

CIVIL SOCIETY, CORPORATISM AND CAPITALISM IN CHINA:

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In the early reform period Chen Yun, leading Politburo member and architect of economic reform, often used the metaphor of 'a bird in the cage' to denote the constraining impact of the state planned economy on the market. The metaphor might be similarly applied to civil society in China, where a resilient authoritarian state keeps a tight leash on the 'bird' of 'civil society'. It is this relative balance of power between the state and civil society actors in China that has been the subject of much analysis over the last thirty years. Whilst some scholars have found the idea of civil society useful for understanding independent civic action around shared interests in the reform period of China, other scholars have found the framework of corporatism more appropriate, in particular because it focuses attention on the constricting hold of the state over civil society actors.

The purpose of this article is twofold: first, it is suggested that the two-pronged approach of control and engagement by central and local governments towards civil society organisations is driven by the need to facilitate the emergence of a civil society that will advance capitalist interests and maintain political stability; second, at a broader theoretical level, the article proposes that the debate on whether state-society relations reflect an emerging civil society with some degree of autonomy from the state or rather a corporatist arrangement of interest relations dominated by the state is insufficient to understand the dynamics of civil society in China. In particular, it makes the preliminary argument that an analytic overemphasis on the role of the state in shaping the trajectory of civil society in China has led to an under-emphasis on the market imperative to civil society.

The article begins by discussing the use of the civil society and corporatist frameworks for understanding changes in associational life in China. The article then goes on to analyse the development of civil society in the reform period in terms of state control over society for both retaining political power and ensuring an environment favourable to capitalist interests. In doing so, it suggests that central and some local governments' moves to facilitate state engagement with selected parts of civil society betray both a state and market logic. In the final section the article discusses the importance of bringing capitalism back into the study of civil society¹.

Before proceeding further, it is necessary to first clarify the concept of civil society as used in this article. Civil society, like many social science concepts, is a contested concept. It can vary in its normative content, the range of empirical referents it embraces, its disciplinary leanings and the ideological uses for which researchers, politicians and civil society actors themselves deploy the termⁱⁱ. Civil society is used in this article to refer to the realm of independent civic association around shared concerns through deliberative processes and actions and a range of organisational forms that vary in their degree of formalityⁱⁱⁱ.

Civil society and corporatism

It was against the background of the 1989 democracy movement in China that Western scholars began to deploy the concept of civil society. Throughout that tumultuous year students and workers marched through the streets across China demanding democracy and eventually setting up their own independent organisations. The sheer scale of protest and independent action seemed to portend the imminent rupture of a highly authoritarian regime, as was happening in other socialist contexts in Eastern Europe. Indeed, the use of the language of civil society to articulate the aspirations of dissenting citizens soon spread from Eastern Europe, where it was first used by dissidents such as Adam Michnik and Vaclav Havel, to Africa and Latin America. As the concept of civil society became common currency amongst activists, political leaders, government donors and international institutions, academics and researchers too began to steer their attention towards the emergence of civil societies in newly democratising countries. Scholars of China deployed the concept of civil society to frame these new manifestations of autonomous associational life and invested it also with a normative element, namely, an assumed link between civil society and democratisation^{iv}.

Following the crackdown on the Democracy Movement in June 1989 and the issuing in October of the “Management Regulations on the Registration of Social Organisations”^v, the democratic optimism that many Western scholars conveyed through their use of the civil society concept was quickly punctured. The new cage of regulations clipped the wings of the civil society bird that had briefly flown towards the skies. Though the crackdown on the movement in the summer of 1989 and the subsequent regulations led to the banning of organisations that were deemed to be threatening to the regime such as independent trades unions and workers’ organisations and independent student unions, other social organisations such as business associations, academic associations, science and technology societies, trades

associations and professional societies were able to register and indeed continued to operate, albeit in a much more constrained way. Over the next two decades the degree of space that the state has made available to civil society actors has expanded and contracted in incremental cycles. These cycles have been incremental because the boundaries of citizen organising have continued to expand in a 'two steps forward and one step backwards' line of progression, with the type of organising, the issues addressed, the nature of communications and the weave of horizontal links all becoming more complex, sophisticated and relentless.

Given the range of citizen organising, the growing power of the internet as a vehicle for autonomous deliberation and action, and the variety of issues taken up, the concept of civil society as a way of understanding these changes in the associational realm has continued to have appeal amongst some Western researchers. The language of civil society has not, however, taken such deep root amongst Chinese scholars or activists, not least because of concern that terms such as civil society might be construed as being anti-government and intended to advocate regime change through democratisation (Ma 1994). As a result, several other terms deemed as less threatening to the regime have greater currency in official and academic discourse such as "people's organisations" (minjian zuzhi), "social organisations" (shehui zuzhi)^{vi}, "NGOs" (feizhengfu jigou) or non-profits (feiyingli jigou), terms that evoke more a concern with social welfare and community than interest expression.

Whilst expectations about the potential of China's emerging civil society were considerably dampened after the autumn of 1989, some scholars turned instead to the theory of corporatism to explain the nature of associational life in China. Corporatism proved particularly attractive in analysing China because of the attention it lent to state attempts to shape the sphere of citizen organising. Philippe Schmitter's (1979: 93) classic definition of corporatism is particularly illuminating:

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

Numerous China researchers such as Unger and Chan (1995a and b), Pearson (1994), Lee (1991), Dickson (2000), Unger (2008) drew on the idea of 'corporatism' to analyse state-

society relations. In doing so, they cast doubt upon the applicability and usefulness of the civil society concept in China, criticising it for its overestimation of the degree of autonomy enjoyed by civic associations. Indeed the new 1989 and later revised 1998 regulations on social organisations were proof that the state was adopting a corporatist approach to society. For example, Article 13 stating there could be only one organisation for any particular area of work in the same administrative area, Article 19 sharply restricting the establishment of branches elsewhere as a way to curb the emergence of any competing national political force, and Article 3 requiring all social organisations to identify an official sponsoring agency (zhuguan danwei) as a way of maintaining oversight and control over the organisation reflect this corporatist approach. Furthermore, the Party/state has often positioned government officials on the boards of registered social organisations as a way of maintaining control and even set up its own social organisations, in part to reduce the size of the state.

However, it will be argued here that first, corporatism is inadequate in describing or explaining adequately actually existing citizen organising in China and the Party-state's approach to this, particularly since the late 1990s; and second, the debate centred around 'civil society versus corporatism' is misplaced and as a result detracts from the market logic underpinning changes in associational life.

Corporatism is inadequate as a framework for describing and explaining changes in state-society relations on several counts. First, theories of corporatism and civil society set about answering distinct, though at times, overlapping sets of question. Corporatism is concerned with analysing systems of interest representation, or as Schmitter (1979:86) put it, 'the ideal-typical institutional arrangement for linking the associationally organised interests of civil society with the decisional structures of the state'. These can be subdivided according to regime types into 'state corporatism', which is associated with more authoritarian regimes, 'societal corporatism', associated with advanced democratic welfare states (Schmitter, 1979: 105) and monist corporatism applicable to socialist regimes (Schmitter, 1979; 97). By contrast, theories of civil society seek to answer a much wider range of questions than just how the state incorporates citizens' groups into systems of representation. These include, for example, the role of civil society in democratisation and regime change; the contribution of civil society organisations to the provision of welfare; the power relations between the state, civil society and the market; the influence of civil society actors on global policy processes; the gendered nature of civil society and so on. Studies of civil society can intersect with studies of corporatism when the issue at stake concerns the influence and organised

incorporation of societal interests into policy-making processes. Corporatism assumes some associational organisation of interests and so does not exclude the existence of civil society. In other words, a debate framed in terms of civil society versus corporatism cannot provide us with a full description or explanation of civil society. Concluding that a regime adopts a form of societal, state or monist corporatism to organise interest representation is not a sufficient reason to reject the concept of civil society or to abandon an inquiry into the nature of civil society, its diverse functions, its role in processes of social and political change, nor its relations with the state, not all of which may be corporatist in nature.

To pick up this last point, China's regulatory framework may be corporatist, but civil society organisations in China can wield influence via personalised relations with state officials, a process that is not addressed in corporatist theory. Moreover, there are no institutionalised mechanisms for bringing registered social organisations into policy processes. Corporatist theory cannot deal with organisations outside the corporatist framework, which may have no particular interest in being involved in policy-making or influencing the state, or may seek other ways to do so than through a corporatist arrangement. Furthermore, the state behaves in multi-dimensional and sometimes contradictory ways towards civil society groups, sometimes engaging with these, sometimes surveilling them, sometimes controlling these and sometimes ignoring them. As a result, there is a wide variety of organisational forms, varying in their degree of formality, power and legal status, and diversity of relations between state and society, at central and local levels, of which the corporatist framework is but one.

Second, there is the issue of the representativeness of societal organisations in China, their ability to aggregate interests and communicate with their members. Whilst mass organisations such as the All-China Federation of Trades Unions and the All-China Women's Federation serve as a transmission belt between the Party-state and workers and women respectively, it might be argued that these are 'incorporated' rather than corporatist organisations. This is because they only weakly and intermittently represent their constituencies' interests, and instead, more generally, prioritise national and Party interests over the particular interests of workers and women^{vii}. Ray Yep (2000) makes a similar observation with regard to business associations such as the Individual Labourers' Association, the Federation of Industry and Commerce and the Entrepreneurs' Association. He argues that they are not able to aggregate interests, not least because of a hierarchy amongst managers and firms, and that they have not established effective mechanisms of communication, either with the state or amongst their members.

A third reason why corporatism cannot fully explain the nature of associational life in China is that the corporatist regulations fail to achieve their goals of social control, not only because of state capacity but also for reasons of political will. It has now been widely observed that many civil society groups in China do not apply to register because they consider the regulations too burdensome and see no immediate advantage in doing so. From the mid- to late 1990s onwards social groups began to find ways around the registration regulations such as registering with the Industrial and Commercial Bureau as non-profit enterprises, affiliating as a second or third level institution under an organisation with registration status, and working through donor-funded projects. As the majority of civil society organisations have not registered with relevant levels of the Ministry of Civil Affairs, it is difficult to estimate the exact number that operate but several reports and studies have indicated a substantial growth in this 'grey zone' (Wang and Sun, 2010, p. 175)^{viii}. Given that they are not registered, they cannot then be easily embraced into the political system of representation; nor can they be fully explained through corporatist theory, except to say that the corporatist framework is so severe, restrictive and cumbersome that the majority of civil society organisations remain excluded from it.

Another reason why the corporatist framework has failed to contain the growth of organised civil society is because local governments also have some interest in letting such organisations exist as they address social needs that they themselves are unable to provide for^{ix}. This is particularly the case with regard to non-governmental associations providing services to marginalised groups in society. Since the mid-1990s the social impact of economic reforms, and in particular growing inequality and the inadequacy of social welfare provision, have become more evident. Aware of the need to reform the social welfare system and its own limitations, the Party-state has looked increasingly to non-governmental actors such as community organisations to play a larger role in welfare provision. However, the ability of the state to deploy non-governmental public actors to assist with social welfare provision has been seriously constrained by the lack of a facilitating regulatory and legal framework to do so. Concerns about the threat to regime maintenance that might be posed by a more liberal environment for civil society have thwarted any significant relaxation of the regulatory regime that would facilitate deploying non-governmental groups in the state welfare reform agenda..

The corporatist framework has thus backfired on the Party/state. As the economic reforms have deepened, disrupting the previous system of social welfare, the regulatory framework

governing social organisations has become increasingly dysfunctional from the perspective of devolving some powers to social actors. This need to foster a more enabling environment for welfare-oriented social organisations has underpinned the various shifts in regulation and law instituted over recent years, which will be discussed more fully in the next section. To sum up this first point, corporatism is inadequate as a framework through which to understand associational life in reformist China because its subject of inquiry is narrower than that pursued by civil society theory, because it assumes selected groups actually represent interests, and because the corporatist regulatory framework both fails to contain civil society and proves dysfunctional in its welfare reform efforts.

There is, however, a second matter of prime concern, namely, that the debate centred around 'civil society versus corporatism' is misplaced, and at the expense of a full analysis of the dynamics of civil society. The issue at stake here is that this debate overemphasises the role of the state in shaping the trajectory of civil society in China, and ends up reducing the dynamics of civil society to the outcome of contestation between the dual agents of state and civil society. Indeed, this focus on the state as an enabling or constraining force on civil society has been the subject of considerable research in other countries too. This analytic perspective on civil society has been driven in part by the 'good governance' and democratisation agendas promoted by Western governments and international donors in aid-recipient and transitional contexts. However, this overemphasis on the state as the prime agent in shaping the trajectory of civil society leads to the neglect of another key dynamic, namely, the market. There is thus both a statist and capitalist logic to the path that civil society traverses in China, a path that is constructed upon a differentiated set of conflicting and cooperative interest relations. In the next section we explore this idea in greater depth.

State and market logic in shaping civil society post-1978

The emergence of a protean civil society in the 1980s was an outcome of both market forces and state response to the changing socio-economic relations brought about by economic reforms. The shift away from a state planned economy towards an economy in which market forces play an increasing role has not only created a new set of differentiated and diverse socio-economic actors such as migrant labour, domestic and foreign capital but has also required the state to find new ways of dealing with a wider range of often conflicting interests, posing new challenges to state control over society. There is thus both a state and market logic to the trajectory of civil society, logics that are not mutually exclusive. Whilst control

over society is a prime pre-occupation of the Party-state, there is also an appreciation of the need to facilitate the development of the market by liberalising the economic, intellectual and cultural spheres, by ensuring the compliance of labour through repression of labour organising and protective labour legislation and by maintaining political stability. Indeed the state's legitimacy has increasingly hinged on maintaining economic growth through market forces. This facilitation of the market has favoured the development of capitalist interests as opposed to labour interests in the shaping of civil society. Let me elaborate this further by sketching the cyclical development of civil society, whereby state pre-occupations with both control and economic growth have fuelled cycles of expansion and retreat, affecting variously the numerical development of registered and unregistered civil society groups, the degree of caution and boldness in their activities, and the confidence and caution adopted by local government leaders towards non-governmental groups. These cycles have led to an incremental expansion of associational organising. The four main cycles observed here correspond roughly to the periods from 1978-1991; 1992-2001; 2002-2008; 2008 onwards^x.

The first cycle in the development of civil society began with the introduction of the economic reforms in late 1978 and finished in 1989 with the promulgation of new regulations governing the registration of social organisations. During this period the emergence of civil society had both a state and market logic. The reform processes of decollectivisation in the rural areas, the implementation of policies aimed at promoting markets, the establishment of Special Economic Zones as a mechanism for attracting foreign investment and the gradual creation of a labour market contributed to a fundamental restructuring of the economy. This in turn led to increasing social differentiation, the emergence of new socio-economic interests linked to the market such as self-employed businesspeople, Chinese entrepreneurs, workers and local managers employed in foreign enterprises, and intellectuals pursuing new areas of study such as neo-classical economics and law. Faced with the growing complexity of society, the old institutions for intermediating interests such as the mass organisations became increasingly inadequate in relating not just with their own constituencies but also the newly emerging socio-economic groups.

Aware of the need to manage these increasingly diverse interests that not only had emerged out of the market but were also essential to the continuation of market reforms, the Party-state began to promote new forms of association as a way to 'bridge' the relation between state and society. This involved promoting the formation of associations dedicated to scientific and technology advance so as to better absorb foreign technology and new scientific methods. In

a similar vein academic and learned societies as well as professional associations such as the Lawyers' Association or Journalists' Association were encouraged so as to create a more autonomous and open environment for intellectuals and thereby stimulate their creativity and professionalism and their commitment to and stake in the modernising reform agenda. Particularly important was the promotion of business and trades associations, which would enable the state to step back from the economy, transfer some of its functions to these organisations, and allow these groups to access market information more easily and coordinate the market more efficiently. In essence, the Party-state's prime interest in promoting these 'bridging' associations was to facilitate the development of the market and demonstrate its commitment to capitalist reforms. It took place at a time when the political climate was relaxing as the reformers consolidated their power and initial economic reforms proved popular. The new organised interests that were given room to flourish in this period were those groups that had much to benefit from market reform.

The growth of more autonomous citizen action came to a head in the year of 1989 when the Chinese Democracy Movement burst forth, crystallising a range of diverse demands around greater freedom to organise independently, political reform, spiralling prices and frustration with government corruption. Fearful of a significant threat to the political regime, Party leaders with the aid of the People's Liberation Army initiated a crack-down on the thousands of protestors gathered in Tiananmen Square in June 1989. Against this background of political tightening of control over society, within three months a new set of regulations governing social organisations was introduced, namely, "Management Regulations on the Registration of Social Organisations". This laid down the conditions under which social organisations could register and operate. Organisations considered threatening to the regime such as independent students groups, underground religious groups, secessionist movements and independent trades unions were prohibited, amongst others, whilst associations considered beneficial to the reform process such as trade associations, business groups, science and technology associations were encouraged. The 1989 regulations thus carved out a corporatist framework for governing social organisations.

The reassertion of conservative influence in the Party along with economic sanctions against China led to a period of economic stagnation and similarly dampened the growth of civil society. In an effort to spur economic growth and deepen economic reforms Deng Xiaoping undertook his journey South in 1992. This galvanised the economy and set the economic reforms back on track. The reinvigoration of the reforms created a more relaxed political

environment which in turn nourished the growth and development of civil society groups. As part of the process of courting political allies and re-establishing confidence in China, the reformers used the occasion of the 1995 UN Fourth World Conference on Women, that was to be held in Beijing, to project itself as a global player, to demonstrate its increasing openness and its commitment to economic reform. The official UN conference was also shadowed by a parallel NGO Forum on Women. Though there was considerable concern about the possibilities of demonstrations and protests at this symbolic event, there was also a concern that China would be excluded from the NGO Forum unless it could provide its own contingent of independent women's groups to participate. The 1995 Conference on Women thus provided an opportunity for women scholars and activists in China to set up registered organisations, establish groups that were affiliated to other institutions and associations and to discuss independently in salons and study groups issues of feminism and women's studies (Howell 1997, Du 2003). Such initiatives received strong support from foreign foundations and donors.

The mushrooming of new women's organisations under the protective umbrella of the forthcoming UN Conference contributed to a more favourable environment for social organisations to operate in. This spurt in the development of civil society continued up till 1998 when the Party-state, perceiving a loss of control over this sphere, intervened again to stem the tide of growth and re-assert its power. Of particular concern to the CCP was the growing influence of the Falun Gong, a popular fundamentalist sect that had rapidly attracted a mass of followers nationwide, not least through its adept use of sophisticated marketing, communications and management techniques alongside its charismatic leader, Li Hongzhi. Fearful of the potential threat of an anti-modernist, nationwide movement appealing to losers in the reform process, the CCP began to clamp down on the organisation from 1996 onwards. In response Li Hongzhi turned the Falun Gong into a political interest group, scaling up the tension and culminating in the surrounding of Zhongnanhai in April 1999 (Ostergaard, 2004). It was against this background of a perceived political threat to its authority and power that the CCP re-asserted its control over the associational sphere.

This reassertion of control took the form of further revisions in the 1989 regulations that required all social organisations to re-register with the Ministry of Civil Affairs. However, as well as the revised 1998 regulations, `Regulations Concerning the Registration and

Supervision of Social Organisations', four other sets of regulations were introduced related to private non-enterprise institutions that provided welfare services, foundations, donations and foreign chambers of commerce^{xi}. In parallel to this the state also rolled out specific measures over the next two years to restrict groups it considered to be undesirable such as the Ministry of Civil Affairs' 'Notice Concerning Investigating and Dealing with Illegal Social Associations in 1997^{xii}. It was essentially a process of 'tidying up', refining the rules, re-asserting state power and authority, and clarifying the types and the roles of organisations deemed acceptable to the state. Nevertheless, the requirement to re-register and become subject again to close state scrutiny dampened the atmosphere for civil society actors, and led again to a period of sluggishness in the growth of civil society. As a result the number of registered social organisations fell from 220,000 in 1998 to 136,841 in 2000, almost a third less than the 181,060 groups registered in 1993.

The next cycle in the development of civil society started with China's entry into the WTO in December 2001 and its increased integration into the global economy. This led to a further deepening of capitalist relations within China and a conscious push to 'go global'. It also led to a significant increase over the decade in the number of registered social organisations. As Wang and Sun (2010: 156-157) noted, the growth was explosive in this decade, with the numbers of registered social organisations rocketing from around 200,000 in 2001 to just over 400,000 by 2008. There are three key features in the development of civil society of particular relevance here: first, starting from the late 1990s civil society organisations concerned with social groups losing out in the reform process and/or on the margins of society have expanded considerably^{xiii}; second, and more specifically, it is from this period onwards that we see the emergence and gradual growth of non-governmental labour organisations, addressing issues of workers' rights and providing services to workers; and third, following the tightening of government regulations surrounding social organisations in 1998, civil society groups increasingly circumvented the official registration process in creative ways, such as registering as a non-profit enterprise, pursuing activities through donor-funded projects, affiliating as second-, third- or fourth-level organisation to an already registered social organisation, university or research institute, or just not registering at all (Howell, 2004, 143-171). Indeed, many of the organisations concerned with marginalised groups or providing services to workers avoided registering officially, and preferred to operate in these less formal ways.

The newly emerging autonomous labour-oriented groups took various forms such as legal counselling services operated by former workers or lawyers, migrant workers' schools, workers' centres engaging in promoting consciousness about labour laws, corporate social responsibility institutes and arts troupes focussing on migrant workers (Cheng, Ngok and Zhuang, 2010, Howell, 2004, 2009, Froissart 2006). Their existence was precarious, depending on government tolerance of their activities and subject at any moment to harassment and repression, particularly those groups that adopted a rights-agenda or had ideological goals, as opposed to those that were more service-oriented. However, providing services was no guarantee to their stability as well evidenced in the case of migrant workers' schools (Woronov, 2009). These new labour organisations were able to use the 1994 Labour Law and other pieces of legislation as a springboard from which to articulate their claims, frame their activities and seek legitimacy for their actions. Lawyers, non-governmental labour groups and labour academics played an increasing role in promoting the 'rightful resistance' (O'Brien 1996) of workers. The new Labour Contract Law introduced in 2008 provided further fodder for workers to act 'rightfully'. Indeed since 2008 the number of disputes taken through mediation and arbitration committees increased significantly. For example, in 2007, 350,182 cases were accepted by the labour dispute arbitration authorities, compared to around 50,000 in 1996 when figures were first reported (China Labour Bulletin, 2008: 13). This almost doubled by 2008 to 693,645^{xiv} (China Labour Bulletin, 2008:14).

The expansion of these organisations has taken place against the background of a continuing pulse of social protests, both individual and mass-based, strikes and demonstrations in China, spurred by grievances against corrupt government officials, corrupt and exploitative factory owners and managers, and other perceived perpetrators of social injustices^{xv}. Perhaps the most worrying for Party leaders have been the protests, demonstrations and activism of workers, not just because of their perceived threat to the political regime but also because of their potential to disrupt foreign investment. As the reform of state enterprises deepened from the late 1990s onwards, a wave of protests and strikes by state enterprise workers facing redundancy in the North East of China was met with repression (Lee 2007). In general labour protests, whether in reforming state enterprises or in factories in the Special Economic Zones, have been met with considerable state repression, though Guangdong province has signalled a more conciliatory approach to labour disputes since 2008. Whilst schemes for compensating and re-training laid-off workers were gradually set up, the Party-state did not encourage or permit laid-off workers to establish their own organisations, in this way shaping

the pattern of interest representation in civil society. Where workers formed their own organisations, these were either repressed or incorporated into official trade union structures, the Migrant Workers' Association in Ruian, Zhejiang Province (Howell 2009) and the crane operators' union in south China (Pringle and Clarke, 2011: 64) being cases in point ^{xvi}.

Thus whilst business and trades associations have been allowed to flourish since the early 1980s, labour organising has been tightly contained. Any attempts to establish alternative trades unions have been rapidly dealt a blow. The tactic of targeting labour protest leaders has also made it difficult for an organised and country-wide labour movement to evolve in China. Instead, most worker protests, strikes and demonstrations tend to be localised, spontaneous and temporary, with few signs of any maturing political leadership or any coalescing into more permanent, formalised structures of resistance (China Labour Bulletin, 2011:44). The development of capitalism in China has thus on the one hand triggered and given sustenance to those organised interests benefiting from market reforms, such as business associations and chambers of commerce, whilst on the other hand it has sparked resistance, unrest and protest from groups losing out in the reform process, which in turn have endured fierce repression by the Party/state as well as harassment from private business interests^{xvii} so as to preserve the continuation of capitalist interests.

What is significant about these features of civil society development in the first decade of the millennium is the way in which political concerns about social and political stability intertwine more closely with the contours of capitalist development. This is apparent in two respects: first, the increased focus of the Party/state, particularly under the Hu-Wen leadership of 2003 onwards, on the issue of social welfare provision; and second, in state tolerance at local and central levels towards organisations that are not officially registered, including the newly emerging non-governmental labour groups. Both of these phenomena have a politico-economic logic to them, that is, they concern both state power and capitalist development. The first feature is significant because under the new Hu-Wen leadership from the 16th Party Congress in 2003 onwards, greater political attention was given to the growing economic disparities in China and to the urgency of developing a new type of social welfare system. The contradictory position of the Party-state's two-pronged approach towards civil society groups was becoming more pronounced and more of a hindrance to achieving social welfare reform. In particular, there was an unresolved dilemma that the Party-state faced, namely, how to balance on the one hand the need to contain civil society actors that it perceived threatening to the regime and on the other hand the need to open up sufficient

spaces to enable the development of a civil society that could assist it in achieving a new model of social welfare. The second feature, namely, state tolerance of unregistered organisations during much of the millennium, including those concerned with marginalised societal groups, was a consequence of this unresolved dilemma.

This dilemma was played out as the Party-state dealt with the arrangements for hosting the Olympic Games in 2007. In the run-up to this major event, it tightened its control over the internet, media and political dissidents to forestall any political protest. Concerns amongst Party leaders about the potential spill-over effect of the Colour Revolutions in Kyrgyzstan, Georgia and Ukraine on China and in particular the motives of foreign foundations and donors in funding Chinese NGOs and international NGOs operating in China fuelled further the state impetus to control more tightly civil society groups. However, the unresolved tension between seeking engagement with certain parts of civil society to progress with social welfare reform and so maintain capitalist-led growth and containing other parts of civil society deemed threatening to regime stability was becoming increasingly complex. So though the clampdown in the run-up to the Olympic Games cast a shadow over civil society development, leading civil society actors working on sensitive issues to be more cautious in their activities, the Party-state was also sowing the seeds of a more strategic approach to those parts of civil society that could assist with social welfare reform, that was vital for not only political stability but also for maintaining economic growth.

These seeds relate to the experiments that the Ministry of Civil Affairs was piloting in Shenzhen, Beijing and elsewhere to contract certain non-governmental organisations to provide social welfare services, a system referred to as 'purchasing social welfare' (goumai shehui fuwu), and marked the start of a new cycle in civil society development. Furthermore, in September 2008 Shenzhen government was given the go-ahead by the Ministry of Civil Affairs to pilot a system of registration whereby social organisations providing social welfare services could register directly with the Civil Affairs bureau and so no longer needed to identify a governmental sponsoring agency for registration purposes. This marked a deliberate attempt by the Party-state to engage strategically with certain parts of civil society and thus to indicate its preferred vision of civil society, namely, one that was concerned with service provision rather than rights-promotion or political protests.

This attempt to delineate a more strategic and differentiated approach to civil society was further galvanised by two other factors, namely, the Wenchuan earthquake in 2008 and the

intensification of labour unrest in 2009 and 2010. First, a crucial factor in spurring the government to develop a more strategic approach to civil society groups was the 2008 Wenchuan earthquake when volunteers and NGOs from all over China came to assist the government in the relief efforts (Teets 2009). This brought NGOs to the attention of government officials and the public in a positive light, increasing awareness of the potential role civil society groups could play in social welfare provision and in disasters. Second, the national and international media attention given to the Foxconn suicides in 2009 evoked considerable public sympathy for migrant workers and increased the pressure on the Party-state to address the most exploitative dimensions of capitalist-style development. Added to this the Honda strikes in the summer of 2010 not only inspired workers in other sectors to press for higher wages but also ratcheted up the pressure on the Party to be seen to be doing more for workers. This gave added impetus to the need to establish collective consultation processes that had already been outlined in the new 2008 Labour Contract Law. Indeed more progressive Party and trade union leaders in Guangdong province already were adopting a 'softer' approach to labour protests, treating these as a 'normal' part of everyday life rather than seeing these as a 'political' issue or threat to the national regime^{xviii}. Since 2008 they have also reportedly taken a more conciliatory approach towards some non-governmental labour organisations^{xix}. These two factors, namely the delineation of a more strategic approach and the responses to intensifying labour unrest, fed into an upswing in the cycle of civil society development.

As this cycle is still emerging, it may be premature to state with confidence the direction that this will take in practice. However, in the summer of 2011, the Ministry of Civil Affairs announced plans to let certain types of social organisations register directly with the relevant level of the Ministry, thereby obviating the need to identify a sponsoring agency^{xx}. This represented an important step towards relaxing the regulations governing social organisations so as to lure the bird of civil society back into the cage with the aim of releasing it to serve government purposes. The relaxation of regulations governing the need for an official sponsoring agency applies, however, only to certain types of organisations, namely, those organisations that do not have a political or rights agenda and can assist the government in social welfare provision. The Party-state's purpose here was twofold: first, to accelerate the development of a social welfare system so as to address the social problems of income disparities arising out of institutional transition and so stabilise society; and second, to ensure a sufficiently stable investment climate for both foreign and domestic investors.

The next few years will tell whether unregistered non-governmental groups take up this gauntlet to register with the prospect of securing local government money to provide services. There is some anecdotal evidence that some unregistered groups have concerns that should they register and apply to receive government funding, they will have to relinquish seeking funds from external sources^{xxi}. Furthermore, there is also some concern that registering with government will curb their autonomy. However, what is noteworthy is the approach by Guangdong provincial government and provincial trade union in the summer of 2011 to various unregistered non-governmental labour groups to co-operate with them in providing services to migrant workers^{xxii}. This is significant for various reasons: first, it points to an acceptance of the relevance of the work of non-governmental labour organisations, particularly those providing services to migrant workers; second, it suggests a recognition by the Party-state that the contradictions around labour and capital can no longer be dealt with through repression and the promulgation of protective labour legislation alone; third, it reflects Guangdong's more liberal approach to civil society under the leadership of Wang Yang in contrast to the more statist stance taken by Bo Xilai in Chongqing (Godement, 2011) and finally, it reflects how the need to institute social welfare reforms so as to address the changing needs and interests of a capitalist economy in turn puts pressure on governmental institutions to adjust their approaches to civil society.

Having outlined the key incremental cycles in the development of civil society that have been shaped by the state and market logic, we move on in the next section to consider some of the theoretical issues this raises around civil society, corporatism and civil society.

Bringing capitalism back into the study of civil society

This article began by arguing that corporatism was inadequate as a framework through which to understand associational life in reformist China and that the 'civil society versus corporatism' debate was misplaced because it led to the neglect of the role of the market in shaping the trajectory of civil society. The subsequent section showed how the Party-state's approach to civil society in the reform period was driven both by the need to maintain political stability in a context of rapid socio-economic change and by the need to create a favourable social and political environment for capitalist interests. In this final section we argue the case for bringing 'capitalism' back into the study of civil society. To do so, we first discuss how the subject of capitalism has disappeared from the contemporary study of civil

society, then reflect how this has affected approaches to the study of civil society in China and finally consider what this implies for the future development of civil society.

It would have seemed strange to political thinkers such as Adam Ferguson, writing in the late eighteenth century, or Hegel and Marx writing in the nineteenth century, or indeed Antonio Gramsci writing in the early twentieth century that civil society would not be discussed in relation to capitalism. In the 'History of Civil Society' Adam Ferguson expressed his concern with the loss of public spirit as he witnessed the rapid social transformation that was spurred by the rise of early capitalism. He feared that the atomisation, greed and selfishness engendered by the singular pursuit of individual wealth would reduce the public spirit of the rising class of manufacturers, and so clear the way for despotism (Keane 1998). For Ferguson the antidote to this tendency was the strengthening of civil society, whereby citizens organised themselves with a public spirit around public affairs.

Whilst Ferguson saw a positive role for civil society in resisting despotism and countering the atomising effects of early capitalism, Hegel and Marx writing more than a century later, had little time for civil society, which they saw as the sphere of bourgeois economic relations (Cohen and Arato, 1995; Jones 2003). For them civil society was an essentially bourgeois construct, reflecting the dominance of the new industrial capitalist class. Witnessing the rise of fascism in Italy during the 1930s Antonio Gramsci, one of the founders of the Italian Communist Party, underlined both the hegemonic and counter-hegemonic role of civil society. Civil society was thus a site of contestation, where different ideas contended with each other for dominance, a process that in turn paralleled the struggle for capturing state power. All three writers in different ways linked the character of civil society to the historical development of capitalism.

After Gramsci, the concept of civil society disappeared from political and academic discourse for much of the twentieth century, until it was revitalised by East European dissidents such as Havel and Adam Michnik in the late 1980s. With the end of the Cold War and the concomitant supremacy of capitalism over communism, the idea of civil society enjoyed a renaissance, being appropriated by activists, dissidents, politicians, policy-makers and international donors representing a spectrum of ideological hues to articulate different visions of the world. As a liberal, neo-Tocquevillian notion of civil society came to assume centre-stage in academic, political and policy discourses, the links between capitalism and civil society remained hidden from view. In a context where socialism had been discredited, the

end of ideology had been boldly declared, and neo-liberalism and liberal democracy seemed to triumph, it was perhaps understandable that the links between capitalism and civil society remained unscrutinised. Against this background civil society was lauded as an essential ingredient in a liberal democratic capitalist system, serving as a watchdog on governments, defender of civil liberties and as an important element in the provision of social services.

This approach to civil society was in turn transported to the study of civil society in China which blossomed in the wake of the 1989 Democracy Movement. The timing of this is significant as the global revival of the concept of civil society in the wake of the fall of Soviet socialism brought with it to China expectations as to what civil society should look like, what it might aspire to, and what its role in society could be. In particular, there was an expectation amongst Western scholars of China that civil society would play a role in democratising the regime and in later years, after the clampdown on democracy activists, that it had a role to play also in providing welfare services during the economic transition to capitalism.

Following the introduction of the 1989 regulations on registering social organisations and the ongoing repression of dissidents, the issue of state control over society came to dominate the study of civil society in China. As discussed already, corporatism became an alternative lens through which to study these relations. In addition to this, the idea of capitalism was not used in studies of China until the late 1990s, by which time the commitment of the Party-state to this economic path was well established. The recognition of China as capitalist became associated within China with the rise of the New Left from the mid-1990s onwards, and in particular scholars such as Wang Hui and Cui Zhiyuan^{xxiii}. Outside of China scholars such as Huang Yasheng (2008), Kellee S. Tsai (2007) and others^{xxiv} began to apply the language of capitalism to China, though unlike the New Left they are not fundamentally critical of capitalism per se as a mode of organising production and society^{xxv}. Furthermore, it was not until the millennium that studies of workers began to take off and to be discussed in terms of capitalism^{xxvi}.

Bringing capitalism into the study of civil society in China would open up theoretical and empirical enquiry in several ways. Most importantly it would involve analysing civil society as a site of contestation, a domain of differential power relations, a sphere of co-operating and competing interests. Whilst the state-society nexus and the drive by the state to control society for power's sake would continue to be a subject of inquiry, it would require investigating how confrontation and co-operation between capital and labour occurs through, for example, chambers of commerce, business associations, the ACFTU and independent

labour activism. Furthermore, the state would be brought into the equation so that its role in balancing interests, in preserving the capitalist economy whilst appeasing labour through protective measures and social welfare provision could become the object of study. Similarly, this approach would enrich emerging studies of business associations and their relation to policy-making and the state.

Conclusion

This article set out to demonstrate the dual pressures of capitalism and the state on the development of civil society in China. It was argued that it is not just the logic of state power and regime maintenance that has influenced the incremental cycles of civil society development in China, but also the logic of the market. Moreover, these two logics have become increasingly interwoven as the Party's legitimacy depends on its ability to maintain economic growth through market forces. There are three key elements to this: first, the growth of organised capitalist interests such as chambers of commerce, business associations, trades associations; second, the concomitant suppression of labour interests; and third, the reconfiguration of social welfare provision in the process of market transition and the cautious overtures by the Party-state to welfare-oriented non-governmental organisations to assist with service delivery. With continuing economic growth being crucial to the legitimacy of the Chinese Communist Party, it becomes then essential that institutional adjustments are made, even if they involve concessions to groups concerned with labour rights. Thus whilst the state has promoted the development of civil society organisations linked to capitalist interests, it has also had to make some concessions to those groups concerned with the losers of reform so as to ensure political stability, not only for the sake of regime maintenance but also for the continuation of capitalist development. Civil society, social welfare and capitalism are thus intricately intertwined.

As a corollary to this, the article also sought to express a concern at the broader theoretical level, namely, that the bulk of writing on civil society in China over the past three decades has been overly concerned with the role of the state as the primary dynamic in shaping the development of civil society. This is reflected in the dominance of the debate around corporatism and civil society, that is, whether China's state-society relations reflect an emerging civil society or rather a corporatist arrangement of interest relations. The considerable attention given to this debate, albeit useful, has left a vacuum in our

understanding, and in particular an underemphasis on the role of a market logic in shaping the trajectory of civil society development. This article set out to re-direct attention to the dual logic of state and market underpinning civil society development in China. Importantly, the article suggests that it is time to bring capitalism back into the study of civil society.

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ⁱ This article draws on observations and 25 interviews with scholars of labour relations and civil society and with labour NGO representatives carried out during research in China in 2011.

ⁱⁱ It is beyond the scope of this article to enter into a debate about its different facets. There are numerous texts which cover in-depth the historical traces of this concept, its cultural dimensions, its disciplinary threads and its contemporary usages and manifestations. Particularly useful are Chambers and Kymlicka (2002) Keane (1988), Cohen and Arato (1995), Hann and Dunn (1997), Kaviraj and Khilnani (2001), Keane (1988a and 1988b), White (1994), Wood (1990)

ⁱⁱⁱ I am grateful to the very useful comments on this paper provided by two reviewers.

^{iv} For a critical discussion of how civil society becomes intertwined with normative expectations around democratisation, security and poverty reduction, see Carothers (1997), Van Rooy (1998), Howell and Pearce (2001), Howell and Lind (2009)

^v These replaced the 1950 regulations. A major difference was the new requirement in 1989 that social organisations affiliate to a supervisory body (*guakao danwei*).

^{vi} Social organisations was the term used to describe citizens' organisations in the original 1950 regulations and was a term adopted from the Soviet system. It has since become a specific term in the regulations denoting citizen's organisations that are distinct from foundations and non-profit enterprises.

^{vii} Indeed the interests of workers have become increasingly complex and differentiated in the reform period (Howell, 2003).

^{viii} In a study of 300 NGOs carried by the Chinese University of Hong Kong, Spires (2011:310) found that more than half were not registered as 'proper' NGOs.

^{ix} There is of course considerable variation across local governments in their tolerance towards registered and unregistered social organisations. In areas of political tension such as Xinjiang and the Tibet Autonomous Region local governments maintain tight control over this sphere in contrast to say the more economically vibrant and open coastal areas such as Shanghai or Guangdong provinces. In the coastal areas, too, there is variation in the degree of registered and unregistered associational activity and in governmental approaches to this. There are also differences in approach between coastal and inland provinces, the debate around the Chongqing model and the Guangdong model, in which the latter is seen as adopting a much more liberal stance towards civil society, is of particular relevance (Godement 2011).

^x Given the paucity of space it is not possible to elaborate in detail on these cycles. Suffice it say that there is clearly considerable variation in how these cycles play out in different cities and regions of China.

^{xi} These regulations were the 1998 'Provisional Regulations for the Registration and Administration of Private Non-Enterprise Institutions', the 'Administrative Regulations on Foundations', the 'Provisional Regulations on Foundations' and the 1999 'Law of Donations on Public Welfare'.

^{xii} Other restrictive policies were the Ministry of Civil Affairs' 1999 Notice 'Concerning Issues Pertaining to the Work of Straightening Out, Rectifying and Approving Social Organisations' and 2000 'Interim Measure for Suppressing Illegal Civil Society Organisations'.

^{xiii} It is difficult to precisely quantify the exact numbers of these groups or their relative proportion because official figures do not categorise social organisations in this way. However Pei's (1998) analysis of the first twelve years for reform noted only 16 'charitable groups and foundations', comprising 2 per cent of all registered social organisations. Nevertheless, various sources of documentation such as China Development Brief, donor grant documentation, and academic studies point to a considerable increase in the number of such groups. Wang and Sun (2010: 175) use Ministry of Civil Affairs figures for 2006 to show that social services work accounted for 13% of all registered social organisations. Furthermore, many of the groups concerned with marginalised interests are not officially registered.

^{xiv} Though this dropped to 602,600 in 2010, the total number of cases accepted by both mediation and arbitration committee rose to 1,287,400, suggesting that more cases were being settled through mediation. See also Wang, Appelbaum, Degiuli and Lichtenstein (2009) for a discussion of the impact of the Contract Labour Law on workers' litigation and on companies.

^{xv} Statistical information on social unrest is incomplete, fragmented and irregular. The Ministry of Public Security from 1994 onwards and up to 2005 has occasionally released information on social unrest. For example, the Ministry reported that there were 87,000 'public order disturbances' in 2005 compared to only 10,000 such incidents in 1994. There have since been sporadic reports from different sources of 90,000 mass incidents in 2006, 127,000 in 2008 and 180,000 in 2010, pointing to a substantial increase in social unrest.

^{xvi} In 2002 workers in Ruian, Zhejiang province set up their own association, with the backing of the local Civil Affairs Bureau, to deal with ongoing industrial relations problems between migrant workers and their employers. However, once the ACFTU got wind of this, it declared this illegal on the grounds that there could not be a 'second trade union'. See Howell 2009, pp 186-189 for further discussion of migrant worker organising. In the case of the crane operators' union, workers involved in strike action at a joint venture demanded to set up their own union. The local union intervened to mediate and achieved agreement for an official trade union to be set up. For further details see Pringle and Clarke, 2011: 64).

^{xvii} For example, the Guangdong NGO, Dagonzhe, was active in encouraging workers to claim their overtime pay, which they were legally entitled to. Local business companies reportedly hired local gangs to physically attack its head, Huang Qing Nan in 2007. For further details of this case see Chan 2012.

^{xviii} This was conveyed to me in interviews with four academic researchers in Guangdong in August and December 2011 and was echoed again in an interview I conducted with a senior trade union official in Guangdong provincial Trade Union in December 2011.

^{xix} Interview with director of labour NGO in Guangdong province, August 2011.

^{xx} This grew out of pilot experiments with the system carried out in Shenzhen from September 2008, as already mentioned, and then piloted also in Zhongguancun Science Park in Beijing municipality in February 2010. See Chen 2011.

^{xxi} Interviews with several labour NGOs in Guangdong province and Beijing in July, August, December 2011.

^{xxii} Interviews with academics and labour NGOs in Guangdong province, December 2011.

^{xxiii} Interviews with Wang Hui indicate that he did not describe himself as New Left; rather that liberal intellectuals labelled him perjoratively as such. Similarly critics of Cui Zhiyuan's work on an alternative path for China also branded him as a New Leftist (Carter 2010; Mishra, 2006). Whilst the application of the term is disputed, it nevertheless is an attempt to capture a critique of capitalism in China.

^{xxiv} See, for example, Carney 2009, Gallagher 2005.

^{xxv} Huang Yasheng laments, however, the type of capitalism emerging in China, namely, a form of 'crony capitalism'.

^{xxvi} This is not to say that labour was not the subject of research in the 1980s and 1990s – see for example the work of Takahara (1992), Sheehan (1998), Walder (1987) and others; rather that there has been a significant spurt in interest in labour issues since the late 1990s, as reflected in the number of conferences in China and overseas, the growing interest of younger scholars in China and elsewhere in these issues and the number of publications in Chinese and English on the subject of workers and trades unions. Furthermore, since the millennium studies framing the development of China in terms of capitalism have begun to mushroom (see for example, Huang (2008), Gallagher (2005), Tsai (2007)).