arrangements in which they were clearly the weaker, dependent partners.

\(^{11}\) Regardless of what the law states, only about one-third of the enterprises with more than 30 employees — generally the bigger firms — actually possess trade union branches. That is to say, the government has not been eager to incorporate all such workers under its wing, and was most concerned to do so with the workforce of the largest firms. See Li Jian-chang, ‘Bashiniandai de Taiwan laodong gongyun — jiegou yu guozheng de fenxi’ [Taiwan’s Labour Movement in the 1980s — Analysis of Structures and Processes] (MA thesis, National Taiwan University, 1991).


\(^{13}\) Eun Mee Kim, ‘Contradictions and Limits of a Developmental State: With Illustrations from the South Korean Case’, *Social Problems* (May 1993).
main mechanism linking the state to the popular sector in order to guarantee its exclusion'.

In the past decade, however, shifts in economic and political priorities, combined with pressures from increasingly assertive constituencies, have combined to push both Taiwan and Korea in a decidedly societal corporatist direction. It is a transformation that Japan effected almost half a century ago in the wake of the Second World War. In ‘Japan, Inc.’ today the peak associations of the large corporations interact in a highly corporatist fashion with government ministries, but within a largely voluntary framework. These complex arrangements depend upon a very stable long-term working relationship with the state bureaucracy, and this was strengthened by the stability, until recently, accorded by Japan’s de facto status as a single-party state ruled from the early 1950s until 1993 by the Liberal Democratic Party.

A somewhat similar transition from state to societal corporatism is now in progress in Taiwan and Korea. In Taiwan recently, with the suspension of martial law in 1987, with the subsequent legalization of opposition parties, and with the introduction of meaningful elections for the Legislative Yuan, political ‘space’ has been opened for sectoral groups to exert greater influence and to secure greater freedom from top-down government intervention. So, too, professional associations, the peak industrial associations, and trade unions increasingly are dependent upon membership support and increasingly stake out positions independent from the supervisory officialdom. New patterns of government control are emerging that take this into account. The Kuomintang administration has been seeking to emulate Japan’s Liberal Democratic Party by actively shaping liberal-corporatist patronage systems designed to help sustain the KMT in power in the face of recurrent elections.

Similarly in South Korea, in the midst of rapid economic, social and political change during the 1970s and 1980s, the government had to compromise the authoritarian nature of the corporatism it was imposing, both toward labour and the chaebols. A new conservative party similar to Japan’s

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15 On this shift toward societal corporatism in union-state relations, as well as the prior state corporatist relationship, see 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.

16 The chaebols had grown large and prosperous enough to begin manoeuvring to change the balance in their corporatist relationship with government, seeking greater autonomy all the while that they wanted continued help from the state. And with Korea’s entry into a semi-democratic era during the latter half of the 1980s, a number of unions were also able to pry themselves loose from the state’s grip.
Liberal Democratic Party was cobbled together and now holds power; and, as in Taiwan, societal corporatist linkages to various constituencies are being cemented to perpetuate the rule of a democratically-elected one-party state. Given the Japanese example, societal corporatism can be expected to serve the purposes of the present Korean and Taiwan governments better than the authoritarian corporatism of earlier decades.

It must be reiterated, though, that corporatist arrangements, regardless of whether they are of the authoritarian or societal 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 and is a parliamentary democracy. For its part, China today is governed by a powerful web of Party and government officials, with all the trappings of a Leninist regime. It should be remembered in the pages that follow that it is only within this context that corporatist mechanisms are beginning to be 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 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 is called the ‘mass line’), providing a two-way conduit between the Party centre 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, of course, 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. 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 labour 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 not been functioning, like the All-China Federation of Industry and Commerce, were allowed to revive as peak organizations, quickly gaining 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 further 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 the proto-corporatist organizations of the command-economy era, a large number of new associations were created to serve as corporatist intermediaries and agents. As of 1993, 1,400 national associations had been approved by the government; 19,600 associations and branch organizations were registered with provincial authorities; and more than 160,000 were registered at the county level. These range in nature from science & technology associations, to organizations for different economic sectors, to cultural organizations, to health, sports, social welfare, and public-affairs associations.

China in this sense approaches state corporatism from the opposite direction as the East Asian NIEs: not as a mechanism for yet further strengthening the state’s grip over the economy and over society, but rather the reverse, 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 (authoritarian corporatist). In this early

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17 This organization had been founded in 1953 as the corporatist representative for pre-1949 businessmen but subsequently had become moribund under Mao. During the 1980s its membership climbed sharply to more than half a million.

18 China Daily, 7 May 1993, p.3.


stage, the main actors in these associations often are bureaucracies that stake out claims to represent assigned constituencies. That is, in many cases what is being witnessed is a gradual devolution of power from the centre that widens 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 has noted 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’. 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 in a great many other cases, as shall be seen below, as time passes an increasing number of associations have begun taking on an identity as sectoral representatives somewhat separate from the state.

Corporatism is not the only framework that social scientists employ in examining the phenomenon of intermediate organizations that stand between state and society. 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. In noting the emergence of associations in the PRC, some China specialists have ascribed this grandly to the rise of a civil society. But such an analytical framework assumes too much independence in associational life in Deng’s China. State corporatism, we contend, provides a more accurate description of what has been emerging there.

This can be observed by viewing the Chinese associations in comparative perspective. The great majority of them currently are controlled by the state in much the same tight manner as the state in Taiwan used to control associations. All Chinese associations, of all types, need to be officially registered, and only one organization is recognized as the representative for each sectoral constituency. Almost all of these associations were established

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22 So rigidly does the government adhere to this regulation that when two organizations of calligraphy connoisseurs emerged on the scene during the 1980s, Beijing decreed that one and only one could be legally registered, and ordered that they therefore merge into one national association. And, more locally, when fans of a popular soccer team in the city of Shenyang spontaneously organized themselves into two fan clubs encompassing two different social constituencies, the city authorities demanded that even fan clubs needed to be legally recognized and that the two clubs would accordingly need to merge, since only one could be recognized. (Both examples are from a personal communication from Gordon White.)
on the government’s own initiative, from the national level downwards; and
for a number of the more important associations, membership is obligatory.
For instance, the proprietors of small businesses automatically become
members of the Self-Employed Labourers’ Association when they obtain their
requisite business permit. As had been the case in Taiwan, the operations of 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. And as
in Taiwan, too, 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.23 In all of these respects, these are quintessentially state-
corporatist organizations.

Similar to Taiwan, the fastest growing sector of the Chinese economy is
comprised of a multitude of small and medium-sized firms, often located in
county towns, and in China as in Taiwan, much of the export boom derives
from such firms. Whereas the corporatist structures in Korea had centred on
the state’s domination of a relative handful of large conglomerates which were
allowed in turn to dominate the Korean economy, the Chinese state has been
seeking to cast a loose skein of corporatist nets over a very wide range of
economic and non-economic sectors, much as had Taiwan. The Chinese state
does so, though, in the midst of loosening its own direct administrative
controls over the economy. Thus, as shall be seen in some detail below, the
more that the economy decentralizes, the more such corporatist associations
get established as substitute control mechanisms. In this last respect, China
differs from Taiwan, which was satisfied to maintain relatively weak
corporatist linkages vis-à-vis small and medium-sized industry. State-
corporatist efforts toward industry, in intent if not effect, are accordingly
stronger in China than had been true of Taiwan.

Yet at the very same time that these 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 them. For a start, a
number of the associations have been designated as the representatives of
constituencies that produce for a market that less and less is dominated by the
central state. Moreover, in the looser political climate of the 1980s and 1990s,
as has already been suggested, these associations are coming to recognize their
own organizational interests and the bottom-up wishes of their assigned clients
and, as shall be seen, are obtaining greater ‘space’ to work toward these within
the corporatist framework.

23 Wang Ying, Zhe Xiaoye and Sun Bingyao, Zhongguo shehui zhongjian ceng: gaige yu
Zhongguode shezhan 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.
We shall analyse these trends at two different levels of organization: (i) corporatist mechanisms organized at a national level, that is, peak corporatism; and (ii) corporatist institutions that centre 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, 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 internal bargaining that goes into administrative directives and in drawing up new legislation that pertain to workers’ interests. In 1985, based on a proposal by the union federation, the Chinese State Council decreed that henceforth the State Council itself and all relevant administrative organs were to permit the unions to take part in their meetings on matters relating to workers’ interests. In 1987, taking further advantage of its corporatist status, the union federation tendered to the State Council a whole series of proposals designed to protect workers’ rights, including specific legislation to protect their welfare within state enterprises. As of the early 1990s it was pushing within government channels for a 5-day working week for the employees of state enterprises. These efforts stand in sharp contrast to the East Asian model of corporatism, as observed in pre-war Japan, in Taiwan and in Korea, which had incorporated industrial unions in order to exclude them from any genuine representation or input.

In most discussions of the corporatist arrangements in Western economies a third vital participant, besides union federations and the state, is large industry. Almost all of China’s heavy industry and just about all of the largest enterprises in other sectors of industry remain under the ownership of the central state, and still come under the dictat of the industrial ministries and bureaus of a socialist command economy. But a push is under way at high levels within the government in favour of freeing this industry from the direct grip of the bureaucracy and of shifting it into a more indirect corporatist

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24 Information based on interviews with ACFTU officials in Beijing in 1991. See Anita Chan, ‘Revolution or Corporatism?’, p.53; the essay also appears in Goodman and Hooper, China’s Quiet Revolution, pp.162-93.

25 Wei Feng, ‘Chinese Trade Unions Make Fresh Progress in Participation’, Chinese Trade Unions, November 1990, pp.2-4. Also see Gongren ribao, 16 April 1988, p.3, and Wing-yue Leung, Smashing the Iron Rice Pot: Workers and Unions in China’s Market Socialism (Hong Kong: Asia Monitor Resource Centre, 1988), p.121. To counteract the erosion of standards of living by inflation, the federation also unsuccessfully proposed several times during the 1980s that incomes be indexed to inflation. (Information from an interview in Beijing during August 1991 with a member of the Executive Committee of the All-China Trade Union Federation.)
relationship with government. In fact, the State Commission for Reform of the Economic System (Tigaiwei), a powerful body under the State Council, proposed in 1992 that the industrial ministries be abolished, with their responsibilities and leading personnel shifted to an association for each industry. As one example, the present leaders of the Iron and Steel Ministry would be shifted over instead to fill the leadership ranks of the Steel Industry Association, whose executive committee would also include the heads of China’s fifteen or so largest steel firms. The steel mills would no longer be subject to the minutiae of government decrees but rather to indirect guidance plans emanating from a government agency similar to Japan’s Ministry of International Trade and Industry (MITI) [arguably the Tigaiwei itself] and mediated by the Steel Industry Association.

At the 14th Party Congress in October 1992, Deputy Premier Zhu Rongji, who holds special responsibility for economic reform, openly proposed, accordingly, that ‘government bureaux be abolished and replaced by commissions’ (san bu she wei), most specifically ‘an economic planning commission and trade commission’ [read MITI]. The Party Congress

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26 This information derives from interviews conducted in Beijing in late 1992 by Dr You Ji, University of Canterbury, New Zealand, to whom we are indebted.

27 One strong indication that this proposal was explicitly modelled on MITI and the Japanese trade associations is contained in a policy paper by the Chinese Enterprise Reform and Development Research Bureau (Zhongguo qiye gaige yu fazhan yanjiuhui xueshu bu), a government think-tank closely allied to the Tigaiwei:

In Japan, the management of industry, including domestic and foreign trade, all falls under the responsibility of MITI, and there are no industrial ministries and in none of the cities are there industrial bureaus . . . It needs to be considered whether it is necessary for our central government to possess several tens of industrial departments and for every province to have several tens of industrial bureaus . . . The management of each industry ought to be gradually shifted from the hands of state organs and into the hands of non-state [minjian] organs . . . like the various kinds of trade/industrial associations.

This quote derives from a classified journal published expressly for the Chinese leadership, Enterprise Reform Communique (Qiye gaige tongxun), no.5 (1992). (We are indebted to Dr You Ji for sharing this journal with us.) While discussions largely have been proceeding behind closed doors, advocacy for the proposal also appeared in the public media, most forcefully in an article by a former trade minister in Jingji ribao [Economic Daily], 29 January 1993, p.7.

28 Jiushi niandai [The Nineties], February 1993, p.46. In an address to the Shanghai delegation at the Congress, Zhu Rongji reportedly declared that he had MITI explicitly in mind. (This latter information derives from an interview conducted by Dr You Ji in Beijing.)
cautiously ended up deferring such a decision; but the proponents of this system of commissions and corporatist associations were already implementing their organizational plans at lower levels. For example, during 1992 the city of Shanghai, Zhu Rongji’s political bastion, abolished fourteen industrial bureaus and installed in their place fourteen corporatist industrial associations, ‘to enable the enterprises to provide for themselves within their own associations and to take on the responsibility and capacity to coordinate their own industry’.  

In March 1993, in a major push forward, this type of schema was adopted at the national level, with the announcement that seven of China’s industrial ministries were to be abolished, and at least two of these — the Ministry of Light Industries and the Ministry of Textiles — were transformed directly into federations of associations.

This is clearly intended to be a state-corporatist arrangement, with the government indirectly but firmly in control of affairs. Yet it has already become apparent in recent years that profitable state enterprises have been gaining the leverage to be more protective of their own interests, and when banded together in industrial associations it can be expected that they will be better positioned to collectively assert themselves and that top-down state corporatist controls will steadily diminish.

Already, without any publicity the Chinese government actually has quietly accepted the International Labour Organization’s basic principle of a tripartite corporatist structure in industrial relations. It has established a working relationship with the ILO’s Beijing office, seeking the latter’s advice. Henceforth, the union federation officially is to represent the workers, the government’s Labour Bureau is to represent the state, and a newly-created organization known as the Chinese Enterprise Directors’ Association (CEDA) is to represent Chinese employers. Membership in CEDA for the time being is held mainly by managers of big state enterprises, but CEDA has plans to absorb private entrepreneurs in the future. The most recent activity sponsored by the ILO was a workshop on collective bargaining to which all three parties sent representatives in equal numbers. Cynics would say that all three parties speak from the same mouth. But interviews with all three organizations in Beijing during 1994 enable us to detect three distinct voices. This can best be


31 This information comes from visits to the ILO Beijing office, the Labour Bureau, and the national union and CEDA headquarters in May 1994. The interviews with these various officials were quite frank and open, in that we were accompanied by academic researchers from the PRC, who asked the questions. It was apparent that the officials felt they were speaking to an in-group, rather than to an out-group.
Illustrated in the three different positions that were adopted during the drafting of the Labour Law of 1994, with the union federation successfully having fought an uphill battle to secure legal protection for workers' rights and benefits; the Economic Planning Commission, the Trade Commission and the other bureaucracies charged with developing the economy arguing on behalf of the interests of enterprise management; and the Labour Bureau taking an intermediary position. Looking forward toward future decades, it becomes possible to envisage corporatist industrial associations and a peak trade-union organization, under the aegis of the state, negotiating the conditions of work in state industry.

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 handmaidsens to the Party under the 'united front' policy of Mao's day. Each Democratic Party 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. There are eight of these so-called Democratic Parties in all, and the eighth, the Democratic National Construction Association, is reserved for private industrialists and businesspeople. These Democratic Parties are all specifically restricted from recruiting workers, peasants or soldiers.

Under Deng, the eight parties have been 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 similar to what had existed in the legislatures on Taiwan. In both the Chinese People's Political Consultative Conference (CPPCC) and to a lesser extent the National People's Congress, a disproportionate number of

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32 One consequence of such negotiating was that the Labour Law had gone through some thirty drafts during a fifteen-year process, before finally being passed in 1994. This information is based on a 1994 interview with a national union official who served as a representative for the union on the Labour Law Drafting Committee. His account was confirmed by the Labour Bureau official who was responsible for the first draft of the law.

seats get reserved for the representatives of these Democratic Parties. In the mid-1980s, in a bid to give further sectoral representation to China’s 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 such 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. 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 so-called Democracy Movement of 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.

If that was the pro-‘democratic’ position, the most popular counter-argument among intellectuals during the late Eighties, which its adherents

34 See Renmin zhengxie bao [People’s Political Consultative Conference News], 8 March 1988, p.1, for a list of the numbers of delegates to the CPPCC from each group. On this, also see James Seymour, China’s Satellite Parties, p.131, n.47. As of 1986, out of the 160,000 members of China’s eight Democratic Parties, 6,900 sat as People’s Congress and CPPCC deputies at the national and provincial levels, meaning that more than 4 per cent of all Democratic Party members had been assigned as delegates to high-level official forums. See People’s Republic of China Yearbook, 1986 (Beijing: Xinhua chubanshe), pp.142-3.

entitled 'new authoritarianism',\textsuperscript{36} posited that China’s economic development was at too early a stage to warrant such liberalization. 'New authoritarianism' explicitly looked eastward to the experience of Taiwan and South Korea and southward to Singapore and proclaimed that China needed a transitional 'developmental' period of strong government (albeit one that would pay serious attention to the corporatist forums of specialists and other intellectuals). This phase would last until China's economic development had progressed to the point that the 'peasant problem' was resolved and a well-educated urban middle class had grown numerically important. Implicit in this 'new authoritarianism' argument was that, when the proper distant time came to shift away from authoritarianism, the Party itself would be able to retain power and promote national stability on a new basis — by putting together a societal-corporatist patronage structure similar to what the LDP had achieved in Japan and, more recently, what Taiwan and South Korea had accomplished.

(ii) Regional Corporatism
Each successively lower layer of regional government in China — the province, city, county, township and village — increasingly comprises a small empire that holds levers of control over 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.

\textsuperscript{36} 'New authoritarianism' had been pushed hard during 1988-89 by intellectuals associated with think-tanks that the 'reformist' Party Secretary Zhao Ziyang had established. But it also won supporters among some of the liberal dissidents (such as the writer Dai Qing) and among some members of the Party's 'conservative' faction, who in the aftermath of the Beijing massacre pushed a similar platform that its critics dubbed 'new conservatism'. A good selection of articles on 'new authoritarianism' both pro and con is contained in Liu Jun et al. (eds), \textit{Xin guanweizhuyi [New Authoritarianism]} (Beijing: Beijing jingji xueyuan chubanshe, 1989).
state; during other periods, the local association branches came more under the
direct power of the local areas' government and Party leadership.37

Under the central state's present 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 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 in Yunnan province during fieldwork in 1988. His
township administration was gaining a very substantial income from the
exploitation of minerals, and from this income was actively investing in new
enterprises, very 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 next
higher levels of government, in reality all of the local organizations looked
overwhelmingly to his township government for guidance.

In contrast stands a second illustration. The head of an impoverished rural
township in Yunnan noted to us that almost all of the public services within
the township had to be subsidized by higher levels of government. For that
reason, the influence of higher government organs over the personnel of these
organizations, he said, was greater than his own influence. In short, he who
pays the piper calls the tune.

That the corporatist associations in the wealthier districts and regions are
increasingly beholden to the regional or local authorities is sometimes of little
import, in that the local government administrations normally serve as agents
and surrogates of the central state. But they are also at times rivals to it: 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.38 This seems
especially the case in regions and locales where there exist few or no major
industrial enterprises directly owned and operated by the central government.
The local private entrepreneurs and local collective enterprises have their own

37 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

38 On this alliance of local interests within a corporatist framework, see Victor Nee,
'Organizational Dynamics of Market Transition: Hybrid Forms, Property Rights, and
esp.p.3. Also see Jean Oi's excellent forthcoming book, tentatively titled Rural China
Takes Off: Incentives for Industrialization (Berkeley: University of California Press).
reasons to support their local associations and governments against the encroachments of the central state: an alliance of interests on behalf of local protectionism. 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.

At the very same time, the current 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 is emerging in the richer districts, and new tensions (as well as new patronage/dependency relationships) are emerging between such constituencies and the local political authorities who oversee them. Thus, notwithstanding the ties of subordination that bind association branches to the local authorities, the associations are coming under increasing pressure from below to represent and lobby on behalf of their assigned constituencies, similar to some of the peak corporatist associations in Beijing. As just one example, in the smaller cities some of the local branches of the Self-Employed Labourers’ Association (the organization for small and medium businesspeople) reportedly have begun reacting positively to these expectations and pressures of their memberships, albeit within the constraints imposed by the corporatist framework. This positive bureaucratic response is reinforced by the desires of the organization’s administrators to widen their own organizational prerogatives and interests vis-à-vis higher-level authorities. As Susan Young, who has conducted grassroots research involving a local branch of the Industry and Commerce Bureau (ICB) and the local Self-Employed Labourers’ Association it established, observes:

The ICB has been right behind reforms which divert steadily more activity to the market (its own sphere of jurisdiction) away from the plan . . . In many of its activities to develop the private sector . . . the ICB is indeed implementing policy, but it is also engaging in a little empire-building . . .

The ICB uses [the Self-Employed Labourers’ Association] to publicize government policies and regulations, and to assist in the policing and taxation of private businesses. Thus, to some extent, it is dependent on private entrepreneurs themselves to assist it in controlling the private sector . . . In order to attract them, the association has to offer more than just political education. This, plus the ICB’s interest in promoting economic reform, has meant that the Association has often
acted as a genuine advocate for private entrepreneurs . . . [T]here is potential for it to become quite a significant lobby for private sector interests . . .\textsuperscript{39}

In the municipality of Beijing, filled as it is with high-level government personnel, the status of the small private entrepreneurs is too lowly for them to have any similar influence on the Bureau's city-level officials. They are treated with condescension, and the Self-Employed Labourers' Association remains totally a top-down play-thing of the municipal-district Bureau.\textsuperscript{40} But the larger private entrepreneurs have been able to turn to the Beijing city-level offices of the All-China Federation of Industry and Commerce, the corporatist association that initially had been founded in the 1950s for pre-revolution businessmen. For example, a delegation of newly rich Beijing entrepreneurs recently approached the Federation to urge that steps be taken to improve their public image, and the city-level office launched a media campaign on their behalf. It wrote and successfully inserted articles lauding them in \textit{People's Daily}, \textit{Economic Daily}, and other major newspapers.\textsuperscript{41}

Of all of China's associations, the All-China Federation of Industry and Commerce is the most independent of local government dominance. An important factor in this growing independence from government strings is that the Federation can rely increasingly on its own sources of funding: nationally, it owns 28 profit-making companies and publishes its own successful newspaper.

The All-China Federation of Industry and Commerce is currently engaged, as a deliberate strategy, in establishing other associations that will come under its umbrella. With the Federation as intermediary, these new organizations will be one degree further removed from direct government intervention, both local and state. In June of 1993, as just one example, it sponsored the establishment of a national Private Enterprise Research Association. The inaugural convention in Taiyuan, Shanxi, was financed by wealthy Shanxi entrepreneurs, and brought together wealthy businesspeople and Federation officials from throughout the country, along with some sympathetic central government officials.\textsuperscript{42} Under the Federation's auspices,


\textsuperscript{40} This information derives from our own extensive interviewing during May-June 1993 with Bureau officials and private Beijing shopkeepers.

\textsuperscript{41} Information based on interviews in mid-1993 with officials from the Beijing branch of the Federation.

\textsuperscript{42} One of us attended the inauguration and, as the only foreign personage present, was asked to address the assemblage of a hundred delegates. The new association plans to
in the guise of this ‘research’ association, new direct cross-provincial organizational linkages among the businesspeople are being cemented, over-leaping regional governmental administrations. Looking southward toward Guangdong and Fujian, officials of the All-China Federation of Industry and Commerce told us that they are establishing local Chambers of Commerce (Shang Hui) that are similarly one step further removed from government oversight.

In a parallel vein, the Shanghai municipal trade union federation has sought to establish a financially independent research association, with the intent that it would lobby for workers’ rights to an extent that the union federation as a government-aligned organ cannot. We were told by Shanghai union leaders in mid-1993 that the explicit strategy is to create an intervening layer of sponsorship so as to buffer the new association from the municipal and national governments’ writ.

Elsewhere in China some of the local union organizations, which can rely upon a secure income based upon a fixed percentage of the wage bill of state-owned enterprises, directly have begun manoeuvring (with the encouragement of higher levels of the union federation) for greater union autonomy from the local officialdom. This was the case, for example, in a provincial city in Hubei whose associations have been studied in depth. There, the city’s union organization had gained control over two periodicals and had introduced greater freedom in the procedures for local union elections.43

Energetic corporatist associations such as this local union have also been taking the initiative to enlarge the base of their constituencies, even if that entails testing the corporatist rule that only one association can be recognized as representing a given sector. In this particular Hubei city and its surrounding county, 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, and with both the Women’s Federation and the union competing to organize working women in rural communities.44 In a parallel fashion, David Wank’s paper in this issue of The Australian Journal discloses in fascinating detail how in the city of Xiamen, the All-China Federation of Industry and Commerce’s local Chamber of Commerce sponsored the founding of a new local association for private entrepreneurs that was in direct competition with the municipal Industry and Commerce Bureau’s Self-Employed Labourers’ 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,

43 Wang Ying, Zhe Xiaoye and Sun Bingyao, Zhongguo shehui zhongjian ceng; also White, ‘Prospects for Civil Society’, pp.73-4. This union had also sought to acquire an additional independent income by establishing its own travel agency.

and that this was to be the government Bureau's. The Federation-backed association was forced to cease operations.

Exclusion from Corporatist Representation

Whereas corporatist associations such as these are seeking to expand and to lobby in behalf of constituencies, two large groups have been excluded almost entirely from access to corporatist structures — the peasantry and workers in the non-state industrial sector.

Even though de-collectivization in the early 1980s had freed peasant households to engage in independent family farming, a number of the economic control mechanisms of the prior agricultural command economy have remained in place, and this has given the local officialdom a continued hold over the peasantry. This past decade Chinese farmers have had to turn directly to state channels for the provision of credit, for the affordable purchase of agricultural inputs such as fertilizers and hybrid seeds, and for the sale of much of their produce. Up through 1992 most Chinese peasants were even mandated to sell much of their rice and certain other basic crops to the state at below-market prices, just as Japanese peasants after 1938 had been forced to do through their state-corporatist co-op. Significantly, because in China all of these mechanisms are surviving remnants from the period of collective agriculture, the officialdom has felt no need to depend upon the intermediation of a corporatist organization. A state-dominated peasant association had been politically active on behalf of the Party under Mao's rule, but it has become almost entirely inactive since then, and has wholly disappeared in some districts. The peasants face a government policy of exclusion, without a farmers' association in place at the local and national levels through which societal-corporatist patterns could potentially develop. In this respect, the peasantry's circumstances are entirely unlike those of the workers in China's state-owned industry, who have been assigned representation by the increasingly active union federation.

So, too, the bulk of the blue-collar workers in the burgeoning private and collective-sector factories that are springing up locally all over China are excluded from the corporatist mechanisms. For the most part, this non-state sector comprises the same types of labour-intensive industry that had powered high growth in the initial economic thrust of post-war Japan and the Asian

45 The Chinese central government declared in 1992 that this mandatory sales program would be halted, but to date a large number of the provinces have not made any move to abandon it.

46 Specialist associations have been established for pig breeders, chicken farmers, and the like, but these essentially are technical outreach organizations. Further, they tend to be open only to zhuanye hu — the wealthy 'specialized households' — not to the great bulk of ordinary farmers. (Information from interviews in rural counties in Yunnan and Guizhou, 1991, and Hainan province, 1993.)
NIEs. It is the availability of cheap labour that makes these small Chinese firms internationally competitive, and a free market in labour ensures that most of the workers in this sector, drawn to their jobs out of the countryside, receive low pay. As first-generation workers, most of them consider industrial employment, even under Dickensian working conditions, an improvement over a livelihood tied to the land. Taking advantage of this, and eager to further develop China’s cheap-labour export boom, the state generally chooses not to intervene in this sector to enable union branches to be installed or to enforce the labour statutes that are on the books. As of 1992, nationwide only 0.1 per cent of the county-town and rural firms contained trade-union branches. This non-intervention by the state amounts, in short, to an exclusion of such labour, today totalling close to half of China’s industrial workforce, similar to the exclusion of much of the peasantry from even token corporatist representation.

**Tracking the Future**

Other important groups in China, as has been seen, increasingly are tied into corporatist modes of operation: through the union federation and other peak organizations, and through a myriad of branch associations that are locally oriented; through the new industry associations that are beginning to supplant the command-economy ministries and bureaus; and through the Democratic Parties and Political Consultative Conference.

These different genres of corporatist organizations all still operate within the ‘state corporatist’ mould, still dominated by the central state or by the local government that initiated them. But year by year, as has been discussed, at least some of the old ‘mass organizations’ and new associations are gradually coming under the influence of, and beginning to speak on behalf of, their designated constituencies. Some of them are, in short, shifting gradually but perceptibly in a ‘societal corporatist’ direction. To the extent that China continues to loosen up politically, it is far more likely to involve such incremental shifts into societal corporatism rather than the introduction of any form of political democracy.

The exclusion from the corporatist arena, thus far, of the farming population and of most of the non-state-sector industrial workforce stands as a worrying counterpoint to this scenario. For the bulk of the populace to be kept outside the emerging structures, without any such mechanisms for their

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47 There have been numerous reports of horrific working conditions and ill-treatment of workers and widespread employment of child labour. See, for example, Anita Chan, ‘PRC Workers under “Capitalism with Chinese Characteristics”’, *China Information*, vol.5, no.3 (spring 1991), pp.75-82; Keith Forster, ‘The Wenzhou Model for Economic Development’, *China Information*, vol.5, no.3 (winter 1990-91), pp.53-64; and Leung Wing-yue, *Smashing the Iron Rice Pot*, ch.3.

interests to be articulated and weighed, is a recipe for a build-up of social and political tension. Whether China establishes structures to incorporate these constituencies, or deliberately excludes them, may well determine the success or failure of China’s ongoing political transformation.

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