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CORPORATISM AND CIVIL SOCIETY IN THE PEOPLE’S REPUBLIC OF CHINA: EMPIRICAL EVIDENCE AND THEORETICAL IMPLICATIONS

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Introduction

The nature of the pre-reform Maoist regime in China was often characterized as "totalitarianism", or as a system of "totalism" or "organized dependence". Undoubtedly, the combined economic and political reform in the past two decades have served to dilute the totalistic control of the Chinese Communist Party (CCP) over society as a whole. Nowadays, students of Chinese politics have tried hard to capture the political reality of the post-Mao Zedong era. Subsequently, a wide profusion of labels or catchwords have appeared, with the result of mystifying minds rather than clarifying the picture. Some examples are "consultative authoritarianism", "market Leninism", "Leninism without Marx", "market Stalinism", "socialist corporatism", "state corporatism", "Confucianism Leninism and patriarchal authoritarianism".

Among the contenders of the new taxonomy, there is one consensus: that is, with the economic reform towards marketization in full force, the democratization process in contemporary China is almost inevitable. Gordon White has argued that China's democratization process would take two steps: the first one, from totalitarianism to authoritarianism; the second one, from authoritarianism to democracy. Nonetheless, how exactly this would take place is not analyzed. In fact, the democratization problem in China boils down to the issue of the nature of Party-state-society relationships.
As characterizations of the nature of the post-Mao Party-state-society relationships and also as democratization strategies, two schools of thought have been in vogue in the 1990s in the field of Chinese politics. The first one is the school of “corporatism”. The gist of this school is the linkage of society to the state through hierarchical-ordered and functional-differentiated institutions representing various social sectoral interests. The corporatists argue that the CCP has loosened its grip over society/enterprise, and the self-governing organizations share power with the Party-state over industrial production and revenue. In short, the enterprises are not subservient to the Party-state any more and they have gained sufficient bargaining power vis-à-vis the state.

The second one is the school of “civil society”. The notion was first used in the analysis of the East European communist countries in the mid-1980s. The notion gained currency in the analysis of Chinese politics after the Tiananmen crackdown in 1989, particularly in Western academic circles. Put simply, “civil society” means the institutional autonomy enjoyed by social groups or organizations vis-à-vis the Party-state. The “civil society” school argues that forming independent autonomous social groups is the first step towards democratization in China. The outbreak of the Tiananmen pro-democracy movement in 1989 saw the birth of a “civil society” which will gradually become a countervailing force to the CCP. This paper would discuss the two views critically, arguing that both views are too simplistic and problematic when applied to the Chinese political reality, and question whether they could serve as a democratic strategy in China.

**Corporatism in China**

During Mao Zedong’s rule, the Party-state exercised monopolized power over industrial production, price setting, revenue distribution and personnel decisions for enterprises. Since the urban economic reform initiated by Deng Xiaoping in the early 1980s, various reform measures aimed at increasing economic efficiency and revenues have been implemented by the state enterprises. Such reform measures as the contractual-responsibility and stock shareholding systems have diminished the power of the party-state and concomitantly increased the room of manoeuvre for the enterprises.

A school of scholars of Chinese studies has argued that with the consolidation of various reform measures in the past two decades, China has been approaching a system of corporatism in the place of totalitarianism, especially at the state enterprise level. The argument for Chinese corporatism states that the CCP is loosening its control over state enterprises, and enterprises are becoming self-governing organizations. They no longer totally depend upon the state nor operate mainly for the state’s sake such as meeting state-imposed quotas. They work for their own “sectoral interests”. Maximization of profits is an important goal for the enterprises. There has been an increasing tendency for “excessive capital investment, violation of pricing rules to reap illegal profit, and tax evasion and illegal retention of profit". On the other hand, Chinese state enterprises exert influence on the government’s industrial policy-making with an aim to defend their “sectoral interests”. In short, they are not subordinate to the party-state any more, and their relationship with the CCP is one of partnership.

This paper raises serious doubts about the theme that depicts “China as a corporatist system”, and argues that, although the CCP is truly loosening its control over the state enterprises, it still maintains its formal authority and is still playing a leading role in the industrial system. A clarification of the notion is timely in view of the conceptual ambiguity involved. Corporatism could be understood as a set of structures, which link society with the state; in other words, it could be studied as a broader problem of interrelationships between state and society. Philippe C. Schmitter provided the classic definition of corporatism:

Corporatism can be defined as a system of interest representation in which the constituent units are organized into a limited number of singular, compulsory, noncompetitive, hierarchically ordered and functionally differentiated categories, recognized or licensed (if not created) by the state and granted a deliberate representational monopoly within their respective categories in exchange for
observing certain controls on their selection of leaders and articulation of demands and supports.

The definition emphasizes two sides: on the one hand, the interest representation on the part of social organizations; and on the other hand, the predominant role of the state in licensing (if not creating) the forms of interest representation. In fact, O’Donnell argued that, in authoritarian-bureaucratic states, corporatism is “bifrontal”: there exist both “statizing” and “privatist” aspects. “Statizing” is a movement in which the state conquers or subordinates institutions of the civil society, and “privatist” entails the state’s opening of institutional areas to civil society’s representation of organized interests. The definition of classic corporatism still assigns an overwhelming role to the state, together with the representation of sectoral interest as sanctioned by the state. The Chinese corporatists seem to argue that the organized interests in China had already become a countervailing socio-political force that could bargain with the state. Our recent studies of four state enterprises in the Besijing area show the contrary. Sources of other researchers have disclosed the same problems. Some researchers have shown that the Party-state involvement in the state enterprises is very heavy. It at least entails the following aspects: that the senior managers of state enterprises are often appointed by the Party-state governing authority; that the state (i.e., at the municipal or provincial level) Economic Planning Commission still plays an important part in updating equipment and technology; that merging with other enterprises or receiving investment by foreign enterprise must get the approval of the governing authority, etc. In our four case studies, all the factory directors or general managers and senior managers are state cadres and they are all appointed by the Party-state agencies.

The CCP does not allow enterprises to have full autonomy and to have their own constituency. Basically, the CCP, while emphasizing entrepreneurship, undertakes a technocratic-managerial reform and changes the bureaucratic channels in state enterprises. The nature of power delegation remains unchanged and nearly all important positions in state enterprises have been representatives of the CCP.

The “sectoral interests” of state enterprises vis-a-vis the Party-state can hardly be developed under the present institutional arrangements. According to corporatism, pursuing “sectoral interests” is a collective business and is based upon a common understanding or a strong “corporate consciousness” or “feelings of corporateness” shared by all staff members in the state enterprise. In fact, in today’s Chinese enterprises, different groups including the Party committee, the management and the laborers have different considerations and interests. Even from an overall enterprise perspective, multiple sources of interests exist. Evidently, the Party-state is involved in the daily operation and production of the state enterprises.

Change of Institutional Arrangement in the 1990s: “Separation of Politics from Enterprise”

From 1949-1956, Chinese state enterprises followed the Soviet example and adopted the model of “one-man management”. Enterprise managers or factory directors were in full command of enterprise administration, production and operation. They made major decisions concerning the plant. In the late 1950s, the “factory director responsibility system under Party committee leadership” (dangwei lingdao xia de changzhang fuzeezi) (FDRSPL) replaced “one-man management”. The Party secretary and the Party committee in the enterprise took over the power from the factory director, and the Party secretary became the de facto enterprise head, making both political and economic decisions. The Party reasserted its power over enterprises. Under the command economy, the FDRSPL system required that enterprises were subjected to a vertical line of communication and control. Every enterprise was supervised by the Party or governmental agency (agencies), and was part of the web of the Chinese bureaucracy. The structure of this bureaucratic chain of command over enterprises still exists today in China.

With the aims of increasing the rationality, efficiency and productivity of Chinese industry and speeding up the economic reform, the “director responsibility system” (DRS) was introduced for state enterprises in 1984 to replace the old system. Under the
new system, the power of the enterprise manager/director has increased rapidly at the expense of the Party secretary.23 On paper, at least, today the enterprise manager can decide on issues regarding production and enterprise management for the most part, while the Party secretary is in a secondary as well as supervisory position and retains the increasingly minor responsibility of political indoctrination and policy articulation. The DRS system is the first step in conforming to the principle of “separation of politics from enterprise”.

With the practice of the DRS in most state enterprises for over a decade, the power of the factory director has truly increased vis-a-vis the Party secretary. In terms of substantial work, the Party secretary is only authorized to be responsible for the political and ideological matters, e.g., conveying the state’s new regulations and policies, carrying out propaganda and political education and exercising disciplinary authority over Party members in the enterprise. The enterprise Party committee and the secretary are not supposed to play any direct decision-making role in the affairs (including production, administration and personnel management) of the enterprise. Nevertheless, under the ambiguity of the regulations, the enterprise Party committee and its secretary are asked to “supervise” and “guarantee” the work carried out by the management and to ensure that the enterprise adhere to the Party’s general line. “Enlightened” Party secretaries might follow strictly to the norm and act as the “backup force” for the management while some continue their “intrusions” into the management of enterprise affairs in the name of “guarantee” and “supervision”.26 Working with an “intrusive” Party secretary, the factory director has to act carefully in order not to jeopardize his/her own status in the enterprise.

It is common today for the small and medium-sized state enterprises to have the positions of manager/director and Party secretary concurrently held by the same person. This in fact has become a new trend since the early 1990s and obviously is in contradiction to the principle of “separation of politics from enterprise”. The general managers/factory directors we interviewed in the Beijing area all hold the concurrent post of Party secretary. The enterprises all had separate leaderships in the 1980s or up to the early 1990s. As admitted by all relevant interviewees, the reason for the change to this “system of integrating Party and politics” (dangzheng heyi zhi) is to avoid conflicts between the two positions.27 In these concurrent leadership enterprises, there is usually no management committee. Instead, important decisions are made in the “joint meetings of Party and politics” (dangzheng bianxi huiyi).

The DRS gave factory directors power over personnel matters. Subject to the approval of the supervisory government or Party agency, the factory directors can pick their own management teams, including deputy directors, chief economist, chief accountant, chief engineer and other middle-level managers. In reality, the local Party committee and its subordinate Party committee in the enterprise have much influence in the appointment and dismissal of important posts in the enterprise. First of all, most of the factory directors are CCP members. As a Party member, the factory director is subject to party discipline and “supervision”. In the enterprise Party committee, he/she is an ordinary member28 and is under the leadership of the Party secretary. Apparently, it is difficult to distinguish enterprise affairs from Party affairs. Moreover, if the Party secretary could not exercise formal authority, he/she could exercise informal influence over the enterprise affairs in the Chinese guanxi network.

Under the FDRSPL system, it was assumed that the Party committee and its subordinate trade union represented workers in exercising powers of policy-making in the enterprises. State enterprise workers did not have a direct venue to get involved in policy-making for the enterprise. The system of the “Staff/Worker Congress” (SWC) has been introduced into the state enterprises, with the development of the DRS. According to the school of corporatism, the SWC could be an example of “corporatization of class organizations”29 and micro-corporatist arrangement for the management-labor linkage in the Chinese enterprise. The SWC is intended as a mechanism for workers’ participation and a channel for their articulation of interests vis-a-vis the Party committee and enterprise’s management. The SWC’s working organ, the enterprise trade union and its officials are granted bargaining powers vis-a-vis the management. Likewise, workers and staff members can also
The market economy in China today is far from perfect. You cannot get things done without government intervention. For example, in cases of approval of projects and large-scale investment, government consent must be sought. Just say we want to build a house for our enterprise, we need to go to the agencies of planning, land, environmental protection, fire and public security. In case we want to invest, we need to go to the planning commission and economic commission. Everything needs the government's approval and everything has the possibility of denial from the government.

Indeed, the extent of both administrative and financial controls on state enterprises has been loosened with the introduction of various reforms since the early 1980s. It does not mean that enterprises, especially state enterprises, enjoy a very high degree of autonomy. The relationships between state enterprises and the Party-state have changed, but mainly in the process and in magnitude and not in nature. Take investment loans as an example. Before the economic reform, supervisory government agencies solely determined the amount of investment funds for state enterprises. Factors such as meeting production targets and the continuous operation of the enterprises were mainly considered when they decided on the appropriation. Economic efficiency of the state enterprises was less or even not considered. Banks were only agents of government agencies. They respond to the policies of government agencies and acted accordingly. In the 1980s, banks and supervisory government agencies shared the control of the appropriation. In addition to the above-mentioned factors, enterprises' economic efficiency has become the main consideration. Nowadays, banks are authorized with greater power in the appropriation of investment loans. State enterprises depend more on bank loans than on finance system loans. Banks usually first consider the repayment ability of the enterprises. With the poor performance of state enterprises in recent years, it is more and more difficult for the state enterprises to get new loans from the banks. Banks are also government agencies and eventually

supervise the management through the enterprise’s management committee.\textsuperscript{30}

The fact is that the CCP leadership has never been serious in turning the SWC into a genuine “organ of power”. There are arguments on whether the SWC should be “examining and approving” (shending) major enterprise policies and plans or just “deliberating” (shenyi) on policies and plans. The development since the last decade has tended to favor the latter argument. Besides, the Party committee has a great influence on the operation of the SWC.\textsuperscript{31}

A weak SWC system is mainly due to the fragile authority of the trade union in the state enterprise. The trade union is supposed to represent all workers in the enterprise and sign collective working contracts with the factory director, who represents the management. It has the obligation to ensure the implementation of contracts and to protect workers’ interests and rights. Nevertheless, as commented on by an enterprise manager interviewed in our study, the trade union is also part of the enterprise’s management team. The trade union is expected to adopt a holistic point of view in relation to the interests and rights of workers. If the workers’ demands are in conflict with the overall interests of the enterprise, the trade union should stand on the side of the enterprise. In his words, “the trade union has to take care of both the interests of the staff and those of the enterprise.”\textsuperscript{32} Similar to SWC, the trade union is also under the direct political leadership of the enterprise Party committee.\textsuperscript{33}

In the Mao Zedong period, state enterprises were usually under administrative and financial controls of a single government agency, either at the central or local level. Although state enterprises in the economic reform era are still affiliated with a direct supervisory government agency, they have to face a number of economic bureaucracies such as the industrial bureau, taxation and finance bureau, planning commission and banks at different levels. Very often the production of the enterprise depends on different governmental agencies. From this perspective, one can say that Chinese state enterprises are facing more interventions from the Party-state. The following is a testimony from an enterprise manager:\textsuperscript{34}
it is the government which is in control of the appropriation of loans to state enterprises. Nevertheless, state enterprises have less financial dependence on their supervisory government agencies except favorable treatment and policies.

Another evidence of the inseparable association of the state enterprise and the Party-state is the interchangeable personnel between the two. The state enterprise has been part of the Chinese governmental bureaucracy and many management personnel of the state enterprise are also cadres of the Party-state. Since the economic reform in the early 1980s, there have been more interchanges of personnel between the governmental bureaucracy and the state enterprise. Before the 1990s, managers in state enterprises were motivated by promotion in the state cadre system and the accompanied privileges and status. With the new round of government organizational streamlining and staff cuts in a large scale in 1998, there is less chance for the managers to be promoted into the government bureau under the same system. Nevertheless, the system of interchangeable personnel is still in place and a new format of interchange is emerging. “Separation of politics from enterprise” is an empty slogan so far. The term specifies that the Party-state should not intervene in the enterprise’s decisions regarding production, management and other economic matters. The enterprise should have autonomy in these areas. In reality, the Party still lingers around and intervenes in most affairs through different channels in the state enterprise. Corporatism states that functional groups enjoy a high degree of autonomy in their own sphere and they are able to develop their own “sectoral interests”. As long as the personnel is controlled, policy is set and resource is regulated by the Party-state in state enterprises, it is difficult to see the development of autonomy and “sectoral interests” which constitute the fundamentals of corporatism.

The “Cooperative Shareholding System” (CSS)

In recent years, the Chinese government has adopted a new reform measure, the “Cooperative Shareholding System” (CSS), aiming at raising capital from enterprise employees, stimulating workers’ productivity, inducing a more equal distribution of wealth and leading to a more democratic style of management. The CSS decrees that every employee has the right to own the enterprise’s stocks and shares the profits of the enterprise. Employees become the owners of the enterprise. The CSS gained some success in the Chinese villages as an experimental form without government approval. By 1997, the CSS had been practiced in over 3 million enterprises in the villages (mostly belonging to collective and township enterprises) and 160,000 enterprises in cities and most of these are small-scale enterprises. According to the logic of corporatism, under the CSS, if workers’ interests are directly linked with the enterprise’s interests and becomes “sectoral interests”, workers would develop a stronger sense of belonging to the enterprise, or alternatively, a strong “corporate consciousness” or “feeling of corporateness”. Also, the CSS could provide a greater degree of autonomy to the enterprise. The CSS necessitates the changing of the governing system within the enterprise. Shareholders’ meetings, boards of directors and boards of supervisors have either added to or replaced the existing governing system in the Chinese enterprises. Autonomy is gained through the exercise of power in these new decision-making bodies. However, the CSS is admirable in theory but difficult to practice in reality.

Before the economic reform, it was the Party-state, which was responsible for production, management as well as the employees’ (both currently employed and retired) and their families’ income and welfare of various kinds. With the deepening of the marketization reform, state enterprises take over most of the responsibilities. The responsibilities of the state enterprise management to their superiors and employees are in conflict with each other. To the management, the important thing is to reduce operation costs and pursue maximum profits but their responsibility to their subordinates is to provide job security and maximum benefits. Pursuing enterprise profits means cutting costs. A major source of the cost of enterprise is the payments for employees’ income and welfare. The government seldom provides extra funds for employees’ welfare such as subsidized housing and medical expenses. Funds of these kinds come from the profits of the enterprises or bank loans. Cutting the number of staff and reducing their benefits is the cost-saving strategy commonly adopted by the management. The management tries to get rid of some previous responsibilities to their
employees. This in fact creates conflicts between the management and the workers.41 Two Beijing state enterprises visited in this study are in the process of changing to the CSS. Both enterprise managers during their interviews complained of inadequate support from the government. They count on the government to pay the debts they owed the banks. They wish the government to help paying retirement funds, housing subsidies and medical expenses for them. They also expect other preferential treatment and favorable policies from the government. Although the managers know that the reform in the state enterprises is underway and the enterprise’s relations with the Party-state have been weakening, they, however, get used to perceiving the state enterprise as part of the governmental bureaucracy and they themselves are the cadres for the Party-state. They are willing to exercise their power and enjoy the benefits so derived, but shun from taking up responsibility to solve problems. The concept of enterprise autonomy is alien to them. The management of the state enterprise uses the opportunity of changing to the CSS to serve their self-interests. The construction and renovation company in this study has successfully changed to the CSS. This company is subordinated to the supervision of the county government as well as the county level Party committee (i.e., combined leadership). It is a small company in that it only has twenty-one management personnel and permanent workers,42 about fifty contract workers and about sixty administrative personnel (such as drivers and cooks). The nature of the company requires a flexible working force. According to them, sometimes with large and/or many projects that they have contracted, they will hire as many as several hundred of temporary workers. The company does not have great problem in the transition to the CSS because it has few debts. In recent years, it has a good amount of annual profits. The company obviously set limitations for the workers to buy the company shares under the CSS. Eventually, only eighteen out of the twenty-one management personnel and permanent workers bought 10% of the total shares (the “individual shares”); 20% of shares are held by the county government (the “collective shares”); and 70% are “legal entity shares”. The trick is in the 70% of shares. It is in fact the general manager of the company who represents the legal entity and owns this 70% of shares.43 It is obvious that those who are in power (e.g., the management of the enterprise) make use of the CSS to switch the state’s property into personal property. In the process, even the interests of other people (mostly workers) in the same enterprise are excluded. The CSS seems to serve more of the individual interests than “sectoral interests”.

The Problematic Paradigm
There are two major problems with the “Chinese corporatist system” paradigm. The first is to substantiate the existence of a “sectoral interest” in the state enterprise. Anita Chan evaded the problem by focusing her study on a functional institution with a horizontal linkage rather than on a vertical linkage functional institution which is corporatism’s traditional reference.44 This study focuses on the state enterprise’s vertical relationships with both inside and outside interests groups. The finding shows that it is difficult to argue for the existence of a “sectoral interest” in the state enterprise. With divided interests among the Party, the management and the different groups of workers, we simply do not witness a harmonious relationship among these groups. Workers try to gain the advantages of both the market economy and the planned economy for themselves. Under the market economy their income increases, whereas by following the rule of the planned economy, they have better job security and more protective welfare. The management of the state enterprise also have their own interests and have a divided loyalty to both the enterprise and the Party-state. In her study, Yang stated that the development of a corporate interest “demands a leadership whose primary loyalty is to the corporate group instead of to the state hierarchy”.45

In the Chinese state enterprise, it is simply difficult for different groups to work together within a framework of a hierarchical - ordered and coordinated chain of command which transmits “sectoral interests” from bottom-up to the Party-state. The other problem for the Chinese corporatist argument is that it could not establish evidence for the Chinese state enterprise’s genuine autonomy.46 On the contrary, our study shows that although economic reform has truly brought certain freedoms to state enterprises, state enterprises are still governed within a framework
set by the ubiquitous party-state. The management, the trade union, the “Staff/Worker Congress”, the Party committee and other important positions or institutions in the state enterprises are all directly or indirectly dominated by the Party-state. The reform initiated by Deng Xiaoping has brought tremendous changes to China. The reform in state enterprises has testified to the demise of totalitarian ruling by the CCP. Some scholars of Chinese studies have argued that the Chinese society is approaching a corporatist system and the change in the state enterprises is a good example of corporatism. The evidence provided in this study refutes such an argument. The two most important corporatist elements – sectoral autonomy and “sectoral interests” – do not exist in the Chinese state enterprises. Perhaps the development in the 1980s seemed to favor a corporatist orientation and misled the scholars of corporatism. As argued in this study, the developments in the 1990s such as the introduction of the CSS and the continuing dominance of the CCP provide a strong evidence for a non-corporatist system in China.

The corporatists would argue that corporatism is a system of indirect democracy in which people are represented by their functional groups and functional groups enjoy autonomy within their own sectors and share power with the state. To the corporatists, democratization is a process of functional groups’ increasing their autonomy and sharing more power with the state, or in corporatism’s own framework, from “state corporatism” to “societal corporatism”. From the evidence of our study of the Chinese state enterprise, it is doubtful that China would, by its own development, be transformed to a democracy according to the process anticipated by the corporatists.

The Re-emergence of Civil Society?

The emergence (or re-emergence) of the civil society in China has given rise to hot debates among students of Chinese politics since the late 1980s. The predominant view is that, with the economic reform, the totalitarian grip over socio-economic organizations has relaxed and the power of the Party-state has shrunk considerably. The argument goes further that birth of the civil society sows the seed of democratization in China. Civil society is viewed as a combination of socio-political forces that are antagonistic to the Party-state.

Alternatively, the growth of civil society is perceived as a new democratization strategy. As civil society develops, the Party-state would increasingly hand over the socio-political-economic powers to social organizations. After the June 4th 1989 brutal suppression of the pro-democracy movement, a spate of literature exploring the notion of civil society emerged. The concept of civil society has certainly had a long history in Western political thought, for it can be traced back to the mid-eighteenth century in the writings of Adam Ferguson, a political theorist of the Scottish Enlightenment. The concept has a place in the treatises of such intellectual giants as Hegel, Marx, Locke, and Rousseau but they all had different emphases. The revival of this concept in the late 1970s in contemporary politics was due to the writings of Antonio Gramsci, an Italian Marxist and the founder of Italian Communist Party. The concept was first used in the dissident movements of the former East European Communist regimes. The East European dissidents envisaged a cultural or social private realm that is independent of the all-embracing totalitarian control of the state.

In Western scholarship, the first social scientist applying the concept of civil society to the intellectual discourse of the post-Mao China was Tsou Tang. However, in his analysis of the Chinese political and administrative reform in 1981, the notion was simply assumed and not critically discussed. The initial discussion of this concept centered on the profound changes taking place in the 1980s in post-Mao China. Social scientists argued that the demonstrating students in the 1989 pro-democracy movement received support from non-government sectors, including the "private" research institute founded by Chen Ziming and Wang Juntao and private businesses such as Stone Corporation and Flying Tiger Squad. They provided material support and did liaison works for the students. The amount of social support shown in the 1989 movement signaled the birth or rebirth of civil society and a "public sphere" in China.

Though the notion of civil society has been widely used in explaining the East European political development in the 1980s, whether it can be applied to the analysis of contemporary China is an important issue in the intellectual discourse. Most social scientists accepted that a civil society existed in late Qing dynasty and Guomindang-ruled era. But controversies arose as to the nature and
extent of this civil society. They all agreed that civil society was eliminated when the CCP remolded Chinese society according to the principles of Marxism and Leninism, and after 1978, it re-emerged in the post-Mao reform epoch. Most of the research remained at the level of conceptual and abstract analysis, except Gordon White's research which was a case-study on the new social organizations that emerged in the post-reform period in Xiaoshan, a Chinese city in the Zhejiang province.  

Characteristics of a Civil Society

In examining the notion of civil society, several issues need clarification. Firstly, the meaning of civil society and public sphere. Most discusssants adopt an "anti-statist" definition of civil society, i.e., civil society is defined by the "distance" of the social organization from the state.  

This definition emphasizes the autonomy of social groups and it can be traced to the Gramscian version of civil society which he defined as follows:

The ensemble of organisms commonly called 'private'..... that is to say the sum of social activities and institutions which are not directly part of the government, the judiciary or the repressive bodies (police, armed forces). Trade unions and other voluntary associations as well as church, organizations, and political parties, when the latter do not form part of the government, are all part of civil society. Civic society is the sphere in which a dominant social group organizes consent and hegemony, as opposed to political society where it rules by coercion and direct domination. It is also a sphere where the dominated social groups may organize their opposition and where an alternative hegemony may be construed.  

The "anti-statist" definition no doubt contains an important component of civil society but it is one-sided and it misses the extremely complicated relationships between state and society. Another important component of civil society is the notion of public sphere. There is little controversy on the importance of the notion. It is well defined as follows by Habermas:

A domain of our social life in which such a thing as public opinion can be formed. Access to the public sphere is open in principle to all citizens ..... Citizens act as a public when they deal with matters of general interest without being subject to coercion; thus with the guarantee that they may assemble and unite freely, and express and publicize their opinions freely.

The Gramscian version of civil society emphasizes the institutional dimension of society: the degree of institutional autonomy enjoyed by social groups vis-a-vis the state. It pinpoints the possibility of organizing an alternative "hegemony" other than the state for the civil society. The antagonistic relationship between the state and society is evident. On the other hand, Habermas' notion of public sphere stresses the societal consequences that are produced by the institutional autonomy of social groups. One of the social consequences is that social groups can organize opposition freely without subject to state coercion, which entails that the state can no longer monopolize political power. The two notions are conceptually distinct but are certainly interrelated.

On the debates of the emergence or re-emergence of civil society in contemporary China, there has, however, been a curious lack of discussion on whether a public sphere existed in China (traditional, Republican, or contemporary China). This is partly due to the fact that researchers engaged in the debates implicitly identified the notion of public sphere with the notion of civil society. The Gramscian anti-statist definition of civil society has obvious intellectual defects. Empirically, it does not match with political reality. In the first place, as Chamberlain  and Schmitter  argued, a well-functioning civil society could not be totally autonomous from the state. To say the least, civil society has to operate within the framework of laws set by the state. The parameters of the Party-state define the extent of the development of society. In China, it was the economic reform initiated from above in the late 1970s that gradually led to the delinking of the Party-state and society. In the 1989 pro-democracy movement, even the most cited case of the "private" organization, Stone Corporation, with Wan Runnan as the executive president, was not as independent as one might think. Moreover, all social and
professional organizations have to register with the government in China. In Gordon White's detailed empirical study into the degree of autonomy of various organizations in the city of Xiaoshan, he concluded with the following observations: first, enjoying a limited degree of autonomy, these organizations could not be described as "independent". Second, these organizations did not reflect a clear distinction between "public" and "private" in their nature. Third, these organizations could not be described as "pressure groups" because the pressure was very often mainly one-way from the state. Fourth, very often the membership of these organizations could not be said to be "voluntary". With these perspectives, the autonomy of the new social organizations in China is only relative. Indeed, Gordon White argued very strongly that the autonomy of new social organizations is extremely limited, but compared with the pre-reform era, they do already find some room for maneuver.

The "anti-statist" definition suffers a methodological weakness. It is tautological in nature. The Gramscian definition of civil society has already implied an establishment of a full-blowed democracy. A mature civil society presumes the institutional autonomy of social organizations, which is only possible in a democratic polity. One could argue that a democratic polity entails a mature civil society and vice versa. Another problem with the "anti-statist" definition is that by defining civil society solely in terms of the distance the social groups enjoyed from the state, any anti-state activities would be considered the birth of civil society. That is why the large-scale anti-Party-state pro-democracy activities in China have become a focus in rekindling the discussion about civil society. And it also explains why the definition of "anti-statist" was particularly prevalent among the exiled Chinese dissidents, who were on the most-wanted list of the CCP. Nonetheless, distancing from the state is only one aspect of the meaning of civil society. There are other important connotations.

As Shils defined the meaning of civil society, three aspects should be included: first, independence from the state; second, effective ties with the state; third, the presence of civility. Schmitter also argued that the existence of civil society is premised on four conditions or norms: first, dual autonomy, autonomy both of the state and private units of production or reproduction; second, collective action; third, non-usurpation, i.e., the non-replacement of state power; fourth, civility. Emphasis on only one aspect of the notion is inadequate. The democratic strategists who conceive that the expanding arena of civil society would incrementally weaken the Party-state and lead ultimately to the establishment of a full democracy are prejudiced and tend to overlook the positive functions of the Party-state apparatus. The growth of the civil society and the development of a full democracy, in fact, are two sides of the same coin. Civil society is simply "embedded" in the Party-state. In a word, the state and civil society are "dialectically" interrelated. The extent to which the civil society can develop is determined by the democratization processes and procedures within the parameters initially set by the state.

Perhaps overwhelmed by their personal experiences in the aftermath of the June 4th massacre, the overseas exiled Chinese dissidents have largely misunderstood the proper or positive role played by the state in a sufficiently well functioning civil society. Su Xiaokang, one of the scriptwriters of the widely known television series, River Elegy, included triad societies as one part of civil society. This misleading argument is naturally the logical consequence of the "anti-statist" model of civil society. In probing into the relationship between mangliu (floating population) and the state, though avoiding the defect of the "anti-statist" definition, Songer took China's "floating population" as a part of civil society. She thus also overlooked the element of civic consciousness in Shils' and Schmitter's definition. The meaning of civil society contains many aspects and the state definitely plays a positive role in its formulation. In China's case, to say the least, it was Deng Xiaoping's economic and political reform that started the liberalization since the 1980s.

Civil Society versus Civil Societies
Notwithstanding the denotation of civil society, its usage causes much confusion. In arguing for the re-emergence of civil society in China, Mayfair Yang stated that civil society could be distinguished into the economic and political dimensions. The economic dimension is a realm of "non-governmental private economic activities and sectional economic interest". The political dimension is a realm of "public and voluntary associations such as religious and cultural organizations, independent newspapers, occupational and professional societies, and local self-government". David Kelly and
He Baogang distinguished between civil society A and civil society B. The former denotes the autonomous organizations and spaces, while the latter implies civil society plus the self-conscious attitudes towards common political objectives. Alternatively speaking, using a more philosophical terminology, civil society A is civil society-in-itself; while civil society B is civil society-for-itself. All the above distinctions are superfluous and will not bear fruitful discussion. In discussing the role of the autonomous organizations, He Baogang asserted that “the development of civil society is a necessary but not a sufficient condition for democratic politics”. The argument assumes that democratic politics and civil society are two unrelated entities and one is the basis of the other. We would argue that the view neglects the “interpenetration” of influences on the parts of civil society and state. The maturing of a civil society requires that a democratic polity be fully set up. Civil society proponents argued that a civil society has not fully developed in China or civil society in China is immature or embryo, precisely because the polity in China is undemocratic or authoritarian.

Rankin, however, adopted the broadest interpretation of all in explicating civil society. In her view, civil society exhibits the following traits: social organizations not dominated by the state and capable of affecting government policies, property rights, means and places of communication for forming and freely expressing public opinion; existence of institutions and processes for individual and group political participation; legal guarantees of all these rights, institutions, and activities; and constitutional limits on state power. She practically equated civil society with a full-blown democracy. However, Wang Shaoguang rejected this view and argued that the existence of civil society is at most a sine qua non for the development of liberal democracy. Wang’s view is popular among the civil society democratization strategists.

To clarify the meaning of civil society, first of all, we would argue that it is conceptually superfluous to classify civil society into A or B, and economic or political dimensions. Particularly in the context of Chinese politics, it is pointless to distinguish between these arenas. As long as the CCP’s near totalistic grip of political power remains intact, the economic “independence” enjoyed by economic entities will not be guaranteed. The economic “independence” achieved in the reform era, to be sure, is a matter of degree. As demonstrated vividly by the study of Gordon White, the CCP was forced by the sheer logic of marketization reform to allow the growth of quasi-independent or “independent” social organizations, in particular economic or commercial organizations. But since the economic or social organizations cannot cut their ties with the state, it is difficult to say civil society A, let alone type B, exists. Our empirical study on the four state enterprises has demonstrated evidently the extent of dependence of the enterprises on the state.

The distinction of civil societies between A and B or between the economic and political is meaningless in the Chinese context. Instead, the distinction of a nascent or embryonic civil society and a well-functioning or full-fledged civil society is methodologically useful. This distinction postulates that the development of a mature civil society cannot be reached overnight and a theory of stages is required. In the semi-mature civil society, the Party-state loosens its grip on society, as in the case of China. The totalitarian control over all aspects of life gives way to a method of governance in which political-ideological control is still held supreme, but economic organizations gain certain degrees of market freedom. A full-fledged civil society can be taken as an equivalent to a Western democratic polity. As Chamberlain argued forcefully, the existence of a civil society, nascent or full-fledged, could not be separated from the state. Furthermore, various types of social organizations that constitute civil society need regulations set by the state to mediate conflicting sectoral or sectional interests. Therefore, a civil society requires that the state abides by the laws set by itself and that the legal and constitutional protection of the individuals and interest groups prevail. From this perspective, the relationship between a mature civil society and political democracy is only too evident. Rankin was correct in equating civil society with a well-developed democracy, but she ignored the dynamic process in which a civil society is born. In her conceptualization, it is a zero-sum game: either there is one or there is none. The dynamic growth of civil society is alien to her conceptualization.
Tentatively, the concept of a nascent or mature civil society can best explain the socio-political changes in the post-Mao reformist China. One must bear in mind that the development of a civil society is in tandem with the democratization process of Chinese polity. The more democratized the polity, the more likely that a mature civil society would emerge. As Gordon White concluded in his empirical study:

One can detect only embryonic elements of anything that could be described as ‘civil society’... This relative weakness of ‘civil society’ must be situated in the context of a semi-reformed command economy in which the state retains its dominant position in the economy. Its weakness must also be perceived within the context of the dynamics of reform, in which this dominance is gradually being undermined as the number of participants in the non-state sectors increases. One can hypothesize, therefore, that to the extent that economic reforms continue and economic development proceeds apace, these socio-economic forces will grow in strength and a powerful ‘civil society’ will emerge.

Evidence abounds that a nascent civil society is emerging or re-emerging in China. In 1992, China had 14.27 million getihu, which provided employment for nearly 23 million workers. There were 120,000 private companies, which had more than two million employees. In fact, in Guangdong the private sector had displaced the public sector as the mainstay of commercial and industrial activities by 1994. Even the central government was aware of this growing clout of private enterprise. A commentary in the Renmin Ribao pointed out:

Since 1980s, a new class has been formed and is outside the direct control of the government work units. It is the beginning of a civil society.

However, it must borne in mind that the embryo civil society is not equivalent to a mature civil society, which presumes a fully developed democratic polity. The automatic and linear progression to a mature

civil society from an embryo civil society should not be taken for granted.

As we argue earlier, civil society and public sphere are two distinct concepts. This paper does not attempt a full exploration on the notion of public sphere. A nascent civil society may exist in China but “public sphere” certainly does not. For the general public cannot “deal with matters of general interest without being subject to coercion” and they are not guaranteed that “they may assemble and unite freely and publicize their opinions freely”. Although a mature civil society, the same as a democratic polity, may entail a public sphere, a semi-civil society certainly does not. In China, common people neither have the information nor the “public space” to debate important national issues, such as unification with Taiwan, foreign policies with the USA and Russia, the democratization in the Party-state, etc. The iron grip on political dissent by the CCP is absolute, and at present it is difficult to envisage the full development of a civil society which is the same, as we have shown earlier, as a democratic polity. Moreover, the CCP cannot tolerate genuine political or social organized opposition. Political opposition would be crushed ruthlessly and non-political forces would be monitored closely by the security department. It is, therefore, entirely possible that civil society in China remains at an embryo stage as long as the institutional tolerance of political dissent is limited.

Conclusion

Indeed, there has been an altering state-society relationship in the post-Mao period of China. A significant change is the decreasing intervention of the Party-state in various social spheres, notably in the area of economics. Consequently, social organizations gain a certain degree of autonomy. Two approaches, corporatism and civil society, have been adopted by social scientists in explaining this changing state-society relationship. This paper questions the applicability of both concepts in accounting for the new Chinese political developments. Furthermore, we are skeptical of whether either approach could be used to explain the democratization process in China.

Although it is true that as compared with the Mao era, the scope of influence of the Party-state has greatly reduced, the evidence shown
in this research reveals that both the corporatism and civil society approaches underestimate the residual power of the Party-state. The Party-state still maintains a formal authority and exerts effective control over different domains of the Chinese society. We do not expect that this control will diminish in the near future. On the other hand, both approaches overestimate the strength of various social groups. The policies of reform and openness have empowered these groups but they are not in any bargaining position vis-à-vis the Party-state.

As a democratization strategy, both the corporatists and civil society exponents overlook the “interpenetration” of the Party-state and social organizations. The reality is not a zero-sum game. Social organizations have benefited from the reform in gaining more autonomy. However, it must also be admitted that the Party-state could not be entirely insulated from the reform experience. It has loosened some of its power in the reform process. As Richard Baum and Alexi Shevchenko observed:

Local states and societies have “interpenetrated” one another in different ways in the course of reform. In the process of mutual accommodation and adaptation, state agents and societal forces have actively (if unwittingly) transformed both themselves and each other. Such mutually transformative accommodation lies at the very heart of China’s post-reform political experience.  

Democratization depends on various factors, including the positive role of the state. In fact, in view of the overwhelming strength of the Party-state in China, the essential impetus or drive to democratization must be mainly from the Party-state itself.

* The interviews conducted in Beijing in this paper were funded by Lingnan University research grants.

1 The term “totalitarianism” was generally applied to the communist regimes in pre-cold war period, while the term “totalism” was coined specifically by Tsou Tang to denote the nature of rule in the People’s Republic of China (PRC). See his The Cultural Revolution and Post-Mao Reform (Chicago: Chicago University Press, 1986).


10 Gordon White, 1993, pp. 248-249.


21 Anita Chan, 1994; Jonathan Unger and Anita Chan, 1996.

22 The interviews were conducted between May and December 1998. We interviewed personnel in four state enterprises in the Beijing area. The four enterprises were an industrial company, a cement factory, a construction and renovation company and a clothing manufacturing company. The numbers of employees (including management, administrative, clerical staff and workers) of these four enterprises ranged from 130 to 1800. Analysis in this paper, especially on the part of corporatism, is based on the interviewed data collected in these four state enterprises.

23 Mai Yinhua and Frances Perkins, China’s State Owned Enterprises (Australia: East Asia Analytical Unit, Department of Foreign Affairs and Trade, 1997).

24 For example, since 1984, wage and bonuses for state enterprises have not been centrally controlled but linked to economic performance of the enterprises. See Lee, 1991, p. 169.

25 The term “corporative consciousness” was used by Mihail Manolescu, a French scholar on corporatism and was widely quoted in Schmitter, 1974.

26 This term was employed in Yang, 1989, p. 59.


29 Various state enterprise governing formulae were used in the 1980s. These formulae were variants of the “manager/director responsibility system” and the “factory director responsibility system under Party committee leadership” and the major argument about these formulæ was still whether the important policy-making power rested in the hands of the Party secretary or in the factory director. Refer to Heath Chamberlain, “Party-Management Relations in Chinese Industries: Some Political Dimensions of Economic Reform”, China Quarterly, No. 112 (December 1987), pp. 631-661.

30 Elaborations as well as some examples were accounted in Chamberlain, ibid.

31 The term, “system of integrating Party and politics” is not official but commonly used by locals in the Chinese state enterprises. The term is figurative and “politics” here is meant to be the “enterprise”. What they meant is that the enterprise operates like the government which is difficult to separate the government from the Party.

32 This is assuming that the factory director does not concurrently hold the position of Party secretary.

33 O’Donnell, 1977, p. 79.

34 Unger and Chan, 1996, pp. 119-128.

35 Even Unger and Chan admitted that legally the SWC has power but not so in practice. See 1996, pp. 124-125.

36 Interviewed with the general manager of the industrial company.

37 The chairman of the trade union in the clothing manufacturing company in our study concurrently holds the positions of vice-factory director and vice-party secretary in the enterprise.

38 Interviewed with the general manager of the industrial company.


41 Another venue of promotion is transfer to a larger state enterprise. In today’s situation, it means a loss of established connections (guanxi) and possibly a shoulndering of more problems and burdens such as over-staffing, overspending and debt problems, etc. This is verified in our interviews.

42 With the above-mentioned new round of government organizational streamlining and staff cut in large scale, many leading cadres in the government are retrained as special inspectors (i.e., a newly set position) and dispatched to large-scale state enterprises to supervise their finance and operation.

43 Gao, Shangguan, “Regulate and Perfect the Ownership Structure, the Second Part”, The Reform Internal Reference (Gaige Neicon), No. 21.


45 Walder stated that due to the lack of labor mobility and the absence of a labor market in China in the 1980s, factory directors depended upon their permanent labor force and were unwilling to dismiss or punish workers. This explained managers’ attitude of fear of dissent and conflict in facing their workers, see his 1989, pp. 251-253. This is not true any more today. The labor market has gone through significant changes since the 1980s. To reduce costs, Chinese enterprises hire more and more “contractual workers” or “temporary workers” and reduce the number of “permanent workers” (or “formal workers” called by the Chinese managers) in their staff ratio. In the past, the two targets, production efficiency and maximization of enterprise’s profits were achieved through managers’ seeking co-operation from the workers and maintaining a harmonious relation with them. Today, the same targets are achieved through managers’ less concern with the workers’ job security and welfare and more concern with the enterprise’s overall performance. More and more labor-management conflicts arise and need to be solved through formalized grievance procedures.

46 The management team including eight vice-managers and other chiefs are among these twenty-one persons. The others, so-called “permanent workers” by the company, are actually heads of several construction teams and in charge of leading other contractual and temporary workers.
A retired leading cadre in the county Party committee provides this information. It is suspected that the leading cadres in the present county Party committee have benefited in the process of approving the "legal entity shares".

See her 1994. She argued for the Chinese workers' corporative structure with a case study on the peak organization of the workers' official trade union, the All-China Federation of Trade Unions (ACFTU). In that study, only the ACFTU and its general relationships with workers and with the party-state were studied. Its relationship with subordinate trade unions, especially at the enterprise level was not explored.

Yang, 1989, p.58.

The same problem exists in the civil society argument in explaining the independence and autonomy of the Chinese society vis-a-vis the state. The difference between the corporatist and the civil society argument is that the corporatist refers to the sectoral autonomy or autonomy of the organized functional groups usually based on different job nature while the civil society argument refers to autonomy of various social groups, which are organized for various purposes.

See Unger and Chan, 1996.

See footnote 12.

Miller, 1992, pp. 3-5.


Ma Shu-yun pointed out that Chen Kuide was the first exiled Chinese dissident who employed the concept of civil society in the intellectual discourse of the Chinese society when he published an article entitled "On New Authoritarianism Again" in Zhongguo fuzhan (China Spring), March 1990. Ma implied that Chen was the first Chinese intellectual using this concept to explain social and political changes in contemporary China. See his 1994, p.187. In fact, in June 1989, before the crackdown, Yu-chung Wong published an article entitled "From Student Movement to Popular Mass Movement", in which the author first used the concept. The article was published in the Economic Journal Monthly in June 1989 in Hong Kong. We believe that this was the first time the notion was employed in the Chinese intellectual discourse outside China.


Chamberlain, 1993, pp. 207-209.


According to Wan Runnan, Stone Corporation was a private company, but this company could not import anything under Chinese law and therefore, it could not conduct normal international trading business. In order to do business, the Corporation liaised with a state-run enterprise, which could get an import permit. The state enterprise sold Stone Corporation what it wanted and thereby made a profit. At the same time Stone Corporation was able to get what it wanted and prospered. This exchange system is uniquely Chinese, but it also shows the severe limitations on the so-called private company. See Wakeman, 1993, p.135. After all, private company is not too "private".

Gordon White, 1993, pp. 85-87.


Kelly and He, 1992, p. 38.


Mary B.Rankin, 1993, p. 159.


In tracing the roots of the re-emergence of civil society in contemporary China, Whyte was bold enough to hold that the Cultural Revolution (CR) had sown the "most important seeds of this new trend". According to him, first, the anti-bureaucratic thrust of the CR and the mass criticism of the abuses of authority, elitism, and corruption among officials had a dramatic impact on the population as a whole. Second, the immobilization of the Party/state apparatus (except the PLA) released individuals from day-to-day bureaucratic control of their supervisors and allowed them to think in a more critical way. Third, the traumatic experience of many people caused them to abandon their trust in the CCP system. Unlike many proponents who argued the economic reform was the root cause of civil society, Whyte argued that it was the CR that contributed most to the re-emergence of civil society in China. Whyte's argument, however, was one-sided. What he emphasized was the "subjective consciousness" of the participants in the CR. However, as we have seen, the growth of semi- or "independent" social organizations is an important component of civil society, which has emerged only in the reform era. It is, therefore, difficult to take the CR as the most important factor. See Whyte, 1992, pp. 85-87.

White, 1993, p. 86.


Falun Gong incident is a good example of showing the CCP's intolerance of non-political forces. Falun Gong is a quasi-religious group. It does not have a strict organizational structure but it claims a membership of 70 to 100 million in China. Thousands of its followers surrounded Zhongnanhai, the CCP's nerve center, in April 1999. For details, see Open Monthly (Hong Kong), No. 149 (May 1999), pp. 17-19. For the events leading to the crackdown on Falun Gong, see Cheng Min Monthly, No. 262 (August 1999). About the CCP's mass arrest of its followers, see South China Morning Post (July 21-22, 1999).
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