

Negotiating the State: The Development of Social Organizations in China*

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One notable feature of the reform programme sponsored by the Chinese Communist Party (CCP) has been the expansion of social organizations.¹ With greater social space created by the reforms and with the state unable or unwilling to carry the same wide range of services and functions as before, organizations with varying degrees of autonomy from the party-state structures have been set up. They have been allowed or have created an increased organizational sphere and social space in which to operate and to represent social interests, and to convey those interests into the policy-making process. They not only liaise between state and society but also fulfil vital welfare functions that would otherwise go unserved.

Most analyses of the resultant state–society relationship have concentrated on the capacity of Party and state organizations to compartmentalize society to frustrate genuine organizational pluralism. The focus has been on top-down control and the binding of organizations into various forms of state patronage. Thus, many analysts have eschewed the idea of an extant civil society in China, although some point to its possible emergence, and instead have provided various tunes on the theme of corporatism to explain state–society relations. This line of analysis seeks to explain how the pluralizing socio-economic changes induced by market reforms co-exist with the continued dominance of the party-state.²

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1. A literal translation of the Chinese term *shehui tuanti* is preferred here to the more usual English usage of non-governmental organization (NGO). This includes both the more autonomous organizations and those set up by state agencies specifically to carry out social welfare functions. While NGO is used by some within the community, it is clear that the restrictions surrounding their autonomy of action mean that in formal terms they are quite distinct from NGOs in the West. China has followed a number of other Asian countries in adopting restrictive legislation to control and shrink the social space available for such organizations. While the phrase NGO was popular around the time of the UN World Conference on Women held in Beijing (1995) and the associated NGO-Forum, activists have been more cautious in using the term since (in Chinese *fei zhengfu zuzhi*). This caution stems from general ignorance about the sector within China and more broadly about the role NGOs play in development. Some feared that the phrase non-government (*fei zhengfu*) might be confused with the notion that the government has no role to play (*wu zhengfu*, implying anarchism) or that such organizations might be anti-government (*fan zhengfu*). Instead, in addition to the officially sanctioned phrase of *shehui tuanti*, some have started promoting the use of not-for-profit organization (*fei yingli zuzhi*). However, the use of NGO has been reviving and the research centre set up in 1998 at Qinghua University, which enjoys close links to the Ministry of Civil Affairs that manages this sector, consciously chose to name itself the NGO Research Centre.

2. See Richard Baum and Alexei Shevchenko, “The ‘state of the state’,” in Merle Goldman and Roderick MacFarquhar (eds.), *The Paradox of Reform of China's Post-Mao Reforms* (Cambridge, MA: Harvard University Press, 1999), p. 348. For one of the most extensive reviews of the potential for the emergence of civil society that is relevant to this article see Gordon White, Jude Howell and Shang Xiaoyuan, *In Search of Civil Society: Market Reform and Social Change in Contemporary China* (Oxford: Clarendon Press, 1996). For one of the most enthusiastic Chinese accounts of the emergence of civil society see Deng

The opening-up of social space can be examined while explaining continued party-state control through indirect mechanisms of co-ordination and co-optation.

However, exclusive focus on “state-dominant” theories, and even the more “society-informed” concepts of social corporatism or a state-led civil society, risk obscuring the dynamics of change in China and the capacity of the “co-opted groups” to influence the policy-making process or to pursue the interests of their members.³ First, while the state appears to exert extensive formal control, its capacity to realize this control is increasingly limited.⁴ There is a significant gap between rhetoric and practice and between the expressed intent of the party-state authorities, a system that is itself deeply conflicted, and what can actually be enforced for any significant period throughout the entire country. Secondly, such a focus can neglect the benefits the “subordinate” organizations and their members derive from the institutional arrangements. The interrelationships are symbiotic rather than unidirectional. Thirdly, these relationships are symbiotic because social organizations have devised strategies to negotiate with the state a relationship that maximizes their members’ interests or that circumvents or deflects state intrusion.

A study of the social organization sector sheds light on these aspects and the complex interplay between the party-state and society.⁵ Structures and regulations exist to bind these organizations to state patronage and control their activities. However, social practice reveals a pattern of negotiation that minimizes state penetration and allows such organizations to reconfigure the relationship with the state in more beneficial terms that can allow for policy input or pursuit of members’ interests and organizational goals. This article first reviews the state’s strategy for a

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Zhenglai and Ding Yuejiang, “Building civil society in China,” in *Zhongguo shehui kexue jikan (Chinese Social Sciences Quarterly)*, No. 1 (1992). For analyses that make use of corporatism see Anita Chan, “Revolution of corporatism? Workers and trade unions in post-Mao China,” *Australian Journal of Chinese Affairs*, No. 29 (January 1993), pp. 31–61; Tony Saich, “The search for civil society and democracy in China,” *Current History*, September 1994, pp. 260–64; and Jonathan Unger and Anita Chan, “Corporatism in China: a developmental state in an East Asian context,” in Barrett McCormick and Jonathan Unger (eds.), *China After Socialism. In the Footsteps of Eastern Europe or East Asia?* (Armonk, NY: M.E. Sharpe, 1996), pp. 95–129.

3. The distinction between state and social corporatism is made by Schmitter. See Philippe C. Schmitter, “Still the century of Corporatism?” in Frederick B. Pike and Thomas Stritch (eds.), *The New Corporatism* (London: University of Notre Dame Press, 1974). For an initial review of its application to China see Yijiang Ding, “Corporatism and civil society in China: an overview of the debate in recent years,” *China Information*, Vol. 12, No. 4 (Spring 1998), pp. 44–67. For the seeming contradiction in terms of a state-led civil society see B. Michael Frolic, “State-led civil society,” in Timothy Brook and B. Michael Frolic (eds.), *Civil Society in China* (Armonk, NY: M.E. Sharpe, 1997).

4. This is not to suggest that the state is impotent to effect its will. Clearly it retains considerable power to isolate and crush opponents that publicly challenge it and to retain pressure on specific targets for limited periods of time.

5. The role of the CCP in analysing state–society relations provides a complicating factor. Many writers choose the appellation the party-state to circumvent this problem of analysis. While at the centre, Party and state may be more synonymous; the reforms have led to a more complex relationship, especially at the local level. This issue is returned to in the concluding section.

traditional Leninist reordering of the sector, then looks at the strategies of negotiation, evasion or feigned compliance of the social organizations, and concludes with some comments on the nature of state–society relations in contemporary China.

Leninist Strategies for Control

The social organizations that have been established run across the whole spectrum from the China Family Planning Association set up by the government Family Planning Commission to receive foreign donor funding, to a group such as Friends of Nature that operates as freely as one can in the field of environmental education. Naturally, the further the group is along the spectrum of party-state sponsorship towards autonomy, the more vulnerable it is in terms of administrative interference and potential shutdown.

In October 1993, *China Daily* estimated that there were some 1,500 autonomous organizations operating at the national level and 180,000 locally.⁶ By the end of 1996, official statistics from the Ministry of Civil Affairs showed that 186,666 social organizations were registered nationwide, of which 1,845 were national-level organizations.⁷ The provinces of Guangdong and Yunnan boasted some 10,000 registered social organizations each, Shanghai over 7,000.⁸ A more expansive definition that would include all kinds of citizen-run organizations and economic associations produces a figure of around one million.⁹ This article is concerned with the smaller group of organizations.

While there is an increasing acceptance of the social organization sector and its further development, senior CCP leaders have made it clear that this is no free-for-all for society to organize itself to articulate its interests. Rather they prefer that the sector be developed within a highly restrictive legislative and organizational framework that ensures CCP and state control. The reasons for this are two-fold: the Party's Leninist

6. *China Daily*, 7 May 1993, p. 3.

7. *Zhongguo falü nianjian 1997 (Law Yearbook of China 1997)* (Beijing: Zhongguo falü nianjianshe chubanshe, 1997), p. 1077. In addition there are approximately 1,000 foundations registered with the People's Bank of China of which some 70 are national in scope. For details of foundations in China see Social Organization Department of the Ministry of Civil Affairs and the Research Association on Chinese Social Organizations (ed.), *Zhongguo jijinhui gailan (A Broad Outline of Chinese Foundations)* (n.p., n.d.). From late 1996 to early 1997, a moratorium was placed on the registration of national-level organizations that was to apply until new regulations for the sector were promulgated. This led to a slight decline to 181,318 in the number of registered social organizations at the end of 1997. Discussions with Ministry of Civil Affairs' officials, May 1998. The State Council adopted new regulations on 25 September 1998. See "Shehui tuanti dengji guanli tiaoli" ("Regulations on the registration and management of social organizations"), in *Fazhi ribao (Legal Daily)*, 4 November 1998.

8. Michaela Raab, "Non-governmental social development groups in China," Ford Foundation Report, February 1997, p. 18. For the most complete Chinese survey of social organizations, see Wang Ying *et al.*, *Shehui zhongjian ceng (The Social Intermediary Stratum)* (Beijing: Fazhan chubanshe, 1993).

9. This figure was used at a work meeting on strengthening control over social organizations held on 21–22 November 1998. See Xinhua, Domestic Chinese, 23 November 1998.

organizational predisposition and the current phase of reforms that will shrink the role of the state in people's lives even further.

Since the 1980s the state has tried to influence key groups in society by binding them into organizations that become dependent on patronage. To head off potential mass opposition, the state will attempt to extend its organization, co-ordination and supervision of as much of the population as possible. This is evident in the strategies for control over the social organizations. This move by the state from insulation from society to integration within it can be interpreted as an attempt to prevent a plurality of definitions arising by revising the structure of the regime and the state's relationship to society. In this sense, the state moves to accommodate the increasingly wide range of articulate audiences to thwart or limit the possibility of political-ideological definitions arising. However, it imports varied social interests into the state and, of course, the Party. It opens them up to greater influence from society than before and imports fault-lines of conflict in society into them

The natural Leninist tendency to thwart organizational plurality is compounded by the fear of the potential for social unrest and the opposition that the reforms have created. There has been a consistent fear that social organizations might become covers for groups engaging in political activities or to represent the interests of disgruntled workers and/or peasants. The phenomenon of Solidarity in Poland remains a very powerful image to many of China's leaders as they grapple with the far-reaching economic reforms. The political changes in the region following the Asian financial crisis have also unsettled China's leaders. They have seen a number of authoritarian regimes challenged by street demonstrations and challenges from society to hold leaders more accountable. In particular, the fall of Suharto in Indonesia caused concern and the Chinese media were instructed to play down coverage of the events. Leaders fear that developments elsewhere in Asia might lead to internal questioning about the wisdom of a development strategy that relies on market forces in the economy combined with centralized political power structures. In China, a number of underground workers' groups have sprung up with names such as the "Anti-Hunger League" and the "Anti-Unemployment Group." Strikes, go-slows, sit-ins and rural unrest have become a feature of daily life. The authorities have become concerned that some have used the laxity of implementation and the vagueness of previous legislation for social organizations to register as sporting or cultural events to escape detection and some officially registered groups are said to have links with dissident and underground religious movements.

The reforms outlined at the 15th Party Congress (September 1997) and the Ninth National People's Congress (March 1998), if fully implemented, would reduce further the intrusive role of the state and sponsor far greater social differentiation. In their totality, the policies would amount to a "revolution" in the relationship between state and society in terms of taking the former out of crucial areas of the life of the latter. With individuals increasingly responsible for finding their own work and

housing, taking more responsibility for social security and pensions, and becoming consumers in an increasingly marketized economy, it is inevitable that they will wish to have a greater political voice, to have accountability over officialdom and to develop new organizations to fulfil their desires and objectives.

Essentially the CCP is left with a fundamental dilemma. Continued rapid economic growth is deemed vital to Party survival but this will entail further lay-offs, down-sizing of government bureaucracy and the shedding of more government functions. This creates the need to expand the social organization sector to take on these functions on behalf of society, or the likelihood of social instability and unrest will increase. At the same time, however, the party's Leninist pre-disposition makes it wary, at best, and hostile, at worst, to any organization that functions outside its direct or indirect control.

The necessity of the further development of social organizations was recognized by both the CCP General Secretary, Jiang Zemin, and the newly installed Premier, Zhu Rongji, at the Party and State Congresses. In his speech to the 15th Party Congress, Jiang stressed the need to "cultivate and develop" what he termed "social intermediary organizations" as the reform programme proceeded.¹⁰ Jiang recognized that the key to unlocking the problem of state enterprise reform is the provision of adequate social security coverage, especially for pensions, and restructuring medical and unemployment insurance. The shift of these burdens away from state-run enterprises would inevitably require an expansion of the social organization sector.

The plan for restructuring the State Council that was passed at the First Session of the Ninth Congress stated that many functions appropriated by government organs be given back to society and handled by new social intermediary organizations. It mentioned several times the important role that such organizations could play. In introducing the plan, Luo Gan, State Councillor and secretary general of the State Council, complained that many problems that should have been dealt with "by legal means or through social intermediary organizations" had been taken on by government. Luo stated that "government has taken up the management of many affairs which it should not have managed, is not in a position to manage, or actually cannot manage well." This overload detracted from the government's capacity to carry out its work effectively. As a result, Luo called for "social intermediary organizations" to be expanded. In this process, the responsibilities of these organizations were to be defined clearly along with those of government institutions and enterprises.¹¹

10. Jiang Zemin, "Hold high the great banner of Deng Xiaoping Theory for an all round advancement of the cause of building socialism with Chinese characteristics into the 21st century," *Beijing Review*, 6–12 October 1997, pp. 10–33. It is interesting to note that neither journalistic nor academic reviews of the Congress and Jiang's speech have paid attention to his comments on "social intermediary organizations."

11. Luo Gan, "Explanations on plan for institutional restructuring of the State Council – delivered at the first session of the Ninth People's Congress on 6 March 1998," *Dagong bao*, 7 March 1998, pp. B1–B2, translated in *FBIS-China* 98–068, 9 March 1998.

This recognition of the need for expansion of the sector brought back to the fore the necessity to tighten regulation.¹² As a result, officials were instructed to push ahead with completing the drafting of the regulations as a priority, and the State Council approved them in September 1998. This took many observers by surprise as severe differences of opinion about the level of control by the state over social organizations had held up the drafting process. The lack of progress had also been hampered by the fact that non-economic legislation is not usually accorded high priority in the legislative process.

The 1998 “Regulations on the Registration and Management of Social Organizations” provide a clear example of the attempt to incorporate social organizations more closely with existing party-state structures.¹³ There are several key features of the legislation that are important for a traditional Leninist reordering of the social organization sector. First, all social organizations must find a professional management unit (*yewu zhuguan danwei*) that will act as sponsor, and is usually referred to as the sponsoring unit (*guakao danwei*) or “mother-in-law” in Chinese. After finding the sponsor and gaining its approval, the paperwork for the social organization is sent to the Ministry of Civil Affairs or its relevant department (referred to in the Regulations as the registration management agency, *dengji guanli jiguan*). This sets up a two-tier registration system where affiliation precedes registration. In comparison with the 1989 provisional regulations, the Regulations have for the first time specified the role of the sponsoring institution and have also raised the requirements, time and steps necessary for registration.¹⁴ The fact that the 1989 regulations did not outline the details of the duties of the sponsor meant that many social organizations operated in practice with no or minimal interference from it. The sponsor is expected to examine whether the social organization corresponds to an actual need and check that it will

12. This forms part of a succession of attempts to reassert Party and state control over business, society and the localities that began after Jiang Zemin’s speech “More talk about politics” in October 1995. These attempts intensified after the late 1996 Sixth Plenum of the 14th CCP Central Committee adopted the resolution on the need to build a “socialist spiritual civilization.”

13. These regulations retain the essential features of the provisional regulations adopted in 1989 after the student-led demonstrations but are more extensive and imply an attempt to control not only activities more closely but also the number of social organizations. The initial response from foreign journalists and human rights organizations was uniformly critical of the controls these regulations place on the sector. See, for example, Jasper Becker, “Tightening the noose on parties,” *South China Morning Post*, 5 December 1998; Human Rights in China, “Bound and gagged: freedom of association in China further curtailed under new regulations,” released 13 November 1998, p. 8; and Sophia Woodman, “Less dressed up as more? Promoting non-profit organizations by regulating away freedom of association,” *China Perspectives*, No. 22 (1999), pp. 17–27. However, while the regulations clearly err on the side of state control, they also mark a significant step forward in terms of official recognition that the sector will play in China’s future development. On their indispensability to future development see the comments of Wei Jianxing, member of the Standing Committee of the Politburo, to a State Council meeting on the new regulations held in November 1998. “Work Conference on strengthening the management of NGOs and supporting social stability,” *Xinhua*, Domestic Chinese Service, 23 November 1998.

14. The length of time before a social organization can actually carry out activities has been increased from 30 to 90 days.

not overlap with other organizations and that its members have the capacity to run the organization. In addition, the sponsor should ensure that the social organization abides by the law and is itself held responsible for the organization's actions. The sponsor is responsible for all preliminary reviews of the work and for the application to the relevant department of the Ministry of Civil Affairs to register the social organization to carry out preparatory work (Articles 9, 10 and 28).

There is no right of appeal against rejection at any stage, and it remains unclear whether, if a potential sponsor rejects an application, the social organization is free to look for another sponsoring organization. However, in practice, rejection by one organ makes it very difficult to seek approval from another. For example, in the social sciences only the Chinese Academy of Social Sciences may register organizations. However, the academy has been swamped with applicants and does not have the time to review them properly. This leads to insiders having the best chance of registration while many others are rejected. Once rejected by the academy it is virtually impossible to find another sponsoring organization. This is what happened to the Chinese Union of Economic Societies that was rejected by the academy for, essentially, reasons of internal academy politics. Each subsequent sponsor it approached rejected it on the grounds that the academy was entrusted to sponsor organizations in the field of social sciences. As a result, the "Union" carried on its activities on an informal basis.¹⁵

This need for a sponsoring organization and its role was the key bone of contention in the drafting of the new Regulations. Reformers have proposed eliminating the sponsoring agency and simply requiring registration with the Ministry of Civil Affairs. Those who wish to loosen controls have used utilitarian arguments to gain support across the various ministries. They have argued that the sponsorship system forms a burden that costs much time, cannot be maintained properly, and probably would only detect a problem after an organization was found by the police or security authorities to have stepped out of line.¹⁶ They have argued quite simply that the sponsors do not have the capacity to deal with the obligations. This kind of argumentation was persuasive to many ministries and potential sponsor agencies. As a result, an earlier draft that was submitted to the State Council for review abolished the need for the sponsoring organization and proposed that social organizations just register with the relevant department of the Ministry of Civil Affairs directly. However, powerful figures such as Luo Gan, now a member of the Secretariat of the Central Committee, were opposed to any relaxation of controls. On seeing the draft, Luo is said to have become very angry and

15. Interview in summer 1996 with one of the key figures of the Union who is a retired researcher from the Institute of Marxism-Leninism, Mao Zedong Thought within the academy and an active economist.

16. Interview with a senior, now retired, Ministry of Civil Affairs official involved in the drafting process, October 1996.

declared that the purpose of the new Regulations was to tighten not loosen control over social organizations.¹⁷

A number of social organizations are concerned that the net effect of this aspect of the Regulations will be sponsors turning down prospective social organizations and thus will result in a decline of the total number. In fact, this seems to be the official intention. At a November work meeting convened to discuss ways to strengthen control and management of the sector, State Councillor Ismail Amat stressed the need to pay attention to the quality of registered NGOs.¹⁸ Wu Zhongze, who as head of the newly created Bureau for the Management of Non Government-Managed Organizations (*minjian zuzhi guanliju*) oversaw the drafting of the Regulations, when questioned on this issue, stated that official intention was indeed fewer but better.¹⁹

Secondly, “similar” organizations are not allowed to co-exist at the various administrative levels. Thus, there cannot be two national calligraphy associations or two national charity federations. This helps to control representation to a smaller number of manageable units and has been used to deny registration for some groups. It ensures that the “mass organizations” such as the All China Women’s Federation and the All China Federation of Trade Unions enjoy monopoly representation and cannot be challenged by independent groups seeking to represent the interests of women and workers. Conversely, some groups have rejected taking on such a monopoly of representation. For example, Liang Congjie and his Friends of Nature group, after waiting ten months for their request for registration, received a reply from the National Environment Protection Agency that they could only register if they would take on the responsibility for representing the interests of all the Chinese people sharing environmental concerns. Liang felt this too ambitious a goal and declined. He registered instead as a secondary organization in 1994 with the Academy of Chinese Culture where he is a professor and vice-president.²⁰ It was established as a national-level membership group.

Thirdly, social organizations must register with the appropriate civil

17. Interview with senior officials from the Ministry of Civil Affairs involved in the legislative drafting process, September 1997.

18. Xinhua, Domestic Chinese Service, 23 November 1998.

19. This was at a meeting convened at Qinghua University on 14 October 1998 to introduce the Regulations and to mark the opening of the university’s new NGO Research Centre. Information from participants. The sensitivity with which the Regulations were viewed before their official publication in November is shown by the fact that initially a number of foreign NGOs working in China were invited. However, at the ministry’s request the opening was turned into an “internal meeting” with foreign organizations being informed that the meeting had been postponed. The Bureau created in 1998 is responsible for a broader range of organizations than just social organizations and includes many not-for-profit organizations in the field of education, welfare and research. Staff had argued that the new controlling agency be given the same bureaucratic status as the one that oversees business registration (the Industrial and Commercial Bureau, *gongshang guanli ju*). The term *minjian* is difficult to translate precisely and is an acceptable term for the CCP to refer to organizations that are not run directly by the government. Although non-government is frequently used it does not correspond to the term NGO as used in the West or in the Chinese phrase *fei zhengfu zuzhi*.

20. Interview with Liang Congjie, April 1996.

affairs department from the county level upwards. This makes it impossible for local groups to enrol members from different areas, thus limiting the potential for the spread of grass-roots organizations that could develop national or horizontal representation. Thus, the China Charities Federation, the Ministry of Civil Affairs' own "social organization" for welfare, has 59 local charity organizations as its institutional members but all are registered separately at the respective governmental levels.²¹

The Regulations expressly prohibit national organizations from establishing any kind of regional branch (Article 19). Also, organization names are to reflect the activities and nature of the organization. Names that include China (*Zhongguo* or *Zhonghua*) or All China (*Quanguo*) can only be approved in accordance with state regulations while under no circumstances can a locally registered social organization use such names (Article 10).

The total intent of this legislation is clear: it is to mimic the compartmentalization of government departments and limit horizontal linkage. This favours those groups with close government ties and discourages bottom-up initiatives. It keeps people with different opinions on the same issue from setting up "opposing" interest groups. Other aspects of the Regulations further hamper bottom-up initiatives or those by the disadvantaged and poorer sectors of society. The need to have substantial assets and the paperwork necessary to register make it difficult for those groups that lack good connections and a relatively sophisticated organizational apparatus.

In addition to the application of the Regulations, the state has other means to attempt control.²² For groups the state sees as a threat or does not wish to see develop further it has adopted a number of tactics beyond co-optation. The first is outright repression and declaring the group illegal. This has been the case for a number of religious groups and those that appear to have a more political intent. The December 1998 arrest and sentencing of key leaders who tried to register the China Democratic Party is just the most recent example. However, it is not only those groups engaged in political activities or establishing independent labour organizations which have been closed down. Over the years a number of organizations providing social welfare to groups not officially recognized as having needs have been shut down. For example, in 1993 a discussion club for homosexual men was shut down when its co-ordinator, Wang Yan, lost his job at the Ministry of Health. He was sacked for allegedly "advocating homosexuality and human rights" and the closure of the discussion group reflects official hostility to the issue of homosexuality in China.²³ Decisions can be very idiosyncratic. In 1996, the first home for

21. Discussion with Federation leaders, April 1998.

22. It is important to note that the state has decided to rely on administrative regulations issued by the State Council rather than a law passed by the National People's Congress. This gives the authorities greater flexibility in implementation and avoids a more open-ended discussion of the role of this sector. This point is well made by Woodman, "Less dressed up as more?" p. 18.

23. Interviews with relevant personnel concerned, October 1994.

battered women set up in Shanghai was closed down. One of the prime reasons was that it was improper for an individual to run such an institution rather than the government. The shelter had been established with funding from a local businessman as an undertaking of his business enterprise. This shows the ambivalence of authorities to the role of both individuals and business in social welfare undertakings.²⁴

In addition, a Public Security Bureau Circular from the beginning of 1997 suggests that a number of administrative measures can be used to stop certain organizations from functioning effectively. The circular proposes three measures: have the sponsoring organization remove its support (this happened to the Women's Hotline in Beijing); pull them up on financial regulations (as with various groups in Shanghai); and identify key members and transfer them to state jobs where they will be too busy to engage in the work of the social organization (this was tried with the leadership of the *Rural Women Knowing All* group).

Finally, the CCP has reactivated the use of Party cells within non-Party organizations to try to ensure control and monitoring. In early 1998, an internal circular called for the establishment of Party cells in all social organizations and the strengthening of Party work in those where a cell already existed. In fact, this circular was only a reminder of Party policy. According to the CCP Constitution, a cell should be established in all those organizations that have three or more members (Article 29). Where there are not enough members to establish a cell, individual members are to link to the Party cell or group of the sponsoring organization. Even where there is a Party cell it is subordinated to the Party Committee of the sponsoring unit and will report to it and receive instructions and direction from it.

Strategies of Negotiation and Circumvention

The capacity of social organizations to evade such tight strictures and to negotiate more beneficial relations with the state derives from two main factors. The first is the declining state capacity to implement policy consistently. The second is the strategies that the social organizations use either to evade control or to turn the relationship of state sponsorship more to their own advantage.

The state lacks the finances and the human resources to implement policy effectively. Government revenue as a percentage of GDP declined to only around 11 per cent in 1995, with tax revenues in 1998 amounting to only 6.9 per cent of GDP, while "off-budget" revenues have been increasing. A nation-wide audit conducted in the same year suggested that such revenues amounted to 6 per cent of GDP and some experts think that the real figure is much higher. A successful resolution of this

24. Other reasons given were that there were "financial irregularities" by the businessperson, although these were not specified, and that the shelter had attracted foreign and domestic media attention. Interviews in Shanghai, April 1996, and Human Rights in China, *China*, p. 19.

problem lies not only in increasing the tax base of the government (a solution explored by the World Bank and favoured by the Chinese central government) or squeezing the rural poor through levies and fees (a strategy often favoured by local authorities), but also a re-thinking of the kinds of work in which the government should be engaged, its relationship to the local community, and acceptance that many functions previously managed by the local state in the field of social welfare and asset development will have to be taken on by the local communities themselves. In poor and remote communities where marketization has barely begun and where the scope of economic activities will always remain limited, local treasuries have little recourse other than the elimination of services. In general, the decision has been taken to downsize government, and social organizations set up by government departments are seen as a key provider of employment for laid-off government bureaucrats. The financial allocations to these newly formed social organizations will be reduced by one-third each year so that they will be financially independent of the originating government department after three years. Inevitably over time these organizations will develop an identity independent of the state and will become increasingly dependent on society and the business sector for funding.

Even where there is better fiscal buoyancy and a commitment to implement controls, it is questionable how consistently and for how long they can be applied. Human resources are scarce. For example, the All China Women's Federation will now be responsible for some 3,500 social organizations dealing with women's affairs. It seems inconceivable that they have the labour power to discharge their duties responsibly.

One of the most popular strategies for evasion was for a social organization to register as a business under the relevant industrial and commercial bureau. Registration as a business operation required a minimal management structure with a high degree of autonomy. However, the 1998 Regulations closed off this method of registration,²⁵ but while this route has, in theory, been closed off, the most effective way for social organizations to evade restrictions has not. This method is to register as a "secondary organization." The organization only needs to secure approval from the agency that has accepted to bring it under its supervision. It deposits a file at the appropriate administrative level of civil affairs, but this organ is not involved in monitoring or auditing the group, and does not require its host agency to submit any reports. Institutions of higher learning are the most popular choice given their generally more open and liberal leaderships. Organizations range from the university's own research centres that can operate more independently of direct Education Ministry scrutiny, to centres that provide services to the public at large. An example of the latter is a walk-in legal services clinic for the disadvantaged based in Wuhan. In fact, it was the Hubei

25. See also the related regulations "Minban feiqiye danwei dengji guanli zanxing tiaoli" ("Provisional regulations on the registration and management of people-run non-enterprise units"), in *Renmin ribao* (*People's Daily*), 9 November 1998.

Civil Affairs Department that suggested this form of registration to the centre claiming it would “make things easier.” Such organizations can simply withdraw into the shell of the university if the atmosphere gets harsher or less accommodating.²⁶

Another method is to register as a subsidiary organization within an essentially dormant social organization. An example of this is a very active family and sexual advice centre in Beijing that operates under the more moribund China Association of Social Workers. A more political example is that of Chen Ziming and Wang Juntao in the 1980s who were able to weave their way through the system to establish both an influential research institute and a newspaper. The Beijing Social and Economic Sciences Institute had a strong political agenda and attained a high degree of financial and intellectual autonomy.²⁷ Administratively, the Institute was registered to the Talents Exchange Centre of the State Science and Technology Commission and had been set up by Chen Ziming’s sister in November 1986.²⁸ To obscure the activities of the Institute, Chen and his colleagues then set up a number of subsidiary companies and cultural academic organizations. Activities were often conducted under these other organizations. In March 1988, the Institute was able to take over a newspaper, the *Economics Weekly*. This had originally been set up in January 1982 and was the official newspaper of the Chinese Union of Economics Societies, itself representing 418 economic institutions with over one million individual members.²⁹ After the take-over Chen Ziming acted as manager and Wang Juntao as deputy editor-in-chief. It became one of the most lively, pro-reform publications in China.

Other groups do not bother with this burrowing strategy but simply do not register at all and organize an informal group. While technically illegal, there are many “clubs,” “salons” and “forums” throughout urban China. In rural China, there has been the revival of traditional philanthropic practices that revolve around clans, kinship and local place association. Paradoxically, both the freeze on registration of new social organizations since early 1997 and the new proposed process of registration might actually led to an increase in the number of these informal organizations that do not bother to register. The sudden appearance of some 10,000 supporters of the *Falungong* who surrounded the Party headquarters in Zhongnanhai woke up senior leaders to the potential of such faith-based movements to inspire loyalty.³⁰ This concern and the

26. Raab, “Non-governmental social development groups,” p. 26.

27. The sources for this account are: Gu Xin, “The structural transformation of the intellectual public sphere in Communist China (1979–1989),” Ph.D. dissertation, Leiden, 1997; Merle Goldman, *Sowing the Seeds of Democracy in China: Political Reform in the Deng Xiaoping Era* (Cambridge, MA: Harvard University Press, 1994); and the author’s own discussions with one of the members, Min Qi, in 1995 and 1996.

28. Goldman, *Sowing the Seeds*, pp. 66–77.

29. For the details of the take-over see Gu Xin, *The Structural Transformation*, pp. 129–134.

30. This provides an interesting example as the *Falungong* was originally registered with the official China Qi Gong Science Research Society. The Society decided that it was a Buddhist sect and as a result de-registered it in February 1997. Thus it now has no linkage

humiliation that senior leaders felt at being caught by surprise led to the draconian crackdown on the organization and the subsequent campaign to discredit it.³¹ Obviously, it is impossible to know how many organizations are operating illegally, but a 1996 report suggests around 20,000. This report cites other surveys from 1994 that suggest that Anhui had over 800 “illegal social organizations” and Hubei over 600, while in June 1995 only 13 of some 100 foundations in Yunnan were properly registered with the People’s Bank of China.³²

Last, but not least, because this is still a system where personal relationships overlay the formal structures, some groups have been able to use their connections to register directly with civil affairs departments or have been able to receive the patronage of a sponsoring organization even if the proposed activities do not fit readily within its domain.³³ This is particularly prevalent at the local level and it is difficult to see the Regulations changing customary practice.

Many social organizations have also been effective in negotiating with the state to influence the policy-making process or at least to bring key issues to the public domain. Three examples are noted here. The first is that of the China Family Planning Association, an organization set up by the State Family Planning Commission to operate as its NGO, what is referred to as a government organized NGO (GONGO). The second is that of Friends of Nature, an environmental NGO that operates almost as freely as one can in this field. The third is a group of women activists gathered around the magazine *Rural Women Knowing All* (*Nongjia nii*).

The China Family Planning Association has provided significant input into state policy innovation. It provides an interesting example of the extent to which GONGOs function in the traditional Leninist “transmission belt” framework, and to what extent by operating at one remove from government they can open up social space and provide policy innovation. The Association was set up by the State Family Planning Commission to bring in international funding from which the Commission was blocked, in part by the hostility of the U.S. Congress, and to be a member of organizations such as the International Planned

footnote continued

to the Ministry of Civil Affairs. Its members mobilized when an article critical of the group was published in Tianjin and when the rumour spread that it would be declared illegal. It counts among its members many senior retired cadres, especially from the military, and many women who believe that its exercise regime will enhance their health. *South China Morning Post*, 2 May 1999, *Far Eastern Economic Review*, 13 May 1999, p. 40, and author’s discussion with followers in Beijing in May 1999.

31. *Falungong* was banned on 22 July and a major campaign was launched to discredit it and to weed out Party members throughout August and into early September. Thousands of followers were rounded up and Party members who refused to break ties were expelled. Party members were instructed to criticize the movement and denunciation and depiction of the movement’s “evil deeds” and “ulterior motives” dominated evening television. In September 1999 many friends in Beijing complained bitterly not about *Falungong* but about the fact that their favourite television programmes had been taken off the air!

32. Qi Hong, *Zhongguo shehui tuanti xianzhuang ji falü tiaozheng kuangjia* (*The Current Situation and Legal Readjustment and Framework for Chinese Social Organizations*) (Beijing: mimeo, 1996).

33. I have come across numerous examples of this in Beijing and Shanghai.

Parenthood Federation. While it is charged with promoting official family planning policy, the Association has become sensitized through its international contacts and grass-roots policy experimentation to the needs of women and the inadequacies of the current methods of policy implementation. The Association, particularly its local branches, has run a number of innovative projects on problems to do with sex education for young people, income generation for women, public health education and raising women's awareness about their rights. Through its pilot programmes, the Association has affected the government's approach to family planning and conducted experiments to shift from a target-driven quota-based system to one that is more client driven, offering choice of contraception combined with education. This is reflected in the launch by the State Family Planning Commission in 1995 of experimentation in five rural counties with an approach to family planning called "Improving Quality of Care." This project and its subsequent expansion have emphasized reorientation towards a reproductive, more client-centred family planning programme.³⁴ In addition, the Commission has not always been able to control the Association entirely and the latter has begun to develop its own organizational identity and ethos. Attempts by the Commission to place its own officials in key posts within the Association have been resisted and have not always been successful.

Broadly speaking, those groups working in the field of education and environment have been permitted or have negotiated relatively free space. Elizabeth Knap has noted with respect to managing environmental problems, "it is here that rapid economic development – seen as desirable and essential – conflicts directly with other social needs which it finds difficult to address efficiently on its own."³⁵ Friends of Nature provides a good example of how effective an organization can be when it is run by an energetic, charismatic individual who has a powerful vision of what they wish to achieve. The fact that this individual is Liang Congjie, grandson of Liang Qichao, and has been a member of the Chinese People's Political Consultative Conference obviously helps.

Liang has been able to use his talents, connections and political skill to steer Friends of Nature through a number of successes. In particular, his group was involved with the attempts to protect the habitat of the golden monkey that was being destroyed by illegal loggers in Yunnan. This was an issue that caught the attention of young people in Beijing and provided the opportunity for Friends of Nature to engage in policy advocacy. Students at the Forestry Academy in Beijing and at other campuses began to hold candle-lit vigils for the monkeys. This greatly worried not only the Beijing municipal authorities but also some central leaders. They

34. In 1997, four urban districts were added and one more rural county. Current estimates suggest that since 1997 over 300 counties and districts have been selected as provincial pilots. "The quality project. Improving quality of care and client orientation in reproductive health family planning services in China" (Beijing: Ford Foundation, 1999), p. 7.

35. Elizabeth Knap, "Environmental NGOs in China: an overview," in Woodrow Wilson Center, the Environmental Change and Security Project (eds.), *China Environment Series* (n.d.), p. 10.

feared that the students' peaceful vigils might turn to something more sinister but, at the same time, knew they could hardly break up the actions.³⁶ Friends of Nature began to mobilize public support for the monkeys' cause and its members wrote letters and petitions to central leaders while mobilizing friends in the media to publicize the monkeys' plight. The combination of social mobilization, media spotlight and central leaders' fear of student action caused the leaders to adopt decisions to reinforce the ban on illegal logging. Friends of Nature managed to extract a decision from the local authorities to ban the activities in order to preserve the golden monkeys' habitat.³⁷

The group of women activists gathered around the magazine *Rural Women Knowing All* have undertaken work ranging from the sexual health of rural women, to hotlines for migrant women, to raising concerns about the high levels of suicide among young rural women. The effectiveness of this group comes not only from the social commitment of its members but also because a number of the key figures are senior members of the All China Women's Federation. The key figure in the group is one of the chief editors of the *China Women's Daily* (*Zhongguo funü bao*), the official organ of the Federation. This has meant that the group can use the infrastructure and staff of the Federation to publish their own journal specifically targeted at rural women and to ensure that important policy issues are taken up in the official newspaper. Such issues are thus immediately in the domain of key policy-makers with respect to issues concerning women.

Concluding Comments

The examples given above reveal the increasing complexity of the relationship between state and society under the reforms and defy easy categorization. The problem of definition is compounded by the fact that this is an attempt to analyse a moving target, a state and society in transition. It concerns not only the dynamics of the interaction and how this has changed over time but also the changes within the state sector and society. What appears in one place or at one time as a predatory local state may evolve into one of social partnership later. This is also a country where multiple models of state–society relations may be operating at the same time. It is clear that the local state apparatus in Wenzhou, Zhejiang, with its privatized economy and multiple intermediary organizations, operates in quite a different way from a Neo-Maoist showcase on the North China plain that stresses collective and state organization. As Baum and Shevchenko have pointed out, there is considerable ideological confusion concerning the analysis of the state in China.³⁸ One can add that a field of study that was seriously under-theorized and parasitic in

36. Party secretaries at the institutions of higher education were instructed to monitor the situation carefully and to do their best to resolve it swiftly and with the minimum of fuss.

37. See also Knup, "Environmental NGOs," p. 12 and Seth Dunn, "Taking a green leap forward," *The Amicus Journal*, Winter 1997, pp. 12–14.

38. Baum and Shevchenko, "The state of the state," pp. 333–34.

terms of the theory used is now seriously over-theorized and has begun to strain the imagination of creative word play.

As the example of social organizations shows, while social space has opened up, the state has continued to retain a great deal of its organizational power and has moved to dominate the space and reorganize the newly emergent organizations. Clearly, from these examples, China is far from creating a civil society as conventionally defined. Analyses that rely on some variant of corporatism capture well the top-down nature of control in the system and how citizens are integrated into vertical structures where elites will represent their perceived interests.

However, such explanations risk both obscuring important elements of change and over-simplifying the complexities of the dynamics and interaction. It can mean that researchers pay less attention to the benefits the “subordinate” organizations and their members derive. What are the attractions and benefits of participation or at least acquiescence with this process? The discussion of social organizations reveals that they can have considerable impact on the policy-making process, indeed more than if they were to try to create an organization with complete operational autonomy from the party-state. The interrelationships are symbiotic. Even for the more autonomous organizations, it would be foolish not to have strong party-state links. Those with close government links often play a more direct role in policy formulation than their counterparts in many other countries as they do not have to compete in social space with other NGOs for dominance and access to the government’s ear on relevant policy issues.

Each social organization in China has negotiated with the state its own niche that derives from a complex interaction of institutional, economic and individual factors. In some cases, the outcome may be a close “embedded” relationship with the state,³⁹ in others it may entail formal compliance while operating strategies of evasion and circumnavigation of the state. As the political scientist Kevin O’Brien has suggested, co-opted groups become embedded over time in the system and through this process they acquire viability and legitimacy.⁴⁰ This study of social organizations suggests that it is not mere expediency that causes new social formations or organizations to tie their fortunes to the existing state structures, especially at the local level, but it is strategically optimal for them. It can enable them to manipulate the official and semi-official institutions for their own advantage.

The study of social organizations also reveals the tensions inherent in a traditional Leninist party culture under the current development strategy. Many organizations have developed strategies to evade Party and state controls and to turn the traditional “transmission belt” function to their own advantage. In addition, with the emphasis on economic devel-

39. For usage of term “embedded” see Peter Evans, *Embedded Autonomy. States and Industrial Transformation* (Princeton: Princeton University Press, 1995).

40. Kevin J. O’Brien, “Chinese People’s Congresses and legislative embeddedness,” *Comparative Political Studies*, Vol. 27, No. 1 (April 1994), p. 101.

opment and the shift in the Party's fundamental legitimacy to its capacity to deliver economic goods, the objectives of Party and state are not always synonymous. The Party needs to effect its policy intent through both mobilization of its members and organizations at all levels and implementation and enforcement by state organs. Local governments in pursuit of local developmental goals may take policy options that at best conflict with Party policy and at worst run counter to it. The Party cannot count on state organs for automatic policy support. A good example is the privatization of state-owned enterprises that is rife at the local level but deeply contested at the centre. Also, local governments will approve social organizations or other non-state bodies that contribute to the local economy and well-being. This is irrespective of formal regulatory requirements. With a membership of around 60 million, the Party itself has within it deep conflicts over fundamental policy issues and visions of the future. This causes a tension between the Party's traditional Leninist vanguard role and its other roles as an integrating mechanism and development agency. Last but not least it must be remembered that the Party is made up of members who also form a part of the local community. Is the local Party secretary who is also a Shaman loyal to the Party, the locality, his beliefs or all of them? Does he import his social values into the Party and if so to what effect, or are they discrete spheres of activity?⁴¹

A focus on vertical integration and lines of administrative control, while ignoring the way in which the relationship is negotiated, ignores important horizontal relationships in society. As government downsizes further, citizens have greater responsibility for their own welfare and more functions are devolved to national and especially local social organizations, people will look more to the local provider of goods than the central party and state directives and regulations. This will become more important as wealthy business people are given greater freedom over how they choose to dispose of their money.⁴²

As the historian Timothy Brook has noted, emphasis on the vertical "minimizes the capabilities and opportunities that people exercise regularly to communicate horizontally and form cooperative bodies."⁴³ He suggests that we should be aware of "auto-organization" as a more co-operative principle of social integration at the local level. Certainly many new social organizations and loose groups are not registering with the authorities, and local religious and traditional belief groups are flourishing. In the urban areas, native place is the main organizing

41. For an analysis of some of the inherent tensions in a Leninist regime see Ken Jowitt, *New World Disorder. The Leninist Extinction* (Berkeley: University of California Press, 1992).

42. In this respect, it will be interesting to see the provisions of the new Donations Law that is in drafting.

43. Timothy Brook, "Auto-organization in Chinese society," in Brook and Frolic, *Civil Society in China*, p. 23.

principle for the migrant communities, many of which have set up their own governing and welfare structures outside the state.⁴⁴

Social scientists tend to dislike open-ended theories and seek to close down the range of options available for interpretation through a process of imposing order and logic. The notion of negotiating the state tries to do justice to the complexities of social reality in China. In the field of state–society relations, we need to develop explanations that allow for the shifting complexities of the current system, and the institutional fluidity, ambiguity and messiness that operate at all levels in China and that is most pronounced at the local level.

44. Xiang Biao, “How to create a visible ‘non-state space’ through migration and marketized traditional networks: an account of a migrant community in China,” paper delivered to the International Conference on Chinese Rural Labour Force Migration, Beijing, June 1996.