“Bridges”: Private Business, the Chinese Government and the Rise of New Associations*

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During the 1980s, as the Chinese state moved to free the economy and to relax direct Party controls over society, it needed mechanisms to bridge the gaps in control that were created. A very large number of associations accordingly were established, usually on the government’s own initiative, to serve as intermediaries between the state and diverse constituencies and spheres of activity.¹ These 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. All of these so-called “non-governmental associations” (minjian xiehui) must be officially registered, and only one organization is recognized as the representative for each sectoral constituency.²

It is a mechanism for governing that is not unique to China. Political scientists refer to it as “corporatism.” In a corporatist arrangement, a government recognizes one and only one national organization (say, a peak labour union, a small businessman’s association, a farmers’ association) as the sole representative of each sector’s interests, and the government channels its relations with that sector through the association.³ The associations sometimes even get pulled into the government’s policy-making processes, and sometimes help implement state policy on the government’s behalf. It is a mechanism for state–society interaction that is found in a great many nations around the world, both democratic and dictatorial. Among the different types of institutional arrangements that come under the rubric of corporatism, the side of the spectrum that democracies such as Britain and Japan occupy is often referred to as liberal or societal corporatism, in that the leaders of the associations are

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2. As of 1993, 1,400 such national associations were registered with the central government; 19,600 organizations and branches of organizations were registered with provincial authorities; and more than 160,000 were registered at county level (China Daily, 7 May 1993, p. 3).

3. Philippe C. Schmitter has devised a one-sentence core definition of corporatism that is often cited in papers on the topic: “Corporatism can be defined as a system of interest representation in which the constituent units are organized into a limited number of singular,
ultimately beholden to their memberships, not the state.\textsuperscript{4} At the other end of the spectrum lies what is usually called authoritarian or state corporatism, as in Latin America or Chiang Kai-shek’s Taiwan, where the weight of decision-making power vis-à-vis the association’s activities lies heavily on the side of the state. Often such “representative organizations” serve a function for a dictatorship in pre-empting the emergence of autonomous organizations. Under “state corporatism,” the government may even take charge of creating and maintaining all the corporatist organizations and may grant itself the power to assign and remove their leaders at will.

Several scholars have recently examined the operations of associations in China and have concluded that they can best be explained as examples of corporatism\textsuperscript{5}: others, such as Steven M. Goldstein, disagree.\textsuperscript{6} We are still at such an early stage in our studies of Chinese associations and of the implications for state–society relations that a host of empirical questions remain in contention, including that very question of whether the Chinese government is actively seeking to establish corporatist mechanisms and if so, how these operate in practice at the grassroots. To answer these questions, a careful examination of the operations of a range of specific associations in China is required.

Whereas most spheres of the urban economy remain publicly owned and are bound to the state through a complex integument of institutional ties, the private sector is, by its nature, relatively free-floating. In the belief that the role of associations as intermediaries between state and society would be relatively more clear-cut in this sector, a study was undertaken of the three associations that are supposed to serve as conduits between the state and private enterprises: the Self-Employed Labourers

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Association that the government established for small-scale vendors and other small private business operators (getihu); an association for somewhat larger proprietors, the Private Enterprises Association; and one for the largest businesspeople, the Federation of Industry & Commerce.

To what extent are these associations actually able to function as a meeting-ground between the state and private interests? To what extent do they operate as instruments of state control? As the private sector continues to grow, to what extent are any of them beginning to come under the influence of its assigned constituency, and beginning to act more on their behalf than on behalf of the government? Do the activities of all three conform to the notions of “corporatism”? Might the answer differ markedly in relation to powerful and non-powerful constituencies? These questions are examined in this article through an investigation, in the city of Beijing, of all three associations that handle relations between private endeavours and the state.

To make generalizations for China as a whole based on less than a handful of associations in one city and one sector of the economy admittedly entails risks, but at the end of the article this is attempted. A set of seven generalizable hypotheses are presented: regarding the government’s intentions in establishing different types of associations versus the actual grassroots results; regarding the differential effects when a Party organ as against a government organ stands in a supervisory capacity over an association; regarding the interests and patterns of behaviour of local Chinese officials; regarding the effectiveness and responsiveness of associations with voluntary membership as against those with compulsory membership; and regarding whether the term “corporatism” accurately describes the operations of some types of associations and not others. These hypotheses are presented in the hope that other researchers will confirm or rebut them in their own future work, so that the beginnings of a framework for associational activity in China can be built. There is, I think, some importance in doing so, given that the Chinese government has increasingly been shifting towards the use of associations with the publicly stated intent of using them as intermediaries (or “bridges”) between state and society.

The Self-Employed Labourers Association

As early as 1982, the national government directed that localities should begin to organize a Self-Employed Labourers Association (geti laodongzhe xiehui) to encompass the petty entrepreneurs – the stall-keepers and small family craft and service businesses – which the state had decided would be allowed to emerge from among China’s unemployed. The term self-employed labourers reflected the government’s embarrassment in permitting private enterprise. The implication was that these were tiny operations that did not entail “exploitation” in the form of hired labour (initially, government regulations prohibited any private venture from employing more than seven people, including family members). The central government’s Industry & Commerce Bureau
(gongshang ju) was put in charge of the new association, and in turn the Bureau’s regional offices were delegated responsibility for establishing local branches. By 1985, some 91 per cent of all the counties and cities in China reportedly contained them, and so in 1986 a national Self-Employed Labourers Association was formally inaugurated. By the close of 1992, this national association could boast a membership of almost 25 million. This was equivalent to the number of small private endeavours licensed in China, in that each person who was granted a licence by local government authorities to operate a private venture was simultaneously automatically signed up as an association member.

These are the basic facts available in the Association’s brochures. But what are its actual grass-roots operations? This was investigated through interviews in Beijing’s Chaoyang district. Beijing is divided into eight large districts, and Chaoyang is one of the largest of these, with a population of some 1.5 million. It extends outwards from where the eastern walls of the old imperial capital once stood, and contains within its boundaries the embassy area, large industrial complexes, a succession of crowded working-class neighbourhoods and one of Beijing’s major shopping areas. The numbers of getihu, or petty private entrepreneurs, have been climbing steadily in Chaoyang: from 480 registered endeavours in 1982, when the district Bureau of Industry & Commerce first established a branch of the Self-Employed Labourers Association, to some 30,000 in mid-1995.

In 1993, when the fieldwork commenced, the first effort was to interview officials of the Industry & Commerce Bureau and the Self-Employed Labourers Association in Chaoyang. The idea was to ascertain what activities the Association was involved in, and only afterwards to interview the getihu as to their views of the Association. These perspectives are presented separately, in the same order as the fieldwork unfolded, in that the picture the officials drew of the Association’s operations in Chaoyang varied dramatically from the portrait drawn by petty businesspeople. As is revealed, this discrepancy in the two sides’ stories is crucial for understanding the actual nature of the getihu’s relations with the association and government.

On paper, the district Self-Employed Labourers Association is democratic and “bottom-up” in the selection of its leadership. The heads of the district Bureau spent half an hour explaining the elaborate month-long local election procedures, which are somewhat similar in structure to the elections for local People’s Congresses. But it quickly transpired that these were window-dressing, for the Bureau officials conceded that those elected are pre-selected by the officials themselves.


8. Half a dozen district-level officials were interviewed at length, as well as several officials at levels higher than the district.

During subsequent discussions district officials readily observed that the branch association in Chaoyang is a “top-down” organization totally controlled by the district Bureau. Most of its officers are, in fact, simultaneously Bureau officials. This overlapping of Bureau and Association personnel is repeated at the Bureau’s and Association’s national level. In fact, a visit to the “non-governmental” Association’s national headquarters revealed it to be located inside the national headquarters building of the Bureau, and the two men responsible for the national Association’s day-to-day operations, the deputy secretary-general of the Association and the deputy chief of the Bureau’s Private Enterprise Office, responded interchangeably for one another during a joint interview as if they were bureaucratic peas in a pod. The perceptions of both are openly those of Party/government supervisors and guardians. They are university graduates of a similar age, both worked their way up through the ranks of the Bureau and both were assigned to work with the private sector in 1979. It was purely a bureaucratic decision, they both related, as to which of them was assigned to hold the Association office and which of them the counterpart Bureau post. While the ostensible head of the national Association is a Beijing private vendor, this seems merely an honorific post as he is only infrequently contacted by the national headquarters.

The national Association’s headquarters has only 13 employees assigned to it, and almost all the operations have been devolved to local branches such as that in Chaoyang district, where the actual interface with small entrepreneurs occurs. To facilitate this, Chaoyang district has been divided into 28 Association sub-branches to cover all the neighbourhoods and market areas. It is claimed that these have been subdivided yet again into 1,000-odd “small groups” containing some 20 members apiece. The proprietors of small private enterprises are each supposed to be assigned to a “small group” depending on their type of trade or the location of their business (say, a row of 20 adjoining shops or stalls).

The Chaoyang district Association office proudly points to one particular sub-branch among the 28 as a model. It is coterritorial with a vast tin-roofed bazaar owned by the Bureau that it rents out on renewable four-year contracts to 450 private stallholders. The head of the bazaar’s Association sub-branch is a Bureau official whose main duty is to serve as the market’s manager and de facto landlord. While carrying out both his Bureau and Association functions he habitually dresses in the Bureau’s military-style uniform – all khaki, brass buttons and epaulettes.

The Association small-group leaders in the bazaar are vendors who are responsible for collecting each member’s monthly stall rent and the occasional required “donation” whenever philanthropic drives are announced by the government. But more importantly, Bureau/Association officials insist that both here and elsewhere in the district each of the small groups holds a political study session after work at least once a month to educate all the petty entrepreneurs in political ethics. Throughout Beijing, Association officials related with some pride that a campaign had been under way in these sessions since early 1993 to study the spirit
of Lei Feng, the young do-gooder soldier who had died in the early 1960s.

The tone of voice of almost all the Bureau/Association officials suggests condescension towards the petty entrepreneurs. They were repeatedly referred to as if they were children in need of protection from others, and in the next breath as juveniles needing a firm guiding hand. That latter image often predominated. It was obvious that these government administrators uneasily consider the stallholders and other petty entrepreneurs as dangerously unanchored in society; their attitude was one of reassurance that the Bureau and Association had things safely and tightly under control.

Indeed, officials repeatedly volunteered that the Association was intended to serve as a surrogate danwei for the petty entrepreneurs. In urban society, for the past few decades each danwei (that is, each state-run work unit such as a factory or state-operated shop) entangled employees in multifaceted institutional strands that created a relationship of dependency.10 The work unit was responsible for disbursing not only salaries, bonuses and promotions, but also living accommodation and access to entertainment, health care and even job openings that were set aside for employees’ children. In return, the urban danwei demanded political conformity, which was ritually reinforced through required attendance at political study sessions. These political demands on employees were very stringent during Mao’s lifetime and have eased substantially under Deng. Yet the knee-jerk reaction of the authorities to the occupational independence of the petty entrepreneurs is to reconstitute an organizational semblance of the danwei’s restrictions and dependency relationships (or at least to boast to inquirers that they are doing so).

The idea, also, is to oblige the small businesspeople to organize themselves on behalf of the government. This is in line with the higher authorities’ presumption that those who become Association small-group heads will be in a position, through their links to the supervisory officialdom, to assert control over the small group’s members. In recompense for collecting fees and for supposedly coercing their fellow petty proprietors into political study, the small-group heads are to be quietly allowed to pay lower business taxes or lower rental charges for their stalls. In short, much like the rewards that were available to political activists in urban danwei, the small-group heads are supposed to be co-opted into dragooning their fellows into a danwei-like environment of pressures to conform. Indeed, the Association and Bureau were publicly boasting that in the immediate aftermath of the Beijing massacre of 1989, they had been able to “re-educate” effectively the bulk of the petty proprietors through the Association small groups.11 A recent Ph.D. disser-


11. See e.g. “Zai Beijing fasheng dongluan, baojuan qijian Dalianshi dui getihu jiaqiang jiaoyu qude chengjiao” (“Success achieved in strengthening education towards the getihu
tation at Beijing University on the petty entrepreneurs has observed, in short, that a core purpose of the Association is to "provide a basic means of using society to control society."\textsuperscript{12}

Yet when it comes to actually asserting control over the petty businesspeople, the Bureau takes direct charge, not its Association. During the period of my initial investigation in 1993, Beijing was in the midst of bidding for the 2000 Olympic Games, and the head of the Olympics Committee, Juan Antonio Samaranch, visited the city for several days. Almost all the 468 members of the Bureau’s staff in the district were sent out into the streets on a mission to ensure that the city was appropriately tidy, in what the officials referred to as “crash rectification” (tuji zhengdun). Even in the back lanes far from where Samaranch’s motorcade was ever likely to venture, the little street-side stalls were closed down for several days. Any that continued to operate ran the near-certain risk of losing their licence. They may also be forced to close down, for up to two weeks, when the National People’s Congress meets in the centre of Beijing. Such events provide opportunities for the government, and the Bureau below it, to display the raw power they ultimately hold over the petty entrepreneurs: the state is showing that even though all the parties concerned recognize the illogicality of the demands, it can have its way and force the vendors to obey and hurt their own interests. More than one official proudly used the term “obedience” (tinghua) to describe the goal of this “crash rectification.”

Yet the Association/Bureau officials have mixed feelings about the petty businesspeople. They show condescension towards them or, as with the Samaranch visit, show off their power and indeed animosity, but the officials simultaneously seem genuinely to want a higher status for the private sector. In part this is because, as some of them admit, their own status depends upon it. Throughout the history of the People’s Republic, an official’s status has been set partly by the status of those he or she oversees.\textsuperscript{13} The district officials of the Association and Bureau thus are personally concerned that the petty businesspeople should have a good image in the eyes of the general public – and they specifically cited this as one of the reasons for supervising the business ethics of the petty entrepreneurs. They were delighted when two prominent businesspeople were given very high government positions during 1993, as they saw this...

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during the period of Beijing turmoil”), in Ding Li (ed.), Zhongguo de geti he siyng jingji (China’s Petty Entrepreneurial and Privately Managed Economy) (Beijing: Gaige chubanshe, 1990), p. 234, which claims that more than 80% of the getihu in the districts of Dalian city had participated in this direct “propaganda education” within two weeks of the 4 June 1989 massacre.


13. As just one example, the work of the Party’s United Front Department used to have a relatively low status compared to other sectors of the Party bureaucracy, as its mission entailed ongoing contact with non-Party members of politically dubious standing. As the status of these non-Party notables rose markedly under Deng’s “opening up” during the 1980s and 1990s, so too did the bureaucratic status of being part of the United Front Department.
as lending greater legitimacy to the business world as a whole, including its lowest levels.

In this regard, the Bureau of Industry & Commerce differs from the other sectors of the bureaucracy that deal directly with petty entrepreneurs. For example, the Labour Bureau, whose principal focus until recently had been in assigning people to state-sector jobs, particularly looks askance at the privately employed as beyond effective control, and this view is not offset by any feeling that the businesspeople’s status affects the Labour Bureau’s own status. The Tax Bureau has a more complex relationship with the small proprietors, on one hand seeing them as difficult to oversee but on the other as a source of revenue and lucrative pay-offs. The pay-offs are often in the form of a “matey” relationship of wining and dining at the expense of those proprietors who can afford it. Yet ultimately any such relationship between a tax office and small businesspeople is inherently one of hidden antagonism.

The Self-Employed Labourers Association and the Industry & Commerce Bureau are supposed to assist the Tax Bureau in its effort to set the tax rates for each private enterprise. The national leaders of the Association insist that the grassroots branches do fulfil this function. But the Chaoyang district Association/Bureau officials laughed at the notion. It seems that there would not be anything materially to be gained by them in such a peripheral “assisting” role. To help the tax officers in collecting taxes would only complicate their own work and lower their esteem among their charges. They quietly back away from that chore.

At the same time, the district Bureau/Association officials try to convince the other bureaucracies which deal with small businesses to be co-operative (or at least not obstructive) in terms of the Association’s and Bureau’s own responsibilities. They attempt to do so by incorporating representatives from the Foodstuffs Bureau, the Tax Bureau, the Hygiene Bureau and other relevant bureaucracies into the ranks of the district Association’s executive committee. This committee, which meets about once a month, is headed by the three district Bureau officials who are simultaneously the top officials of the local Association. In the meetings they attempt to get the other bureaus to make life easier for the petty proprietors by easing onerous regulations or by better co-ordinating the different bureaucracies’ policies toward small enterprises.\(^{14}\) But whatever

\(^{14}\) In Beijing, unlike what has been reported for a number of other locales, corruption in the form of demands by officials for pay-offs does not seem to be a major problem, nor “rip-offs” in the form of officials regularly pocketing excessive fees and fines from getihu. Certainly, this was not reported in my subsequent private interviews with getihu. The type of corruption that they did report involves low-level tax officials, who often accept gifts and meals in exchange for lower tax rates. But in such cases the revenues of the government are adversely affected, not the getihu. Notably, too, the local Bureau/Association officials do not seem to live beyond their means. By chance I attended several social dinners in the same apartment building that several of the district Bureau/Association officials occupy, and neighbours commented approvingly that they do not possess any consumer goods or furnishings beyond what would be expected at their levels of salary. Why this Beijing district differs in terms of corruption from other reported field sites is not altogether clear. On how increasingly corrupt bureaucrats milk the getihu in a district of Chengdu, Sichuan, see Ole Bruun, *Business and Bureaucracy in a Chinese City* (Berkeley: Center for Chinese Studies, Institute of East Asian Studies, University of California, 1993).
the good intentions, it is notable that this executive committee of an ostensibly “non-governmental” representative association is composed wholly of government officials. The Association officials do not see any problem in this. They perceive their organization as quite properly entirely “top-down” and as an appendage of the Bureau.

This attitude may in part reflect the status hierarchy of a city like Beijing, filled as it is with a multitude of high-level officials. Beijing’s vendors and petty entrepreneurs are too weak and too low in status to hold any influence at all over the officials who are supposed to administer their activities. This does not seem to be the case in China’s smaller cities and towns. There, in the absence of truly high-status groups, some of the private merchants and small businesses have begun to constitute a monied constituency of some local standing – and they are consequently not treated with the same condescension by local Bureau/Association officials as in the national capital. There appears to be a graduated scale: within the capital city the small proprietors’ status is especially lowly and they have negligible input into or influence over the Association; in the large cities of Nanjing, Tianjin and Chengdu the local Association chapters are also very much “top-down” instruments of the local Bureau, but unlike Beijing they do provide some room for liaison between officials and proprietors; and in the smaller cities, county towns and rural townships there is a yet greater capacity for the influence of proprietors to be felt. For example, in Nahai county, Guangdong province, which has witnessed an unusually rapid growth of private industrialization and private commerce, the leaders of the county-level Association for the private sector are concurrently county officials, but a tendency has emerged for the grassroots township Association branches one level lower down, which have secured their own sources of funding from members, independently to “lean to the side of their memberships” (pianzhong yu minjian yimian). In stark contrast, in Beijing city, at the

15. Information on Nanjing is based on interviews conducted on my behalf by an acquaintance; the information on Tianjin appears in Christopher E. Nevitt, “Private business associations in China: civil society or tools of local government autonomy?” The China Journal, No. 37 (July 1996); the information on Chengdu derives from Braun’s excellent monograph Business and Bureaucracy in a Chinese City, esp. pp. 112–120. A similar description based on research in the city of Wenzhou is contained in Kristen Parris, “Private entrepreneurs as citizens,” paper presented at the 1994 American Political Science Association convention, esp. pp. 31–32.

16. Sun Bingyao, “Xiangzhen shetuan yu Zhongguo jiecheng shehui” (“Rural township associations and grassroots Chinese society”), Zhongguo shehui kexue jikan (Chinese Social Science Quarterly) (Hong Kong), No. 9 (autumn 1994), pp. 33, 35. Also see Susan Young, “Private entrepreneurs and evolutionary change,” in David Goodman and Beverley Hooper (eds.), China’s Quiet Revolution: New Interactions between State and Society (Melbourne: Longman Cheshire; New York: St. Martin’s Press, 1994), pp. 117–18; Ole Odgaard, “Entrepreneurs and elite formation in rural China,” The Australian Journal of Chinese Affairs, No. 28 (July 1992), pp. 99–100. “Leaning to the side of their memberships” may not mean that such rural private proprietors necessarily form a represented constituency per se: rather, some individual proprietors with sufficient resources at their command can make use of the local Association to form beneficial official linkages, while others may feel “burdened by the association,” in the words of Ole Odgaard. Odgaard, who has examined a Self-Employed Labourers Association chapter in a Sichuan county, reports that there the association
political centre of China, the Association’s constituency is so little esteemed that the officials who administer it at the grassroots level openly boast its essential purpose to be one of tight “top-down” control.

But even in Beijing does the Association and Bureau truly control the petty proprietors, as the officials would like inquirers to believe? An altogether different picture emerged when private vendors in Chaoyang district were interviewed. The image of Association control evaporated. Some vendors in the back neighbourhoods are not even aware of its existence. Others who have heard of it only know that they are required to hand in to it a small annual membership fee as part of their annual licensing fee. Still others are aware of a small-group head located at a nearby stall, but his or her function seems to go no further than collecting stall rents and those periodic required philanthropic donations. Even the vendors whose business activities are most closely supervised by the Bureau – such as the stallkeepers at the open-air Silk Market for foreigners – report that the Association’s existence is barely felt. Importantly, in no case did any interviewee among the petty businesspeople report that they themselves had to attend political study sessions. Even at the huge tin-roofed bazaar whose market chief had proudly boasted of regular political sessions, vendors related that they did not participate in any political study meetings (only the small-group heads, they related, were ever called to any).

How can this wide discrepancy between what the small businesspeople and the officials relate be accounted for? Were the officials collectively fabricating a story expressly for the ears of a foreign researcher? Not likely. My very first interviews were with two district officials of the Association/Bureau at a social gathering at the home of a mutual acquaintance, and they had had no prior knowledge of my attendance. And my interviews with the leaders of the national level of the Association were arranged without the knowledge of the district officialdom. Yet all the officials, both high and low, similarly described the rigour with which political study sessions are organized.

How, then, were they all forthcoming with the same tale, told with such seeming assurance? The answer probably lies in a shared knowledge within the Bureau of what high government leaders want to hear, which Association/Bureau officials habitually and dutifully propagate upwards. If a national Party leadership that is fearful of losing political control over a liberalizing economy wants to hear that the petty entrepreneurs, potentially the most maverick sector, are under a tight political rein, controlled

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“strengthens controls of most of the private enterprises, while forging alliances with the few very rich and influential entrepreneurs.” See Odgaard’s book Rural Enterprises in Rural China, pp. 211–12.

17. Three getihu were formally interviewed through prior appointments made with the help of mutual acquaintances. In addition, more than a dozen others were approached informally at their stalls in open-air markets and at rented shops in working-class neighbourhoods and up-market shopping areas, and were “chatted up” at length in what Tom Gold refers to as “guerrilla interviewing.” Thomas Gold, “Guerrilla interviewing among the getihu,” in Perry Link (ed.), Unofficial China – Popular Culture and Thought in the People’s Republic (Boulder: Westview Press, 1989), pp. 179–192.
as rigorously as if they were in a state-sector danwei, then that is what gets reported within government channels. In this and perhaps other respects, China today appears to be ruled by an “Emperor’s Clothes” regime.

In their enthusiastic reports of tight control and political study sessions, Bureau officials seem also to be participating in a bit of wishful thinking of their own. They, too, fret about the petty proprietors inherently being too autonomous, and they appeared to be relating how they believe controls over the proprietors ought to operate. But the Association/Bureau has too weak a handle over the small enterprises actually to force them into evening political sessions. While the Bureau can sporadically, in its heavy-handed way, force mass closings of stalls as during Samaranche’s visit, it and its Association do not have the organizational capacity to reach out to control the businesspeople in a systematic, methodical manner. As one official reluctantly noted, after insisting that the petty proprietors under his jurisdiction attended (fictive) weekly political sessions: “No, we can’t take their licences away for not participating, so we can’t really do anything if they don’t come.” Besides, the district officialdom is too under-staffed and too concerned with other responsibilities even nominally to extend the organization of small groups into the back streets. Nor is Chaoyang district particularly negligent in its organizational efforts. The meeting room at the district Association headquarters, a dilapidated ill-smelling block of offices up a back street, is festooned with an array of annual awards from the municipal Bureau celebrating it as the most effective district Association branch in the capital.

Despite its ineffectuality, there is potential room for the district Association to be of some value to the private sector. The Chaoyang officials are correct when they point out that the petty proprietors often cannot readily obtain access on the open market to the types of benefits available to members of a public-sector danwei. At the time of my interview research, the district Association was in the midst of negotiating with a government insurance agency the terms for private subscriptions to life, health and property insurance schemes for the small businesspeople in the district. The Chaoyang district Association had also just established its own wholesale company to service the clothing and dry goods stalls, and the district Association’s deputy head, resplendent in his brass-buttoned Bureau uniform, was running to and fro to get this off the ground.

Underpinning these new programmes, notably, is a felt need by district officials to engage in financially profitable endeavours. The Bureau, like most of China’s government organizations, is under-funded and has difficulty in meeting its own payroll. As a government organ, the Bureau is not permitted to establish its own enterprises; but the district Association, as a so-called “non-governmental organization,” can. Any profits that it can generate through this business activity can go towards supplementing the salaries and perquisites of Association/Bureau employees. By providing needed wholesaling and insurance services, they proudly see themselves as killing two birds with one stone.
The vendors do have great need for a reliable wholesaling network. To an unexpected extent, they themselves lack autonomous networks. So recent is the rebirth of private merchandising and so primitive the marketing system that the proprietors of Beijing’s clothing and shoe stalls, whether up-market “boutiques” in the Silk Market or street-side stalls selling cheap merchandise in working-class areas, periodically close up their shops in order to travel by train or plane to a succession of factory gates in Hangzhou, Shanghai, or Guangzhou — and take back only as much merchandise as they can personally transport as accompanying baggage. In the past, the municipal government had discouraged the development of an effective private wholesaling system, but now is coming to the rescue, via the district Associations, on its own statist terms.

With the economy expanding so rapidly, there has been enough commercial activity to support progressively more private vendors and service personnel. But the expansion of the petty private sector appears in fact to have grown far faster than the economy. The difficulties faced by state enterprises have given rise to an increasing rate of urban unemployment and part-time lay-offs in Beijing, and the Bureau has been placed under pressure from within the government to help solve this unemployment by finding new sites for stalls and by issuing ever increasing numbers of licences. One consequence is that officials and businesspeople alike claim that for most small proprietors it is no longer as easy to make ends meet as in the 1980s. As one of the Bureau officials observed: “Those who started in business earlier made decent money, but since there are too many nowadays they’re not making that much any more.”

With ever more entrants from the very bottom, and stagnating or declining incomes, the status of being a small-time operator remains low. This is so despite the fact that in recent years increasing respectability has been accorded in urban China to money-making endeavours per se. Most big-city Chinese make a distinction, though, between the type of entrepreneurship that requires high skills and/or high connections and the type that is represented by that word getihu. In the public image, a getihu, a “self-employed household,” is considered of lower-class origin, and in that sense disreputable. This stereotype is actually not that far off the mark; a Shanghai survey in the early 1990s discovered that 46 per cent of those holding a getihu licence had not graduated from primary school. Participants in the private sector who come from higher educa-

18. This friction of distance has in turn given rise to a relocation by small-scale garment manufacturers to Beijing to service the local market directly, and consequently a number of large so-called Zhejiang villages (Zhejiang province is China’s major clothing producer for the domestic market) have sprung up semi-illicitly in the rural outskirts of Beijing.

19. Zhang Wenwei, “Shilun dui jingji de yindao he guanli” (“Preliminary discussion on the guidance and management of the self-employed sector of the economy”), Shehui kexue (Social Science), No. 5 (1992), p. 14. A 1989 survey by Rosemary Bannan of street vendors in Beijing found that fully 48% of the 198 surveyed had previously been farmers, 18% had been workers, 13% had been at school, 13% had been unemployed, and 4% had been housewives, demobilized soldiers, etc. Bannan, “Little China: street vending in the free market, 1989,” Journal of Developing Societies, Vol. VIII, No. 2 (July 1992), p. 150.
tional backgrounds or who engage in lucrative types of businesses therefore often try to avoid being tagged with the getihu label,\textsuperscript{20} and similarly do not ordinarily want to be coerced into membership of the Self-Employed Labourers Association.

\textit{The Private Enterprises Association}

A small-scale manufacturer of classroom materials, a senior high school graduate who earns many times what the average getihu makes, exemplifies this group. He has made repeated efforts to escape the getihu designation, because I want to raise my social status, and because to be a getihu isn’t good for my business. If I go to an institution like a school, they won’t want to buy from a getihu.... In 1988, the authorities required that all of my documents had to have a “getihu” chop affixed to them; we were required to buy a chop. This chop restricted our business operations, so in 1989 the bigger getihu's like myself complained to the Bureau, and the Bureau ruled that it was OK to leave it off our receipts. But then after 4 June 1989 [the Beijing massacre], we again had to use the chop; so I felt I had to change my status.

Local and provincial branches of the Private Enterprises Association (\textit{siying qiye xiehui}) were founded by the Bureau beginning in the late 1980s and early 1990s to accommodate medium-sized entrepreneurs such as this. They are allowed to re-register as a “private enterprise” and thus become members of the new association.

Until recently, the official dividing line between a getihu and a private enterprise was determined by the number of full-time personnel it employs: when a business reached eight or more it was to become a private enterprise.\textsuperscript{21} In Beijing, however, relatively few private enterprises are officially licensed as such. In Chaoyang district, as of 1993, only 474 private enterprises were registered, and these were almost uniformly small, averaging only nine staff members each.\textsuperscript{22} Those who do register their operations as enterprises are therefore almost as small and as weak as the getihu in the eyes of officials. And the new association that has been established in their name is correspondingly handled with the same

\textsuperscript{20} I have also been informed, though, of a couple of contrary cases where entrepreneurs, hoping to avoid heavier tax burdens, have concealed the size of their operations and have indeed sought to have themselves listed as getihu.

\textsuperscript{21} Both Chinese source materials and Western-language studies assert that this eight-person dividing line was determined by a passage in Karl Marx’s writings. But the deputy head of the national Association dismisses that notion as a “misunderstanding”; “In 1981 we looked to see what could be considered a modest family business, with a head, a few family members, a couple of hired employees and apprentices, and the total number in such an undertaking might reach about eight. So we decided on that as the dividing line between a family undertaking and a qualitatively bigger type of enterprise. It turned out that this coincides with Marx’s definition, which was merely a happy coincidence.” In Beijing city, more recently, a capital value of 500,000 yuan or more has become the criterion (300,000 yuan for a "technical-services" firm), in the realization that an enterprise’s scale cannot be gauged adequately simply by counting the numbers employed.

\textsuperscript{22} Nation-wide, as of the end of 1992, some 139,000 “private enterprises” (\textit{siying qiye}) were registered, employing 2,300,000 people, so the average enterprise employed some 17 personnel (from a mid-1993 interview at the national headquarters of the Bureau).
condescension and “top-down” control as the Self-Employed Labourers Association. Indeed, it is managed by the very same Bureau officials who operate the latter association, and there ultimately is little distinction between the two groups. As one of the Chaoyang Bureau officials who is in charge locally of both associations observed, “here they essentially comprise one batch of people under two different signboards” (yiban renma, liangkuai paizi). So little presence does the Private Enterprise Association have in Chaoyang that one of the leaders of the district Bureau told me that the association branch had not yet been established, only to be corrected immediately by an embarrassed subordinate. While it exists on paper in the district, it obviously barely functions.

In localities where medium-sized businesspeople are considered people of substance, this is not the case. Again, Nanhai county, Guangdong, which has experienced an extraordinary rise of private industrialization in its rural towns, provides a good illustration. The business constituency that comes under the county’s Enterprise Owners Civic Association (qiyejia gonghui), the locally named variant of the Private Enterprises Association, is numerically large and locally prominent. At the level of the rural township sub-branches, which come under the supervision of the township governments, the association has ended up providing the business community with an organizational focus for exerting its influence. The local association has even gone so far as to act on behalf of its members during management–labour disputes. (In contrast, the Nanhai county trade-union federation has not bothered to establish union branches in the towns to counteract the growing influence of the association.23) How an association performs depends on who you are. In Beijing, in contrast, a modest business enterprise still ranks as relatively lowly on the city’s scale of influence and status: the officials assigned to this constituency treat it with a condescension quite at odds with the rural township officials of Nanhai county. The medium-sized businesspeople from both locales belong to the same corporatist association at the national level, but the branches operate entirely differently at the grassroots.

The Federation of Industry & Commerce

In Beijing an important distinction lies between the two associations for private operators of small and of modest size, on one side, and the association that exists for big businesspeople, the All-China Federation of Industry & Commerce (gongshanglian).24 Despite strong ties to the

24. Interviews were conducted in 1993 with an official of some standing at the national level and with several officials of the Federation’s city-level headquarters. Interviews were conducted by Anita Chan on my behalf in 1995 with officials from two of the Beijing Federation’s district-level offices (in Chaoyang and Chongwen districts) and with an official from the national headquarters.
government, the latter association has gained a measure of autonomy, organizational vigour and independent initiative.

The All-China Federation of Industry & Commerce had been established nationally in 1953 as the government’s “representative” organization for pre-revolution capitalists, but had subsequently become moribund under Mao. According to Federation officials, in 1979 Deng Xiaoping, newly ensconced in power, called in several former businessmen from prominent pre-revolution families and requested them to assist in the organization’s rejuvenation. They donated part of the funds they had just received in compensation for assets seized by the government during the Cultural Revolution, and these donations were used to start up companies whose profits go to support the Federation’s national operations. Federation officials note that these companies now number 29, including a national newspaper (the Zhonghua gongshang shibao), and that these are profitable enough to allow the Federation a measure of financial independence from the government.

In the first years of its revival, the Federation was connected administratively with the China National Construction Association (CNCA) (minzu jianguo hui, commonly shortened to min jian), one of China’s eight so-called democratic parties, and the two organizations occupied a common set of offices and shared a common staff. The CNCA had derived from one of the pre-revolution political parties, and after the establishment of the PRC in 1949, under the Communist Party’s policy of incorporating influential non-Party groups, it became the tame political representative of former capitalists. Under Deng, in line with deliberate Party policy, it and the other seven so-called democratic parties have been disproportionately represented within the National People’s Congress and the Chinese People’s Political Consultative Conference (CPPCC). The national-level Federation, after several years of rapid growth, separated itself administratively from the CNCA and, with a growing need for office space, nudged the CNCA out of the building that they shared. The Federation continued to expand rapidly, and has now outstripped not just the CNCA but all the democratic parties combined in size of membership. By the close of 1992, it had enrolled 620,000 members, some as individuals and some as enterprises.25

In the mid-1980s, in a bid by the government to give further sectoral representation to China’s growing body of large private entrepreneurs, the Federation became a constituent member of the CPPCC similar to the eight democratic parties,26 and a couple of the initial benefactors who had been called into Deng Xiaoping’s presence were named vice-chairs of the CPPCC. In striking contrast, the government has not granted the petty

26. As a United Front Department official declared in a 1991 speech, the Federation “has always been a united-front people’s organization, rather than chiefly an economic organization or a department supervised directly by the government. Although it is not a Democratic Party and has no political program, like the Democratic Parties it participates in politics and has a place in the political system” (Issues & Studies, Vol. 30, No. 7 (July 1994), p. 125).
and modestly sized entrepreneurs, or the associations that "represent" them, any formal representation in the National People's Congress or the CPPCC.

The initial benefactors have wielded some power in the Federation. One of them became its chairman until his death in 1988, and the post was then given to another, Rong Yiren, the scion of a major Shanghai capitalist dynasty, who was simultaneously serving as chairman of the para-state China International Trust & Investment Corporation. The growing prestige in China of large-scale entrepreneurship was symbolized by the subsequent elevation of Rong in 1993 into the exalted post of Vice-President of the People's Republic of China.

Notwithstanding the influence within the Federation held by businesspeople like Rong, the Communist Party has consistently played a direct "supervisory" role over the organization by way of the Party's United Front Department. Indeed, the Beijing municipal branch of the Federation does not formally come under the jurisdiction of the national Federation but rather under the municipal Party's United Front Department. Moreover, 13 of the 15 members on the governing committee of the Federation's Beijing branch are officials from government and Party departments. Yet despite this, the city-level Federation branch and its 12 urban district sub-branches appear to be actively responsive to the interests of the influential people and enterprises that comprise its constituency. As just one striking example, a delegation of rich Beijing businesspeople approached the municipal office in 1993 to urge that steps be taken to improve their public image, and the office in response wrote and successfully inserted articles lauding them into People's Daily, Economic Daily and other major newspapers.

Membership in the Federation (which, unlike the two Associations, remains voluntary) is open to the directors of state enterprises and foreign-invested enterprises as well as private businesses. In particular, profitable state-owned firms that had wrested for themselves a degree of autonomy from government authorities, such as the Capital Steel Corporation, joined, and these have constituted a considerable portion of the Federation's membership. As of 1993, in fact, the new post-reform businesspeople comprised only 41 per cent of the members of the Federation's Beijing branch. Apparently so as to focus the organization more directly on the needs of the big private entrepreneurs, the Central Committee of the Chinese Communist Party passed a directive in 1991 that large state enterprises could no longer directly belong to the Federation, though their leaders could remain enrolled as individual members. Irrespective of this continued presence, staff members of the Federation's Beijing branch declare that they serve primarily the needs of private business. As an official from the city-level office observed in a 1993 interview, "the Federation has a policy of placing greater emphasis

28. This new regulation was laid out in Zhongfa no. 15. See Issues & Studies, Vol. 30, No. 7 (July 1994), pp. 125, 127.
on the members who don’t belong to the state sector, because those members who are under the charge of a state bureaucracy already have channels through which to communicate their interests to the authorities.”

At the district level in Chaoyang, the CNCA and the Federation had once shared offices just as they had at the national level, but by 1989 here too the local Federation chapter had eased the CNCA out of the building. It was explained at the district office in a 1995 interview that the CNCA members had been “from among the old capitalists who are not necessarily rich and they voted for each other,” whereas the district membership of the Federation, now numbering some 640, was increasingly composed of an up-and-coming clientele with its own distinct interests. But the CNCA and the Federation reportedly still work closely together when the groups’ mutual interests are involved.

Within the Federation’s ranks, business enterprises of different sizes tend to keep apart. Large businesses usually have memberships directly in the city-level Federation branch, and smaller businesses attach themselves to a district-level sub-branch. Officials at the Chaoyang district office relate with some regret that after they had induced ten large entrepreneurs in Chaoyang to become district Federation members, “the city level took them away from us.” But these were not entirely unwilling transfers by the businesspeople: as one of the district-level Federation officials admitted, “the largest enterprises tend to look down at the district-level branch.” Such enterprises want organizational connections and influence in a higher, larger sphere.

The district Federation branches are oriented towards those businesspeople whose operations require them to seek protective connections within the district. And for such enterprises, playing a role in the organization can pay off. This is illustrated by the fact that some of the posts at the district level are occupied by locally prominent businesspeople, who obviously find it worth their time and effort to obtain titles in the local Federation. In Chongwen district in southern Beijing, for example, the six deputy chair positions on the district committee are all filled by “bigger, more active and richer” members, in sharp contrast to the structure of the Self-Employed Labourers Association. The district Federation tries in turn to expand its own influence through placing such members in other local bodies. Chongwen district officials noted that the Federation had been assigned 12 seats for its members in the district’s 218-seat People’s Political Consultative Conference and that in addition the local Federation office had successfully had another ten members selected to it through other sectoral guises, giving it a 10 per cent bloc in the local Conference. But this is not an effort to expand its role in a proto-democratic representative council; rather it is seen as a means for its membership to influence the district government more effectively.

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29. More recently, the CNCA has shifted gears and has begun to concentrate on recruiting professionals whose jobs are associated with the economy.

30. As just one small example of such co-operation, they have jointly established a for-profit night school in Chaoyang district to teach accountancy and other business skills.
The Federation, in a similar way to the Chaoyang district Self-Employed Labourers Association, is supposed to play a dual role as a “bridge” between the state and private enterprises. In interviews at all levels with the officialdom of both organizations, the word “bridge” (qiaoliliang) was frequently reiterated. The Federation is supposed to serve predominantly as a tool of the government in this respect; the constitution passed at its national congress in 1993 proclaimed that it “...brings into play its use as a bridge between members and the government in order to better assist the government in supervising the non-publicly-owned sector of the economy.” But whereas officials from the Self-Employed Labourers Association do indeed stress their association’s role as a “bridge” from the government to help control the petty entrepreneurs, Federation officials stress in conversation their role as a “bridge” for businesses that want entrée to the government.

As such, the Federation actively tries to serve as a vehicle through which entrepreneurs can meet officials, and it also quietly lobbies on behalf of private business within government circles. But more than that, it has begun publicly advocating policies favourable to private capital, sometimes in opposition to the government’s own policies. In March 1994, for instance, the national Federation released a statement accusing the government of prejudicially hurting private businesspeople through a nation-wide credit squeeze. Coming directly to grips with the issue, an official from the Beijing branch of the Federation noted in an interview during 1993 that his branch was already laying plans to set up a city-level credit co-op to “solve the problem of the state banks’ discrimination against granting loans to private businesses,” and Federation officials in Chaoyang and Chongwen districts said during interviews in 1995 that one of their most important services at the district level was in assisting members to obtain credit. In response to this need, in early 1996 the national level of the Federation established its own new national bank expressly to lend to private industry and commerce.

Some Federation officials are also trying to figure out ways to secure greater independence from the central and local governments for themselves and for their constituency. As one example, the regional branches of the Federation have been establishing Chambers of Commerce (shanghui). These can operate in a more independent fashion than the Federation itself: inasmuch as they come under the umbrella of the Federation rather than the government or Party, they are a step further removed from government oversight. And since they are open almost exclusively to private enterprises, they are also in a better position to develop into an interest-group representative for this constituency than are the more diffuse Federation branches. I was told by city-level Federation officials

that, excluding the relatives of high officials, fewer large entrepreneurs openly operate in Beijing than in other regions of the country, and therefore the Beijing city and district branches of the Federation were slow in establishing Chambers of Commerce. Not surprisingly, such chambers have been most active in the southern provinces of Fujian and Guangdong, where private enterprise is most developed.

The national level of the Federation has moved separately to establish a different type of new association, sponsoring the inauguration in 1993 of a national Private Enterprise Research Association. Its "research" involves gathering information about private entrepreneurs that can be fed to the mass media for public relations purposes. A ranking official from the national headquarters of the Federation confided, though, that another core purpose is to provide an organizational forum that is a degree removed from direct Party and government intervention. At the research association's inaugural convention in mid-1993, staged at Taiyuan, Shanxi province, and financed by several wealthy Shanxi businessmen, major private entrepreneurs from throughout China mingled with supportive Federation and United Front Department officials. In the guise of this research association, cross-provincial organizational linkages among businessmen are being cemented semi-autonomously, bypassing regional government administrations and the purview of central ministries.34

Why do some of the Federation officials help to initiate such organizational activities? Why do some of them, in fact, try to serve the interests of the private business community beyond the goals of the state? Part of the answer lies in the fact that the constituency they have been delegated to represent is a status group that they want to identify with: to be spokespeople and facilitators for a group of people who symbolize personal success in China today. It is also a constituency that potentially can be helpful to the officials' own future career interests. In interviews with two members of the research department of the Beijing municipal-level office, for instance, it transpired that both of them had taken the initiative to transfer from other state-sector jobs even though the salaries were no higher than they had previously been earning. Moreover, it was obvious in their conversations that both of them identified more with the Federation's membership than with the United Front Department and government. And notably, their regular contacts with and assistance to Beijing's business elite is providing them with opportunities, if they ever should wish, to transfer in future to a good position in private employ.

A third factor is that the Federation officials' duties do not routinely bring them into potential conflict with members. In this they differ from the Association's officials, seen graphically in the dual role occupied by the Chaoyang bureau officer who oversees the tin-roofed bazaar -- who serves simultaneously as the head of the association sub-branch in the bazaar and as the landlord and enforcer of regulations over stall-holder getihu. In comparison, the Federation's overseer is the Party's United

34. This information derives from Anita Chan, who attended the Taiyuan convention.
Front Department, which does not face specific daily regulatory tasks over its members. An important distinction seems to lie between corporatist associations that come under the aegis of the Party, such as the Federation, and those corporatist associations that are organized by administrative agencies, such as the Association.

A fourth factor relates to the independent sources of finance that the Federation enjoys. Although part of its funding does derive from government subsidies, as is true for almost every Chinese association, the national Federation’s revenues from its 29 profit-making enterprises support the salaries of a good number of its staff members. In addition, some of the local branches of the Federation have separately started their own enterprises. The Guangzhou chapter, at the crossroads of private enterprise in South China, is especially active, owning a dozen profitable enterprises and out of its own finances supporting more than 100 local Federation staff members. In Beijing, at a yet lower level, some of the district branches of the Federation operate their own enterprises: the Chongwen district branch owns half a dozen, including a legal consulting firm, an accountancy firm, an accountancy school and a trading company. Such branches and their staffs are less beholden financially to higher authorities, as is true too of the Federation as a whole.

Conclusions

The Self-Employed Labourers Association, the Private Enterprises Association and the Federation of Industry & Commerce are all supposed to serve as intermediaries between the state and different levels of the private sector. But despite the similarities in their ostensible missions, it has been shown that the former two organizations stand at opposite poles from the last in the spectrum of Chinese associational activity.

At one end of this spectrum the Beijing chapters of the Self-Employed Labourers Association and the Private Enterprises Association are overwhelmingly dominated by the bureau that runs them, to the extent that they do not really play an intermediary function between their assigned constituencies and the state. And in the absence of such a function, and without adequate personnel or sufficient Bureau leverage to force the independent proprietors to participate actively on the Bureau’s terms, the associations have become, in reality, ineffectual “Emperor’s Clothes”

35. I am grateful to David Wank for originally bringing this aspect to my attention in a private communication. He has found such tendencies in his study of associations in Xiamen, and notes that the entrepreneurs there perceive Party organizations as being more willing to comply with the Party’s line in favour of “raising the status of private business” and “protecting the legal rights of private businesspeople” in contrast to the Bureau’s emphasis on its own regulatory and disciplinary functions and fees. On this distinction, also see Kristen Parris, “Local initiative and national reform: the Wenzhou model of development,” The China Quarterly, No. 134 (June 1993), p. 261. On Xiamen, see David L. Wank, “Private business, bureaucracy, and political alliance in a Chinese city,” The Australian Journal of Chinese Affairs, No. 33 (January 1995), p. 60.

36. This information derives from an interview with a national Federation official.
exercises. It appears to be only where a constituency enjoys status, such as the small businesspeople in some of the rural market districts, that local Association branches serve any effective role as intermediaries between themselves and the local government.

In sharp contrast to the two Associations in Beijing, the Federation of Industry & Commerce has been carving out a role of actively representing large private interests to the local and central governments. In fact, even though the Federation comes under the close supervision of the Party’s United Front Department, which remains responsible for selecting its leadership, there are indications that at the municipal and especially district levels the Federation branches (and even more so the Chambers of Commerce that are offshoots of the Federation) have become attuned more to the interests of their constituencies than they are to the interests of the state.

What is occurring in relation to the private sector appears directly relevant, more generally, to important shifts in the Chinese polity. Some sectoral constituencies are gradually securing a new relationship with the state that provides them with an input into government channels through their association; other sectoral constituencies most decidedly are not. The question is: which types of constituencies are gaining such opportunities, and on what bases?

Growing out of this case study of the associations that are supposed to represent the private sector, supplemented by readings on a range of other associations, a set of generalizations can be made that are applicable to Chinese associations as a whole. It appears that at least seven interrelated factors cumulatively determine the operational milieu of an organization, relating to: the central government’s policy toward each association; the genre of organ that is chosen by the government to stand in a supervisory capacity over an association; the location and bureaucratic level at which the branches of an association operate; the strategic interests of local and middle-level officials; the social and economic status of a constituency; the voluntary or compulsory nature of an association’s membership; and an association’s sources of income. Each association’s degree of relative autonomy or tight subordination, effectiveness or ineffectiveness, appears to be determined by the combined impact of these seven factors.

*Central government policy.* In establishing new associations, the government has tried to meet two goals simultaneously: to control and to accommodate. But the treatment towards different targeted groups varies. On the one hand, government policy during the Deng era has been to reach out to influential constituencies that could promote China’s economic modernization, and thus, in a corporatist manner, the Federation of Industry & Commerce has been provided with sufficient “space” for it to serve as a genuine conduit between the state and a reinvigorated big-business sector. At the same time, the government has been wary of the

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37. For these other associations, see the citations in Unger and Chan, “Corporatism in China.”
independence of less strategic groups such as the getihu. It has been afraid that the decentralization of economic activity and the extraordinary social change that the reforms had put in train might unleash mass unrest, and thus for such groups has formulated a policy stipulating control.

*The genre of supervisory organ.* Different types of party-state organs are assigned to be in charge of different associations. The principal function of an administrative/licensing agency such as the Bureau of Industry & Commerce is to enforce government regulations, and thus it has a more direct interest in keeping a tight rein on the constituency and association that have been assigned to it than does a non-administrative supervisory body such as one of the Party organs. The old “mass organizations” such as the All-China Women’s Association and the official labour unions benefit from the latter type of sponsorship,38 as does the Federation.

*A branch’s geographic and administrative niche.* An association can be largely state corporatist at the national level, but much less stringently so at a more local level of operation. While the Federation comes under the United Front Department’s control at its top, at each progressively lower level this direct influence loosens. So, too, even with the Association, in a grassroots rural chapter at a distance from Beijing a constituency of petty businesspeople who seem very unimportant from the centre can comprise an influential constituency vis-à-vis the rural township officials who supervise the local chapter. Separately, associations that fall under the umbrella of another association, as with the local Chambers of Commerce or the Private Enterprise Research Association, are a step further removed from direct state control, and efforts are made from within organizations to devise such protected niches.

*Interests of the local officialdom.* Local officials have their own multifaceted agendas, perspectives and priorities separate from the intentions of the national leadership.39 In pursuit of those interests, they autonomously appear to play a “swing role” in determining the activities and nature of the associations they have been assigned to supervise. This can be seen clearly in the Chaoyang district Self-Employed Labourers Association. The officials who are in charge of it would like to promote the status of small business in order to bolster their own statuses, yet at the same time they do not in fact want to be identified with their low-status charges; they do not actively co-operate with other administrative bureaus in matters of taxation in order to avoid driving a wedge between themselves and the small entrepreneurs; they seek to provide

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38. This advantage is partially offset by other factors, such as a central government policy that strongly seeks to keep labour organizational activity under control, and the relatively low status of working-class and female constituencies (see below).

39. An excellent discussion of this factor, illuminating the differing interests of district and municipal level officials in Tianjin vis-à-vis the Association and the Federation, has been published in recent weeks. See Nevitt, “Private business associations in China.”
local members with some services such as wholesaling and insurance, but do so partly because it serves their own material interest; they tell their superiors that they are actively controlling the petty entrepreneurs politically when they are not, because this is what their superiors want to hear. In this last respect, the case study of the Self-Employed Labourers Association in Chaoyang district underscores how the actual operations of the local bureaucracy can diverge sharply from elite intentions. This is equally striking, in a contrasting way, in the operations of the Federation of Industry & Commerce. Here, against the initial intentions of the Party and government, the career interests and values of Federation officials promote a bias towards the interests of their constituents over those of the state. It can be hypothesized that in studies of other types of associations across China, the interests of middle and local-level officials will similarly prove to be among the most important determinants of an association’s performance and viability.

The status of a constituency. The officials’ own instrumental interests aside, the aura that surrounds success tends to generate favourable treatment by officials. And increasingly, the same criteria for high and low status that are common to other countries generally apply in China, too. Regardless of the rhetoric that came out of the decades-old revolutionary ideology of the Party, working-class attributes today invite condescension from Beijing officials at all levels, while those who possess wealth and/or high professional skills elicit their admiration and their desire to be identified as such a constituency’s facilitators and spokesmen.

Voluntary versus requisite membership. Given that membership in the Federation is entirely voluntary, Federation officials need to provide would-be members with reasons to join. In contrast, Association officials can afford to take their members for granted in the sense that membership and the payment of membership dues is automatic and compulsory for all licensed getihus. It appears that the more elite a constituency is, the more likely that membership in its association will be voluntary. Indeed, for the most elite constituencies, membership is not only voluntary but highly selective. One example here would be the so-called “Democratic Party” associations for high-level professionals, where membership is more selective than entry to the Communist Party.

An association’s financial dependency. Finally, the evidence both from Beijing and from studies elsewhere in China suggest that association staff whose incomes are supported largely through an association’s own resources are apt to be more loyal to the association’s goals than those whose incomes are entirely dependent upon government largesse. More than this, it would appear that, generally speaking, provincial, city and local branches that provide their own sources of income can afford to operate more independently than those branches that depend upon either superior levels of the organization or upon the local government for survival.
All seven of the above interrelated factors promote greater initiative by local branches of the Federation of Industry & Commerce on behalf of its constituency and greater input by this constituency. Most of these same factors militate against any degree of autonomy or any input by the assigned constituents of the Beijing branches of the two associations for businesspeople of small and modest size. The cumulative impact, as earlier observed, is to place the Federation and the two associations near opposite poles in the spectrum of associational activity.

Is all this associational activity "state corporatist"? Certainly on paper the associations are all organized along state corporatist lines: in each case, the state recognizes one and only one organization for each sectoral constituency; the state has taken charge of establishing and maintaining each of the organizations; it has even granted itself the right to assign and remove the associations' leaders at will; and at the same time, each association is supposed to serve as an intermediary between the state and the sectoral constituency. That, at least, was the state's initial intention. But as has been seen, the government's intention was undermined at both ends of the spectrum. The Association for getihu in Beijing is corporatist in form but not in essence; it only ineffectually pretends to reach out and penetrate the small-scale business community. And at the other end of the spectrum, the Federation for large businesspeople seems to be gravitating toward societal corporatism, again apparently in contrast to the state's original intentions.

However, can the Federation be considered to have already reached the degree of independence from state domination and the degree of input from below that is generally associated with societal corporatism? Not at present. Even when the Federation's officers act in the interests of their clientele, the organization is still too tightly bound to the party-state in its structure and staffing. But there is a growing desire even on the part of some of its "minders" for it to play such a societal corporatist role. At a 1995 forum called to discuss the Federation and its Chambers of Commerce, the head of the United Front Department of Tianjin city commented approvingly that "a consequence of the increasing economic influence of the non-public economic sector is that it has already started to seek the political means to protect its own interests and to participate in a new way in the arena of public affairs."40

The Chambers of Commerce, being a step removed from government domination, are seen by such advocates as the best vehicle for such "bottom-up" interest articulation. A sub-title of the media report on the 1995 forum read "Gradually Entrepreneurs are Achieving Management over Chambers," and it quoted the deputy director of the membership section of the national Federation as proudly observing that in selected cities and rural townships the leaders of Chambers were beginning to be selected from among entrepreneurs.41 These selections apparently con-

41. Ibid.
tinue to rest in the hands of officials, so even this does not yet constitute any form of societal corporatism, but a desire to push further in this direction can be divined. In the meantime, such Chambers of Commerce are beginning to provide semi-autonomous arenas for the articulation of members’ interests.

The notion of “civil society,” which has been much discussed by China scholars in recent years, might seem relevant here, given the stress that Gramsci and other theorists of civil society have placed upon the intermediary level of associational life that stands between state and society. If China is to attain an organized “public space” of the type that is projected by theories of civil society, it is likely to be through this route of associations gravitating from state corporatist to a societal corporatist mode of organization. But if so, it may well be an asymmetrically constituted civil society, in that those groups that are favourably placed in terms of the seven factors elucidated above – largely high-status groups – are likely to be the principal beneficiaries.