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Focus on China



**A New Development Model or
Old Lessons Reconfirmed?**

DevISSues



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From the Guest Editor

This issue is focused on China. The focus is partly an opportunity to peer into the rising importance of China from a development studies perspective, but it also marks the rising importance of research on China within the Institute of Social Studies and the initiation of a staff research cluster for this purpose, appropriately called 'Focus on China' (see the description of this cluster on page 11).

In standing with the ISS tradition of engaging with the big questions about development, a variety of leading scholars working on China, both inside and outside China, were asked to reflect on the following question from the perspective of their own long standing expertise on the country: does the example of the People's Republic of China over the last 30 years present a new model of development to the world? Or does it reconfirm some of the classical insights from development studies?

This question refers both to the growth success of China and to the perversions of this success, for example, rising inequalities. In a sense, China brings us back to development debates that were raging during the 1960s and 1970s, before the 1982 debt crisis and subsequent programmes of structural adjustment pulled research agendas away from questions of 'growth with equity' and towards questions of no growth at all. Up to the 1970s, while China was still under the autarky of Maoism, regions such as Latin America were experiencing decently rapid rates of growth, with Brazil hailed as a growth miracle. However, critics from the political and academic left were pointing to the economic and social polarisation and marginalisation that were accompanying such growth, at the same time as neoliberal scholars were impassioned with the cause of dismantling import-substitution industrialisation and state interventionism. In the end, the economic models producing both growth and marginalisation unravelled and were razed.

In the meantime, China has now arisen from the shadows of Maoism as the new growth miracle among large poor countries, charting a new path for those disillusioned (or never illusioned) with the remedies of the dominant international financial institutions. Therefore, in a certain sense, we have returned to the same concerns of the 1960s. China and several other large poor countries such as India have kept the issues of investment, production and national capital accumulation on their agendas, setting them off from the reigning development discourse. Their successes in generating sustained growth are now a reality to contend with and have resurrected issues of equity within growth (versus equity within stabilisation and structural adjustment).

In setting this broad frame of reference for the invited scholars, the response was diverse and fascinating. The articles alternate between scholars based in the West and Chinese scholars based in China. The first opens with a reflection on the Chinese model by Sarah Cook from IDS in the UK, followed by an interview with Zhu Ling, a leading economist in China. Athar Hussain from LSE in the UK discusses the challenges of current social security reforms, while Xizhe Peng, one of China's leading demographers, offers an update on demographic developments. Laurence Roulleau-Berger, a leading French sociologist working on China, writes about new forms of social and economic inequality. Rong Ma, a leading sociologist in China working on minority issues, writes about the history of 'nationality policy' in China. This is followed by an article from Max Spoor from ISS on a current ISS research project in Western China; an article on Chinese NGOs by Lu Yiyi, a Chinese research fellow at the University of Nottingham in the UK; and finally, an article on participation in the Chinese context by Lu Caizhen, a Chinese PhD graduate at ISS.

While space limited the inclusion of yet more debates and insights, we hope that this selection whets the appetite of the reader and encourages them to seek out further China-related engagements with the ISS. Or, to paraphrase the closing remarks by Zhu Ling from her interview in this issue, while China's development is a difficult process, it also offers many very exciting facets to challenge current thinking in the field of development studies. It is our hope that ISS becomes one of the leaders to take up this challenge, as it has in so many other development issues over the years.

Andrew Fischer, ISS lecturer and guest editor. Andrew can be contacted at fischer@iss.nl

About the cover

A hat factory in Qinghai Province, West China, producing Muslim skull caps for export to Saudi Arabia. The automated machinery was imported from Germany. The writing on the wall reads; 'Develop our thoughts, Innovate constantly, Promote [our] products on the international market'. The photo was taken in 2004 by Andrew M. Fischer during his fieldwork in this area.



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China's development model: What is there to learn?

Sarah Cook

Thirty years of sustained and rapid growth has brought China to the threshold of being a major player on the international stage. As new groupings (from G2 to G20 and beyond) take shape during the current financial crisis, China's size and new found influence inevitably place it at the heart of any emerging global leadership configuration. What does this mean for international development, and how will China contribute to meeting current global development challenges? What lessons, if any, can be drawn from China's experience, and does it constitute a distinctive 'development model'?

The 30th anniversary of China's reform has been a catalyst for reflection on China's development experience. The global financial dislocation has heightened this interest. Among the international development community, questions are being asked about the significance of China's rise for low income countries, for poverty reduction and the delivery of global public goods. There is much to learn from China's experience, but a unique combination of features makes the search for a 'model' or for lessons to extrapolate an elusive one. China's rise also brings a major challenge to the traditional development community which needs to understand China's motivations, rooted as they are in its domestic development strategy; and to adapt to China's presence in low income economies and the alternative development paths it offers.

IS THERE A 'CHINA MODEL'?

How should we attempt to understand China's particular combination of authoritarian socialist politics and increasingly market-based forms of economic organisation which have accompanied rapid growth? There is no easily identifiable 'model' which captures China's reform experience. To the extent that a model can be

described, it concerns process rather than blueprint or policy prescription. It is one of pragmatism, experimentation and gradualism; looking for successes, keeping what works and discarding what does not. This approach is reflected in widely-cited slogans – 'Seek truth from facts', 'Crossing the river by feeling the stones' and Deng Xiaoping's comments about the colour of the cat being unimportant as long as it catches mice.

What China has achieved was unimaginable thirty years ago, even to the architects of reform. Throughout this period, the leadership has pursued a trilogy of objectives – reform and opening, development, and stability, with stability remaining at the core, the key determinant of the sequence and speed of reforms – when to push ahead and when to retreat. The Party-state leadership has shown a responsiveness to innovations that work, allowing space for variation in policy implementation suited to local conditions, moving ahead in small steps but stopping to evaluate and if necessary take a step back if Party control and stability are threatened. These processes are found in reforms starting with the decollectivisation of agriculture and establishment of Special Economic Zones, to the dismantling of state-owned enterprises, relaxations

on labour mobility, expanding civil society and personal freedoms, and the reconstruction of a social welfare system more suited to a market economy. Policy interventions respond to specific problems at various points in the process. Where threats of social or political instability are perceived, the leadership tightens central controls or reins back on reform – as for example in the response to the student demonstrations of 1989; in limiting the spread of direct elections beyond village level; and in the constraints placed on autonomous 'civil society' associations or other collective forms of organising or protest.

Critical to China's reform has been the building of new institutions or the flexible adaptation of old ones to meet changing economic and social realities. At key moments, institutional bottlenecks have arisen, for example the absence of clearly defined property rights, an independent legal system, access to information, accountability mechanisms and regulatory structures. Many of these problems remain and may yet create fundamental challenges to the system. Policies and institutional arrangements that facilitated earlier stages of rapid growth may later become obstacles to further development. An element of 'showcase' modernity, aimed less at self-sustaining development than elite consumption patterns, has created high environmental costs and social inequalities which may be less easily resolved. To date, however, the government has intervened at key moments to avert the threat of instability.

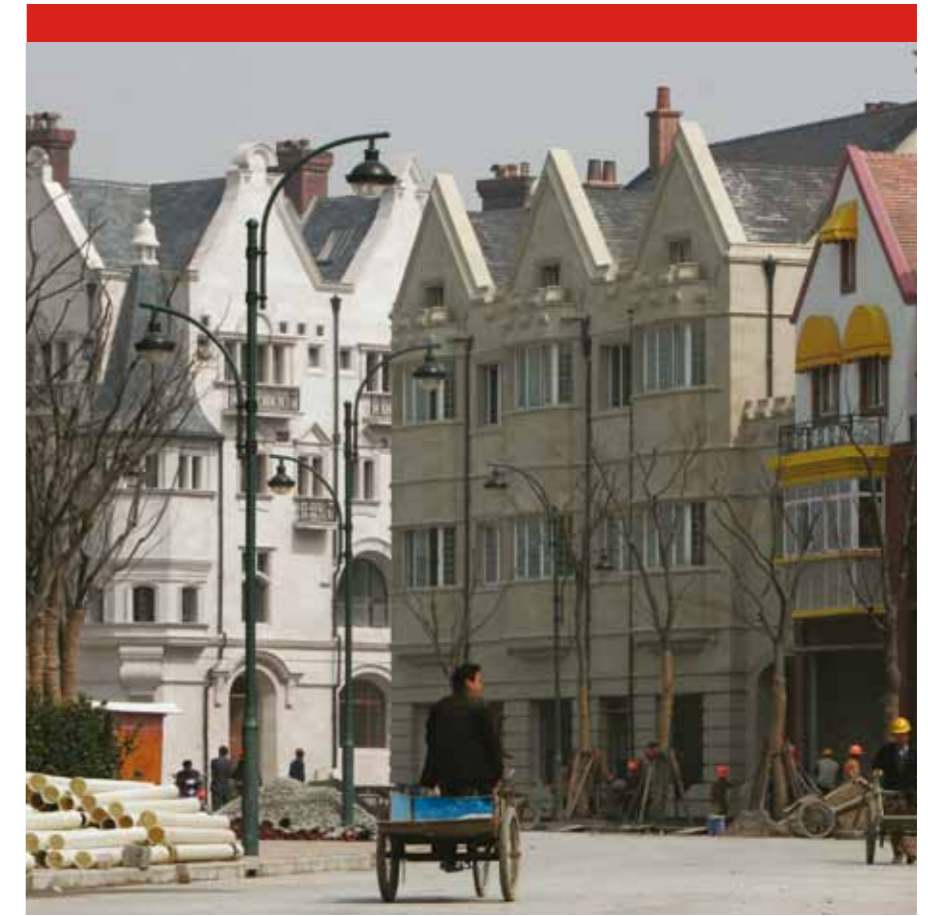
The current financial crisis creates a further opportunity to observe China's development 'model' at work, to see whether potential crisis can be turned to opportunity. As growth slows well below the 'magic' eight per cent frequently

publicised as necessary to maintain social stability, the government faces pressures to restructure the economy, reduce export dependence, and stimulate domestic consumption while addressing widespread economic insecurity. The crisis may provide policy space to meet these dilemmas and potential domestic fractures, but the government must do so while also managing heightened international expectations that it can contribute to stabilising the global economy.

What is distinctive in China's reform process is therefore less an ideologically based set of policy prescriptions than a flexible process of adaptation to rapid change within specific political and institutional contexts. China needs to be understood not for its exceptionalism, although there are of course distinctive characteristics including its size and strong state capacity, but rather for the way it is managing the structural and demographic transformations that all countries experience, on a larger scale and at a faster speed than ever before. This has called for creativity and innovation in solving problems and responding to circumstances for which there is no blueprint.

CHINA'S DEVELOPMENT MODEL IN COMPARATIVE PERSPECTIVE

To what extent do policies pursued by the Chinese state reflect other development experiences? China's reforms are frequently assessed with reference to East Asia's 'developmental states'. While some similarities exist in the ability of authoritarian states to direct capital towards economic objectives, there have also been key differences (Tsai, K. and S. Cook, 2005). As a transitional economy, China faced the dual task of dismantling socialist institutions while constructing ones suited to market-oriented growth. Sub-national governments in China have had greater autonomy in determining the terms of local development: its political system and sheer size complicate effective and consistent implementation of policies set forth at the centre. As a 'late liberaliser', China faced different global conditions from the East Asian 'late industrialisers': China's rise has taken place in a global environment less conducive to negotiating development strategies



A migrant labourer rides a rickshaw through a construction site on the European themed Thames Town housing development, Songjiang District, Shanghai / Qilai Shen, Panos Pictures

and institutional reorganization in a purely domestic manner. The terms of its participation in economic institutions have been subject to more complex negotiations, and China has generally had less time than its East Asian neighbours to conform to multilateral trading norms.

“What China has achieved was unimaginable thirty years ago”

Other debates have concerned the speed and sequencing of reforms – the benefits of 'big bang' versus gradualist approaches to transition. China's gradualism was initially criticised by some observers for lost economic efficiency, but it enabled the leadership to maintain political control and stability and establish new institutional arrangements while 'growing out of the plan' (Naughton, B., 1996).

More recently – and of particular relevance for international

development – are debates over whether China's development approach, including its interactions with other low income countries, challenges the orthodoxy of the Bretton Woods institutions. While the basic tenets of the 'Washington Consensus' are increasingly questioned, and policy prescriptions have already shifted significantly, even less agreement is found around the so-called Beijing Consensus. From the perspective of developing economies, China may represent an alternative approach, distinct from OECD development orthodoxies and aid modalities. With its emphasis on partnership and mutual interest, China's engagement as trade partner, investor or producer has been an important driver of growth, apparent particularly in its rapid expansion of economic activity in Africa. Beyond some general guiding principles, such as non-interference in internal affairs of other nations, however, there are few clearly identifiable policy prescriptions for China's development assistance.

WHAT DOES CHINA'S RISE MEAN FOR INTERNATIONAL DEVELOPMENT?

China's impact is significant both for other developing countries and the international development community. For the former, the process and pragmatism of China's experience, grounded in local realities, offers insights but does not necessarily provide specific guidance for countries with very different governance systems, resource endowments, policy processes and implementation capacities. China seeks to secure its own long term economic and political interests, particularly in energy and resource security, with its development assistance closely tied to trade and investment. This has led for example to much needed infrastructure projects in countries where the international development community has under-invested or withdrawn, and where private sector returns are unattractive. Western donors may need to revisit this missing infrastructure link in development, as well as reconsidering the nature of conditionalities which recipient countries may avoid if China offers an alternative source of assistance.

At a micro level, China may have concrete lessons to offer developing countries from its own interventions to reduce poverty, guarantee food security or basic health and education, or in the provision of infrastructure and technologies. The challenge facing both China and prospective beneficiaries is what and how to learn. Chinese researchers, or scholars of China, are best placed to assemble that knowledge in a rigorous way, but need partnerships to share it effectively. The external demand for 'lessons from China' for other countries is increasing, but there are few mechanisms linking the supply and demand for such information. Effective mechanisms need to be created for dialogue between those trying to find solutions to particular problems in a specific context and those who can understand and analyse the Chinese experience. The creation of a 'development infrastructure' within the Chinese bureaucracy may be one step to facilitate this process; strengthening collaborative research, and bringing Chinese scholars into development research consortia, is another.

For the wider development community, China offers new approaches as well as fundamental challenges to its mode of operating. China's engagement in low income countries will upset how development assistance is delivered, and may push the development field further and faster towards a re-evaluation of aid modalities. It provides an opportunity for serious reflection on the western development model and what it has achieved at a time when boundaries are shifting rapidly and new relationships and groupings (north-south, emerging economies, 'BRICs'*) being sought. It offers an opportunity to move from approaches based on donor-recipient relations to those of partnership and mutual interest.

"China's impact is significant both for other developing countries..."

Among development researchers and practitioners, however, there is limited understanding of what drives China – its domestic priorities and motivations. While many bilateral and multilateral development agencies have operated in China for over 20 years, until recently there has been little effort to link development experiences within China to activities elsewhere. As China takes on a more prominent role as a development actor, there is a growing need to understand China's motivations and interests, its domestic policies and pressures, and how these shape its activities globally. An account of China's own 'discourse' around development, how policies are made and different agendas pursued, and which western development ideas are adopted and adapted in China's own development plans would provide a valuable perspective to inform western development debates, while helping to build mutual understanding of respective approaches.

China is also being called on to play a major role in contributing to global

* The large emerging economies of Brazil, Russia, India and China.

public goods that are particularly relevant for the developing world. It has become a key player in major changes in the global order, perhaps sooner than it would have liked. It is playing an increasingly influential role in setting international norms that affect developed and developing countries, and in the development of new institutions of governance relating for example to trade, climate, financial flows and security. In participating in the international system, China is for the most part being asked (and making efforts) to adapt to a set of institutions and priorities developed by other powers. This role brings risk and a perception of threat from many in the west, as well as opportunities, potential benefit and greater responsibility.

The financial crisis may leave China as a development partner of choice with increasing 'soft power' influence in the developing world. The development community should take this opportunity to understand China's strategic interests and motivations in order to enhance collaboration in the goals of renewed but sustainable growth and poverty reduction. Achieving this will require a multilateral response and the creation of a more inclusive framework for dialogue and cooperation on global development issues.

This paper draws on presentations and discussions at a number of workshops on China's development including: 'Researching China's Development: What does 'Development Studies' have to offer China and what can it learn from China?' presented at the Symposium on Livelihoods, Mobility and Development: the Chinese Experience, NICS, Leeds, November 30th, 2007; presentation at the workshop 'Does the Growth of China challenge everything we thought we knew about development' Manchester University, 25th April, 2008, and IDS-Brookings workshop on 'China and Financial Crisis: Implications for low incomes countries' Tsinghua University, 20th March, 2009.

Sarah Cook is a Research Fellow at the Institute of Development Studies, University of Sussex, UK. She received her PhD from Harvard University. She currently directs a multi-country research programme on 'Social Protection in Asia', and is involved in comparative research on informal employment in China and India.

China's economy and the global economic crisis: an interview with Zhu Ling

by Andrew Fischer

AF. China recently reported an annual GDP growth rate of 6.8 per cent for 2008. Some commentators suggest that this means the economy did not grow at all in the last quarter of 2008, which could be quite dramatic given that the government has consistently suggested that a growth rate of 8 per cent is necessary in order to maintain stability. How do you think China is handling the current global economic crisis and what challenges lie ahead in order for it to maintain its recent past performance?

ZL. The responses of the Chinese government to the global economic crisis are on the right track, such as expanding public investment in infrastructural programmes, investing in social protection programmes, or promoting job creation for unemployed rural migrant workers and newly graduated college students.

The most serious challenge lies in the last point; how to create as many jobs as possible through domestic sources of economic growth and in a labour-intensive way, given that the export sector, which was one of the main drivers of growth until recently (investment was the other), has been seriously affected by the global economic crisis.

AF. Regarding your second point, it has been often noted by many economists that Chinese economic growth since the 1990s has had a low elasticity of employment to growth, in contrast to earlier periods which were much more labour intensive. This is precisely the reason why high growth rates are deemed necessary, so that sufficient jobs can be generated given these characteristics of growth. Therefore, what you suggest implies a radical reorientation from the path

of the Chinese growth model over the last two decades, would it not? How could the government bring this about?

ZL. Prior to the current reform period the growth model was actually much less labour intensive in comparison with the reform period from the early 1980s onwards. This can be seen from the fact that more than 80 per cent of the labour force was squeezed in the agricultural sector. In the first half of the 1980s the major driving force of growth was agricultural and rural non-agricultural development, which were characteristically labour intensive. This was because the increase of employment and household income was given priority during that period, after the economic crisis that occurred in the period of the 'Cultural Revolution'. Since the 1990s, when the Chinese economy became more involved in globalisation and the growth rate was used as a key

indicator to evaluate the achievements of local officials, the growth model has tended to be more export-oriented and capital intensive.

The current economic crisis has forced the Chinese government to design policies towards a more labour intensive and environmentally-friendly growth model. However, these efforts alone would not bring substantial changes without strengthening anti-monopoly policies and opening the monopolised sectors to the entry of the non-state owned enterprises, such as in petroleum production and marketing, the power industry, communications and banking. Furthermore, the labour intensive small and medium sized enterprises should be given better access to financial services and public support. In any case, employment should be taken as the most important indicator to evaluate local governments. That would help



A job seeker in Chongqing / Zhu Ling

to promote job creation as well as the build up of assets in the non-state sectors of the economy.

AF: Hasn't the government been trying to force concentration in certain sectors of the economy throughout the 1990s and 2000s, both as a means to control redundancies and overproduction in many industries (such as in steel) as well as to create national corporate leaders that could compete in the international economy (such as in petroleum)? In which case, wouldn't a policy of liberalising monopolies at this point work against these objectives, particularly given overcapacity in the current economic slowdown? Isn't the question of employment creation a problem of domestic demand more than capacity or business entry? Also, how much of the employment generation problem is rooted in rising inequality?

ZL: During the 1990s a policy was undertaken to guide the reform of state-owned enterprises; so called 'Zhua Da Fang Xiao'. It means: privatise the smaller state-owned enterprises and let them compete in the market without state support, while keeping the larger ones under state ownership and giving them stronger and more concentrated public support. The implementation of this policy accelerated the marketisation process but at the same time it has had the side effect that, with the preferential treatment from the government, some of the large state-owned enterprises have tended to become monopolies. A few of these monopolies have joined the group of internationally large firms, such as PetroChina Co. Ltd and China Petroleum and Chemical Corporation. However they have not seemed to be internationally competitive due to their governance structure under the governmental administration. For instance, the top managers of the state-owned giant firms are appointed by the government and some of them have been officials without sufficient business management training. On the other hand, the internationally competitive firms are mainly small- and medium-sized non-state owned enterprises. That is why no one in China now considers that anti-monopoly policies would affect the international competitiveness of the large monopolist firms.

Moreover, at present job creation is the most important goal of policies, more than anything else in the context of the current economic recession, given that it is closely related to social stability. Without job and asset creation, there is no increase in household income. Then domestic demand, especially domestic demand generated by consumption, cannot be effectively stimulated.

The obstacle to employment generation in relation to rising inequality lies mainly in the discrimination against rural people. The urban-rural income gap explains over 40 per cent of the nation-wide income inequality across households. This problem has already drawn the attention of both the general public and top policy makers. It was also a focal point in the policy discussions that took place in the Conference of the People's Congress at the beginning of March 2009.

AF: Recently you were researching the impact of rising food prices on poor people in China. What were your main insights? And how have these insights changed in the current economic crisis, given that food prices have now fallen sharply?

ZL: Our data analysis based on the national household sample survey shows that the food price hike during 2007 damaged the food and nutrition security of the rural poor. The shock of rising food prices affected the livelihoods of the urban poor less than the rural poor. This was due to the broad coverage of certain urban social protection programmes, such as the Minimum Living Standard guarantee programme. The same programme for the rural areas was established later than the urban programme and has been extremely underfunded due to the weaker financial capacity of the local governments in the rural areas. Moreover, the rural pension programme has not yet been set up in most rural areas and the integration of the rural migrants into urban social protection programmes is still a problem to be solved.

At present, international food prices are falling but dangers to food security in the developing world, including China, still exist. The current economic crises affect food security in two ways: reduced investment in agriculture will

lead to a decline in food supply; and a decrease in the income of the poor will result in a reduction of their ability to purchase food. Therefore, the end of the price crisis does not necessarily mean relief from the threat of food and nutrition insecurity for the poor.

More specifically, China has been facing such a serious drought in the spring season of 2009. This will certainly lead to a decrease in food production in the summer harvest. As a result, both food security and farmers' income have continued to be a great concern for both the general public and the government. The State has been increasing its financing of agricultural investment so that food production might increase in the autumn harvest of this year. It has also been strengthening social protection programmes since the beginning of the slow-down in the domestic economy. This will alleviate the shocks of the economic crisis on lower income groups, including the poor.

AF: Given all of these domestic challenges, what could or should be China's international role in the current global economic crisis?

In a globalised world that is facing an economic recession, what China can and should do is, on the one hand, promote and participate in the international collaboration for the reconstruction of more strict rules to supervise financial activities; and on the other hand, adjust its own growth model and reduce its foreign trade imbalance. A successful transition of the Chinese growth model to a more resource-saving and environmentally-friendly one, and more healthy economic growth in China would make great contributions to current attempts to bail-out the world economy.

AF: Thank you very much for your time and valuable insights!

ZL: Thank you for your interest in China's development. It is a difficult process but it is also a very exciting issue to challenge the capacities of contemporary intellectuals.

Zhu Ling is Deputy Director of the Institute of Economics, Chinese Academy of Social Sciences. She was interviewed by Andrew Fischer, lecturer in Population and Social Policy at ISS.

Social Security System for a Harmonious Society

Athar Hussain

As part of its plan to establish a harmonious society, the Chinese leadership has resolved to establish an integrated social security system by 2020 that would cover the whole population. This paper aims to provide an overview of the present system and consider the prospects for the establishment of an integrated system by 2020.



An urban construction site / Andrew Fischer

THE CURRENT SOCIAL SECURITY COMPLEX – AN OVERVIEW

The assortment of social security schemes that currently exist do not constitute an integrated whole, hence the term 'complex' instead of 'system'.

Broadly they are aimed at the following:

- Poverty alleviation;
- Income maintenance in the event of unemployment, occupational injury, sickness and retirement;
- Subsidised, including free, medical care as and when needed.

The schemes divide into the familiar categories of 'social insurance' and 'social assistance (social safety net)' (Ministry of Labour and Social Security, Sept 2004). Both categories include a variety of schemes and the distinction

between them is based on two salient aspects: first, the conditions attached to the provision of benefit (entitlement qualification) and second, the method of financing.

By design, social assistance is means tested, which in China can be stringent and intrusive. Being non-contributory, social assistance schemes have to be financed from general government revenue, which leads to the vexed issue of the apportionment of expenditure responsibilities among government tiers. The contributory schemes fall into two categories: Social Insurance for the urban population; and two rural schemes: the local pension schemes and the 'Rural Cooperative Medical Insurance Scheme' (RCMIS).

Taken together, the contributory and non-contributory schemes are characterised by two salient features:

- segmentation and striking differences in provision across groups;
- highly decentralized financing and management.

SEGMENTATION

The abiding feature of the Chinese social security complex has been the deep division between the rural and the urban population and the glaring contrast between their respective social security entitlements. This division dates from the pre-reform period (pre-1978) and still survives, though increasingly blurred at the edges. The urban population benefits from a complementary combination

of contributory Social Insurance, providing old-age pension, work injury compensation, health care insurance, maternity benefit and unemployment compensation, and means-tested social assistance (Minimum Living Standard Assistance - MLSA), which bridges any shortfall of household per capita income from the local poverty line.

In contrast, the social security provision for the rural population is sparse. Bar a few minor exceptions, the rural schemes are non-contributory social assistance schemes aimed at alleviating severe hardship and narrowly targeted, either towards households passing a means test or towards the residents of designated localities. There are two professed rationales for the limited social protection cover in China's rural areas. One is that each rural household is assigned a plot of agricultural land that serves as a floor to household income, a feature that is particular to China and a few other economies. The other is the high cost of introducing a social security regime comparable to the one in urban areas relative to the limited capacity to collect taxes and social security contributions in rural areas. Both are valid, but only under strong qualifications. The protection provided by land plots is highly variable and has diminished over time because of the combination of the increase in the rural population and the diversion of land to non-farm uses. The latter has given rise to a substantial rural population without any land.

DECENTRALISATION

Both rural and urban social security systems are highly decentralised, the former more than the latter. In the case of the urban schemes, although Social Insurance and MLSA are based on regulations issued by the central government, many of the details of the schemes are left to the discretion of the provincial or municipal governments. More consequential, for both Social Insurance and MLSA the budgetary units are 269 cities (excluding county-level cities and towns); and generally cities are expected to cover from their own budgets any deficit on Social Insurance and the cost of MLSA in their respective jurisdictions. In many cases, cities with a comparatively heavier burden of MLSA have more strained budgets because the factors that cause

households to slip into poverty also act as a drag on city finances.

There are *ad hoc* transfers from the central and provincial governments to lower tier governments so they can meet their social security obligations under Social Insurance and MLSA. But there is as yet no regular framework for fiscal transfers from higher to lower government tiers to cover expenditure responsibilities of the latter. An overhaul of the system of inter-governmental finances has been high on the reform agenda for a number of years but still remains to be realised. A pooling of Social Insurance contributions and expenditures at the provincial level is the policy aim. There are 11 or so provinces, including province-level cities, that in various ways pool contributions and expenditure. But there is as yet no preferred framework for pooling.

INTEGRATED SOCIAL SECURITY SYSTEM

Though not spelt out explicitly, the common assumption is that the integrated system would provide to the whole population the same high level of protection that a section of the urban population currently enjoys. The promised system will not only close the rural-urban gap but also fill the large gaps in coverage that mar the present rural and urban systems. The goal is ambitious and the time allowed to achieve the goal is very limited. The closing of the rural-urban gap will require a lot more than simply raising the social security provision in rural areas to the level in urban areas. The rural-urban distinction is not confined to the social security field but runs wide and deep to the institutional structure of the government, public finances and the provision of social goods such as basic education and health care.

The establishment of an integrated system has to take into account the implications of the following:

- The rural per capita income is a small fraction of the urban per capita income. In 2005, the rural net income per capita was slightly less than a third of the urban disposable per capita income;
- The variation in rural per capita income is far wider than that in urban per capita income;

- A large percentage of rural households have a piece of land each, which historically has served as a justification for providing restricted social security cover to the rural population;
- Internal migrants are huge in numbers and mobile across localities.

The first suggests that applying the same schedule of contributions and benefits for Social Insurance schemes to both rural and urban population may lead to a much lower participation rate amongst the former than amongst the latter. There are two possibilities for raising the participation rate amongst the rural population to the level found amongst the urban population. One is to charge rural residents a lower contribution rate in return for a lower benefit. The other approach is to keep the same schedule of contribution and benefit but raise the government contribution to offset any financial shortfall caused by the inclusion of the rural population. This fits in with the spirit of an integrated social security system but it is premised on the continued improvement in the public finances as seen over the last few years.

The greater variation in income per head in rural localities compared to urban localities suggests a fundamental incompatibility between an integrated social security system and the financial and operational decentralization that characterises the present system. The obverse of decentralization is variation in the levels of provision and facilities. Extending the current system to cover rural localities would further widen the variation and may make the integrated system non-viable. The implication is that the construction of an integrated social security system has to go together with raising the budgetary unit to the provincial level.

Turning to the land plot as a substitute for social security, the average area of land plot per household varies across villages even in close vicinity; as do the climate and location. The cultivated area per rural inhabitant is low: slightly less than a fifth of hectare (0.19) and falling because of the diversion of land to non-agricultural uses. The implication is that land plots do not provide full protection against a fall into poverty. Further, not all

rural households have a land plot each and the number of landless households has in recent years risen sharply. A rough estimate puts their number at 40 million which is around 10 per cent of total rural households. The argument is that treating household land plots as a justification for providing the rural population with reduced social security cover was weak to begin with and has been rendered even weaker by recent developments.

Migrants represent a huge blind spot in the current social security coverage. This is due to two factors. First, they are not recognised as residents of the localities where they may have been living and working for a long time. Second, the current social security schemes are financed and operated on a highly decentralised basis and there is as yet no national framework for the portability of contributions and benefits.

A vast majority of migrant workers are from rural localities and their inclusion in the social security system would seem to be a first step towards the construction

of an integrated system. There are two aspects to the participation of immigrants in Social Insurance schemes:

- collection of contributions;
- disbursement of benefits.

The problems raised by the first are, in principle, the same for immigrants and residents. The only difference is that, compared to the latter, the former are more likely to be in jobs with low rates of Social Insurance coverage, such as casual or informal employment. Concerning the second, one needs to distinguish between schemes where contributions and benefits run concurrently and where they are separated in time. The former include disability and injury compensation and medical care insurance, which can be extended to immigrant workers without any problem. Some cities already do so. The latter group includes old-age pension that raises a particular problem because of the long time gap between the payment of contributions and the receipt of benefits and the absence of a national framework for the accumulation of contributions paid in various localities

and the portability of pensions. An interim solution to the problem is to set up a special scheme for migrant workers that is managed by the central government.

What are the prospects for the establishment of an integrated social security system by 2020? Two of the principal pre-conditions for the development of such a system are now present. First, the last few years have seen a dramatic improvement in the public finances and this trend looks likely to continue. The implication is that the government would be increasingly capable of covering the extra cost of setting up an integrated social security system. Second, the leadership is strongly committed to establishing such a system.

Athar Hussain is Professor and Director of the Asia Research Centre at the London School of Economics. He is currently a consultant on the project 'European Union-China Cooperation on Social Security'.

ISS News

On 1 July 2009 ISS will become a University Institute of Erasmus University Rotterdam (EUR).



This unique structure, in which ISS retains its mission, location and relative autonomy whilst benefiting from the resources available from an internationally renowned university, has come about after a careful process of negotiations. As a University Institute, ISS will be able to develop innovative research in cooperation with other EUR faculties and have greater access to Dutch and international research funding. From this year, students graduating at ISS will receive diplomas and degrees which bear the names of both ISS and EUR. ISS will remain in The Hague though all staff and students will have access to EUR facilities and resources.

Centre for the Study of Transition and Development CESTRAD

The Centre for the Study of Transition Economies (CESTRAD) at ISS has launched a 'Focus on China' initiative at ISS, to combine the existing expertise in terms of China research (and in other activities such as inter-university cooperation, consultancies, and capacity building). It will promote research seminars, joint tendering for projects, externally financed research projects and publications on various aspects of Chinese development and socio-economic transformation.

Academic staff involved are: Max Spoor (contact person), Murat Arsel, Andrew Fischer, Arjan de Haan, Peter Knorringa, Lu Caizhen (PhD scholar), Kristin Komives, Hans Opschoor, Chia Thye Poh, and Ashwani Saith.

ISS is the winner of the first ever Oranje Loper (Oranje Carpet) Award for best practices in internationalisation for Dutch Higher Education institutes. The award was granted for the high class study environment and the special programme aimed at helping students feel at home in The Netherlands.

New staff members

In February **Peter van Bergijk** joined ISS as Professor of International Economics/Micro Economics with a focus on Development.

Dr. Arjan de Haan has joined ISS as Senior Lecturer in Population and Social Policy.

On May 1, **Dr Barbara Lehbruch** was appointed Senior Lecturer in Governance and Development.

Also starting on May 1 was **Mr Lucas Nuijten** who has been appointed to a new position within OLITS (IT section) as Service Officer ICT.

More information about all these and other news items can be found on the ISS website – www.iss.nl

Fertility transition in China over the last 30 years

Xizhe Peng

Chinese society has undergone a very rapid transformation during the period of China's reform and openness over the last 30 years. Traditional Chinese society was based primarily on family and kinship: reproduction, or child bearing, was therefore viewed as one of the principal duties of male family members. To have sons, at least one son, was one of the prevailing fertility desires, as sons were responsible for the continuation of the family line, provision of old-age support, and general security for family members. While the basic norms of family formation remain, fertility and behaviour have changed over the last half a century, with much more rapid changes occurring over the last 30 years.

RAPID FERTILITY DECLINE

Early fertility decline emerged in China's urban areas in the mid-1960s attributed partially to the availability of contraceptive services provided to urban residents. China's nationwide fertility transition started in the early 1970s with a government-sponsored family planning programme. The national total fertility rate declined sharply from 5.8 in 1970 to 2.8 in 1979, a decrease of more than fifty per cent. China's total fertility rate dropped to below replacement level in the 1990s and has remained there since. This fertility transition is characterised by its rapidity and has profound impacts on China's socio-economic development.

It has been a subject of controversy whether fertility in China has been dropping as rapidly as indicated by the official statistics. The debate has focused on the accuracy of China's fertility statistics or estimates, though general consensus is that China's total fertility rate is below replacement level, ranging from 1.5 to 1.8.

There have always been marked regional variations in fertility levels between China's provincial units, but the gap has been narrowing in recent years. This phenomenon is clearly associated with the different paths of fertility transition among China's regions. Big municipalities such as Shanghai and

Beijing began their fertility decline as early as in the mid-1960s. On the other hand, fertility transition only started in the 1980s in some of the western provinces such as Qinghai.

STRONG GOVERNMENT INTERVENTION AND EFFICIENT FAMILY PLANNING PROGRAMME

The current attitude of the Chinese government to the population issue can be described as 'maintaining the below-replacement fertility, taking comprehensive measures to cope with China's population problems', including controlling population numbers, improving quality of life, and making efforts to solve the aging problem (see government document, December 2006).

The success of China's birth control policy has for a long time been heavily dependent on government administrative intervention. The proposal of 'One Child Policy' was first put forward in 1979 and became fully operational in the early 1980s. The current national family planning policy took its original form in the mid-1980s and, since 1991, the political commitment to population control has been reaffirmed. Programmes were initialised by the central government and carried out through a top-down administrative network. The programme mobilises the entire government

mechanism through comprehensive management and co-operation between governmental departments and non-governmental organisations and all relevant social and economic policies must be in compliance with the central government's population policy.

Despite this, one of the marked features of China's family planning programme is its decentralised policy formation and operation. Local authorities have been given some flexibility, under general guidance from the central government, in adapting the national policy to the vast regional differentials in social, economic and cultural conditions. As a result, the rigid 'one child per couple policy' is implemented mainly in urban areas while the majority of rural families are permitted 1.5 to 2 children. The rationale for this is that farmer families depend on strong labour for agricultural production and family support (primarily provided by married son(s)) in old age as there is almost no well-functioning government-sponsored pension system operating for Chinese farmers (see article by Athar Hussain on page 9). Families belonging to minorities are entitled to have even more children. In this sense, the 'One Child Policy' is an overly simplified term. If all Chinese couples followed local family planning regulations, the total cohort fertility rate in China would be 1.62 for the 1990s,



A Chinese wedding / Andrew Fischer

declining to around 1.5 in the 2000s as more Chinese became urban residents.

Financial and other administrative incentive and disincentive measures have been widely used in the programme. The programme requires couples to reduce the number of children they produce, but is unable by itself to provide adequate social support for people to adjust their family planning strategy or to provide necessary compensation for couples to alleviate the life risks associated with low fertility. Punitive packages, in some cases turning into serious coercive actions, were used particularly in the 1980s by local cadres, despite the government emphasis on Mass Line and against coercion in general (see E. Winckler, 2002).

Despite these shortcomings, China's family planning programme has brought about dramatic changes in people's fertility behaviour in a relatively short period, and successfully slowed down the rapid population growth in China, with a profound impact on the stabilisation of the world population.

VARIED SOCIAL AND ECONOMIC DEVELOPMENT AND SOCIETAL CHANGES

There is no doubt that government commitment and efficient implementation of family planning programmes are the major determinants of China's rapid fertility decline. It is also evident that in addition to the government's population policy, the general level of socio-economic development is another crucial determinant of China's regional fertility variation. China's fertility transition is a process of diffusion: it started in some relatively well developed regions and urban centres, and then diffused to other parts of China. The complex population policy reflects the greatly varied economic and social realities in different Chinese regions. Furthermore, the differential local policy is a compromise between the central guidance on population control and the local situation, both in terms of socio-economic development and the political commitment of the local government.

There have always been gaps between the targets set by the programme and public acceptance, but the gaps

have reduced with time as traditional patterns of marriage have undergone a gradual shift. The average age at first marriage for China as a whole increased from 22.23 years in 1990 to 23.14 years in 2000, a 0.91 year rise over a ten-year period. The trend of delaying marriage is continuing and more visible in big cities. Small family size is widely accepted by the public and has become a social norm in both urban and rural areas, especially in more developed regions and among the young generation.

Economic independence and the high cost of marriage and childbearing are some of the causes behind this trend. In addition, the increasing number of women enjoying higher education, particularly true in urban areas, is contributing to delayed marriage. China's social transformation has brought with it fundamental changes in family functions, relations and structures. Young people nowadays are much better educated and up-to-date with modern technologies, and have become more individualistic. Delaying marriage, the DINK family model (double-income no kids), and cohabitation before



Four generations of Salar Muslim women / Andrew Fischer

marriage etc. are widely practised in China at present.

Furthermore, the large-scale rural to urban migration and the huge economic opportunities created by China's economic reform have become two of the decisive factors affecting China's fertility trend. It is estimated that more than 140 million farmers have moved from their villages and are working in cities and eastern regions. The overwhelming majority of them are young labourers aged 20-40 years old. Research shows that the fertility level of these migrants is commonly lower than their peers in the countryside, but higher than their urban counterparts.

THE FUTURE PERSPECTIVE

China's experience in family planning has shown that rapid fertility decline can be achieved in the context of low level socioeconomic development. Government commitment and efficient social mobilization are the major factors in the success of fertility decline, at least in the earlier stages. China's success has also benefited from its special political and administrative institutional system, even though there are high social and economic costs to China's achievement in birth control. Given China's current socio-political settings, the central government's population policy will

decide the basic level of China's fertility for the coming years. Deviation from this will be determined jointly by the government's ability to enforce its population policy and programme, societal change caused by China's social, economic and political reform, and people's general desire for family size.

'China may be the first major country to become old before it becomes rich.'

There are increasing concerns about the negative effects of very low fertility and debate on modification of China's family planning regulations has been intensive in recent years. On the one hand, there is the fear of the vulnerability of China's fertility transition and the possibility of fertility rebound if the government loses control on population issues. China's increased demands for food and energy, and the environmental pressure from a larger population are some of the main arguments used in favour of keeping the current population policy.

On the other hand, scholars argue that current fertility in China has already been too low and will not be able to recover if population policy is not modified quite soon (Wang Feng, 2005). The ageing population has become a widely discussed topic and China may be the first major country to become old before it becomes rich. There are fears of a huge social welfare crisis caused by rapid population aging. The experiences of European and Eastern Asian countries in reversing low fertility are often cited to support the proposal to relax birth control and options for possible policy changes have been suggested by researchers (see for example, Zeng Yi, 2007). It is however more likely that China's present population policy and family planning programme will remain intact for the coming few years. Meanwhile, gradual modification or relaxation of birth control is expected at least in some local areas in China's coastal regions.

Along with strong government commitment, China's family planning programme has now put more emphasis on voluntary participation by Chinese couples. Efforts have been made to promote education and information dissemination, and on provision of a better, continuous and regular contraceptive service. While societal interests remain the major rationale for China's population policy and programme, individual rights get more attention. It is certain that people's voluntary participation and free determination will play much more important roles in determining the future fertility level in China.

China's population will continue to grow in the future. Population will remain one of the decisive driving factors affecting China's future development. China will complete its fertility transition and enter a new stage of demographic transition.

Xizhe Peng is currently professor of Population and Development, and serves as the Dean of Social Development and Public Policy and the director of State Innovative Institute for Public Management and Public Policy Studies at Fudan University. Xizhe Peng has been a member of the Advisory Committee of China's National Population and Family Planning Commission Since 1992.

'New' Chinese society, inequalities and fragmentation

Laurence Roulleau-Berger

Over the past 30 years, China has gone through three transitions: from central planning to a market economy and the country's modernisation; from an agricultural society to an industrial society; and from rural life towards very intense urbanisation (see for example, Li Peilin, 2002, 2003; Sun Liping, 2003; and Li Peilin et al. 2008). As a result, today society must face great social and economic transformations that produce cleavages and fragmentation along lines born in a context of attempts to synchronise the processes of economic transition with those of structural transformation (Li Peilin et al., 2008). A first line of fragmentation has emerged between the cities and the countryside, in particular with respect to rural migrants who come to look for jobs in the big cities but do not easily find any. A second line of fragmentation has emerged between blue collar and white collar workers, or, more precisely, between the 'new rich' and blue collar workers. A third line has emerged between those who work in the legal market economy with recognized formal status versus those who are forced into informal employment with illegal, or even criminal status. In this respect, sociological analysis in China (Li Peilin, 2002; Li Qiang, 2002) has converged on the idea of a very marked fragmentation between cities and countryside before the reforms (up to the late 1970s). This produced a dual socio-economic structure, in particular through the household registration system (*hukou*), which in itself constituted a principle of social differentiation based on two systems of status that did not overlap (rural and urban). In contrast, new inequalities have arisen over the last 30 years with the rise of unemployment in the transition to a market economy.

INTERNAL MIGRATIONS AND DISCRIMINATIONS

The speed of Chinese transitions caused an intensification of internal migrations in China. The full number of migrants of rural or urban origin, defined as people not living where they are registered as permanent residents, was estimated – according to government statistics – between 120 and 200 million on March 30, 2007, or approximately 10 per cent of the Chinese population. Among these migrants, we can distinguish between 'peasant-workers' (*nonmingong*) and 'service provider-workers' (*laowugong*). The *nonmingong* are mainly from rural areas, and are increasingly young, increasingly male, and more educationally qualified than the general population in their places of origin, i.e. they typically have at least a secondary school level of education (*zhongxue*).

These migrants develop what I have called 'intra-continental pluri-mobilities', i.e. they move back and forth between a diversity of rural and urban job markets (Roulleau-Berger L. and Shi Lu, 2004). The large increase of migratory movements since 1985 has weakened the registration system (*hukou*) and has supported the opening of broad mobilities of people across the country. This has played a role in the creation of interactions between the increasingly globalised rural and urban job markets. However, the status of a large majority of these migrants is technically 'illegal,' in the sense that they do not even have a certificate of temporary residence. For instance, it was estimated that only 50 million migrants had this document in 2000 (Thireau, I. and H, Linshan, 2004). This places the rest in situations of great social and economic vulnerability.



Lanzhou city, Gansu province / Andrew Fischer

Liu Shiding (2008) identifies the experience of employment discrimination of migrants along institutional, social and legal lines.

- Regarding institutional discrimination, local governments in some provinces try to control the massive numbers of arrivals of peasant-workers. They define thresholds for the recruiting of migrants coming from other provinces by requiring that each city respects fixed quotas. Each employer must make a request to the city hall concerning the number of such migrants he intends to engage. But these requests are not really checked by local authorities, who know that firms do not always apply the discriminatory policy towards the nonmingong. Indeed, employers will prefer to engage these migrants given that they are seen as more productive and can be paid less. Hence, these discriminatory policies play an important role in the regulation and

segmentation of job markets, which is reinforced by the fact that the majority of peasant-workers do not have an urban hukou, which implies that they do not receive social protection for accidents, health and retirement (ibid.).

- Regarding social discrimination, migrants are stigmatised by local urban residents and are treated like foreigners. They have a lower status and receive lower wages than locals. Competition with local workers also puts many of the more skilled or lucrative sectors of urban employment out of reach for many of the migrants, which is legitimated by discriminatory choices made by employers. On the basis of a survey on temporary residents of rural origin carried out in 2002 by a joint team from the National Bureau of Statistics and the Economic Research Centre of the Chinese Academy of Social Sciences and reported by Li Chunling (2008), only 7.2 per

cent of rural employees worked in the public sector, 5.5 per cent in urban collective companies, and 0.6 per cent in companies with mixed capital (all three the more privileged sectors of urban employment), whereas 86.7 per cent worked for independent companies, typically the less protected and less privileged sectors of urban employment.

- Regarding legal discrimination: the non-observance of labour laws by Chinese employers with respect to migrants produces legal discrimination. The employment relationship in Chinese companies often remains a relationship without contract, or with renewable short-duration contracts or one-year contracts. On the basis of the 2002 survey mentioned above, 94.7 per cent of urban migrants had a temporary job, a short-duration contract or were independent workers, whereas 71.6 per cent of 'local' urban employees had a stable or long term job. According to another survey conducted in 2005 by the Institute of Population and Labor Economics of the Chinese Academy of Social Sciences, reported in Li Chunling (2005), 52.3 per cent of local urban workers had basic health insurance versus only 6.8 per cent of urban migrants.

Hence, there is a double, paradoxical and simultaneous movement, characteristic of China, of both strong growth and, at the same time, a 'balkanisation' of Chinese labour markets, which generates categories of 'vulnerable' populations such as low qualified migrants. Indeed, flexibility has become a dominant standard in the regulation of Chinese labour markets, as migrants are considered to be immediately available for employment, although this renders them objects of cumulative discriminations. Hence, low qualified migrants occupy a superfluous position within urban Chinese society.

INEQUALITIES AND SOCIAL FRAGMENTATION

Chinese society faces a process of social polarisation. It is important to emphasize the speed with which this social polarisation has developed

over the last ten years, in a transitional society where the dominant forms of social integration operate through participation in the market economy, and where a part of the population is economically and socially pushed aside. Sun Liping (2002) posed the concept of a 'fractured society'; on one side there is a class that he names the 'new rich people' and on the other there are two very impoverished social categories: very underprivileged social groups, who have always been in the North-West and the South-West of China, and new categories of poor composed of unemployed, laid-off workers (*xiagang*) and rural migrants. New zones of social marginality have appeared in Chinese society, as a very recent and precipitous phenomenon which reveals this process of social polarisation. New zones of social cohesion are also forming, very close to those that Robert Castel (1995) had earlier identified in French society: an integration zone characterised by insertion into relationships of stable employment; a zone of disaffiliation where the absence of participation in any productive activity and relational insulation are combined; and a zone of increasingly wide vulnerability which associates the precariousness of work with the brittleness of nearby support systems.

As a result, income inequality has been hollowing out between the various social classes, meaning that there has been a structural blocking of social mobility, which has been redefined by the new market forms of integration. Indeed, while a Chinese rich class has formed and new cultural and political elites emerge, the status of workers and peasants has declined. The main obstacle blocking the social mobility of peasants results from the fact that industrialisation and urbanisation cannot offer sufficient non-agricultural employment. As argued by Li Chunling (2005), economic means were decisive for social mobility prior to 1949 but became negatively associated with social mobility between 1949 and 1980. Today, economic means as well as cultural, social and political affiliations have become decisive in processes of social mobility, with different combinations producing a diversity of differentiated trajectories which testify to the assertion of an increasingly stratified class society (Li Chunling,

2005). As argued by Li Lulu (2003, 2008), the paradox of reform in China is that it multiplied the opportunities for mobility at the same time as producing greater clarity with regard to boundaries between social groups; for example elites have maintained their position.

URBANISATION AND THE BIRTH OF AN UNDERCLASS

The process of urbanisation stagnated in China from 1949 to 1979, but from 1979 it accelerated considerably, alongside industrialisation and at a much faster pace than western experiences with both processes. With urban growth, some peasants become absorbed within the expanding city margins; they lose their land and the protections related to being embedded within a rural environment. Following these land requisitions, Li Youmei (2007) argues that a certain number of peasants passed from a status of 'subject' under the old socialist system, to that of 'marginal' in the new socialist system, given that maintaining access to a place becomes more difficult. This marginalisation results from the vacuum between the old system of economic and social organization and the new one; one does not see transitional zones being formed in this process of accelerated urbanisation. Peasants lose their lands, their techniques of production, their feeling of belonging to a village and their autonomy, and they are constrained to finding a place in a new productive space without much assistance.

Besides these 'shunned' peasants, two categories of unemployed must be considered: *xiagang* (workers laid-off by their company but still receiving nominal subsidies, carrying out temporary work and still benefiting from the social coverage of their work unit (see Tong Xin, 2002)) and young graduates. Unlike in the past, access to a stable job is no longer guaranteed in Chinese society, given the emergence of mass unemployment in Chinese cities and a restructuring public sector that cannot absorb any more workers nor guarantee social protection for them. Indeed, since the beginning of the 1990s, various categories of unemployment have formed due to the reduction of the size of state sector employment, the increasing importance of the private sector and the deceleration of rural

employment growth. In addition, young migrants, often with low qualifications, try to find employment in labour markets where they are generally the object of social and economic disqualification. As argued by Guo Yuhua and Chang Aishu (2005), the emergence of unemployment thus weakens the position of less qualified populations, who are forced into situations of marginalisation and social disaffiliation. Li Qiang (2002) calls this the urban underclass in Chinese cities, a completely new phenomenon in socialist China.

CONCLUSION

Today, internal migration and unemployment in mainland China have been two of the forces driving the reconfiguration of labour markets – especially urban labour markets – and producing new social stratification. There has been a marked trend towards the differentiation and hierarchisation of labour market segments. These processes of differentiation and hierarchisation not only reflect the pluralisation of a market economy in which local and global economies are intertwined but they also reveal the capacities of migrants, unemployed people and young people in precarious situations to mobilise and organise themselves economically. In Chinese society, social integration is constructed on the basis of conventions and norms that are linked both to the country's communist heritage and to the introduction of globalised capitalism. Against the background of these developments, migrants, *xiagang* and young graduates are emerging as three groups that can serve as a basis for analysing new forms of social insecurity and the proliferation of new inequalities in Chinese cities, as well as the processes by which individuals within these groups, who are objects of social contempt, struggle for public and social recognition.

Laurence Roulleau-Berger is a sociologist and Director of Research at the Centre National de la Recherche Scientifique (National Center for Scientific Research). She is also associated with the Center of Worlds and Dynamics of Societies and to the Center of Sociological Researches and Development Studies in China, University of Beijing.



Shoe shiners in front of a department store near "Renmin Guangchang" (People's Squire) in downtown Chongqing / Zhu Ling

The key to understanding and interpreting ethnic relations in contemporary China

Rong Ma

Recent events in Tibet have brought renewed international attention to the issue of ethnic relations in China. In order to understand the situation in Tibet, Xinjiang and other minority areas in China, we need to look at the wider historical framework of 'nation-building' in modern China and the ideological background of 'nation' theory in Marxism and Leninism. Otherwise, our attention will be led to focus on details in the present, such as human rights, the legitimacy of street demonstrations, or the proper ways of handling terrorist attacks, while ignoring the 'deep footprint' of minority-majority relationships in contemporary China. Only by understanding this legacy can the direction of possible solutions be found.

For years people have referred to this legacy in terms of the 'minzu issue'. *Minzu* is the Chinese word that is used to translate the Marxist concept of 'nationality group', as developed in Marxist theories of nationalism by Stalin and his contemporaries. *Minzu* therefore refers to the majority Han as well as the Mongols, Tibetans, Uyghurs, Kazaks, Koreans and other minority groups with different cultural characteristics in China.

Despite these non-Chinese origins of the word *minzu*, there is ironically much confusion in the West about how to translate this term into English. The English term 'nationality' is often used, even by Chinese authorities in their English translations of Marxist 'classics'. However, the term 'nationality' in the West refers to people's citizenship of a country or nation-state. Western scholars or politicians who support the independence movements of Tibetans, Uyghurs and other minority groups in China often refer to them as 'nations'. Western scholars more inclined towards the Chinese government tend to use the terms 'ethnic groups' or 'ethnic minorities', placing these groups on a similar footing as African Americans, Asians, or Hispanics in contemporary US society. The confusion between these three English terms (nation,

nationality and ethnic group) has led some Western scholars to suggest that simply the Chinese transliteration should be used (i.e. *minzu*) rather than attempting a translation, given that none of the English words conveys the correct meaning (see Harrell, 2001: 39). Nonetheless, the confusion provides useful insights into the theoretical sources of 'minzu issues' in today's China.

In Western scholarship, it is well recognized that concepts related to modern forms of nationalism only became prevalent during the 17th and 18th centuries in Western Europe (see Hobsbawm, 1990: 14-20). During the process of building states from kingdoms and empires, many groups with different languages, cultural traditions and historical memories gradually identified themselves with a specific 'nation' and became absorbed into the emerging nation-states. These nation-states then became the predominant form of political entity in Europe and the unit of state sovereignty in international legal systems. While many factors influenced these processes in each case, as argued by Anderson (1983), the reasons that some groups were included or excluded depended to a certain extent on various internal

and external factors along with people's 'imagined communities'.

These concepts of 'nation' and 'nation-state' spread from Western Europe across the world during the colonialist and imperialist periods, particularly from the 18th-20th centuries. Most newly-independent states, such as India, followed a similar, though not identical 'nation-building' process following decolonisation, as did Eastern European countries at the beginning of the 20th century. The nation-building processes nonetheless differed in the West and East. As argued by Anthony Smith (1991: 11), western countries were characterised by a 'civic model of nationalism' whereas Eastern Europe and Asia drew more from an 'ethnic concept of the nation'. In the latter, those groups that maintained different cultural characteristics were transformed into minority groups within the modern political structures of the new countries and were called 'racial' or 'ethnic' groups.

In the case of China, the Qing Empire had tried hard to turn its traditional multi-tribal empire into a modern form of 'nation-state', similar to the Tsarist Russian Empire. This was continued under the Republic of China,

established in 1911, which was called a 'republic of five groups'. Sun Yat-sen announced that 'nationalism in China is based on the state', and in his oath of Presidency of the Republic, he called for 'unifying the territories of the Han, Manchu, Mongol, Hui (Xinjiang) and Tibetans as a state, and unifying the Han, Manchu, Mongol, Hui (Muslim) and Tibetans as one people, that is the unification of the Chinese nation'. In this way, he tried to establish the country as a modern form of 'nation-state' (republic) based on an invented notion of a 'Chinese nation' that included the non-Han inhabitants of the imperial hinterlands. After Sun Yat-sen's death, Chiang Kaishek and the KMT government followed this framework of 'Chinese nation' and denied the Mongols, Manchu, Tibetans, Uyghurs and other groups the status of 'nations'.

In this respect, the approach of the Chinese Communist Part (CCP), which defeated the KMT in 1949, was different. The CCP adopted the framework and definition of *minzu* (nation/nationality) from Stalin. In the 1930s, Stalin and the Communist Party of the Soviet Union organised a campaign of 'nationality recognition (identification)' and over one hundred 'nationalities' were recognised. Their members received an official 'nationality status' and 'republics' were established for the large 'nationalities', which resulted in a politicisation of ethnicity. According to the Constitution of the Union, all of these republics had a right to become independent sovereign nations. This framework was a key factor in the collapse of the USSR when the political climate changed.

The People's Republic of China (PRC) followed a similar path, basing its policies towards minority groups on Stalinist theory. In the 1950s, the government also launched a campaign of 'nationality recognition (identification)' and recognised 56 'nationalities' based on Stalin's definitional criteria (common territory, language, economic mode, and psychological nature manifested in a common culture). A variety of 'autonomous areas' were also established in places where various 'nationalities' were concentrated, which together make up 64 per cent of Chinese territory. The only difference

between the Soviet and Chinese model is that the constitution of the PRC does not offer the right of political separation to its 'nationalities' and China is not a union of republics but one republic that practices 'regional autonomy' for minority 'nationalities'. This has resulted in a double-level structure of nation-building; an upper level composed of the Chinese nation (*Zhonghua Minzu*) and a local level of 56 'nationalities' (*minzu*).

The Chinese government has also issued many policies in favour of minorities. For example, in the practice of family planning programmes, minority members can have two children per couple while the Han are only allowed to have one. Minority students can receive additional points in examinations (in Inner Mongolia) or enjoy quotas (in Xinjiang) for university admission. Top positions in the local administration of autonomous areas are only offered to minority cadres, and minority residents usually receive more financial subsidies in welfare programmes. However, these policies have often politicised group identities while at the same time created tensions given that the Han majority often feels discriminated against.

Similar to the Russian case, group consciousness and boundaries in China have become stronger and wider under the political and social systems since the 1950s. Particularly

since the break-up of the Soviet Union and its various republics seceded, it is natural that nationalism and requests for independence emerged among the minority *minzu* in China, especially for those with large populations and distinct languages and territories, such as Tibetans and Uyghurs. This is key to understanding and interpreting the 'minzu problem' in contemporary China.

Nonetheless, there are several factors that have had positive impacts on the stability of ethnic relations in China over the past six decades. First is the predominance of the Han majority; the Han consisted of 94 per cent of the total population in 1953 and 91 per cent in 2005. Second, the Han regions are much more economically and socially advanced, providing products and incomes to support the nation. Third, the central government has introduced many favourable policies towards minorities and provided huge financial subsidies to autonomous regions (eg. the central government provided about 28 billion yuan to the Tibet Autonomous Region in 2008). Fourth, many members of minority groups have co-existed with the Han for centuries and have been assimilated.

Other factors which used to play a role in keeping the country together are now changing. For example, the communist revolutions in both the USSR and the PRC brought with them many benefits to the poor people of both majority



Tibetan family on pilgrimage in Shigatse, Tibet Autonomous Region / Andrew Fischer

and minority groups: land reform programmes gave land and cattle to poor farmers and herdsmen and poor workers became the 'leading class' in urban areas. Hence, these common people supported the Communist Party and its policies, including its policies on nationality affairs. The Communist ideology, as expressed by charismatic revolutionary leaders, became a theoretical tie binding the worker-farmer classes together under the leadership of the Communist Party. As these leaders died, their ideological influence gradually vanished. The system of planned economy and division of production among autonomous areas was also weakened when it was replaced with the market economy.

Furthermore, although the theory of 'nationality' and the system of regional autonomy based on this theory still dominates in China, there are many gaps between the theory and daily practice. In many autonomous areas the Han constitutes a majority (eg. 79.2 per cent of the population in Inner Mongolia, 65.4 per cent in Ningxia and 61.6 per cent in Guangxi). Han also constitute a significant part of the population in Xinjiang (40.6 per cent vs. 46.1 per cent Uyghurs). In this sense, the Tibet Autonomous Region represents a very special case with a small Han population (6.1 per cent). In contrast, minority populations only consist of 12-15 per cent of the total population in many autonomous counties around the country.

Where the minority forms the 'leading group' in an autonomous area and has issued policies and regulations in favour of this group, the Han majority often feel discriminated against, leading to conflict. Moreover, the leading group might consider the autonomous area as its own territory and make efforts to prevent in-migration of other groups and to keep control of natural resources under its own management. This again causes reactions from other groups and the central government.

The 'nationality' quota system for official appointments in the government also leads to a variety of contradictions that undermine legitimacy. On the one hand, it helps some minority candidates achieve positions they are not really qualified for, resulting in a reduction in

administrative efficiency, on the other hand, although top administrative positions in autonomous areas are only open to 'natives' of the minority group, the Han usually occupy the position of Party Secretary, which is where the real authority lies. Also, the same policy prevents the minorities from competing for higher positions within provincial or central governments because the allocation of such positions among groups is designated according to their population sizes. While the minorities feel this lack of 'real' autonomy, the central government considers this power structure to be a basic guarantor of unification, which explains why the Chinese Communist Party has been very cautious about reforming this political system.

Similarly, despite efforts to provide a dual education system for minorities, minorities often end up facing severe disadvantages in the job market because of their lower average education levels, their inferior linguistic abilities in Chinese language, or because of cultural differences.

...a strategy of 'politicisation' of minority groups...

When a group has been officially recognized by the central government, foreign authorities and the elites of the group, and when this group has its own 'territory' in the form of a republic or autonomous region, the desire to become an independent nation through the 'right of self-determination' emerges, supported by both nationalist theories in the West and the Marxist theory of 'nationality'. This is a key ideological-political source of separatism among minority 'nationalities' in China today. In this sense, the Soviet model followed by the PRC can be called a strategy of 'politicisation' of minority groups. This model turns traditional minority 'tribal states' into modern 'nations/nationalities' and turns the country into a 'union of many nations/nationalities'. The problem and danger of nationalist separation was therefore actually created, at least in part, by the authorities of the USSR and China

themselves in the process of 'nation-building'.

Based on this opinion, I suggested rethinking the strategy of 'nation-building' in China practiced since the 1950s (Ma 2007). The 'culturisation' strategy towards minority groups in the US and India might be a better alternative for China in the future. I believe that only when minority 'nationalities' in China are transformed into 'ethnic groups', the 'minzu' issue and ethnic tension can decline. While this challenge to the 'orthodox' Marxist minzu theory has been heavily criticized in China, the freedom of academic discussions in China needs to be improved to enable us to face reality and provide a more scientific base for policy-making.

In the meantime, the policies in favour of minorities should continue, but the target of these policies should be gradually switched from 'all members of minority groups' to all residents of 'poor areas', then to 'all individual citizens who need the help'. Similarly, the administrative structure of autonomous areas should be maintained for a period of time but the sense of a 'nationality's territory' should be reduced gradually. The dual system of schools in autonomous areas should continue, while various kinds of bilingual education facilities should be offered to all members of minority groups. The situation of ethnic stratification in Chinese society should be systematically studied and the government should establish programmes to help minority members who are disadvantaged in terms of language or other skills.

In general, the future of the 'minzu issue' and ethnic relations in China largely depends on the direction of government strategy. Of course, it will also be related to the level of economic development and to cautious political reform in China.

Rong Ma is Professor of Sociology at Peking University, China. His major research fields are ethnic relations, nationalism, rural development, education, sociology of environment, Tibetan studies, cultural studies.

ISS/XAU/KNAW Research Project in Rural Xinjiang

MAX SPOOR

Since 2007, ISS has been cooperating with the Xinjiang Agricultural University (XAU) on research looking at the livelihood strategies of small-scale farmers of mostly Uyghur origin in the Southwest of the province, within the limitations of the water scarcity and environmental degradation that they confront (see map below). The joint research programme (2007-2010) is financed by the Royal Academy of Arts and Sciences (KNAW) as part of the China Exchange Programme (CEP), and is supported by the Chinese Ministry of Science and Technology (MOST). The ISS team is led by Max Spoor and includes Murat Arsel, Kristin Komives and Anirban Dasgupta. The XUA team, which involves academic staff from the Colleges of Economics and Management, and of Environmental Sciences, is led by Professor Pu Chunling and includes Prof. Jiang Pingan amongst others. The first year of cooperation was successfully completed and the KNAW recently approved the funding for 2009.

The research investigates how the livelihood strategies and resource use of small farmers in Southwest Xinjiang are changing in the face of current transformations in domestic markets and in government policies towards the agricultural sector. This is an arid region with a scarcity and unequal distribution of water and widespread soil salinization. The study uses village and household surveys, and household case-studies in order to understand the linkages between cotton production and environmental degradation of water and land resources on the one hand, and household income generation and the reduction of income poverty on the other. It is carried out in rural areas of Xinjiang that contain a substantial number of poor and vulnerable Uyghur households, mostly of minority Uyghur nationality (i.e. ethnicity). This minority accounted for a majority of the

provincial population in the 1950s, but the influx of (Han) Chinese migrants in the 1950s and 1960s as part of a population transfer policy, and more recently due to the oil-boom in the province, has brought the Uyghur share below 50 per cent (around 9 million of the more than 20 million people). These rural households are transforming their livelihood strategies in the context of now largely privatised input and output markets, changing property rights systems, degradation of the environment, and a policy framework that has become less interventionist and more market-oriented and decentralised since the late 1990s.

Xinjiang province is one of the poorer provinces in China; if measured by average rural household income per person, it was the 7th 'poorest' province of 31 provinces in China in 2006, with an average per person rural income of 2,737 yuan (an estimated 340 USD).

Thirteen minority 'nationalities' are indigenous to the province, of which the Uyghur are by far the largest group. The province is one of the main providers of raw materials and food for the rest of China; it produces 32 per cent of the domestic cotton output (in 2006), while its oil industry is also booming. Xinjiang has therefore been of strategic importance for successive Chinese states, and soon after the civil war ended in 1949 a massive wave of migration from other parts of China was launched. Among other results, this led to the establishment of the Xinjiang Production and Construction Corps (XPCC), known as the *Bin Tuan*, which were organised as large-scale state farms (also known as regiment farms because of their military command structure). Hence, a bi-modal agrarian structure emerged, with many (often minority Uyghur) small farmers (with 0.7 hectare of farmland on average) and the large regiment farms of the *Bin Tuan*.



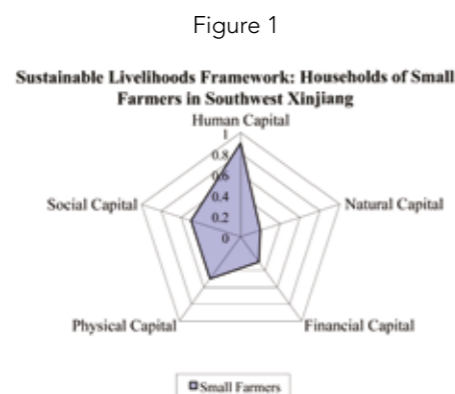
Uyghur household interviewed in cotton field (Awati County, Aksu Prefecture) / Max Spoor

Through the course of these developments, cotton has become a main crop in Xinjiang. For many small farmers in the southwest of the province, it is a crucial income earner. Their substantial dependency on income from cotton is due to their very small farms, the fact that the government still prioritises cotton and grain production, and limited opportunities for off-farm work. Nevertheless, cotton is a cash crop. It can be produced with high net returns per hectare in agro-ecological areas that possess certain 'resource-based' comparative advantages, particularly water. However, resource degradation is severe in many parts of Xinjiang, particularly in terms of soil salinization, and decreasing water quality and availability. There are water shortages in the downstream areas of the rivers, such as in the southwest and southeast of the province where Uyghur populations are especially concentrated. Other underlying factors include overuse of water resources through inefficient surface irrigation (and leaching practices), low quality drainage systems, and the continuous cropping of cotton (and even sometimes rice), which consume large quantities of water per hectare. Also, if cotton prices are low, as happened in late 2008, this has the effect of depressing the incomes of these small farmers.

Hence, the livelihood strategies of small farmers are very much interlinked with agricultural (and cotton) production, and resource use (and degradation). We can even discern a 'cotton-environment-poverty' nexus, which under certain institutional and market circumstances can be transformed, leading to a more virtuous cycle of income generation. In order to analyse livelihood strategies, we are using the well-known sustainable livelihoods framework as an analytical framework (Figure 1), distinguishing five forms of capital (or assets), namely human, natural, financial, physical, and social capital. Together these form the foundation of household livelihood strategies. Dynamic changes and possible alternative crop-mixes which small farmers are using are investigated in this research.

To give an example, in the case of Xinjiang, human capital is high (with near full literacy rates), while for small

farmers natural capital (land and water access), physical capital (irrigation systems, machinery etc.), financial capital (access to credit, or equity capital), and social capital (connections with local leadership) is relatively low. This leads to the typical spider diagram as depicted in Figure 1. Resource degradation might also be linked to poverty or low income in a two-way relation, in which land limitations force small farmers to over-exploit their resources in order to earn sufficient income to overcome poverty, which in turn might well become a source of further impoverishment due to resultant soil degradation



In a context of vulnerability to external shocks (such as climate change and fluctuating world market prices), seasonality (incomes and dependence of available peak labour supply), appropriate policies are of fundamental importance to support positive livelihood outcomes for small farm households, in terms of income generation and (income) poverty reduction.

In the first year of the research project, a large household survey was undertaken. It was agreed with the XAU that this would be done in Awati county (in Aksu Prefecture, see Figure 2). During several preparatory visits, solid institutional and personal contacts were established in order to prepare the survey. Notably, doing fieldwork in China needs much preparation and approvals at all administrative levels (i.e. central, provincial, prefectural, township and administrative village levels of government). Utmost care is needed to perform the survey as independently as possible, preferably with university students who are bi-lingual (Chinese-

Uyghur), as many farmers do not speak sufficient Chinese. After long discussions and a detailed preparation of the questionnaire together with a team of three scholars from the XAU who visited the Netherlands, the household survey was completed. Particular attention was given to the opinions of small farmers on recent government policies to diversify into more fruit and nut production, and on the problems related to land quality, and water scarcity and distribution. In late November/early December 2008, we selected 15 BSc XUA students of Uyghur origin to train in survey interviewing. The research team (with Ma Ying, Zulifeiya Maimaiti and Puerhati, all staff members of XUA) accompanied these enumerators to the field, together with two colleagues from Nanjing Agricultural University, an affiliated partner in this project. One of the Nanjing colleagues was Shi Xiaoping, a PhD graduate of ISS and whose Alma Mater is the XAU. Max Spoor of ISS led the initial training in which a draft of the questionnaire was practiced, including intensive role-playing exercises necessary for the enumerators and which was started during the 20 hour train ride to the South. Precise planning was made for a household survey of 360 households in nine villages (in three townships), based on stratified sampling. In the meantime, all the necessary approval from the village authorities was arranged. Finally, the enumerated farm households were compensated for their time invested (with a standard package with tea, soap, cooking oil, etc.).

Figure 2: Map of China, Xinjiang Province and Aksu Prefecture



Taking into account that a Western researcher would draw too much official attention, only the Chinese-

Uyghur members of the team went to a test-village close by to improve and finalise the questionnaire. This village was not included in the real survey (just like the other villages which were visited on previous trips of the joint research team). During the first week of December all the village visits and interviews were completed, now only by the XUA researchers and students, often alone with the farmer or other

members of the household. As is standard survey practice, the collected data were checked each night after a village was visited. All villages except one were nearly exclusively inhabited by Uyghurs, while one village (for comparative reasons) was included that had a majority Han-Chinese population. Local cooperation (with the agricultural bureau and the village committees) was very good and the survey was

completed as planned. The data is now being processed and it is expected that some interesting papers will be written on the basis of this vast data set.

Max Spoor is associate professor of transition economics at the Institute of Social Studies, The Hague, and visiting professor at the Barcelona Institute for International Studies (IBEI), Spain. He can be contacted at spoor@iss.nl

NGO-State Relations in Contemporary China: The Rise of Dependent Autonomy

by Lu Yiyi

One important consequence of China's 30-year reform is the emergence of NGOs which have enjoyed fast growth in recent decades. Before 1978, there were only about 6,000 so-called 'social organisations' in China. By the end of 2007, the number of registered NGOs had reached 387,000. Moreover, the social organisations that existed before the reforms were fully controlled by the state and served the state's objectives. While some of the registered NGOs today are best described as government-organised NGOs (GONGOs), many were born of private initiatives and organised in a bottom-up fashion. In addition to the registered NGOs, many unregistered grassroots organisations have also been very active. It is difficult to know their exact number, but it is widely believed that only a small minority of Chinese NGOs are actually registered, so the total number runs into several million.

The development and functioning of NGOs in any particular country inevitably reflects the overall pattern of state-society relations in that country. Most developing countries do not have a strong state like China's. This immediately makes China stand out in terms of the degree of state dominance over what might be called

'civil society' (recognising, of course, that civil society encompasses a broader range of organisational forms and activities than represented by NGOs). But the civil society that has developed in China is also different from what one may expect in a typical authoritarian state. Kenneth Lieberthal has aptly characterised the post-reform Chinese state as 'fragmented authoritarianism' (Lieberthal, K. G., 1992) — while the state has retained its dominant role in economic and social spheres, authority below the very peak of the system has become more fragmented and disjointed as a result of economic reform and administrative decentralisation. The fragmentation of state power has created the possibility for Chinese NGOs to enjoy a much higher degree of de facto autonomy than is assumed possible when the state is clearly bent on controlling them.

In this article, autonomy is defined as NGOs' ability to enjoy total operational freedom and make independent management decisions, including deciding what activities to undertake, without any government interference. Conventional wisdom holds that Chinese NGOs lack autonomy: one only needs to look at the 'dual management system' for NGOs to

realise it, the argument goes. Current Chinese government regulations require every NGO to place itself under the 'professional management' of a state organ with responsibilities in its area of work, in addition to being registered and vetted annually by Civil Affairs departments. The professional management agency holds a wide range of responsibilities, including supervising the NGO's 'ideological work', financial and personnel management, research activities, contacts with foreign organisations, and the reception and use of donations from overseas. NGOs that do not comply with the dual management requirement are outlawed. Therefore, as one Chinese researcher summarises the situation: the current legal framework ensures that no fully autonomous NGO can lawfully exist in China (Kang, X., 1999).

Although the NGO sector as a whole lacks autonomy, researchers generally assume that at least the 'popular NGOs' are more autonomous than GONGOs. Chinese researchers and NGO practitioners often divide domestic NGOs into two broad categories: GONGOs and 'popular NGOs'. Popular NGOs are initiated by private citizens and receive no government subsidies. Their staff are

not government employees and they do not have officials occupying their top management positions. GONGOs are believed to be less autonomous since they are launched by the government and receive government funding, and many of their staff are seconded from government agencies or are retired officials who still maintain close contact with the agencies where they previously worked.

Careful empirical research, however, has called into question the common belief that Chinese NGOs, especially GONGOs, suffer from a lack of autonomy (Lu, Y., 2007). Through the dual management system, the intent of the Chinese state is apparently to hold the NGO sector on a tight leash, but this does not mean that the state always effectively enforces its policy. Similarly, just because an NGO is launched by a government agency with government resources does not mean that it will not find ways to pursue its own independent agenda. There have been many cases of GONGOs not only successfully evading government supervision but also engaging in illegal activities such as dodgy profit-making ventures, to benefit themselves. The Chinese state has failed to stop such activities even though they undermine its policies and harm its interest.

There are several reasons why many GONGOs have enjoyed extraordinary de facto autonomy. First, some officials have interfered in the enforcement of the government's NGO regulations on behalf of the NGOs they patronise, which has led Civil Affairs officials in charge of NGO administration to lament that in NGO management 'rule of men' had been more prevalent than 'rule of law'. Second, some GONGOs are so good at income-generation that not only do they not need government funding, but they also contribute to the coffers of their professional management agencies. As a result, they are in a strong position to negotiate autonomy for themselves. Third, some NGOs' professional management agencies may not take their supervisory responsibilities seriously and fail to monitor the NGOs' activities. Finally, many GONGOs enjoy a special relationship with their professional management agencies. They were in fact created by the very state agencies which serve as their supervisory bodies and their directors are former or incumbent officials in the agencies. Consequently, they are often trusted and given a free hand rather than tightly controlled by the agencies.

In comparison with GONGOs, popular NGOs often have less strong bureaucratic connections, lower status and inferior knowledge of the way the

state machinery works. As a result, they are actually less able to manipulate rules and regulations in order to gain autonomy. They are also more afraid of defying the authority of government agencies. Some big GONGOs with powerful patrons have not even shied away from direct confrontation with central government agencies, such bold acts are unthinkable for small grassroots NGOs.

In short, despite the existence of a stringent regulatory regime on paper which suggests that Chinese NGOs are kept in a straitjacket, lacking autonomy may not be a big issue for many Chinese NGOs in practice. Despite their origin and ties to the government, GONGOs may actually enjoy more autonomy than popular NGOs. This does not mean that Chinese NGOs are enjoying unlimited freedom from government intervention, nor can it be said that GONGOs in general are more autonomous than popular NGOs. What is clear is that the fragmentation of state power in the reform era has created much manoeuvring space for Chinese NGOs. Those organisations that are skilled at 'working the system', whether they are GONGOs or popular NGOs, can in fact enjoy huge operational freedom.

The possibility for NGOs to enjoy great autonomy tells only half the story of NGO-state relations in China. The other important feature is the heavy dependence of Chinese NGOs on the state. Both GONGOs and popular NGOs, both the most and the least autonomous NGOs, both self-funded and state-subsidised NGOs, need to draw one form of support or another from the state in order to operate. Chinese NGOs' dependence on the state can take many different forms. Some NGOs can only implement their projects in collaboration with the government as they lack the human and organisational resources to go solo. Other NGOs rely on the state for essential information, without which they cannot carry out their work. Such information may be sensitive data not released to the public, for example data on HIV/AIDS patients needed by health NGOs, or highly technical data which NGOs are unable to collect themselves, such as detailed water and air pollution data needed by environmental NGOs. Still other NGOs depend on the state

for protection. NGOs are vulnerable to obstruction or predation by corrupt government agencies or officials. They need protection against such hindrances, and the protection can only come from the state itself. Without a fully established rule of law, NGOs need to counter official harassment by finding patrons in the government, so that when one agency or official makes trouble for them, they can turn to other agencies or officials to bail them out.

Since Chinese NGOs can be heavily dependent on the state, yet enjoying an enormous amount of *de facto* autonomy, their relationship with the state is best characterised as 'dependent autonomy' (Lu, Y., 2009). 'Dependent' because, despite the decline in the power of the Chinese state and its domination over the economy and society in the reform era, bureaucratic control over the allocation of resources and opportunities remains extensive. Furthermore, many factors, such as the lack of effective checks on the predatory and arbitrary use of administrative power by state agents,

an incomplete and ineffective legal system and constant fluctuations in government policies, have contributed to an uncertain environment for NGOs. To operate in this environment, NGOs need to cultivate official patronage in order to gain access to bureaucratically-allocated resources and political protection.

'Autonomy', on the other hand, results from the weakening of the Chinese state's social control mechanisms. This, in turn, reflects a weakening of the state's ability to control its own agents, as NGOs typically rely on the assistance of their friends and contacts in the government to evade state supervision. The increased autonomy of social actors in post-reform China has gone hand-in-hand with the increased autonomy of state agencies and officials from the central state.

Insofar as the Chinese model of dependent autonomy fits neither the strong nor the weak state scenario, one may say that it is a unique case. However, this does not mean that the

Chinese case has proved the insights of development studies irrelevant. Many general conclusions of studies of NGOs and civil society development certainly hold true for China. For example, too much state control stifles civil society development. External donor funding runs the risk of steering NGOs towards programmes that are not suited to local needs and conditions. A close relationship with the state reduces NGOs' accountability to their grassroots constituents. These problems can all be observed in China. Therefore, general prescriptions for ensuring the healthy development and normal functioning of civil society, such as the need to establish the rule of law, are clearly applicable to China.

Lu Yiyi is a Research Fellow at the China Policy Institute, University of Nottingham and an Associate Fellow at Chatham House (the Royal Institute of International Affairs). Lu's research interest includes state-society relations, political participation, civil society development in China, China's international image and soft power, and environmental governance in China.

Comparing participation in China to the participatory discourse in development studies

Lu Caizhen

Participation has been an important buzzword in international development discourse in recent decades. Despite the conventional view that participation is not possible within an authoritarian political system, participation has also been an important buzzword within China. People might argue that participation in China is very different from participation elsewhere in the 'South' and from the meaning implied in international development studies. To examine this contention, it is important to examine the meaning and uses of 'participation' in the Chinese context, from political campaigns and activities

in the Republican era (1920-1949), to revolutionary activities in the Maoist era (1949-1977), and to various participatory practices that have emerged in the post-Maoist 'reform' period (1978 to present). From this perspective, various modern Chinese concepts of participation can be seen to draw from European sources while at the same time differing in several important respects. Nonetheless, examined with a discerning eye, the predominantly consultative or legitimising use of participation in the current Chinese context is perhaps not that different from current participatory practices

of western donors in international development. In the Chinese context, there have been different waves of participatory discourse and practice, taking the form of 'campaigns', village committee elections, and developmental projects. The history of these waves can be traced back to at least the 1920s when Yan Yangchu and Liang Shuming were inspired by the Republican ideals of Sun Yatsen and other leading Chinese nationalists and began to promote a 'Mass Education' and 'Social Laboratory' approach in 1920-30. Examples of this were the so-called Dingxian Experiment (Rural



An NGO-facilitated 'participatory rural appraisal' in a Tibetan area of Qinghai. / Andrew Fischer



Lu Caizhen (the first from the left) facilitates a focus group discussion on forest management with Mosuo women beside Lugu Lake in Luoshi village, Yunnan Province/
Lu Caizhen

Reconstruction Movement (RRM) to involve education, livelihood, public health and self-governance in Dingxian County) and the Zouping Experiment (RRM in rural basic education and community development in Zouping County).

In this regard, it is important to recall that the early Republicans saw themselves as a revolutionary force; they founded the first Chinese nation-state and fostered an emergent pan-Chinese nationalism. So it was in this period of nationalist revolutionary zeal that many of these programmes were innovated. The experience was distinctly Chinese, but at the same time, the ideas were definitely influenced by many of the liberal and socialist revolutionary ideas emerging in Europe at the time, particularly given that many of these Chinese nationalist elites were educated in western-influenced schools. For instance, Liang Shuming's idea of local self-governance was to inspire independence, the organization of local teams, and mass participation; this was similar to the ideas of mass political mobilisation that fed the participatory ideas and practices that emerged in the West among many of the socialist and/

or republican movements of the 19th and early 20th centuries.

In the 1920s, the rhetoric was 'from the masses, to the masses.' This later became the 'Mass Line' of the Chinese Communist Party, promoted by Chairman Mao Zedong, who viewed the world in similar revolutionary ways. Moreover, Communist China's 'democratic centralism' served as the foundation for revolutionary participation. Decisions were to be made by organizations that represented 'the majority', which would then in turn be fed to the upper levels of the governing hierarchy, up to the Central Committee. Trying to bring about often radical social changes such as land reform, this approach was less concerned with the usual participatory principle that villagers should be able to determine the course of the policies that would affect their lives. However, such revolutionary participation took a very perverse mutation during the chaotic years of the Cultural Revolution (1966-1976), as participation became synonymous with highly politicised mass movements motivated by the idea that social hierarchies needed to be reversed.

It is doubtful that this Maoist approach to revolutionary participation influenced the western liberal theories of participation, such as those promoted by Robert Chambers, which currently influence the participatory discourses and practices of western development agencies. These latter liberal participatory approaches arose as reactions to the paternalistic aspects of the early community development approaches of the 1950s and 1960s. Similar to the revolutionary or socialist approaches, they were premised on using a bottom-up perspective to community development, implying empowerment and a voice for the weakest sectors of society in decision-making. However, they did not imply a particular direction or content of what such empowerment should entail, as this was to be the outcome of participatory deliberations. However, Maoism definitely influenced socialist movements worldwide, particularly those in other developing countries, notably in Latin America where notions of emancipatory participation emerged parallel to a rise in actual socialist revolutionary challenges to right-wing dictatorships throughout the continent.

In contrast, participatory ideas and practice in China's reform period (1979 onwards) has moved away from the revolutionary socialist origins of Maoism and towards a more consultative model rooted in authoritarian 'market socialism'. The kinds of participatory approaches carried out in the development field since the late 1980s have tended to be project-based, with most participatory projects supported, at least initially, by international donors or NGOs. During the 1990s, participation in development came to be mainly understood as the use of Participatory Rural Appraisal tools to consult local people. Participatory methods were applied to appraisal processes as a technical accompaniment to economic development programmes, a tool in the consultation process and a way of informing policies. Local people still played a limited role in wider decision-making and policy-formation processes. From 1989, village committee elections were shaped, initiated and organized according to *The Organization Law of Village Committee of the People's Republic of China*, which specified this as a task of the Central Government. The original initiative sprang from a wish to secure stability in the rural areas rather than from a concern for villagers' right to influence decisions that affect their lives. Thus, participation in China has come to be understood as the presence of people when decisions are announced, the contribution of their labour, or their participation in schemes for material incentives. Generally, it was not optional in the past, but is optional now, it can be limited to consultation, and might involve the use of participatory rural appraisal tools, for example. Obviously, one might point to forms of what might be called 'autonomous' participation (i.e. participation not organised or condoned by the state, and possibly in opposition to the state), such as the events of Tiananmen in 1989 or the Falun Gong movement, but these are generally not considered part of the ambit of participatory approaches, particularly in China. In consequence, even with the involvement of international donors, participatory approaches have tended to steer away from notions of mobilisation and empowerment and towards more technocratic purposes.

One contention that might be raised by these examples is that these Chinese ideas of participation do not constitute actual participatory practices, properly understood, given that they are largely consultative in nature, or else used for garnering legitimacy among the population or in the eyes of the international community. Recall that according to 'participatory approaches' in the development studies literature (such as those articulated by Sherry Arnstein), there exists a ladder of participation; lower levels of participation include passive participation and voluntary participation based on consultation or monetary incentives, whereas higher, more effective levels include interactive participation and participation as self-mobilisation. Hence, the dominant forms of participation in China have definitely been at the lower level. For instance, in the rural reconstruction projects of the 1920s and 1930s, participation was mainly consultative; people expressed their views, made suggestions or were consulted. But decisions were made by outsiders. Similarly, in the Maoist era, participation in campaigns mainly took place by mobilizing people so that they could take part in public meetings and officially promoted activities, or contribute their labour, often for free. Participation after 1978 became a little more diversified and the responsiveness of government's top levels possibly increased as well, although the dominant mode of participation was still consultative and often driven by material incentives.

Participatory approaches in China thus differ from the 'ideal type' imagined in development studies. However, recalling the critical literature in this field, we might recall that the ideals of participatory approaches are very difficult to find in practice. This is particularly the case within contexts of stark power asymmetries or where larger political and economic processes disempower and disenfranchise communities at the same time as participatory approaches purport to empower and enfranchise these same communities through de-politicised techniques of localised decision-making. In this sense, perhaps the example of China, while obviously contravening many of the 'principles'

of participatory development, may not be so different from the realities of participatory approaches elsewhere in the developing world. This is especially so in situations where wider political and economic decision-making is removed from the ambit of these approaches as well as the democratic process more generally, such as World Bank projects implemented within a context of stringent structural adjustment programmes and further good governance conditionalities. In other words, the example of China actually helps us break free from the idealised view implicit within the participatory literature and confront more explicitly the technocratic and de-politicised nature that these approaches have evolved towards, both within China and elsewhere.

It cannot be denied that participatory approaches in China have strong Chinese characteristics and have evolved within its own political and institutional history, often with few reference points to other parts of the world. A primary difference in the operating context is that participatory approaches take place within a framework of a top-down and highly centralized political system, centred on the corpus of the Central Communist Party and the national government. Very little autonomous participation takes a bottom-up form or comes from local actors. Only inside the framework of top-down leadership can we talk about different levels of participation, since citizens are not involved in the initiation of decisions or even in planning activities. Participation is delinked, in other words, from policy formation and decision making, which remain highly centralised. When people contribute their labour, express ideas, or are consulted, they are considered to be participating. However, in this respect, we must ask whether this is really that different from – say – participation as it might operate in most World Bank projects?

Lu Caizhen is a PhD Graduate at ISS. She can be reached at caizhen@iss.nl

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