Chinese civil society and the anatomy of the Wenzhou model

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China is on the brink of a momentous era. But that does not necessarily mean a time that will give life. It could also bring death. $-Lu Xun^1$

The Problem

Twenty-nine years ago, the new leadership of the Communist Party of China announced a fresh agenda – albeit within the socialist paradigm – for the country's future economic growth. Fundamental rationale for the renewed agenda was that the previously existing socialist egalitarian and collective development strategy for economic development had only pushed the country's economy into the past by several decades or more. As it was then claimed, the aim of the new strategy was to emancipate and further enhance the country's social productive forces. However, notwithstanding a staggering economic growth rate during the past quarter of a century or more, intense ensuing debates are ensuing among the Chinese intelligentsia or public intellectuals regarding the idea that not only the economic sector but the entire society and the nation-building institutions have lost the forward momentum. The so-called socialist Chinese state is pursuing a development strategy of 'neo-liberalism with Chinese characteristics', in tandem with the prevailing neo-liberal world order. Or else, what is the explanation for the partystate having accorded full legitimacy to political euphemisms which until recently were completely banned as well as decadent, hostile ideological and theoretical bourgeois-liberal notions such as 'civil society'? Today, the Communist Party of China (CPC) leadership, without having defined the political need and the purpose of the new worldwide neo-liberal 'language of governance', has not only glorified new governance concepts like social organizations [SOs], public organizations [POs], non-governmental organizations [NGOs] and non-profitable organizations [NPOs] but has perceived them as the only way China can achieve its new goal of a 'harmonious society'.

Introduction

'Whither China?' About three decades ago, the question was being discussed perhaps with far more passion and interest outside China than among the mainland Chinese. It was the end of ten long tumultuous years of the cultural revolution in the second half of the 1970s, followed by two most uncertain years of political chaos in terms of who will lead the party and the government in

the year 1978, when the newly re-grouped leadership of the Communist Party of China announced a new development strategy of opening the country's door to foreign capital, most Chinese chose to ignore the direction in which the foreign capital would take them. The fact that the country's open-door-policy strategy could be sustained for nearly three decades without any major challenge may well be considered evidence enough that the people of China welcomed the fundamental shift away from the political nature of the previous three decades of the socialist egalitarian CPC rule. More recently, definitely more certainly, an overwhelmingly large majority of Chinese in the mainland are passionately engaged in the discourse on the new problem of 'whither reform'? This time around, foreign observers have appeared to be less concerned about the direction in which the Chinese reform might be taking the country. This might be so for obvious reasons. However, unlike three decades ago when the question 'whither China?' had been rendered as of mere academic interest, now the question 'whither Chinese reform?' has become too real to be ignored by the country's large majority of masses and the intelligentsia. 'Whither Chinese reform?' cascades into a series of complex issues. What kind of society has China today anyway? Is it still a socialist country? (Wang Xiaoming 2003) What is the relationship between China's modernization and capitalism? Is China in a state of crisis? If so, is the crisis brought about by the reform? Or as a leading Chinese contemporary cultural critic, Wang Hui, has recently observed, the success of Chinese reform a mere "party and governmentinspired historical 'myth'"? (Wang Hui, 2003: 78)

Furthermore, even if China has avoided going the tragic way of the erstwhile Soviet Union in its reform process, a look at the country's public welfare and social security policies clearly indicates that the current reform practices have completely exhausted the people's capacity to withstand the tests the reform has placed before them (Yu Nanping, 2005). Many in China today are forced to compare the outcome of nearly three decades of reform with a sudden storm, and they are wondering if it would be followed by sunshine or a long period of haze? Needless to say, most Chinese believe it is the latter. More and more number of scholars and intellectuals are showing signs of desperation and weariness. The more serious and prominent among them have even warned of China eventually facing far more adverse crises than what Russia and several other erstwhile East European countries have experienced.

China watchers can be easily divided into two categories. First, there are those who believe China is surging ahead with record economic growth but without any democratization. Second, there are those who think China is no more a socialist country and the economic reform program is nothing but a careful, gradual transition towards a capitalist society (Samir Amin, 2004). In sharp contrast, mainstream intellectual and political discourse inside China today is far removed from the two debates. On the one hand, imminent crisis in the countryside, staggering rural unemployment and urban joblessness, declining rural incomes over the last decade, high costs of education, high medical costs which is out of the reach of ordinary Chinese etc. are some dominant issues preoccupying the Chinese public intellectuals. On the other hand, the party and the government in China, without seriously taking into account the structural failures in the

reform process, perceive the prevailing crisis only as a threat to the country's social stability, and therefore the new slogan of building a harmonious society. It is in this context therefore that a proper understanding of the Chinese civil society, both in its notional sense and normative experience, must be viewed.

The Wenzhou experience, more in terms of being perceived as an economic model for the rest of China to emulate, as some Chinese experts would claim, has stirred up a new political debate highlighting several innovative ways of 'efficient' and 'effective' governance. Take for instance the numerous 'business associations' that have mushroomed not only all over the Wenzhou region but also throughout China and even abroad. The other most talked-about Wenzhou 'feature' in the People's Republic is the three-legged nexus involving private entrepreneurs, the local Party and the provincial/local government or state agencies. Scholars outside China view this uniquely Wenzhou development as the Chinese equivalent of either the 'social capital' model advanced by Robert Putnam recently or as a more popular way of addressing this kind of phenomena under prevailing neo-liberal globalization, i e, 'people-public-partnership' (PPP). In order to fully grasp the nature of the crisis and contradictions arising out of the reform program, this paper has mostly relied on the ongoing debates among Chinese intellectuals, with only a passing reference to the relevant literature outside China.

Civil Society in China

A significant aspect of China's opening to the outside world has been the confidence the Chinese political leadership has shown in promoting and encouraging the policy of 'letting hundred schools of thought contend' (*baihua jifang*), beginning in the early nineteen eighties. As a result of this policy, various new worldwide trends in literary, art and cultural studies as well as in the social and natural sciences appeared not only in the academic arena but also in the political and ideological fields. For instance, Antonio Gramsci's prison writings, previously regarded as politically sensitive and ideologically hostile, were translated into Chinese and published in the early eighties. Though the term civil society had slipped into Chinese academic and political discourse by the latter half of the eighties, it remained anathema to the CPC regime and did not enter the official discourse until the late nineteen nineties or in the early third millennium. In sharp contrast with the notions prevalent outside China, the proliferation of the civil society discourse in China was made possible after a brief period of lull following the summer of unrest in 1989. But it was the renewed acceleration of pace of China's economic reform process, as a result of Deng Xiaoping's famous speech delivered in Shenzhen in early 1992, that civil society (re)gained a new status in Chinese intellectual debates.

Recently, Chinese discourse on the conception of civil society may well be divided into two phases. In the first phase, which started in the late 1980s and came to an end during the latter half of the 1990s, three major tendencies can be easily discerned in these writings. Academics and

other intellectuals have been inspired by western liberal scholarship and advocate the construction of a civil society in China which will eventually lead China towards attaining full democracy (Min 1989). In Eastern Europe, 'Marxist dissident' political theorists developed their own theoretical formulations of a civil society. This had its origins in the internal contradictions between state, society, and the Church; the presence of the Soviet army on their soil and the looming Soviet threat; the consistent downward trend of wages and poor living standards lasting for over two decades (from the early 1970s until the collapse of these regimes in the late 1980s and early 1990s); and above all in an extremely hostile political-economic environment these countries were facing as a result of the Cold War. In sharp contrast, in China, advocates of the notion of civil society because of and during the reform era were differently located. The international community and the world market have been favourable to China's economic reform initiative, and there was no hostile international environment or political challenge to the CPC regime. Under such conditions, the advocates of 'society-against-the state' model of civil society notion in China are bound fail in their attempt to create a plausible theoretical formulation that could be effectively employed as an instrument of political analysis.

Second, there are also those intellectuals and scholars who have remained committed to the view that China does not need a western-style liberal, pluralist democracy. Instead, these scholars have called for the strengthening of socialist democracy and the promotion of a socialist legal system that will bring about a stable economic growth and sustain nation building. These scholars go on to argue that a switch to a fully democratic and market economy system is no guarantee that China's manifold ills, such as a developing economy, poor technological base, limited natural resources, huge and swelling ranks of largely rural but also urban unemployed people, corruption, illiteracy and so on, will disappear overnight. Needless to point out, such writings and debates echo the official point of view of the CPC government (Wang Licheng, 1992). In their view, the notion of a civil society is identified as essentially capitalist and belonging to the advanced industrial societies. In many Chinese publications the use of the term 'civil society' is avoided. Instead 'bourgeois liberalism', 'multiparty politics', 'human rights', 'bourgeois representative or parliamentary democracy' and 'three power structure' are some metaphors employed for the purpose. In their contention, the historical nature of modern European conceptions of civil society cannot be directly applied to China as the crucial factor in the formation of civil society against the state is non-existent in China; it is argued that even under the prevailing socialist market economy, the state in China is not in the control of a class of private property owners.

In an article published in 1997, the problems facing China's modernization drive were thus addressed:

Contemporary theories of political development generally identify the momentum for the political growth originating from the challenges of modernity. From the point of view of the global modernization process, this challenge posed by modernity formerly did not exist in China. Under the influence of western society, the modernization wave has penetrated the whole world. Economic liberalism, cultural pluralism, political radicalism

and postmodernism in ideas have all triumphed globally, constituting a major threat for the growth of politics in the P R China (Xie 1993).

To meet these challenges, some Chinese ideologues are putting forth strategies for strengthening the existing socio-political set up, by working towards the creation of a socialist civil society (Yu Keping, 1993). Yu, a senior and widely read scholar with the Contemporary Research Centre of the CPC, has consistently argued about the possibility of the creation of such a (unique) society under socialism. According to him, the policy of a socialist market economy (SME), which was adopted at the Fourteenth Congress of the CPC, has had "a revolutionary impact on the previously existing socialist planned economy model, and that it has thus created a new urban society in socialist China" (Yu Keping, 1993: 48).

The third major trend as reflected in the Chinese writings on the subject during the 1990s is critical of both the pro-civil society and anti-western democracy group of scholars. The third category discourse questions the basic wisdom of the pro-civil society discourse by asserting that no such discussion is of a theoretical value without first defining the diversity and complexity of the term 'culture' and its implications in an industrially backward society like China, with a large illiterate and poor rural population. Their criticism against the so-called official discourse of pursuing the existing political set up without taking into consideration the issue of equal opportunity to all, had stirred up a major controversy in China. Also, these scholars emphatically point out that there being no escape from the impact of China's traditional culture, and therefore, a need for first establishing a social system which will guarantee equal justice to all, a big question mark has been raised on the viability and justification of the SME (Liu and Ge, 1991)

The second phase, which unfolds at the turn of the new millennium witnesses how a rather unexpected turn takes place in the short contemporary historical trajectory of both the concept and the meaning of the term 'civil society' in China. In order to meet diverse challenges and complex contradictions arising out of the long years of speedy growth of private economy within the socialist collective ownership system, the PRC government admitted the need to rely upon 'public organizations'. All of a sudden scores of state funded non-profit organizations (NPO) appeared across China. Now, the Chinese state was aiming at achieving dual gains by promoting the active functional role of the NPO and NGOs. On the one hand, the more open and active status enjoyed by these public organizations provided the authoritarian regime a new form of political legitimacy. While on the other, the state could effectively reach out to society and deal with many new situations arising out of market economic conditions in which the government had been finding itself helpless and much less equipped.

A fundamentally significant aspect of the current debate on the existence of a civil society in China is how free and independent the public sphere is in China today. How does one distinguish between the degree of autonomy and independence from the state of civil society organizations active and functioning in the Wenzhou region and in the rest of China? In sharp

contrast with the government policy of encouraging the role and functioning of civil society organizations, as some scholars have pointed out, there remains a great degree of distrust and suspicion on the part of the Chinese state with regard to the voluntary organizations. This has been especially pointed out in the context of China's refusal to allow foreign funded NGOs or voluntary groups to register or function in China.

There is an interesting outcome of this new development. Whereas in the earlier period (i.e., from the late 1980s to the late 1990s) almost entire civil society discourse was entangled between theoretical formulations and definitions, now in the new situation, any reference to 'civil society' implied various kinds of state-funded as well as society-funded public organizations. Interestingly, in the absence of a commonly agreed definition or conceptual formulation in the Chinese language [for example, till date the Chinese discourse on civil society is employing more than five or six different terminologies for the term (Adlakha, 2000)], available prevalent expressions used for meaning the NGOs or NPO etc., in the Chinese language are also more than one. One such expression, 'minjian zuzhi' (public organization) has been made popular by the unprecedented success of the private business capital in the Wenzhou region. It is not surprising therefore that some scholars in Wenzhou were encouraged by the significant role the region's numerous private business associations and business chambers have played in the success of non-state sectors of the economy, and went on to invent the term 'rural civil society'. What is the Wenzhou model? Is there a truly thriving rural civil society?

The Anatomy of the Wenzhou Model and 'Rural Civil Society'

Wenzhou, also known as Yongjia (or Yung-chia) has a history which goes back to about 2000 BC, when it became known for its pottery production. In the 2nd century BC it was called the Kingdom of Dong'ou. Under the Tang Dynasty, it was promoted to prefecture status and given its current name in 675 AD. Throughout its history, Wenzhou's traditional economic role has been as a port giving access to the mountainous interior of southern Zhejiang Province. In 1876 Wenzhou was opened to the foreign tea trade, but no foreign settlement was ever made there. In 1937–1942 during the war with Japan, Wenzhou became an important port due to its being one of the few Chinese ports still under Chinese control. It declined in the later years of the war but began to recover after coastal trade along the Zhejiang coast was re-established in 1955. Wenzhou derives its present name from its mild climate. With jurisdiction over three districts, two county-level cities and six counties, Wenzhou covers a land area of 11,784 square kilometers and a sea area of 11,000 square kilometers. The population of the city is 7.7 million including 2 million urban residents. Situated in the middle of China's eastern coast, Wenzhou comprises of large rural areas divided into eight counties and an urban land-area spread over nearly five hundred square kilometers. It was converted into what is now known to us as Wenzhou Municipality under the New "City Administering County" Policy, which came into effect in the year 1981. The total area of the new Wenzhou Municipality stands at eleven thousand and five

hundred square kilometers, of which the rural land-area in percentage terms is more than 90 per cent. An overwhelmingly large part of this region, nearly eighty per cent, is mountainous and rugged terrain. It is facing huge mountain ranges on its three sides, forming its northeastern, western and southwestern borders, which practically isolate this region from the rest of mainland China.

Among various local, regional, and province-level 'models' of good governance in practice in the PRC, the Wenzhou model, with its distinctive constellation of functional features, exemplifies an increasingly promising but inadequately studied genre of a Chinese model of a 'civil society'. The Wenzhou model has been claimed to be the first rural governance model being carried out in China which is based on a rural or civil society rising from the grass-roots. Recent Chinese scholarship refers to this new model of governing rural society through rural commercialization or rural urbanization as a civil society 'rising from below' or 'rising from the rural countryside'.

In fact, when China began to open its economy, Wenzhou had already emerged as the 'capitalist island' within the socialist mainland. As early as 1985, Wenzhou was recognized and celebrated in a section of the official Chinese media as an economic growth model to be replicated in the rest of the country. In 1998, the United Nations declared Longgang – an entirely new city built from scratch, and the economic nerve centre of the Wenzhou region, located in the Lucheng district which is one of the ten district towns within the larger Wenzhou Municipality Region – as China's 'first peasant city'. Fei Xiaotong, China's world famous sociologist declared Wenzhou as the new socialist city of China. These are only a few examples of the success story of Wenzhou; however, these are also primarily the economic and financial aspects of the Wenzhou success story. It is of crucial import to point out here that it is essentially the expansion of the market and private capital locally mobilized and governed, which is being cited as the rationale for the construction of a (market-driven) state-society dynamics. It is far remote from the classical notion of a free, independent and autonomous notion of 'civil society'. As Dali Yang asserts, "While the Chinese state has played an important role in expanding the market, market expansion has, in return, helped prepare the ground for the rationalization of the state."(Yang, 2001).

Though it is true as some scholars claim that the very existence of some kind of a public sphere is beyond the purview of the Communist party-state control in the Wenzhou-style business (See Whiting 2001) associations between state and private enterprises, their role has been limited to creating intermediary managerial mechanisms, of course, unheard of during the three decades of 'socialism'. Even the Wenzhou model of 'independent' *party-state-public* nexus is yet to display its potential and scope to address 'civic' interests of those not falling into the orbit of the mainstream (Wang 2005, Zhang 2003, Ren 2002, Wu 2003, Saich 2000, Xiong 2004).

Endnote

¹ Lu Xun, 'Chenying tici' (Foreword to *Shadow of Dust*), in *Lu Xun quanji* (Complete Works of Lu Xun), Beijing 1981, vol. 3, p. 547.

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