

The London School of Economics and Political Science

**Building on shifting sands: Co-operation and morality in the new  
Chinese co-operative movement**

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## **Declaration**

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## **Abstract**

Since the beginning of China's transition to a market economy, there have been other voices, calling for a different kind of change. One such voice is the co-operative movement, which has continued to grow in recent years. However, China's new co-operatives suffer from widespread problems, which vitiate the principles put forward by activists. Based on two years of multi-sited fieldwork in the co-operative movement, this thesis explores the experience of the co-operatives, and the activists and institutions which promote them.

Framing the analysis in terms of the cultural evolution of co-operation, it argues that the co-operatives are threatened by a range of factors. The erosion of social capital and material interdependence resulting from urbanisation and modernisation tends to undermine the foundations of the system of mutual aid based on indirect reciprocity. Meanwhile, the trauma of the Cultural Revolution and the uncertainty of the reform era have rendered alternative forms of collectivistic morality equally unable to support co-operation.

While many co-operatives have succeeded by carefully avoiding any form of co-operation which requires trust or costly monitoring, some problems cannot be solved in this way. In particular, the thesis argues that participation in democratic decision-making is itself a collective action problem, which co-operatives cannot, by their very nature, avoid. And when activists and the state provide resources to help overcome these challenges, the result is often a 'crowding out' of co-operation.

Finally, the thesis explores the idea that the difficulties of the co-operatives may reflect a shift in the psychological underpinnings of co-operation in wider Chinese society. Through a combination of life history interviews with young people experiencing moral conflict, and a psychometric survey designed to measure differences in moral reasoning, it argues that non-market forms of co-operation are being undermined by a process of interlinked social and psychological change.

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## 1. Introduction

One cold spring morning in the remote desert town of Meibian<sup>1</sup>, built on a windswept oasis on the old Silk Road, in western Gansu, I headed to the local office of the Co-operative Federation. My purpose was to meet the local activists with whom I had been discussing securing my own permission to stay, and Tom, a co-operativist activist from New Zealand, who was there to volunteer at a local school affiliated with the Co-operative Federation. An urgent meeting had been scheduled with officials from the county Foreign Affairs Bureau, who had somehow heard of my arrival in the county, and wanted to meet with us and discuss why I was there. When they arrived at the office, they were all smiles, sharing tea with us, and making small talk about their own visits to Western countries, and our opinions about food. Nonplussed, Tom repeatedly attempted to steer the conversation toward discussion of business—how the government could support local co-operatives, in particular. But the officials continued to brush away any question of why they were there, and to insist that this morning was a social visit.

Suddenly, they announced it was time for the morning's most important activity. It was nearly Qingming Festival—or Tomb Sweeping Day—and as the time was right, we would be taken to pay homage to two long-dead foreign co-operative activists buried here, in the desert sands. Rewi Alley, a New Zealander, and George Hogg, a Briton, had come to this place in the 1940s, as part of their long sojourn in China as pioneers of the Chinese co-operative movement. When Hogg died from an infection in 1945, he was buried here, and when Alley died in 1987, he was interred next to Hogg. On the way to their graves, Mr Li, the chief official from the Foreign Affairs Bureau, informed us that we were here to 'represent' Hogg and Alley. As both Hogg and I were Oxford graduates, I would 'represent' Hogg, while Tom would 'represent' Alley, his countryman.

The grave site itself was a large, dusty memorial garden on the outskirts of town. A far cry from Hogg's original humble grave in the sand, it had at some point been transformed into a grander, walled area, with smart, engraved tombstones. We arrived there with an entourage, consisting of the officials, local government representatives, and a photographer. A minor official appeared with bunches of flowers, which he distributed sombrely to Tom and me, and to the more important officials accompanying us. Led by Mr Li, the whole party assumed an attitude of seriousness and respect. Mr Li then gave us silent directions as to what to do. We walked single file up to the two graves, and then the six of us stood in a row, facing them. Mr Li then instructed us to bow; and we all bowed to the waist, three times, while holding the flowers. One official took me over to Hogg's

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<sup>1</sup> To maintain confidentiality, all names of informants and place names below province level, with the exception of Beijing and Shanghai, have been replaced with pseudonyms throughout the thesis.

grave, while the others went to Alley's, and the whole party squatted down next to the graves thoughtfully, as if praying. For a moment, I felt moved, contemplating Hogg's sacrifice, and wondering what he would have made of the results of his work. Then I noticed the photographer, taking a barrage of photos of us posing respectfully. A moment later, the official who had accompanied me wandered off, looking bored. Mr Li told him he wasn't finished yet, and he duly squatted next to me again to pose for more photos, with an appropriately serious expression. As soon as the photographer was finished, we quickly and unceremoniously returned to our cars.

From there, we were taken to Meibian's best restaurant for a banquet lunch, permeated, as usual, by *baijiu*, the potent spirit favoured by officials. The local great and good were there, from the mayor to representatives of the local forestry commission and propaganda department. Throughout, Tom expressed to me how impressed he was with the priority the government seemed to give to co-operatives. The special journey to see us, and in particular, the grave-tending ceremony, seemed to indicate that they really understood the importance of the co-operative movement and its values, and were willing to support its attempts to develop co-operatives here. He was still confused, however, about the purpose of their visit. Throughout the banquet, the officials continued to bat away Tom's attempts at discussing the needs and vision of the co-operatives, preferring instead to drink endless rounds of *baijiu*, and make increasingly eloquent toasts to their international friends.

Finally, suitably inebriated, we were loaded back into Mr Li's car. It had been a successful visit, he said, but there was just one thing left to do. We were to accompany him to a meeting, as observers. Tom did not speak Chinese, and that was fine, but I should pretend not to speak Chinese, as it would be better that way. The meeting took place in a modern office building, where we were met by higher government officials. Mr Li introduced us as 'foreign experts', and it quickly became clear that this had nothing to do with co-operatives. Instead, he was attempting to persuade them to allocate him a share of a large amount of money that had been provided by a foreign agency for a local carbon capture scheme. Our role in this was to pose as foreign faces, to lend more gravitas to Mr Li's bid—a common enough scheme, for which foreigners are often paid. One of Mr Li's officials pretended to translate from Chinese into English for us, while we pretended to nod sagaciously. The 'interpreter', however, fell silent, and at one point Mr Li angrily rebuked him in English: 'Come on, just say something!' Tom was increasingly confused, thinking we had been brought there to make a genuine contribution. Finally, he asked openly, 'Are we just here as foreign faces?' Mr Li, exasperated, replied, 'Yes, you can think of it like that'.

After the meeting, Li and his party left town in their smart, black government cars, and Tom and I were left deeply unsettled. He and I, a foreign activist and researcher respectively, had come to

Meibian for the sake of co-operatives and the ideals associated with them. In taking us to tend the graves of Alley and Hogg, Mr Li made a grand symbolic gesture which appeared to appeal to our motives. At the same time, his photographer ensured that the local press, and perhaps his superiors, would have documentary evidence of his showing public support for this idealistic movement. But as it later turned out, Mr Li's own motives were less than idealistic. Neither he, nor even the staff of the local Co-operative Federation, knew how many co-operatives there were in Meibian, if there were any at all—or how to contact them, let alone support them. Although we did not know it, we possessed more valuable resources—resources which we unwittingly provided, in exchange for a simple, if meaningless, ritual display. What Hogg and Alley would have made of this will remain a mystery.

## 1.1 Chinese co-operatives in the reform era

In the years preceding the fall of the Soviet Union, a renewed interest in ideas of market socialism flowered across the socialist world (Brus & Laski, 1991). While in the Soviet Union itself, these ideas inspired the large-scale and ultimately doomed experiment that was perestroika (Kornai, 1992), in China, they heralded the beginning of a long era of decentralised, local experimentation with a wide variety of forms of economic organisation (Naughton, 2007, p. 87). Some of these became the seeds which would grow into fully-fledged private enterprise, as the 1990s brought the transition to a market economy into sharper relief. But others continued, for a time, to give voice to the idealistic sentiments of socialism, and developed into a form which, even today, claims to embody a more principled, collectivistic form of production than that reflected by the society which surrounds it. That form is the contemporary Chinese co-operative.

In spite of a frequent Western narrative to the effect that China is in full transition to a capitalist economy, the number of co-operatives is continuing to rise (Zhao & Develtere, 2010). From the passage of the Peasant Specialised Co-operative Law in 2007, which gave them a solid legal footing for the first time, more than one million co-operatives have been officially registered. The bulk of these are agricultural, but there are also transport, service and handicraft co-operatives. Not included in this figure are the many other forms of co-operatives established before 2007, on a variety of more or less informal legal bases. On the face of it, the Chinese co-operative movement appears to be going from strength to strength.

Perhaps we should not be surprised. Co-operatives continued after the end of socialism in some cases, such as that of Hungary (Forgács, 2008; Schaffer, 1996), and have enjoyed a rebirth in others (Tisenkopfs, et al., 2011). But there is arguably something distinctive about the Chinese backdrop. The Communist Party of China is, after all, still in power; and although they have for all practical

purposes abandoned Communism as a guiding ideology, the language of socialism is still pervasive (Nathan, 2003). Moreover, the notion of democracy remains problematic and highly sensitive; the state, and the co-operatives, claim to be democratic, as they always have done, while consistently denouncing Western ideas of competitive elections. While China is no longer a socialist state in any ordinary sense, it retains an uneasy, though cautiously supportive attitude toward the idea of autonomous organisations (Shieh & Deng, 2011). As my encounter with Mr Li in Meibian suggests, the role of the state in the economy is both pervasive and ambiguous—and both the motives and the effects of state assistance are not always what they first seem.

Moreover, in addition to this unusual political setting, Chinese co-operatives have been spreading against the backdrop of a growing discourse of moral panic—a sense among many that society has lost its moral compass (He, 2015, pp. 119-123). With the repudiation of socialist morality, people were encouraged to look after their own interests, to 'get rich' rather than striving to serve society. But, so the narrative goes, 'Confucian' ethics have broken down, too, leading not only to scandalous incidents in which people ignore strangers suffering and dying in the street, but also to anxieties about increasing neglect of parents by children, who are said to be failing more and more to visit their elderly relatives and fulfil their filial obligations.

If this kind of story is correct, then we would hardly expect co-operatives to be thriving. For around the world, what keeps co-operatives together is often a sense of member participation and ownership, which depends, if not on trust and social capital, at least on a moral or legal framework which allows the rules of the co-operative to be enforced—even by the weak against the strong (Lindenfeld & Wynn, 1997). Contemporary China hardly seems like the most hospitable environment for co-operatives. Nevertheless, they have been multiplying.

This thesis is, in part, an attempt to shed light on this puzzle. What does it mean for something to be said to be a co-operative in contemporary China? How have the co-operatives survived—and what can we learn from this about the upheaval of the moral and social order through which the country is passing?

To answer these questions, I carried out more than two years of fieldwork in urban and rural China. The story of my fieldwork is not unlike that of other researchers who have struggled with access and administrative permissions in China. That is, it is a multi-sited ethnography, located more in a network of individuals and institutions than in a defined geographical area. This is a study, first, of the co-operative movement itself, and second, of the social backdrop of that movement, which I studied as I attempted to navigate it.

Theoretically, this project was motivated by a currently thriving programme of interdisciplinary research on human co-operation, and the notion of its cultural evolution—that is, the idea that under certain conditions, practices which support co-operation may spread through a population because they do so; and that, by combining anthropology, psychology, and related disciplines, we may be able to explain these practices by studying that process, like epidemiologists (Sperber, 2001; Henrich & Henrich, 2007). This theoretical background, which will be elaborated in chapter 3, provides a way of understanding not only the experiences and problems of the Chinese co-operatives, but also the competing moral systems which underlie, and sometimes undermine, attempts to construct these and other idealistic projects, at a time of great uncertainty.

## 1.2 Co-operativism as a moral and social movement

Before turning to the specifics of the Chinese context, it is important to consider the nature of co-operativism in general, taken as a global movement. The co-operative movement was born in Britain and Germany in the late 18<sup>th</sup> and early 19<sup>th</sup> centuries, in the furnace of the industrial revolution (Thompson, 1994). The growth of industrial capitalism had brought with it all the attendant miseries of inequality and exploitation, and in response came a flowering of ideas for solutions to these problems—the seeds of what would become socialism, anarchism, and the other ideologies that would come to define the modern world. In contrast to the grand designs of the ‘utopian’ and revolutionary socialists, the co-operative ideal began with a smaller, more experimental approach. Shops and banks owned collectively by their customers, rather than by merchants and bankers, held the promise of delivering goods and credit more affordably, thus uplifting the working class. Workshops and factories owned by their workers, rather than by a capitalist, might deliver not only higher wages, but better working conditions, once the motive for exploitation had been removed.

From the beginning, these experiments were instigated largely not by impoverished workers themselves, but by intellectuals and social reformers who had the resources and education to contemplate them (Birchall, 1997). It was, however, a self-starting group of weavers in Rochdale, Lancashire, who famously formulated the principles which would become the founding document of the international co-operative movement. These Rochdale Principles would, from then on, provide a clear demarcation between the notion of a co-operative and other forms of enterprise, both socialistic and capitalistic. With the co-operative movement rapidly spreading worldwide, the International Co-operative Alliance was founded in 1895, and today functions as the global umbrella group for co-operatives. Embodying the spirit of the original Rochdale Principles, the ICA mandates that co-operatives worldwide should conform to seven basic principles, quoted from their most recent revision, as of 1995, in the table below.

**Table 1: Principles of the International Co-operative Alliance (ICA, 2015)**

<b>1. Voluntary and open membership</b>
‘Co-operatives are voluntary organisations, open to all...’
<b>2. Democratic member control</b>
‘Co-operatives are democratic organisations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership.’
<b>3. Member economic participation</b>
‘Members contribute equitably to, and democratically control, the capital of their co-operative...’
<b>4. Autonomy and independence</b>
‘Co-operatives are autonomous, self-help organisations controlled by their members.’
<b>5. Education, training and information</b>
‘Co-operatives provide education and training for their members...they inform the general public...about the nature and benefits of co-operation.’
<b>6. Co-operation among co-operatives</b>
‘Co-operatives...strengthen the co-operative movement by working together...’
<b>7. Concern for community</b>
‘Co-operatives work for the sustainable development of their communities through policies approved by their members.’

Even a cursory examination of these principles makes clear that they are heavily laden with political and moral values. This is hardly surprising, for the co-operative movement is just that: a social movement which aims to transform society, even if only on a small scale. Central to several of the principles is the idea of democratic control. This is a legacy of the early days of co-operativism, when the idea of democracy, whether political or economic, was still deeply radical; but it is also an expression of the fundamental notion that a co-operative is an enterprise which is controlled, collectively, by all of its members, and not by any external agents.

In part because democracy is a widely contested concept (Doughty, 2014), this has led to a wide range of interpretations of the co-operative principles, and debates over what constitutes a ‘true’ co-operative. In the socialist countries of the 20<sup>th</sup> century, co-operatives of all forms were promoted widely. According to the dominant version of Marxism-Leninism, co-operatives in a socialist society are a transitional form, a step on the way to a ‘higher’ form of socialised production, in which all economic activity will eventually be socially coordinated (Ostrovityanov, et al., 1957). Because

socialist states claimed to be democratic, this was a distinction between two forms of democracy—a ‘lower’ form of democracy, in which co-operatives were controlled by their members, and a ‘higher’ form, in which they were subsumed under democratic control by the whole society. Many co-operativists outside the socialist bloc took issue with the Marxist-Leninist conception of democracy, illustrating the difficulty of defining an entity which is intrinsically delimited by normative principles.

The notion of ‘autonomy’—bound up with the idea of member control—is no less problematic. This idea was added to the ICA principles in 1995, specifically in response to the experience of co-operatives in the socialist countries. Under socialism, in part because of the penetration by the Communist Party of all sectors of society, it was arguably difficult to characterise any organisation as autonomous with respect to larger political and economic structures. Perhaps the greatest example of this problem is that of the Yugoslav experience, in which the vast bulk of the economy was converted into ‘self-managed’ enterprises (Estrin, 1983). These firms, while technically owned by the state and therefore not characterised as co-operatives, were ostensibly controlled democratically by their own workers, who also enjoyed a share of any profits. The Yugoslav experiment has often been taken as the greatest ever attempt at a co-operative economy, and it inspired a number of economic theories of the co-operative (Vanek, 1970). The degree of ‘autonomy’ of Yugoslav firms, either from the state or from the League of Communists of Yugoslavia, is open to debate; but it is hard to argue with the notion that this experience, too, is part of the history of co-operativism.

These problems of contested concepts like democracy and autonomy extend beyond 20<sup>th</sup> century socialism. For in the rest of the world, co-operatives were promoted by activists and governments alike as a means of facilitating economic development, at times as part of a movement to push society leftwards, and at times as an attempt to do the opposite, by mollifying workers and peasants through improved conditions to quell insurrectionary politics (Ness, 1961). But in all these cases, co-operatives were an attempt at social engineering. The imposition of co-operative principles in a wide range of social contexts, many of which had little experience of concepts of democracy, represented an attempt to transform cultures at a local level, and to build engineered communities, in which people would become members, with rights and responsibilities which would alter their relations with each other and the community around them.

A great deal of research has accordingly been devoted to identifying the causes of the success and failure of co-operatives worldwide. While the ICA (2015) claims that today, co-operatives represent more than one billion members worldwide, the long arc of the co-operative movement has seen spectacular failures, as well as successes.

Anthropological approaches to co-operatives have emphasised that, as engineered communities, they must arguably be seen as ‘total social institutions’ (Nash & Hopkins, 1976), in which social relations and internal culture form and develop within the pre-existing wider social context. And as specifically normative, political projects, a great deal of their success or failure hinges on the interaction between co-operative norms and values and the extant normative systems of participants (Hogeland, 2003).

Apart from their status as a political project and engineered community, co-operatives have a further feature which sets them apart from other forms of economic organisation. Their explicit egalitarianism and embrace of common ownership means that, at least insofar as they adhere to co-operative principles, they must depend for their functioning on effective collective management of commonly held resources, when at least hypothetically, members hold the power to discipline or dismiss a manager who attempts to impose order through hierarchical means (Dyer-Witheford & de Peuter, 2010).

Thus they are *prima facie* vulnerable to what economists would call a ‘collective action’, or ‘free-riding’ problem (Hardin, 1968). In such a scenario, individuals have an incentive to over-exploit or under-contribute to a shared resource, but the cumulative effect of such free-riding by many individuals is that the shared resource is itself diminished or lost. In one of the classic economic models of the ‘labour-managed firm’, or producer co-operative, this manifests itself in the form of collective decisions not to hire new workers, even when it would be more efficient and thus more competitive, because of a short term desire not to spread wages more thinly across a larger workforce (Vanek, 1970). Thus workers undermine the long-term survival of the firm to guarantee a greater short-term individual return. But this is only one example of how collective action problems may affect co-operatives. The more general form of the problem for co-operatives is simply that if any resource is held in common, there must be some way to stop members from abusing or over-exploiting it. Otherwise, in a competitive market without some form of external subsidy, a co-operative cannot survive.

This problem is a special case of a more general problem, faced by people in many contexts: how to overcome collective action problems in the absence of external enforcement mechanisms. But a growing body of research in economics, anthropology, and other fields has shown that people often resolve these problems, using a variety of social and cultural practices to enforce collaborative behaviour (Poteete, et al., 2010).

This project was inspired in part by the notion of applying these approaches to understanding how co-operatives overcome the problems they face. But while much of that research is inspired by the rational choice model of the individual posited by microeconomics, the approach employed by this thesis comes instead from evolutionary theory.

Mathematical models of evolution incorporate many of the structures of game theory, but without any assumptions about psychology or behaviour, human or otherwise. They do this by assimilating 'costs' and 'benefits' to changes in fitness, i.e. the rate at which a trait reproduces itself in the population; and by identifying the 'strategies' of game theory not with choices, but with traits or evolved behaviours. This body of work gives us a clear definition of co-operation, as any trait or behaviour which evolves by virtue of the fact that it produces a fitness benefit for others (West, et al., 2011). Accordingly, the aim of much research in evolutionary biology and beyond is to explain how co-operation, so defined, can evolve and survive in a variety of environments.

Applying this notion to humans, however, requires a further step. For the models of evolutionary biology are general enough to apply to any form of information transmission through a population, whether by genetic or other means. As such, anthropologists have argued that practices and concepts may spread through a population, much like genes, as a result of processes such as imitation, conscious learning and cultural group selection (Boyd & Richerson, 1985; Henrich & Henrich, 2007). The proposal, then, is that much human cultural variation may be explicable by reference to the propagation of cultural forms as mechanisms which spread by virtue of their success in promotion co-operation.

It was this body of research, and the desire to test its application to the case of Chinese co-operatives, which provided the inspiration for this project. It is important to note that despite the deceptive nominative similarity, co-operation as defined in this thesis bears no necessary relation to co-operatives or co-operativism. The connection lies merely in the suggestion that co-operatives face co-operation problems, and it is therefore possible that they may overcome these problems by means of culturally evolved practices. Moreover, 'co-operation' as defined in terms of cultural evolution implies neither conscious choice nor equality; it can encompass forms of hierarchical domination, as well as egalitarian sharing, and many other practices besides. It is also important to note that this thesis does not employ a rational choice model, but sides instead with the evolutionary approach; that is to say, every mention of 'costs' and 'benefits' should be taken as a reference to changes in the extent to which a person (or the behaviours they exhibit) will be imitated or otherwise propagate the behaviour in question.

### 1.3 The story of the project

When this project began, my hypotheses were different from those which evolved out of my initial attempts at fieldwork. I was aware that in the mid-1990s, China had undergone a mass privatisation of state-owned SMEs into a unique and idiosyncratic form known as the ‘shareholding co-operative’; I was aware, too, of the more recent co-operative movement which began with the passage of the Peasant Specialised Co-operative Law in 2007. I hypothesised that in the wake of the breakdown of the Communist project, and the associated attempt to create large-scale co-operation through either a collectivist or a universalist morality, the new co-operatives could instead survive by employing an older Chinese personalist morality, which, if mobilised amongst networks of workers, could succeed in overcoming co-operation problems inherent in the co-operative form. My original project, then, was to carry out long term fieldwork in an industrial shareholding co-operative, one in which the labour process was highly integrated, and therefore presented significant co-operation problems, but which was successful enough that its workers must have found a way to solve or ameliorate those problems. In this way, I hoped to discover precisely how they had done it, and test my hypothesis that the solution they had found was the sophisticated employment of particularist morality.

In April 2011, I spent four weeks on an initial field visit to mainland China. The purpose of this visit was to establish contacts with co-operative institutions, to carry out initial interviews, and to begin the process of searching for a co-operative where I could conduct long-term fieldwork according to the original plan of work. I began my visit at the Beijing headquarters of the National Co-operative Federation, conducting interviews with the chairman and board members, who recommended I continue on to both Haibian University’s Co-operative Institute, and the NCF’s Shanghai branch, to conduct further inquiries. In both locations, I conducted interviews with the staff of those institutions, as well as with managers of several co-operatives they took me to visit in the surrounding areas. I reached an agreement with the Co-operative Institute that I would return in the autumn and be based there while conducting further research.

After returning to Haibian in the autumn, I began interviews with local agricultural co-operatives. I was based there for nine months, during which I participated in and observed activities of the Institute, as well as local co-operatives. Although I was not primarily interested in agricultural co-operatives at that time, I went along with the staff of the Institute on visits to local agricultural co-operatives, where I interviewed managers and ordinary members.

While in Haibian, I simultaneously continued to pursue other avenues in my search for an industrial co-operative. A key element in this search was the Shanghai NCF, where I returned for a longer stay.

While in Shanghai, I interviewed members of several small service and handicraft co-operatives which maintain relationships with the NCF. I gained substantial insight into the nature of the political relationship between the NCF, the Shanghai government, and the co-operative movement. However, because the nature of all of these co-operatives was such that their members were not actually working together, and therefore did not require substantial sustained co-operation, I decided against proceeding with attempting extended fieldwork with any of these co-operatives. Nevertheless, working with the Shanghai NCF, I was finally able to discover that while shareholding co-operatives across China had become virtually extinct, in Shanghai there was a glaring exception: Shanghai had a federation of shareholding co-operative enterprises, which boasted 5000 member firms. However, during the course of interviews with representatives of the federation and these enterprises, it became apparent that even in Shanghai, the shareholding co-operatives were now illusory. As chapter 5 will show, a variety of forces had led them, too, to give up co-operative production.

I resolved to continue searching for an employee-owned factory where I could conduct my original research project. After meeting with academics at another university in Haibian who had conducted a survey of such enterprises several years before, I arranged visits to neighbouring cities, including Gongshi, where there had previously been numerous SHCs. The academics warned me, as had those at the Co-operative Institute, that while a few years ago, there had been many SHCs in existence, today they were 'very few'—a phrase which I guessed might mean 'none at all'. But I decided to find out first hand before giving up entirely on the idea. In these cities, I visited several factories which were formerly shareholding co-operatives, but which had been transformed into ordinary joint-stock corporations on the orders of the central government. Although I was able to conduct retrospective interviews with workers and managers at these factories about their memories of the SHC period, there were no SHCs to be found.

I continued my search, traversing my network of connections to visit co-operatives and NCF centres as far away as Yunnan, all the while attending NCF events, conferences, training sessions, and banquets, and interviewing activists. Finally, an NCF expert in Yunnan told me about one place where there may still be some industrial co-operatives: the NCF 'co-operative experimental zone' which had been established in the 1980s in Meibian county, in the Hexi corridor in Gansu. He believed that there were at least a dozen small industrial co-operatives still operating there, and I might be able to investigate them. Although by now my optimism was dwindling, I travelled to Meibian in March 2012 to pursue this last possibility.

Meibian had a small local branch of NCF, which was now primarily occupied with supporting agricultural co-operatives, and which nominally also supported the small industrial co-operatives which had originally set up with its support. Although they provided me with the names and addresses of these industrial co-operatives, they were oddly unable to tell me how many of them were still in operation, as they seemed to have fallen out of contact with them. However, I decided to make Meibian my base and begin a general ethnographic study there, while attempting to track down the industrial co-operatives, all of which were located in small villages in the desert around the county town, where I stayed for several months. During this time, I developed friendships with a variety of informants in the county town, and began to document local culture, history, and dialect. After a time, I found that the industrial co-operatives—as well as some local SHCs—had all, apparently, disappeared. However, at this point I had gathered enough initial ethnographic data about Meibian to feel that if I shifted the focus of my research to an agricultural co-operative, I might be able to establish myself there and conduct fieldwork. I visited several agricultural co-operatives and conducted interviews with members and managers, and obtained permission from one, in principle, to live there and carry out long-term fieldwork.

At this point, however, my plans met with another unexpected obstacle. I discovered that my key informants in Meibian had been repeatedly warned by local police that they should not speak to me, or continue their friendships with me, and that if they did, their future might be put in jeopardy. The police had, it became clear, been tracking my movements around the county, and intimidating those I spoke to. I immediately decided to leave, not wanting to cross a clear ethical line by endangering my informants. I booked a flight to Beijing from a nearby airfield, and on the way to the airfield, my taxi driver inexplicably turned into a military base, where I was detained and interrogated by military intelligence overnight. At the end of the interrogation I was warned not to return to Gansu, and to ‘be more careful’ in future. Needless to say, this brought to an end my hopes of conducting fieldwork in Meibian.

I made one final attempt at conducting long-term research in a single co-operative. In November 2012, I travelled to Jiaohu county, in western Ningxia province. I had decided to study an agricultural co-operative, and academic colleagues in Beijing had recommended Jiaohu because their University maintained a relationship with a number of microcredit projects and agricultural co-operatives there, all supported by international development funds. On arrival in Jiaohu, I was met by my local contact, who promptly informed me that, while there were some thriving microcredit projects, most of the co-operatives had gone out of business, or were artificial legal vehicles, which would not be interested in receiving foreign researchers. He took me to the one local co-operative he believed

was actually functioning, a pig co-operative in a small village called Damo. I spent several months in Damo, but quickly realised that even the co-operative there was hardly functional. Although I was able to collect valuable data on Damo itself—a ‘ghost’ village emptied of young people by urbanisation, where no real co-operation happened, and most people lived increasingly atomised lives, surviving on state subsidies and remittances—I eventually decided to move on.

Thus the project had evolved from a study of a single co-operative to a study of the co-operative movement as a whole, including its interactions with co-operatives around the country. But I had also collected data concerning the lives of people outside the movement, whom I got to know while traversing its networks, from Haibian to Meibian. These experiences led me to believe that a more complete picture of the problems of the co-operative movement would require addressing the changing social backdrop against which they have taken place.

The apparent breakdown and failure of co-operatives across China, as well as the social atomisation I saw in Damo and Meibian, inspired a new set of hypotheses about a transition in Chinese society from old forms of co-operation to new, or a tendency for those forms to breakdown altogether. I decided to test these hypotheses through urban fieldwork and ultimately a survey, described in chapter 9, conducted in Beijing. To that end, I spent much of 2013 in Beijing, designing, co-ordinating and conducting the survey, and gathering interview and observational data from my urban informants. Finally, at the end of 2014, I returned to China to gather the final survey results and conduct a series of life history interviews with informants I already knew around the country.

The multi-sited nature of this project presents some clear limitations. Because I was not able to remain in a single co-operative for an extended period of time, it was not possible to observe the full calendrical cycle in any of these locations. More importantly, given their infrequent nature, it was not possible to attend formal co-operative meetings personally. Instead, I relied on interviews with co-operative members and managers to recall their experiences of meetings, decision-making and other aspects of co-operative life. Nevertheless, while these are second-hand accounts, and should be treated as such, they provide an insight into the meaning given to these events by their participants. Moreover, while the relatively brief periods I spent in each locale did not, perhaps, lend themselves to the interpersonal intimacy which might have developed otherwise, I nevertheless developed long-term relationships with many informants, whom I got to know through repeated visits as well as extended stays. The data I collected lend themselves not only to comparative analysis, but to the painting of a portrait of a network of individuals and institutions which is as geographically scattered as the fieldwork itself.

Conducting research in China, from finding informants to securing permission, depends entirely on one's ability to traverse the network of interpersonal connections (Yang, 1994). While in some respects, I was fortunate to find a network which included the institutions of the co-operative movement, the frustrations of my search for an industrial co-operative were in part underpinned by the fact that, in part because my interlocutors were not particularly interested in industrial co-operatives, the network failed to transmit reliable information about where one could be found. Nevertheless, traversing this network provided a wealth of ethnographic material on the dynamics of the network itself. For to make use of a connection or get to know a friend of a friend, one must make use of a combination of exchanges of gifts, favours, and invitations to banquets and other social events. Experiencing this through the medium of the co-operative network showed that the personalistic ethics which have long formed the fabric of Chinese society continue to constitute an important backdrop against which co-operativism must operate.

## 1.4 Outline of the thesis

This thesis is an attempt to engage with the broad question of how morality and co-operation are changing in China, through the lens of the contemporary Chinese co-operative movement, and the fieldwork I carried out both within and around that movement.

The introduction has argued that co-operativism is a moral system which must contend with pre-existing moral orientations wherever it attempts to operate. Chapter 2 begins the thesis proper by giving a conceptual explication of what I will call the 'relational ethic': an idealised model of a bundle of practices and orientations which have long been said to structure Chinese society. The chapter explores debates about whether that ethic is in the process of breaking down, and provides ethnographic evidence for ways in which it continues to pattern everyday life, even as the post-socialist period reshapes people's concepts of themselves in ways which may conflict with it.

Chapter 3 puts the relational ethic in the context of economic co-operation, by providing both a historical overview of the Chinese co-operative movement, and a theoretical framework through which to interpret that history. The framework put forward is the theory of the cultural evolution of co-operation—a broad, interdisciplinary approach to understanding co-operation problems, and how they are overcome through culture and psychology. The chapter argues that the relational ethic, its interaction with state coordination, and important aspects of Chinese economic history can be understood as evolved co-operation mechanisms within this framework. It then sets the stage for the rest of the thesis by framing the research questions in terms of this background.

The following three chapters form the core of the ethnographic treatment of the contemporary co-operative movement. Chapter 4 analyses the institutions and activists which support and advocate co-operatives—that is, the co-operative movement as such. It argues that, while resources provided by the state and foreign agencies have been crucial to the propagation of co-operatives, they have not necessarily resulted in the propagation of the co-operative ideals which they purport to endorse. On the one hand, some state actors see co-operatives as simply a convenient way to achieve other policy goals, thus replicating the paternalistic pattern suggested above. On the other hand, the provision of monetary and other resources, even by idealistic activists, may result in what chapter 3 will call a ‘crowding out’ of moral motives—that is, the co-operative movement unintentionally undermines its own social goals.

Chapter 5 then narrows the focus to the experience of individual co-operatives. It explores this through the lens of three sets of problems which co-operatives have had to face. First, it shows that the lack of formal rule enforcement, itself rooted in the politico-legal structure of contemporary China, undermines attempts to enforce explicit co-operative principles. Then, it argues that economic change and migration may not only be subjecting co-operatives to intractable competitive pressures, but also undermining the social basis for the relational ethic, thereby precluding co-operation even through informal mechanisms. Finally, it suggests that the shared memory of the Mao period may further undermine trust in all but the most straightforward forms of co-operation. For all these reasons, it argues that many co-operatives have achieved co-operation neither through moral change, nor through webs of interpersonal relationships, but by assiduously avoiding any form of co-operation problem that would require either of these to operate.

Narrowing the focus still further, chapter 6 explores a specific co-operation problem which co-operatives cannot avoid, namely the problem of participation in ‘democratic’ decision-making. In the terms of the theoretical framework proposed in chapter 3, it argues that decision-making is itself a collective action problem, particularly in the Chinese context. It suggests that this is perhaps the central problem of the co-operatives; and its insolubility leads to a default reliance on a hierarchical mode of coordination. Finally, it elaborates on this suggestion by exploring the notion of hierarchy in Chinese society, examining the history of hierarchy in Chinese culture, and arguing not only that relationships in the relational ethic are intrinsically understood as hierarchically structured, but that there are reasons to believe that Chinese culture tends to inculcate a hierarchical cognitive style which permeates every domain of life. If this is correct, then it is easy to understand why hierarchical coordination would tend to undermine democratic participation in the co-operatives.

The following three chapters move away from the co-operative movement itself, and examine the wider social and moral context in which they operate, focusing on data collected from informants I encountered while studying the co-operatives, although they are not part of the movement itself. These informants provide a window onto changes taking place in contemporary Chinese society, particularly the kind of moral change which may help to explain the experience of the co-operatives.

Chapters 7 and 8 thus consist of a series of life history interviews with young people experiencing moral conflict—pulled in one direction by the demands of the relational ethic, and in another by new and different values and norms. The individuals in chapter 7 have felt this conflict, but have essentially decided to live their lives in accordance with the relational ethic, in spite of their own conflicting desires. Those in chapter 8 have, to varying degrees, rejected the relational ethic, choosing to live their lives according to different moral codes altogether, or according to none at all. These two chapters together argue that the lives examined here suggest the relational ethic is, as the theoretical scheme in chapter 3 would predict, breaking down in specific circumstances, as a result of changes in sociological factors which previously underpinned the system; but, contrary to certain theories of modernisation, it is not necessarily being replaced by any other ethical system.

Chapter 9 attempts to test this hypothesis further, using a psychometric survey developed to measure patterns in moral cognition, which was administered in Beijing in 2014. It argues that, not only is it possible to detect a psychological corollary to the social changes taking place, but there is evidence that changes in moral reasoning are linked to several key sociological factors, as well as to a general generational effect which may reflect a change in the overall cultural milieu.

Finally, chapter 10 concludes the thesis by examining the weight of the evidence for the trajectory of moral change in China, and how this bears on and is reflected in the case of the co-operative movement. It reflects on the lessons this can teach us, not only for the theory of co-operation and co-operatives, but for the anthropology of China itself. It then ends by putting these developments in the context of broader sociological theories of marketisation, individualisation and modernisation.

## 2. The 'relational ethic' and the fabric of Chinese society

On an autumn morning at the railway station in Haibian, I met Zhimin, an undergraduate at a local university, who had agreed to travel with me that day as a research assistant. His professor had conducted a study of shareholding co-operatives nearly a decade before in another town, Gongshi, and had arranged for me to meet with and interview workers and managers in some of those factories. He insisted that Zhimin accompany me, out of consideration for my 'safety'. When I protested that I would be perfectly safe on my own, he repeated that if anything happened to me, it would also be a problem for him; so I must not go alone, as it was not safe. On the train, Zhimin and I chatted about his studies, and his plans for a future with his girlfriend.

In Gongshi, we were met at the station by Zheng, a functionary in the local government who knew the professor, and would take us to visit the factories in his car. We spent the day visiting several factories, speaking to workers and managers about their experiences, and touring production lines. At each stage, Zheng seemed impatient to move on, and seemed to assume I was only interested in gathering a few general statistics.

Toward the end of the day, he tried to convince us to stop—surely we had seen enough already; these factories were all the same. Then his face lit up. 'Now let's go have fun! Do you like karaoke? I'll invite you!' Though I could see the reluctance on Zhimin's face, we both knew we had no choice but to accept the invitation. To refuse would have been impolite, but perhaps also impossible; for his invitation was, as these sorts of invitations often are, made forcefully.

Karaoke bars come in all shapes and sizes, but they are pervasive across the country. For the most part, they serve as local social centres, and are often the only form of entertainment in rural towns. During my fieldwork, I spent many an evening in them with friends and associates. Hiring a room in a karaoke bar with a group of friends, drinking, singing and chatting together is an important form of bonding, particularly for young people in provincial towns and cities. However, a minority of karaoke bars provide a different sort of service—ranging from women paid to accompany and flatter male guests to some which employ women as sex workers. Fortunately, I had never received an invitation to the latter form of karaoke bar, but the ambiguity made this invitation an uncomfortable one.

We were led into our karaoke booth—a dimly lit private room with a large projection screen, armchairs and tables. Waiting for us were others whom Zheng had not told us about: some of his friends in local government and business, and a chief of police. He introduced me to them as an honoured foreign guest, and explained that this was to thank me for visiting, and give me a welcome to the city.

Zhimin and I were growing increasingly apprehensive. I tried to explain that we were tired, that maybe we should leave and not stay up late, but Zheng persisted, pushing us to sit down in the armchairs. A door opened, and a dozen young women walked in, forming a line-up in front of us. I looked over at Zhimin, who looked extremely worried. 'What do we do?' he said, under his breath. 'If they try to make us *do* anything, we leave, OK?' I replied. He nodded uncomfortably.

Zheng then explained that we must each pick a girl—and since I was the honoured guest, I should pick first. I refused as politely as possible, saying that there was no need, that it wasn't my sort of thing—but Zheng and his friends were having none of it. After several rounds of refusals, he chose two women for me and Zhimin. Then he and his friends chose theirs, and each of the women sat next to the man to whom they had been assigned.

Fortunately, we soon discovered that the role of the women was limited to making a show of enjoying themselves, and repeatedly complimenting the men. As the evening wore on, we shared round after round of drinks, punctuated by the singing of the officials—dutifully applauded by the women. After the initial formalities, they made little show of talking to me or Zhimin, instead talking amongst themselves about their own business and gossiping about mutual acquaintances. I tried unsuccessfully to talk with the woman who had been assigned to me—asking her, 'Doesn't it get boring having to pay so many fake compliments to these men?' She was at first nonplussed at my attempt to open an ordinary conversation, then slipped into obvious boredom when she realised I did not expect her to perform.

Then the apparent safety of the situation broke down. The police chief having become sufficiently inebriated, he began to grope one of the women, who complained loudly and ran to the other side of the room. He began to chase her around the room, lunging at her. When she protested that it was forbidden, he replied, 'Do you know who I am? I am the chief of police. I can do whatever I want'. On hearing this, she looked frightened, and fell silent, though she continued to pull away when the police chief came near. Her colleagues did little to intervene, and the other men made only a dilatory show of attempting to distract him with conversation. Zhimin looked horrified; I was uncertain what to do, and just as I had decided to intervene, the police chief gave up his pursuit and became lost in another drunken conversation with one of his friends.

As the men became increasingly inebriated and absorbed in their gossip, it became increasingly clear to us that we were not the main event of the evening. Zheng intimated that he had used funds allocated for visits of foreign experts to pay for the evening, and perhaps a visit by a foreigner was simply sufficiently exotic to use as grounds to invite his friends for an evening out; but whatever the

cause, it was apparent that our presence was merely an excuse for the men to spend the evening together at the karaoke bar. Through drinking, smoking, gossiping, singing, and displaying their masculinity through the affected interest of the women, they used the evening to cement and reaffirm their relationships with each other—relationships with political and administrative importance, as well as any affection they may have felt. Our presence was merely a pretence for the evening.

This uncomfortable episode illustrates many of the dynamics of interpersonal exchange networks in Chinese society. I could only access factories in Gongshi through personal connections held by Zheng, who in turn agreed to introduce me to the factory managers as a favour to the professor. But his real interest on the day was not in facilitating factory visits, but rather in using the occasion to do a favour for his friends through the vehicle of the karaoke night—in a sense, my attendance of that event was a form of payback for his assistance. Zhimin’s clear discomfort at receiving this ‘favour’ is not an atypical experience; the obligation to accept from others, and thereby allow them to create an obligation to return, is often a source of moral conflict. Finally, the police chief’s treatment of the karaoke girl illustrates the paramountcy of connections over formal institutions; for whatever the law may dictate, his personal status could override it.

This complex interplay of motivations also helps to illustrate the difficult backdrop against which social research in China necessarily takes place. For any researcher, even one mindful of the importance of relationships, must contend with the fact that these relationships take precedence over other priorities nearly all of the time—including the idea of truthful disclosure. Ethnographers in all contexts must be aware of the hidden motives of their interlocutors, but conducting research within networks of such relationships carries its own particular challenges.

But the episode at the karaoke bar illustrates a further point. For moral obligations and understandings are in a state of flux, in which individuals like Zhimin are often forced to grapple with conflicting normative worlds. As the previous chapter argued, co-operativism itself entails the construction of a normative system; but if we are to understand the fate of any attempt to implant this system in shifting moral sands like these, we must first understand the lay of the land. This chapter provides a sketch of what might be considered the baseline moral system from which much social interaction in China departs. It begins by outlining what I will call the ‘relational ethic’: an idealised model of a set of key conceptual, behavioural and psychological tendencies which have typically been taken to characterise Chinese sociality in a variety of contexts. It then considers to what extent this model applies to China today, arguing through ethnographic examples that although individuals may feel decreasingly comfortable with this pattern, the relational ethic

continues to function as the dominant mode of coordination of interpersonal behaviour—and therefore the backdrop against which attempts at co-operativism must take place.

## 2.1 The relational ethic

As part of crisscrossing the country, traversing the networks which connected co-operatives and co-operativists, I became acquainted with some co-operativists who took, on the whole, a sceptical view of the prospects of Chinese co-operativism. One such was Zhao, a middle-aged academic who, though connected officially with institutions in Beijing devoted to rural development, spent most of his time in field sites in Henan. Speaking with him one day as we walked through citrus groves in a village there which did not yet have a co-operative, he explained his view of the situation.

*"There can be co-operatives, but only with difficulty. The problem is maybe that in China, there is no religion. If there were something like a god, sitting on that mountain—something to bring people together—maybe they would feel that they are all together, in one community. But there is not. If you want to make them start a co-operative, you cannot require them to share land, share tools. No one would trust this, because they fear others will take advantage of them. They will help their family, their friends, but only knowing their help will be returned. Why should I help the co-operative, when I must first help my kin? This is the traditional mentality. It is very difficult to overcome."*

Zhao's frustrated observations summarise in a few words what is a complex and variegated system. This section will outline that system in an idealised form, arguing for a model in which the key tendencies form an integrated and mutually reinforcing totality, which this thesis will call 'the relational ethic'.

It is important to emphasise at the outset that the relational ethic is not intended to exhaust the full variety of moral personas or systems of social interaction that are or historically have been available in China. In contrast to the personalist particularism of the relational ethic, a wide variety of universalistic moral systems have long played important roles in Chinese society, from the universal compassion and monasticism propounded by Buddhist doctrine, to modern movements including Christianity, liberalism and Communism. In practice, these modes of action are often mixed; thus in Weller's (1987, p. 63) account of ghost-feeding rituals in Taiwan, while some informants report motives consistent with the relational ethic, such as maintaining 'face', many appear to be motivated to feed ghosts out of compassion for strangers, or the belief that compassion for strangers is morally good. However, throughout history, it would appear that these universalist and egalitarian instincts have often ultimately been relegated to the margins, or reinterpreted in ways more consistent with the precepts of the relational ethic (Weller, 1987, p. 170; Teiser, 1988, p. 203).

The argument of this section is that this is no coincidence; the relational ethic displays a strong self-reinforcing, self-replicating dynamic which appears to make it particularly resilient as a form of social organisation. In treating the relational ethic as the baseline from which the analysis departs, this thesis is thus claiming not that it is or ever has been the only extant moral form in Chinese society, but that it would appear in many cases to be the dominant form, and the form with which rival moral orientations, such as co-operativism, must principally compete.

By way of sketching an idealised model of that form, the following six sections will outline its key features, and how they interrelate. Section 2.1.7 then provides a summary definition and underlines ways in which this model departs from existing characterisations in the literature.

### **2.1.1 Personalism**

A first point to consider is hinted at by Zhao's complaint about the difficulty of creating loyalty to a collective entity. That is the nature of the objects of moral obligation—that is, to whom, or to what, are obligations owed? Weber (1951) provided the canonical answer. Confucian ethics, he argued, explicitly confined the domain of morality to obligations within the five key social relations: ruler and ruled, father and son, husband and wife, elder brother and younger brother, friend and friend. Concomitantly, all moral obligations resided in interpersonal relationships, and directed at individuals—a notion Weber called 'personalism'.

*"Hitherto in China no sense of obligation has existed toward impersonal communities, be they of political, ideological, or any other nature...In substance, the duties of a Chinese Confucian always consisted of piety toward concrete people whether living or dead, and toward those who were close to him through their position in life." (Weber, 1951, pp. 209-235)*

If this is the case, then personalism may pose a fundamental problem for co-operatives, which are certainly a form of 'impersonal community'.

Weber noted the existence of corporate associations in China, from guilds and 'sibs' to co-operatives and credit associations. But he argued that these groupings were not themselves the object of moral obligations. Instead, they were nothing more than labels applied to networks of personalistic ties. Taking the example of credit associations, Weber claimed that these 'depend upon the strictly personal acquaintance of the associates. The contributing members are selected in terms of their purely personal trustworthiness...The credit association required either a certain measure of mutual supervision or precise knowledge of the members' way of doing business' (1951, pp. 292-293). Similarly, other corporate groupings relied entirely on interpersonal obligations; 'the strength of the

truly Chinese economic organization was roughly co-extensive with...personal associations' (1951, p. 235).

At first glance, the notion of personalism, and in particular, the claim that collective entities have no moral status, may appear to conflict with the common characterisation of China as a 'collectivist' society, an idea which originated in social psychology. The idea was born with Hofstede's (1980; 1983; 1991) pioneering cross-cultural psychometric studies, which identified several value dimensions along which cultures ostensibly varied. One of these was the 'individualism-collectivism' dimension, on which China sat unambiguously at the 'collectivist' end of the spectrum. Since then, research on individualism and collectivism has expanded into a vast literature in cross-cultural psychology, including the psychology of China. While these constructs have never had a single, universally agreed definition, a typical characterisation is that 'the defining difference between individualism and collectivism is a primary concern for oneself in contrast to a concern for the group(s) to which one belongs' (Berry, et al., 2002, p. 66). Thus there would appear to be a conflict between the notion of Chinese morality as personalistic—concerned exclusively with obligations to individuals—and the idea of Chinese psychology as collectivistic—concerned with the larger collectivities to which individuals belong.

More recent research, however, has called into question common understandings of the individualism-collectivism distinction. In a critical review of existing scales, Brewer and Chen (2007) argued that researchers had confounded multiple concepts, leading them to measure not one dimension, but several incomparable ones. So-called 'collectivism', it turned out, was only sometimes construed as an orientation toward collectivities; in many studies, it referred simply to an orientation to others rather than the self. To solve this problem, Brewer and Chen proposed a distinction between two forms of collectivism. 'Group-based collectivism' refers to concern with a larger collectivity, while 'relational collectivism' refers to an orientation toward the individuals with whom one is associated. Experimental research has borne out this distinction (Sundararajan, 2015, p. 40). Indeed, not only has this research suggested that China and other East Asian societies are best understood as examples of relational collectivism; it has suggested, too, that Western societies typically classed as 'individualist' often exhibit a higher degree of group-based collectivism than East Asian cultures (Yuki, 2003; Li, 2009; Kreuzbauer, et al., 2009). The archetypal loyal American Google employee is thus more concerned with the collectivity as such than Weber's personalist Confucian.

It is therefore arguable that recent research in cross-cultural psychology, far from contradicting Weber's argument, lends further support to the notion of Chinese society as personalistic. The objects of moral obligation in the relational ethic are exclusively individual others, not collectivities.

### 2.1.2 Particularism

If the objects of obligation in the relational ethic are individuals, then it remains to be said what form these obligations take. It has long been noted that in the archetypal Chinese moral system, obligations vary depending on one's relationship with the specific individual at hand. Thus Fei Xiaotong (1992 [1947]), one of the founders of Chinese social anthropology, characterised Chinese society as structured by what he called the 'differential mode of association', in which the acceptability of conduct depended entirely on particular relationships, rather than universal rules. This notion of particularism has defined studies of Chinese morality for more than a century.

The distinction between particularism and universalism, suggested also by Weber (1978 [1922]), was most precisely elaborated by Parsons (1951, p. 134). In his theoretical scheme, the distinction between particularism and universalism is one of the five 'pattern variables' which define social roles, i.e. bundles of norms which govern social relations. These norms are universalistic if they apply equally to all others, irrespective of the details of one's relationship with a particular other. They are particularistic insofar as they are determined by the specifics of that relationship. For Weber and Parsons, Chinese morality was a classic example of particularism.

Again, early sinology drew this conclusion initially from studies of philosophy. It has long been noted that the Confucian concept of *li*, or right conduct, prescribes different obligations to particular others depending on one's relationship with those others—again, according to the five basic relationships mentioned above (Roetz, 1993). The centrality of this notion is underlined by Confucian responses to its critics. Mozi, the 5<sup>th</sup> century BC philosopher, argued for a new concept of universal love that would transcend the partiality of interpersonal ties (Fung, 1952, p. 91). He was met with harsh criticism from the Confucian school, most famously the response by Mencius that such a universalistic morality would undermine the more fundamental obligation, to give preference to one's close associates.

Ethnographic evidence has shown that particularism goes beyond philosophy. While *li* was an explicitly formulated philosophical concept, prescribing ritual behaviour in a number of specific relationships, ordinary Chinese people use a wide range of vocabulary to talk about myriad ambiguous, shifting, and unclear interpersonal obligations (Silin, 1976, p. 44; Wilson, 2002, p. 174). Everyday morality in a broad range of cases has been shown to be based on particularistic considerations. This principle has a number of important implications. For not only does particularism imply that one must invest in and rely on relationships to ensure one's own moral status; the lack of universalistic rules—and indeed, the suspicion, exemplified by Mencius, that they

may themselves be immoral, if they endanger particularistic obligations—creates intrinsic difficulties for any project of law, bureaucratisation, or any other governance by impersonal principles.

It is worth noting that the distinctions between universalism and particularism on the one hand, and personalism and group collectivism on the other hand, are orthogonal. It is perfectly possible to conceive of a particularistic relationship with or between collectivities, rather than individuals (Milner, 1978). Thus to be precise, we can characterise the relational ethic as a form of personalistic particularism.

### 2.1.3 Exchange: Material and affective

But if all obligations in the relational ethic are particularistic, then how do they arise? An analysis of Chinese society through the lens of Confucianism might suggest that the obligations of *li*, while particularistic in that they vary depending on the relationship, do not require derivation, because they represent a universal code of conduct in particular relationships (Schmidt-Glintzer, 1999; Edel & Edel, 2000 [1959], p. 130).

The problem with this conclusion was hinted at by Weber, who saw the roots of particularism in Chinese religion. While Western Christians derived their universalistic morality from a direct relationship with an omnipotent deity who monitored their adherence to universal rules, Chinese deities performed no such role, and ancestor worship was merely an extension of interpersonal obligations beyond death. ‘The religious duty toward the hidden and supra-mundane God caused the Puritan to appraise all human relations...as mere means and expression of a mentality reaching beyond the organic relations of life. The religious duty of the pious Chinese, in contrast, enjoined him to develop himself within the organically given, personal relations’ (Weber, 1951, p. 235).

Whatever we may make of Weber’s religious explanation, the insight stands that without an external arbiter of morality, particularistic obligations must arguably be derived from relationships themselves. Sanction for misbehaviour—even if this was understood as violating Confucian norms—could come only from within relationships. Thus it was relationships which determined and enforced obligations.

Leaving Confucianism aside, we come to the fundamental sociological principle which has been said to govern obligations in Chinese relationships: that of exchange, or reciprocity (Yang, 1957). For in the absence of any external source, obligations can be built up through repeated interaction. A considerable bulk of Chinese moral discourse concerns this notion of reciprocity. Exchange of gifts, favours, and other resources is used and understood to build relationships and to create and sustain mutual obligation. Gifts and favours are often given in such a way that there is deliberate ambiguity

about what would be required to repay them. This ambiguity about the clearing of debts helps to sustain exchange relationships beyond single interactions.

The ambiguity is further enhanced by the multiplexity of exchange relationships—that is to say, the combination of multiple kinds of exchange in the same relationship. If two colleagues exchange not only help at work, but also gifts, social favours, friendly visits, and so on, then the total continuing debt between them is never clear, thus allowing the totality of exchange to facilitate each particular exchange.

More specifically, relationships in the relational ethic consistently combine some degree of two kinds of exchange: material and affective (Yan, 1996, p. 143). This point is made forcefully by Kipnis, (1997) in his 1988-90 study of the village of Fengjia, in Shandong province. He was struck by the amount of time spent by villagers on visits, banquets, sharing of tea and cigarettes, visiting ill acquaintances, and other activities apparently directed at maintaining relationships. He claims that what mattered in the exchange appeared to be whether they had carried out certain behaviours, like visiting each other when ill, rather than a question of the presence of some underlying mental state (Ibid.: 27-28). But Kipnis rejects an argument put forward by Potter and Potter (1990, p. 183; Potter, 1988), who claim that, although their Chinese informants appear to experience emotions, their speech indicates that they consider their inner feelings to be unimportant and to have little effect on relationships. Instead, he draws on the pragmatic view put forward by Lutz and Rosaldo (Kipnis, 2002) to argue that affect is something that exists when ‘embodied’ in behaviour, and does not represent a secret inner emotional life; it is no less ‘moving’ or important in relationships as a result (1997, p. 107). This is echoed by Walder’s claim that, for his informants, to have an affective tie ‘is to be concerned about the other person, and to be concerned is to be willing to help someone out’ (Walder, 1983, p. 70). Correspondingly, sincerity in feelings is a matter not of expressing one’s true inner feelings, but rather of acting in accordance with expectations created by displays of feelings (Kipnis, 1997, p. 108); thus, such a display is a claim on the future of a relationship, rather than only an echo of its past. Like Lutz (1990), Kipnis (1997, p. 115) claims that Western discourse about affect presupposes that sincerity is a matter of the expression of inner feelings; the difference in China is that this ‘ideology’ is not present, not that affect has no relevance. In this way, Kipnis explains the concern among the Fengjia villagers for continually embodying good feelings: such displays are necessary to ensure the continuation of relationships, and talk of feelings is accordingly licensed, like all mental talk, by behaviour, rather than by inner states.

Relationships of love and affection are thus marked by the importance of mutual material giving, without which the affection itself would be hollow. Equally, even relatively impersonal business

relationships are typically marked by affective displays, such as gift-giving and banqueting (Van der Sprenkel, 1966, p. 100; De Groot, 1972, p. 322; Silin, 1972, p. 342; Wakeman, 1977, pp. 214-15). Much discourse is devoted to discussing the affective component of exchange relationships, including how this can be used to create a sense of obligation in those with whom one lacks the material resources to do so otherwise (Fried, 1953, pp. 105-106). This constant admixture of affective and material exchange further reinforces the overall ambiguity and continuity of the reciprocal debt relationship.

Thus obligations in the relational ethic are derived from the history of each particular relationship. Material and affective exchange are combined systematically to create and sustain the debts which form the foundation of morality.

#### **2.1.4 Transitivity of obligation**

In the relational ethic, because moral status is derived entirely from one's participation in exchange relationships, these relationships become the single most important resource in life. For only through relationships can one secure help and needed resources, and thus only by cultivating and maintaining relationships can one be assured of assistance in case things go wrong. But because relationships themselves are then a resource, the obligation to help one's exchange partners extends naturally to an obligation to help them fulfil their obligations to others, thereby maintaining their relationships. This is the transitivity of obligation: If X owes a debt to Y, and Y owes a debt to Z, then X, by virtue of his debt to Y, can also be brought to owe some debt to Z. It is this principle which allows the relational ethic to go beyond governing simple dyadic relations, and instead to give rise to the elaborate exchange networks which have long structured Chinese society.

The principle is evinced in the use of 'connections' (*guanxi*) to locate resources unavailable to one's immediate exchange partners, such as a job in a distant city—a process sometimes referred to as 'pulling on (a chain of) connections' (*la guanxi*) (Yang, 1994). By appealing to an existing exchange partner, who in turn appeals to his or her own exchange partners, and so on down the line, one can make use of a chain of obligations to find an individual who possesses the desired resource. The transitivity of obligation ensures that the final individual can be appealed to, as having some obligation, by transitivity, to the person who began the process.

Similarly, it is rare that new relationships are begun without an introduction made by an intermediary (Blau et al. 1991; Gold et al. 2002). If no intermediary can be found, strangers will often attempt to find some common grouping to which they have both belonged, such as a past school or workplace, as an indicator that it is likely they do have acquaintances in common (Jacobs, 1979). Without an intermediary, two strangers begin, as it were, from square one, with no mutual debts to

form the basis of an exchange. Because obligation has a degree of transitivity, an intermediary allows for the transfer of some existing debt, thus providing the foundation of a relationship.

This pattern is also exhibited in the initiation of children into the exchange network. Parent-child relationships are conceived of in terms of debt; children owe their parents *enqing*, the deepest form of debt, which can never be fully repaid, in exchange for their parents having given birth to them and raised them. The understanding is that throughout their life, and particularly in their parents' old age, they must work to repay this debt. But it is arguably this debt, too, which initiates them into the exchange network of wider society. For the debts owed by parents to grandparents, aunts and uncles, cousins, neighbours and friends are all, in part, transferred to offspring by transitivity. Thus a child becomes part of the network through direct exchange with his or her parents.

One important result of this patterning is the strong conceptual division between 'inside' and 'outside'. Those within one's exchange network, even if not known to one personally, are within the moral realm, while those entirely outside one's network have no moral value within the relational ethic. Historically, this division corresponded in rural areas to the distinction between villagers and outsiders, but it has always applied more broadly for urbanites and migrants.

### 2.1.5 'Face'

In the broader exchange networks created by the relational ethic, transitivity of obligation is not the only force supporting moral behaviour. A more potent sanction ensures that news of good and bad behaviour travels quickly through the network, and rewards and punishes individuals by providing and denying them access to social resources. That sanction is the notion of 'face'.

An enormous literature has been devoted to exploring and elaborating concepts of face, both in China and cross-culturally (Agassi & Jarvie, 1969; Lin, 1939; Xun, 1980 [1934]; Hwang, 1987). For while the English term, in this sense, was originally a translation of two Chinese words—*mianzi* and *lian*—the Chinese concept has proven a fruitful platform for theoretical framings of patterns in other cultures, too (Goffman, 1955; 1959; Brown & Levinson, 1987; Ho, 1976). This thesis, however, will avoid delving into theoretical concepts labelled 'face', and will focus instead on the notion of face as it operates in Chinese society.

Broadly, face is a form of reputation, which is gained or lost according to two factors: First, one's record of fulfilling obligations to one's exchange partners; and second, one's access to the material and social resources that are necessary to fulfil such obligations (Haugh & Hinze, 2003; Hsu, 1996). Thus one may lose face either through immoral behaviour, or by losing resources. The two are

interlinked, for the key information furnished by face is whether the person concerned would make a desirable exchange partner.

Face is further distinguished from other forms of reputation by what some have called its 'vicarious' nature (Hinze, 2005). That is, when one gains or loses face, this also has some lesser effect on the face of one's close associates (Chang & Holt, 1994; Brunner & Wang, 1988; Saari, 1982). While vicarious reputation exists to some degree in other societies, for example in notions of family honour in the Mediterranean (Davis, 1977; Schneider, 1971), the vicarious nature of face is unusually extensive, extending not only to family, but also to friends, teachers, and colleagues.

Face itself is a key resource; for it determines whether and to what extent others will be willing to enter into exchanges with a person. This means that it is a powerful sanction (Hsu, 1996, p. 201; Hwang, 1987). Failure to fulfil obligations results in face loss, meaning others in the network will be less willing to engage in exchanges. But it also results in face loss for one's close associates. Because face is a resource for them, too, one is obliged to look after the state of their face, as well (Yang, 1947; Lin, 1939; Hsu, 1996, pp. 96-101; Yan, 1996, p. 134). This means that, because of the vicarious nature of face, failing to live up to one obligation may imply failing to live up to the further obligation to maintain the face of one's associates—and so on, ad infinitum (Gao, 1998, p. 476).

This provides a further key motivation for relying on intermediaries to form new relationships. For an intermediary risks losing face if one of the people he or she introduces to each other goes on to misbehave. This gives the intermediary an incentive only to introduce those he or she trusts, and to monitor and control their behaviour after the introduction. It also gives those who are introduced an incentive to behave morally, for the presence of the intermediary ensures that news of their good or bad behaviour will spread back through their own network.

This system of reputation is backed up by a powerful emotional response. Face loss is typically associated with feelings of shame—wanting to run away and hide, feeling inadequate and not being able to make eye contact with others (Hinze, 2005, p. 185; Gao, 2009; King & Myers, 1977). Face gain, by contrast, is typically associated with feelings of pride. This emotional pattern underpinned the classification of Chinese society as a 'shame culture'—one in which people are motivated by emotions of shame, which result from others finding out about misbehaviour, rather than emotions of guilt, which occur regardless of whether others know (Benedict, 1946; Creighton, 1990). While there has been disagreement over this label, researchers have continued to concur that shame is a more prominent feature of Chinese discourse and motivation than guilt (Ho et al. 2004; Bedford 2004). Concomitantly, studies of interactions between Chinese parents and children have shown

that much explicit socialisation takes place through the medium of face: parents may chastise their children for misbehaving by warning them not to lose face for their family, rather than that the misbehaviour is intrinsically wrong (Dong & Lee, 2007; Agassi & Jarvie, 1969; Hu, 1944). The results of this appear to be an internalisation of moral emotions which serve first and foremost to protect reputation by motivating the fulfilment of obligations, and the accrual of the resources needed to do so.

### 2.1.6 The relational self

As the aspects of the relational ethic explored thus far suggest a highly interdependent conception of life, the question arises whether they imply a specific concept of the individual, the person, or the self—understood, respectively, as concepts of individual humans, understood as mechanical objects; concepts of moral subjects, i.e. bearers of duties and obligations; and the psychological notion of an implicit self-concept which guides behaviour. While it is not possible to give a conclusive answer, both anthropological and psychological research shed some light on this aspect of the relational ethic. Given the centrality of individualisation to this thesis, it is important to complete the picture of the relational ethic by exploring this final aspect. This section will begin with the two anthropological concepts of individual and person, before considering the psychological notion of the self-concept.

For the sake of conceptual clarity, it is useful to make a distinction between two sorts of concepts which can be said to apply to humans. The first is what La Fontaine, following Fortes and Radcliffe-Brown, calls an ‘individual’ (La Fontaine, 1985). It is a human considered without any rights or duties; that is to say, not bound by norms, and not binding others. The second is what La Fontaine and Fortes call a ‘person’, and what Radcliffe-Brown calls a ‘social personality’. A person is a bearer of rights and duties to other persons, while individuals as such are related only causally, not normatively.

Anthropological debates concerning these concepts have, concomitantly, centred around two principal themes. First among these is the notion that person concepts vary cross-culturally. Thus Mauss (1985) classically argued that various North American tribes lacked the notion of a person, in the sense of a stable concept attaching from birth to death to one individual, and instead employed only a concept of ‘persona’, a form of social personality taken on temporarily by individuals at different points in time. In other cases, the claim is that personhood exists, but is only assigned to some individuals, or is perhaps gradually acquired over the lifespan (La Fontaine, 1985).

A second theme is the notion that concepts of the individual vary; thus the so-called ‘dividual’. Marriott claims that ‘persons are generally thought by South Asians to be...divisible. To exist, dividual persons absorb heterogeneous material influences. They must also give out from

themselves particles of their own coded substances—essences, residues, or other active influences—that may then reproduce in others something of the nature of the persons in whom they have originated' (Strathern, 1988, p. 348). Strathern then claims that Melanesians similarly think of themselves as 'dividual'; they are 'composite', the body taking the form of a 'microcosm' of the society (1988, p. 15). Unlike claims about concepts of persons, Marriott's claim appears to have nothing to do with norms; instead, it is simply a claim about how humans are conceived to work in a mechanistic way (Celtel, 2005, p. 62). While this may have normative implications, the two sorts of claims are logically distinct.

The question then arises whether the relational ethic implies a distinct notion of either the person or the individual, so defined. Both the vicarious nature of face and the transitivity of obligation would seem to suggest that the locus of rights and obligations extends somewhat beyond the individual. In Fei Xiaotong's (1992 [1947]) evocative metaphor, the self extends itself outward into a web of relationships like ripples emanating outward from a rock thrown into a pond. Still, the focal point is the individual node in the network; thus on this account, the person is 'egocentric', although not strictly individual (Bruckermann & Feuchtwang, 2016, p. 29). While individuals remain identifiable, they are both causally and morally—as persons—inextricable from the relationships which define them (Ho, 1995).

This picture is complicated by the possibility that personhood may wax and wane throughout the lifespan. In a study of gendered naming practices in rural Hong Kong, Watson (1986) notes the plurality of names acquired by men over a lifetime, many of which denote their position in kinship and other networks. By contrast, upon marriage, women cease to be referred to with names of their own, and instead are spoken of only in terms of their relationship to their affines. Thus Watson argues that the personhood of men correspondingly develops through life, while women are unable to attain 'full personhood'.

A suggestive counterargument to this is provided by Chen (2015, p. 162), who argues instead that Chinese individuals should be understood as constituting an 'expansive-I', which partially envelops their close associates. On this account, Watson is mistaken in conflating individualisation and personhood; for personhood must be understood as attaching not to the individual, but to the 'expansive-I'—the immediate ripples, as well as the stone.

These arguments leave us with a considerable degree of ambiguity. On the one hand, it is possible to conceive of the concept of person as extending slightly beyond the individual, in the sense that one's close associates also bear some degree of one's moral obligations and entitlements. On the other

hand, it could be that it is not the concept of the person which bleeds out into the network, but that of the individual to which personalities are attached. Nevertheless, it is arguable that in either case, the consequences for the relational ethic are identical; for vicarious reputation and the transitivity of obligations are supported in both cases by the notion that the locus of moral status extends beyond discrete individuals to include those with whom they are associated.

However, the distinction between person and individual is important for another reason. One of the central arguments of this thesis is that while it may be the case that young people are increasingly developing a more ‘autonomous’, or less ‘expansive’, concept of themselves as individuals, the interdependence, or ‘expansiveness’ of the concept of the person remains strong. That is to say, the moral force of the interdependence implied by the relational ethic may remain, even if people begin to conceive of themselves and others as *causally* self-determining. The tension between these two forces will be explored in further chapters.

Research in cross-cultural psychology has provided a further body of evidence which sheds light on these considerations. Drawing on both anthropological and psychological evidence, Markus and Kitayama (1991) suggested that self-construals—the cognitive and affective constructs with which individuals relate to themselves—vary cross-culturally; and more specifically, they proposed a distinction between ‘independent’ self-construals, in which individuals are seen as separate from others and defined primarily in terms of non-relational properties, and ‘interdependent’ self-construals, in which individuals see themselves as defined principally by their relationships with others. This suggestion has led to a wide-ranging body of studies which have broadly corroborated the distinction, and indicated that self-construal may underpin a variety of differences in cognitive, affective, and motivational patterns, from causal attribution to communication style (Cross & Hardin, 2011).

Concomitantly, a related body of work has focused on cross-cultural differences in the psychological priority given to different aspects of the self-concept. Specifically, Andersen and Chen (2002) suggest that in general, individuals pattern social behaviour according to a variety of self-concepts, which can be activated differently depending on context. These include the ‘individual self’—a concept of the self as independent from others—the ‘collective self’—a concept of the self as part of a larger collectivity—and the ‘relational self’—a concept of the self as defined within relationships to particular others. The suggestion, then, is that different cultural environments may place different levels of emphasis on the activation of each of these.

In the Chinese context, it has been suggested not only that interdependent self-construal dominates, but that the 'relational self' receives relatively high priority (Choi & Han, 2009). Experimental studies comparing Han Chinese subjects with Uyghurs and Tibetans have found relatively strong activation of the relational self among Han Chinese, as compared to the collective self among Uyghurs, and an even activation of all three self-concepts among Tibetans (Mamat, et al., 2014; Huang, et al., 2014). Other evidence has been more mixed; while some neuroimaging studies have found support for the primacy of the relational self in the motivational systems of Chinese subjects (Kitayama & Park, 2014; Zhu, et al., 2015), other behavioural and imaging studies have found results to the contrary (Zhu, et al., 2016; Gaertner, et al., 2012). One possibility is that the relational 'selves' examined in these studies require further subdivision; thus a recent imaging study by Zhu et al (2016) suggests that for their subjects, the individual self is motivationally equivalent to mother and father, all of which take priority over friends, which take priority over strangers.

But it may also be that the inconsistency of findings reflects a more fundamental problem: Chinese society is both heterogeneous and in the process of rapid change. As section 2.2 below will show, there are reasons to believe that concepts of self and personhood may be central to these changes. Indeed, many of the neuroimaging studies have used university students as subjects, and as later chapters will suggest, this may be precisely the segment of the population in which the relational ethic is weakest. Similarly, while anthropological studies of Chinese personhood have varied in their conclusions, this may reflect the heterogeneity of Chinese society and the changes it is undergoing, rather than vitiating the notion that relational personhood was at least the departure point from which these changes have evolved. Thus in both psychological and social terms, we can understand the relational individual as playing a key role in the relational ethic.

### 2.1.7 The system as a totality

In summary, the relational ethic can be defined as a moral system in which the object of all obligations is other individuals, and the content of these obligations derives from the particularities of one's relationship with each individual—specifically, from the history of exchange in the relationship, which must combine both material and affective exchange; in which obligations exhibit a degree of transitivity, allowing the expansion of relationships into complex networks; and in which compliance is ensured through a form of reputation ('face') based both on one's past fulfilment of obligations, and on one's access to the resources necessary to fulfil obligations, and which is, to a degree, 'vicarious', reflecting the behaviour and status of one's associates, as well as oneself. Corresponding to this moral system is a concept of self and individual in which one's interpersonal relationships take precedence both motivationally and in characterisations of identity.

While a substantial literature exists on each of the principal components of this system, the characterisation given here differs from existing literature in some important respects. Firstly, it rejects the predominant approach of transforming ordinary language Chinese words such as *guanxi*, *mianzi*, *renqing* and *bao* into theoretical terms suitable for precise sociological description. Not only do these terms vary substantially in their use across space and time; their uses in the flow of life are principally pragmatic and normative, not theoretical or precisely descriptive. They pertain, as it were, to the maze-like, ancient centre of Wittgenstein's (1986, p. 8) 'city' of language, not to its peripheral grid-like suburbs. Thus the approach taken here is to posit the relational ethic using etic vocabulary wherever possible, eschewing the difficulties of much of the existing literature (Stanford, 2010).

Secondly, by virtue of stepping away from an attempt at rendering the system using ordinary language Chinese vocabulary, it is possible to provide a novel conceptual clarity, particularly about the transitivity of obligation, which is implicit in much of the existing literature, but not generally made explicit in these terms. Similarly, the vicarious nature of face has been noted by Hinze (2005), but the relational ethic as described here puts forward a more explicit characterisation of its implications.

Finally, this etic approach allows the various components of the relational ethic to be combined into a system which is both self-replicating and self-reinforcing. For individuals, the relational matrix in which one is immersed is often experienced as both a blessing and a curse. Because one's relationship network is one's greatest resource, a denser network with more connections to well-resourced others is to be desired. However, each additional relationship also represents additional obligations, thus creating more pressure to fulfil them. It is no surprise that people often describe their relationship network as feeling like a 'cage' which constrains them. Indeed, should one wish to escape from some part of the exchange network, one is faced with the difficulty that to renege on one's obligations would be to be deprived of the social resources necessary to survive. Even to 'waste' resources on another sort of ethical commitment might be viewed as suspect. The relational ethic thus has a powerful, self-perpetuating dynamic. Even if every individual in the network wished for a different form of life, any one person acting individually will be sanctioned by all the others, lest they be sanctioned for their own failure to sanction.

Individuals are initiated into the system through the transitivity of debt owed to their parents. Those outside the network are considered to be strangers, with whom it is not possible to have a moral relationship on ordinary terms. Formation of new relationships requires, if at all possible, the use of an intermediary, who, through a combination of the transitivity of obligations and the operation of face, can vouch for both individuals. If an intermediary cannot be found, then two strangers may

form a relationship on the basis of some shared past social group, which raises the probability that they do share exchange partners somewhere, so transitivity and face can operate as usual.

The question remains, however, to what extent the idealised model presented in this section can be said to structure social life in China today—a question which bears heavily on the prospects of co-operativism, itself a movement for moral and social change. Is the relational ethic still in force—and if so, can the networks it produces provide the foundation of trust and coordination in a co-operative? Or are other, competing ethical systems beginning to take its place—and if so, what does this mean for the attempt to create a small, engineered ethical community in the form of a co-operative? More fundamentally, what is happening to the fabric of Chinese society, and why?

## 2.2 Individualisation and the relational ethic today

Debate has long raged over both the nature and the trajectory of the patterns which make up what I have termed the ‘relational ethic’. Much of this has come under the heading of literature on *guanxi*—a Chinese term meaning ‘relationship’ or ‘connection’ (King, 1991; Yan, 1996; Hwang, 1987; Chan, 2006). Some have argued that the reliance on connections in contemporary China is typical of many socialist and post-socialist economies, where the experience of the shortage economy made connections necessary to circumvent queueing (Yang, 1994, p. 320; Gold, et al., 2002, p. 14). If this is the case, we might expect relationships to become less important now that shortages have been reduced (Fan, 2002). Others have pointed to the deeper historical and Confucian roots of this complex, as well as its continuing presence in overseas Chinese communities, which might suggest that it was not created by shortages, and will therefore not necessarily fade away as they do (King, 1991; Kiong & Kee, 1998). Alternatively, it has been argued that the development of the rule of law and written contracts will make connections increasingly obsolete (Landa, 1983). Sociological evidence has given a mixed picture: On the one hand, reliance on connections seems, if anything, to have increased in the reform era, as marketisation has brought more competition for a limited pool of resources, such as university places and job opportunities in cities (Bian & Huang, 2009; Bian, et al., 2015). On the other hand, other studies have suggested that, at least in more economically developed regions, the importance of connections may be beginning to wane in favour of impersonal market or bureaucratic mechanisms (Guthrie, 1998; Hsiung, 2013).

Alongside this debate over changes in the social structure, there is the question of what is happening to morality. Since the 19<sup>th</sup> century, the relational ethic has been seen by generations of modernisers as a ‘backward’ relic, holding back the development in China of modern institutions such as industry, science, and the rule of law (He, 2015, pp. 119-123). The Communists were no exception; a central motivation of the Cultural Revolution was to eliminate the relational ethic, and replace it with a new,

collectivistic morality (Madsen, 1984). When that attempt was given up, a vacuum was left in official moral discourse, which has been filled primarily with vague assertions that people should 'serve the nation', and more recently, with a smattering of hints at a revival of a Confucian moral foundation. Today, there is a growing chorus of moral panic—on the one hand, the notion, reinforced by infamous examples of bystanders in public places refusing to help strangers, that Chinese people have become increasingly selfish, or perhaps only care about their own network; on the other hand, the idea that even that network is breaking down, as young people begin to neglect their filial obligations and fail to visit elderly relatives. There is a strong sense in this discourse that whatever the moral foundation before may have been, society today is increasingly rudderless.

Concomitantly, the question arises whether notions of the person or the individual are in a similar process of flux. Much ethnography has documented a rise in preoccupations with, and open discourse about, the pursuit of individual material, affective and sexual desires (Zhang, 2011; Yan, 2003; Farrer, 2014), and has thus argued that we are witnessing the emergence of a self which is both 'desiring' (Rofel, 2007), in that it is conceived as a locus of individual wants, and 'enterprising' (Rose, 1992), in that, as neoliberal subjects, individuals in China increasingly see themselves as responsible for their own autonomous self-development in a competitive marketplace (Hoffman, 2010; 2001; Hanser, 2001). Taking this reasoning further, Yan (2010) has argued that China has undergone a process of what Beck (Beck & Beck-Gernsheim, 2002) has called 'individualisation'. First, he claims that the collectivism of the Mao period 'disembedded' individuals from the old personalistic networks, 're-embedding' them within collectives; then, he argues that in the post-socialist period, individuals were further 'disembedded' and thus transformed into new, individualised selves. Not only do these new individuals conceive of themselves and their own fates as self-determining, rather than determined by pre-existing relationships; they are also governed by a new 'individualistic ethics of rights and self-development' (Yan, 2011, p. 40), rather than the relational ethic, or indeed the collectivist ethic of the Mao period.

But this argument is not uncontroversial. For a wealth of ethnographic evidence shows the continuing force of the relational ethic and its role in how individuals make sense of themselves, in particular with reference to familial relationships (Johnston, 2013; Hansen & Pang, 2010; Stafford, 2015). Far from living in a moral vacuum, Chinese people from all walks of life continue to engage in constant and nuanced moral discourse, drawing on norms of the relational ethic, as well as other moral systems, to make sense of a still-unsettled normative world (Stafford, 2013; Pia, 2015, pp. 192-221). Moreover, it would seem that many people, such as the migrant workers studied by Fang (2011), are capable of deploying different concepts of self and obligation depending on context—

suggesting that ‘individualisation’, if it is taking place, is not only uneven, but hardly complete even at an individual level.

Indeed, it is clear to most ethnographers attempting fieldwork in China today that personalistic networks have not lost their importance (Yang, 1994). Throughout my fieldwork, the networks of relationships I navigated displayed many of the classical patterns suggested by the relational ethic. Nevertheless, as in the case of Zhimin, my companion in the karaoke bar episode described at the beginning of this chapter, many, though certainly not all, of my informants experienced the strictures of those relationships as conflicting with, rather than coinciding with, their desires and conceptions of themselves. What I want to suggest, then, is that we should not be too quick to assume that a more individualised sense of self necessarily implies a decline in the relational ethic. Instead, interactions may still be structured by that ethic, even if this engenders a deep discomfort for some individuals who may decreasingly understand themselves in relational terms. What follows will illustrate this point by way of two examples: notions of ‘safety’, and banqueting practices.

### **2.2.1 Autonomy, ‘safety’, and control**

When I returned to Haibian in the autumn of 2011, I met to discuss my plans with Zhang Yongyuan, director of the Co-operative Institute. At our first meeting, I was impatient to find out everything he knew about industrial co-operatives. I hoped that through the Institute’s contacts, I would be able to meet leaders of a few such co-operatives, and explore the possibility of conducting long term fieldwork with them. Zhang should have been, in many ways, a perfect person to consult. He was an expert on Japanese co-operatives, having spent several years in Japan studying them; had written papers and a book on the 2007 PSC law; and was intimately involved with co-operative activities on a daily basis. However, in this first meeting in his office in Haibian, he was circumspect.

*“It’s better you study agricultural co-operatives. There are very few shareholding co-operatives left, and very few industrial co-operatives. Besides, here in Haibian we have lots of agricultural co-operatives. It’s not a good idea for you to go elsewhere—we have to take into account your personal safety [geren anquan]. You will live here at the Institute; we will give you a room, and we will take you out to visit the co-operatives so you can do a survey. Long-term fieldwork, living in the countryside? That isn’t a good idea—it’s not safe [bu anquan]. If you’re interested in going further afield than Haibian, you can accompany me on some of my personal visits. This will be the best way for you.”*

With limited field experience in China at the time, I was initially perplexed by Zhang’s response. What did he mean when he said that the co-operatives I was looking for were ‘very few’ (*hen shao*)? Was this a polite way of telling me, point blank, that they had entirely disappeared? Or did he simply

have his own agenda, preferring that I remain attached to the Institute and not venture further afield to do my own research? If the latter, what was the agenda—to keep me there to do work and attract useful contacts, or perhaps to avoid landing the Institute in trouble if my 'personal safety' came under threat during fieldwork?

It quickly became apparent that, whatever the motivation, Zhang had made a clear assumption that I would be straightforwardly absorbed into, and subordinate to, the Institute as *danwei* (work unit). I was happy to do what I could to return the favour of helping with research, and I gladly agreed to give a series of lectures, and to be based in the Institute for at least a period of several months. But I worried that if I did not challenge Zhang's assumptions about how I would join his hierarchy, then I would be sucked into the Institute and unable to conduct my field study. I therefore suggested that I preferred to find my own flat, in Haibian city centre, rather than living in the Institute. Zhang was taken aback: 'No. There's no need to do that, and besides, it's a bad idea. After all, you're a foreigner here, and being on your own is not safe. Don't worry, you're not troubling us! You will live in the Institute.'

While I felt I had no choice but to agree tentatively to Zhang's suggestions, as soon as the meeting was over I began to plan to escape the gravitational pull of the *danwei*. I quickly made arrangements to find my own apartment, and to make contacts with researchers at another university in Haibian, to make clear that I was not wholly dependent on Zhang for contacts. Although I had only just arrived, I already began to feel suffocated—this was, perhaps, the experience of a clash between my Anglo-Saxon notions of personal space and autonomy on the one hand, and the automatic assumption on Zhang's part that my life would be, and must be, absorbed into the existing social network, on the other. Indeed, when I presented my living arrangements to Zhang and his colleagues as a *fait accompli*, they were again taken aback. One of Zhang's subordinates took me aside later, and explained that no one understood why I had done this. 'It's probably a cultural difference', he said. 'In your country, you are used to doing everything by yourselves, you're very independent. Maybe you don't feel comfortable, but for us it is normal that we should arrange all this for you. We want to make sure you are safe.'

This talk of 'safety', I would later come to realise, is a common feature of life in China. As in many other societies, it is common to express concerns about safety when a friend or relative is setting off on a journey, or when a child lives apart from his or her parents. In part, it is then likely that 'safety' talk is often simply a way of expressing care for someone. But talk of safety goes beyond this; throughout my fieldwork, I found that when authority figures, like Zhang, disapproved of a course of action I wished to take, they often expressed this by claiming that it would not be 'safe'. This was

particularly jarring because mainland China, on the whole, is an extraordinarily ‘safe’ place, in which one does not often encounter violence or overt criminality. Thus it always appeared unlikely to me that the prevalence of this form of speech was entirely explicable either by actual safety concerns or by expressions of care.

Instead, the attempt by Zhang and his colleagues to look after my ‘safety’ appeared to have been both an attempt to demonstrate care and welcoming, and simultaneously an attempt to control my activities. If I were to be associated with the Institute, it was important that I be monitored and controlled, in case I should misbehave and cause negative repercussions for them. Moreover, I could be useful to them, so long as I was within the sphere of their control. Thus they had clear motivations to want to keep me under control, and this easily coincided with what it took to express care and concern for me as a visitor.

But it is important not to overstate the case here: it is unlikely that this sort of dual-purpose expression of caring control is simply a matter of strategic calculation. For the default position within Chinese society is such that the individual must always be subsumed within a work unit. Many of my informants spoke as if every individual must naturally have one, and only one, work unit. I was frequently asked, when first meeting someone, what my work unit was. If I replied that I didn’t have one, or that I had two work units, one in Britain, one in China, these responses were met with perplexity, which was typically only resolved when I explained that my *real* work unit was my university in London. Moreover, the boundaries between life in the work unit and life outside are generally entirely permeable and unclear. As Pengyi, a young informant I met later in my research, said of his civil service job,

*“My mobile phone must always be on, and I often receive calls from my boss late at night, or on weekends, telling me to come into work or carry out some task for him. In the past, when I worked for [a foreign IT company], it was different—your time was your time. But it’s not like that in government jobs.”*

This sense of an assumed overriding duty to the work unit owes a great deal to the legacy of socialism. The socialist *danwei* was an integral community, providing living quarters, food, social services, but also functioning as the principal urban unit of social organisation and administration (Whyte & Parish, 1984; Walder, 1986). Membership of a *danwei* meant entering into an exchange relationship, in which the *danwei* provided material benefits and services, in exchange for the loyalty of its workers (Walder, 1983). But it also meant subsumption into a community which, particularly in the context of rural-urban migration sparked by Mao-era industrialisation, provided a social identity

and sense of belonging (Li, 1993). The boundaries of 'private' life were deliberately blurred; not only did workers eat and live communally, in spaces in which domestic and public activities frequently bled into each other (Bjorklund, 1986), but the *danwei* was also involved in decisions of marriage and family planning. In part, these communities were developed with the aim of cultivating a collectivistic sense of obligation to the work unit and, by extension, to society as a whole, following early Soviet housing concepts. But far from being simply a centrally dictated form of housing, they evolved to meet the social and emotional needs of their members (Bray, 2005).

In the early reform era, the *danwei* system was abandoned in favour of residential communities divorced from workplaces (Hurst, 2009). It has been phased out unevenly, and *danwei* membership continued to structure patterns of interaction well into the reform period (Ruan, 1993). Many organisations, including corporations, have continued practices such as providing workers with basic necessities, as well as a pervasive discourse of enterprise as *jia*, or family, mirroring the *danwei* system (Otis, 2007). Thus although the system as a totality has ended, the notion of employment relationship as multiplex exchange relation, in which the boundaries of personal and professional are blurred, has continued in important ways.

However, it is worth questioning whether this conception is wholly attributable to socialism, or whether it may also owe something to a more general, and older, notion of the self as a socially embedded and determined entity. As Bray (2005) has argued, the *danwei* themselves were the inheritors of a prior legacy of urban residential communities, organised around Confucian principles, and this was reflected in their self-conscious inversion of the social hierarchies which had been expressed in the architecture of those communities. In both cases, the residential community mirrored village organisation, placing members within a network delineated from outsiders. But if the relational collectivism hypothesis outlined above is correct, then in spite of the socialist goal of cultivating allegiance to a collective, the effects of both types of communities may simply have been to cement membership of a circumscribed network of interpersonal relationships. This may help explain why workplaces have continued to assume so many of the roles of the *danwei* in an era when collectivist morality has been so thoroughly repudiated. Hoffman (2006), in a study of recent graduates considering career choices, notes a clear break with older discourse of loyalty to the work unit, and its replacement with a sense of autonomous self-development, albeit tempered by talk of furthering one's career in part for the sake of serving the nation. Thus although the continuing notion that each person must belong to one *danwei* or another is a legacy of socialism, the notion of temporary subsumption in a network of interpersonal exchange relationships requires no such collectivist explanation.

This notion shows every sign of being deeply embedded. When I refused to take the Institute's offer of accommodation, and insisted on spending time on my own research activities, uncoordinated by the Institute, the reactions of my colleagues there went beyond confusion, and often involved a sense of anxiety. How could I possibly decide where to live on my own, and decide what to do on my own? Surely, as I was part of the Institute, my life, including my 'personal' life, must be interwoven with the existing network of people and their activities.

I experienced similarly anxious reactions from other informants who became friends in other parts of China. A language tutor who became a good friend after I lived with him for several months while studying Chinese used to express consternation and worry when I would say I felt like going for a walk, if he didn't have time to accompany me. Whenever I tried to explain that I was perfectly happy to go alone, this only seemed to confuse him further. These reactions—confusion and anxiety when met with the desire to do things outside the social network—were common throughout my fieldwork, probably because of my own Anglo-Saxon tendency to want to do things 'autonomously' (Yum, 1988, p. 379). It does not seem unlikely, then, that Zhang's reaction, and the discourse of 'safety', stemmed not only from the legacy of a socialist concept of the work unit, but also from a deeper predisposition to assume that any person would want to be embedded in the social network, and that anything else would be worrying, and should be avoided as a matter of course.

We might wonder, however, how this would tally with the argument that Chinese society is becoming increasingly 'individualised', laying greater emphasis on individual autonomy and the self as abstracted from relationships. A hint is found in Naftali's (2010) study of parenting practices, and the novel, but now widespread, notion that parents should respect the 'privacy' of children, and correspondingly that they should be given their own bedroom. Paradoxically, she notes that this has been accompanied by an increased level of pressure on children to study and succeed to fulfil their filial obligations, a pressure exacerbated by the one-child policy. But grandmothers interviewed by Naftali explain their confinement at home as down to concerns of 'safety', because cities were more dangerous than they used to be. Given competitive pressures faced by contemporary children, and the continuing need parents feel to invest in their children and ensure they will reciprocate when they reach old age (Naftali, 2014, pp. 118-121), it is hardly necessary to imagine a dangerous outside world as the justification for the hothousing of these children.

This, then, bears on the role of 'safety' discourse. For if one starts with the basic assumption of a relational individual, then these concerns for safety can function simultaneously as a considerate expression of care and as a method of control, presumably without the need for much strategic thinking. In a similar example, Marshall (2003) argues that in the three Japanese worker co-

operatives he studied, workers monitored each other for co-operative behaviour under the guise of 'helping'. For many of my Chinese informants, parents making decisions for their children did so as a way to 'look after' them, and indeed, I would suggest this extends to other sorts of relationships, too. Certainly for Zhang Yongyuan, and for many others I encountered, talk of ensuring my personal safety appeared not only to be a way of influencing behaviour through expressing care, but also a way of exerting control while not directly mentioning a conflict of interest or opinion. It does not seem impossible that for Naftali's informants, too, safety discourse was a covert way of exerting control, to ensure the fulfilment of obligations. If that is the case, then one may wonder about the stability of this arrangement—a new right to privacy, which may encourage individual autonomy, coupled with the continuation of the old system of interpersonal obligations. Nevertheless, it seems clear that both forces are presently at work.

This initial encounter, and the subsequent low-level power struggle I experienced in other institutional relationships, demonstrates a pattern which recurred throughout my fieldwork. The pattern tends to confirm the ideas outlined above—namely that the relational individual is still an informative model when considering experiences of Chinese sociality; that the default mode of organisation of life is through network embeddedness; and that it is impossible to account meaningfully for individual behaviour in abstraction from the network of social relationships, or indeed, as I will argue in subsequent chapters, to account for the behaviour of co-operatives in abstraction from the network of institutions supporting them.

### **2.2.2 Relationship-building through banquets**

On my arrival in the NCF offices in Shanghai, I was greeted by Wang Wei, one of the directors. He immediately held up his mobile and showed me a text message from Robert, a foreigner at a high level in NCF Beijing, who was often mentioned reverentially, as someone who had attended banquets with Hu Jintao and Wen Jiabao on multiple occasions. 'You see this? Robert has asked me to help you. Therefore I will help you with whatever you want.'

That night, I was invited to a large banquet held by the Shanghai NCF, to which they had invited dozens of their friends, business partners, and political allies. The banquet was held in a large five star hotel, equipped with several enormous banquet halls. I was taken there by one of the NCF's drivers, and arrived along with Wang and a group of his colleagues. Before entering the main banquet hall, we passed through a sort of vestibule, which was equipped with several large armchairs placed side-by-side. The purpose of this room was to take photos documenting the various guests of the banquet together, and some of the guests were already doing this. But Wang informed me we should wait here for a while, because he had heard that the mayor of Shanghai,

with whom he was acquainted, was also in the hotel, attending another banquet, and would come pay us a visit shortly.

A few minutes later, the door opened, and the mayor entered. All eyes were immediately on him, and everyone rushed to shake his hand. Wang set about arranging the chairs for a photo, and the whole group gathered round, with the mayor in the centre. I was pushed toward him, introduced as a 'foreign friend' who knew Robert, and told to shake the mayor's hand for the camera. He then swept out of the room, promising to visit again during the banquet itself.

We filtered into the banquet hall—a vast space with high ceilings and one enormous round table filling the floor. I was taken to one of the honoured positions opposite the door, though on this occasion, the sheer size of the table and number of these places meant that there was none of the usual struggle over who would occupy this place.

The seating arrangement at banquets follows a pattern known to all. The table must be round, and there is a common understanding that one's position at the table reflects one's rank in the hierarchy of those present, with the highest ranking individual seated directly opposite the door, and all others seated next to him in descending order of rank. According to several of my informants, the roundness of the table is important because it signifies harmony, as opposed to rectangular tables, which seem to suggest conflict and opposition between people. As Li Qiang, a young man in Haibian, expressed it,

*"Have you noticed that dinner tables in China are always round? Chinese people don't like angles. They create distance between people. Round tables unite everyone, make this unity public, reduce the distance between people. They are a symbol of harmony. There is a hierarchy at the table, too—and that is a way of making distance between people. But the table both makes order and makes people feel more comfortable—maybe you think that's a paradox."*

This principle was employed to send signals at many of the banquets I attended. There was a tendency, certainly at banquets held by government officials, to invite the driver, the secretary, or other low-level employees along, and to seat them at the lowest-status position at the table, nearest the door, where they often said little, but participated in eating and toasting. Consistent with the frequent use of family metaphors by Chinese companies and other organisations to describe themselves, this appears to be intended to demonstrate the inclusion of those employees, and the magnanimity of their bosses, while not only not masking, but actually emphasising, their hierarchical position.

Similarly, there is a ritual conflict which is often played out over who should sit in the most high status position. Although it is generally clear, particularly at official banquets, who is the ranking individual, there are many instances when he (and it is generally a 'he') will make a show of refusing to take his place, and instead insisting that another individual, perhaps distinguished by age, respected for some other reason, or being treated as an honoured guest, take the place. Often this will develop into a physical tussle between two to four individuals, 'fighting' to induce each other to take the most honoured position, or the ones next to it. Often finding myself in this position in the role of guest, I felt it necessary to resist even when being offered the second highest ranking spot, as to do otherwise would be to show disrespect for either the acknowledged hierarchy or the magnanimity of those at the top of it.

This ritual occurred at most banquets, apart from two kinds: formal, large, high-level banquets like this one, in which there was a strong sense of a fixed hierarchy and seating positions, and the most informal banquets between friends who were fairly equal, and knew each other well. In the latter type, I would invariably be unceremoniously thrust into the 'honoured' position. It might be said, then, that the ritual occurred only in contexts where the social hierarchy was personal and known to all (not pertaining to remote officials, as at large banquets) but required some management. The ritual acknowledges the hierarchy as it is already known to everyone, but provides ranking individuals with a chance to demonstrate their respect and affection for those lower down the hierarchy. In that respect, it appears to play the same role as Li Qiang claimed for the roundness of the table: it makes a ritual claim of unity, or harmony, within the established hierarchy.

On this occasion, I was sat between two men who were connected to the NCF, but not part of it themselves. One was an academic, a specialist in accounting; the other was the head of a large municipal rubbish collection company in Shanghai. Speaking with both of them made clear that the people assembled at the banquet were for the most part not affiliated directly to co-operativism, but instead constituted an important section of the broader social network in which the individuals involved in the Shanghai NCF were embedded. On the one hand, Wang and his colleagues had all worked for various Shanghai government organisations and companies closely connected to the municipal government; and on the other hand, the government's close relationship with the local NCF made clear that it functioned to some extent as a kind of quango, as chapter 4 will make clear. More broadly, the network of material interdependencies which spanned the local Shanghai administration did not respect the boundaries of departments or organisations. The logic of the banquet was clear: for Wang to reward old friends and invest in relationships across his local network, much of which consisted of people who also benefited from the opportunity to invest in

their ties with each other. Though I had thought of my invitation as via the NCF as an organisation, it is perhaps better to understand it as having been by virtue of being known to Robert, who was known to Wang, thus placing me within the wider network being cultivated on that evening.

Food and drink on this occasion were rather unlike the typical Chinese banquet. The size of the table meant that, contrary to the usual practice, it was arranged without a Lazy Susan, and we were instead served with courses by waiters. As usual, food was chosen according to its impressive appearance and obvious high price, but it was particularly delicate and expensive. While the size of the table prohibited many of the usual table-wide toasts, many toasts were made between two individuals at a time, and some others stood to do the rounds of toasts all round the table.

At one dramatic moment, the mayor entered the banquet hall and began to make the rounds of toasts of every guest, moving clockwise round the table from the entrance. Again, I was introduced to him cursorily, and we drank a glass of *baijiu* together and shook hands. After he moved on, one of his aides appeared next to me and handed me a printout of the photo taken earlier of us shaking hands in the vestibule. The academic sitting next to me took one look at it and remarked with great gravity, 'Whatever you do, do not lose that photo!' I looked at him quizzically and asked what for. With a smirk, he replied, 'This photo shows that you know the mayor of Shanghai. It could be very useful'. When I remembered stories of officials and their friends being released by traffic police after proving they knew important people, the meaning of this became clear.

Of the many banquets I attended in China, this was the grandest. It shows key aspects of the relational ethic at work. The banquet was organised and paid for by Wang in order both to cultivate his interpersonal relationships, and to help his associates to cultivate their relations with each other. The network of people present reflected not artificial formalistic boundaries of impersonal organisations, but the real social landscape of material and political interdependency in the Shanghai administration. Moreover, the importance of the photo with the mayor points both to the importance of relationships as a social resource and to the notion of vicarious reputation.

This grand banquet was unusual in several respects. A more usual example of a banquet is another I attended in Shanghai several months later, also organised by NCF staff. I had spent the morning with Bo, an NCF secretary who had taken me to interview members of several co-operatives of 'sent-down youth'. Typically, most meetings and official visits are followed by banquets, either at lunch or dinner. On this occasion, Bo invited me and two representatives of one of the co-operatives to have lunch, along with several other NCF staff who joined us. The lunch took place in a private room in a mid-range restaurant. Including the driver, the whole party consisted of eight people.

This time, Bo and I jostled to push each other into the honoured position opposite the door. I finally managed to secure the position next to him, on the grounds that it ranks second. The driver sat at the lowest-status position, just by the door, and said little during the lunch. Having taken our places, Bo asked us if we had any special dietary preferences, and then went to place the order for all.

It is typical that at this point, having jostled for seats, there is often a lull, while others find their seats, and the party perhaps wait for any other guests who will arrive separately. During this lull, at less formal banquets, the person inviting the rest will often consult them on their tastes, and will then order for everyone, generally asking the waiter if the food will be 'enough' for everyone. At more formal banquets, ordering is done quietly, away from the table, so the food arrives without any of the guests observing the ordering process.

At this lunch, Bo had ordered a range of ostentatious dishes, and had also ordered red wine, in honour of the foreign guest. Ms Qi, an NCF director who was sat next to me, explained with a mischievous smile, 'We do not like red wine at all, but we know that you foreigners drink red wine, so we will all drink it'. Toasts then began as usual—this time requiring us to swallow whole wine glasses of red wine with each toast.

Drinking at banquets tends to follow a stereotyped structure (Farquhar, 2002, p. 146). All drinking takes place in toasts, which is to say, synchronised completion of the contents of one's glass. There are several kinds of toast. One is the toast involving the whole table. Typically, each person at the table is expected to make at least one of these during the course of the banquet, usually accompanied by a speech, which may be more or less elaborate, depending on the occasion. The speeches are generally full of emotive language, and they tend to become more emotional as the banquet wears on, and drunkenness increases. In addition to these general toasts, there are side toasts made dyadically: one may address a toast to a particular friend or acquaintance across the table. This sort of toast must not necessarily be given to everyone at the table in turn, because it may be used to signify especial recognition to particular others. Finally, there is a form of toasting in which one stands up, circles round the table and toasts each individual in turn, often followed by a waiter with a tray of drinks which he or she continually refills.

Every toast presents the opportunity for an individual to invest in a particular interpersonal relationship. This is not only the case with dyadic toasting in which two individuals express their feelings for each other, but also with group toasting, which is always led by the individual who proposes the toast, and is typically directed either toward the individual who has sponsored the

banquet or toward some other honoured person. Toasting at any given banquet represents an often competitive crescendo of individual displays of affection and commitment.

The role of alcohol here is complex. On the one hand, as drunkenness increases, both speeches and body language become more emotional, especially in business meetings. Attendees may wax increasingly lyrical about how deep and special their new friendship is, how touched they are to be invited, etc. At the same time, discussion of serious matters is often reserved until a sufficient level of drunkenness is reached by all, indicating that alcohol increases the potential for trust. In any case, for males at least, drinking in this ritualised way is not optional. Attempts to drink less, to surreptitiously pour out one's alcohol, and so on, may be met with 'punishments' involving having to drink twice as much. Similarly, there is often pressure to smoke, particularly if the ranking male smokes. Non-smokers may be pressured into it: one student at a banquet I attended did not want to smoke, and the older bureaucrats who had called the banquet harassed him, saying 'Are you not a man? Are you not Chinese?' until he gave in. Participation in synchronised drinking and smoking is an essential part of the bonding process of banquets.

Drinking to excess is often seen as positive. On this particular occasion, the whole party became extremely inebriated. After we had finished several bottles of red wine and moved on to *baijiu*, Ms Qi turned to me and asked me, 'How drunk are you, on a scale of one to ten?' When I replied that I was at around nine, she said, 'Ah, you can drink more, then!' We repeated this game throughout the banquet, until she finally said, 'You can vomit, you know—it's good to vomit! Then you can keep drinking even more!' On more than one occasion, I was asked the day after a banquet whether I had vomited, but with a tone suggesting this was a sign of a really good occasion.

Throughout all the drinking, speech-making, and conversation, there is a constant reaffirmation of both the supposed affective closeness of the participants in the banquet, and their hierarchical position with respect to each other. Thus one function of the banquet is, like many other affective displays, to signify that one is reaching across a hierarchical gap (Fried, 1953; Watson, 1987); for superiors, it is a chance to be magnanimous, and thus elicit an affective and material commitment from one's subordinates, while for subordinates, it is an opportunity to show respect and deference to one's superiors, while eliciting an affective commitment from them through interpersonal bonding. Participation in this ritual is mandatory for subordinates in workplaces and at meetings, and while some of my young informants have expressed privately to me their exhaustion at the excessive drinking, and how much they dislike banquets, there is no question of opting out. To opt out of the banquet would be to opt out of commitment to the vital relationships played out and reinforced there.

That day in Shanghai, I asked Ms Qi why she kept drinking, if she disliked red wine. She explained, 'Since I am a woman, maybe I don't really have to drink the way men do. Traditionally, women don't have to drink or smoke—they are seen as bad if they do so. But today society is changing, and it's OK for women to drink. So, maybe I can drink a bit less than you men, but not to drink at all—that would not be appropriate. Of course, if I am invited to lunch, I should drink.'

Mason (2013), in a study of drinking and banqueting practices in public health institutions, describes a fascinating episode in which women, increasingly capable of forming their own professional networks, began to resist drinking and banqueting, only to fall back on these practices, although they found them deeply objectionable. She reports that while they argued that these practices and the networks they sustained should not be necessary, they 'did not trust their colleagues to cooperate and they did not trust their leaders to promote them if they did not toast. Women did not even trust other women to carry out tasks in the complete absence of relationship-building' (p. *ibid.* 129). As Mason argues, these experiences, like those of my informants, tend to call into question the notion that individualisation has led to a 'desiring subject' (Rofel, 2007), who prioritises his or her own wishes over the advancement of relationships. Banqueting and drinking are typically involuntary and frequently experienced as unpleasant, but they remain all-pervasive, and necessary for career advancement and business, as well as for researchers.

As we drank, the impressive dishes ordered by Bo continued to arrive. At one point, a large plate of duck's tongues was laid on the table. One of the men asked me if I had ever tried them, and explained how to eat them: 'You just put it in your mouth like this, and suck the bit of meat out. It doesn't taste of very much, but that is how you do it.'

Ms Qi then leaned over to me and pointed at the plate of duck's tongues. 'You do realise, don't you, that those are very, very expensive? And you know why they're so expensive? Because every duck only has one tongue. Go on, try them.' She finished with a knowing look.

The choice of food is communicative. Part of being a good host, and showing hospitality to one's invitees, is consulting them about their preferences, and if they are a guest from elsewhere, offering to treat them with local specialities, or to order dishes in accordance with food stereotypically associated with their region. More important is the choice of dishes according to price, and their visual presentation and impressiveness. The price of a dish is sometimes communicated directly, as in the case of the duck's tongues. Generally, however, the approximate price is understood from the rarity of the ingredients or the visual appeal of the dish. Some of my informants privately opined that dishes like duck's tongues, sea cucumber and bird's nest had little flavour, but they would be

impressed if served these at a banquet, because of their price. In the same vein, one of the markers of a relatively expensive banquet is that rice or noodles, being cheap 'fillers', are not offered at the end, as they are at most banquets. And price notwithstanding, visual appeal is an important status marker. On several occasions, when I invited informants unacquainted with 'foreign' cuisine to restaurants serving such food, they commented on how disappointingly plain the appearance was (this comment was not made when I prepared foreign foods for the same individuals myself). Just as a high priority is assigned, when giving gifts, to the appearance of packaging, much importance is assigned to the visual appeal of foods served in banquets or bought for others in restaurant settings. Alongside with other indicators of value, it shows the level of commitment of the inviter to his relationships, and therefore implies a level of necessary reciprocation.

Payment is typically made by the person who has invited the others to the banquet. Often, as on this occasion in Shanghai, he or she will leave the table quietly during the meal at some point to sort out payment without the others noticing. However, particularly when the banquet is less formal, there will often be a play-fight over who is allowed to pay the bill. Again, this may manifest itself in rather serious, insistent pushing, and it is often necessary to be physically as well as verbally assertive if one wishes to discharge one's obligations to reciprocate for a past banquet or other favour done.

These two banquets are only two cases of countless banquets I attended across China as I carried out my fieldwork. They show the relational ethic at work. For each banquet is an occasion for complex and multi-layered exchanges. If the foundational exchange of the banquet consists of the invitation by the individual who pays for it, the banquet itself provides a stage on which, principally through the vehicle of toasting, each individual can pay homage to other individuals in the room. The often deeply emotional content of toasts reflects the intertwining of affective and material exchange in the relational ethic. The importance of alcohol as a bonding mechanism further reinforces this. Moreover, bringing together multiple people around a round table gives guests the opportunity to build and strengthen relationships with each other, thus providing a backdrop for the transitivity of obligation and the vicarious nature of face to play themselves out.

But the often involuntary nature of drinking and banqueting serves to illustrate a larger point: regardless of how individuals feel about these practices, they continue to structure social life. The relational ethic is a normative structure which governs action, regardless of the extent to which 'individualisation' may have altered the self-concepts of those under its purview.

## 2.3 Conclusion

The complex social geography of a banquet or karaoke evening reveals insights about the structure of Chinese society. For it is no coincidence that Wang's banquet in Shanghai consisted of all those who constituted the core of his social network, rather than the NCF or another collective body, and Zheng's karaoke evening in Gongshi involved his core local contacts, rather than any formal body associated with the factories we visited. For the real social landscape in the relational ethic is not one of corporate collectivities, but a network of interpersonal relationships, in which institutional labels are at best secondary. This personalistic structure has not been supplanted, either by the state or by the co-operative movement.

Moreover, the force of the relational ethic at an interpersonal level remains clear. Indeed, as Yan (2010, p. 497) himself notes, even the migrants he claims are at the vanguard of individualisation continue to rely on personalistic networks governed by that ethic. While Yan claims the hallmark of individualisation here is that these networks must be actively constructed by migrants, rather than inherited, this hardly changes the nature of the relational ethic as the default mode of coordination, compliance with which is a necessary strategy for social life (Fang, 2011).

This chapter has argued that the relational ethic is alive and well in the network of people and institutions studied in this project. It has used the example of banquets to illustrate one way in which that ethic structures interactions within the network; and it has argued that the notion of 'safety', which I found so frustrating in the initial stages of my research, reflects the continuing force of a relational self and vicarious reputation. Although there can be little question that notions of selfhood and morality are in flux, the relational ethic is, then, still a central aspect of morality in China, and one with which co-operativism must contend. The question remains why this ethic has been so resilient. The following chapter will address this question, by way of an exploration of the role of the relational ethic in the history of labour co-operation in China.

### 3. Chinese co-operatives and theories of human co-operation

The shifting moral landscape outlined in the previous chapter has clear implications not only for co-operativism, but for economic activity and joint endeavour more broadly. For among the key functions of morality is the facilitation of co-operation, and the suppression of those behaviours which tend to undermine it (Tomasello & Vaish, 2013). The purpose of this chapter is to explicate the role of the relational ethic and other moral systems in the modern history of Chinese labour co-operation and co-operativism, and in so doing, to propose an interpretation of that history in terms of recent broader theories of human co-operation.

Explaining co-operation has long been one of the fundamental problems of social anthropology and of the wider social sciences (Diekmann & Lindenberg, 2001; Radcliffe-Brown, 1940). Anthropology has often suggested that co-operation is sustained through a variety of informal practices and relationships, including gift exchange, ritual, and kinship. In recent years, a growing interdisciplinary research programme has produced an increasingly precise and unified body of theory attempting to predict when and how such practices might support co-operation (Poteete, et al., 2010). It is therefore increasingly important for anthropological research to confront this body of predictions.

An important form of co-operation is co-operation in labour; and industrial anthropology has examined ways in which capitalists or managers induce worker co-operation through labour regimes, or how workers in turn co-operate to resist management (Baba, 1986; Holzberg & Giovannini, 1981; Burawoy, 1979). Less attention has been devoted to labour in which workers are themselves collective owners of their enterprises, and must therefore find amongst themselves means of co-operating (Vargas-Cetina, 2005; Nash & Hopkins, 1976). But because co-operation here cannot rely on external coercion, such a context provides an opportunity to evaluate the claims of co-operation research, which largely concerns how co-operation may emerge from the 'bottom-up'.

By way of providing a historical and theoretical framework within which to understand the case of the co-operatives, this chapter will proceed as follows. First, it will sketch the history of modes of labour co-operation in modern China, and their connection to the relational ethic and other moral systems, as well as to the history of the co-operative movement. The following section will then suggest an interpretation of this sketch in terms of wider research on co-operation, laying the groundwork for the chapters to come.

## 3.1 Labour co-operation in modern China: A historical sketch

### 3.1.1 The pre-revolutionary period

Although the phrase ‘relational ethic’ is my own, the tendencies grouped together under that heading have long been known and discussed in Chinese society. In pre-revolutionary modern China, notions of ‘face’ and particularistic morality were seen by many Westward-looking reformers as a formidable obstacle to modernisation and industry; it would have to be excised in favour of a Western-style universalistic morality, capable of supporting bureaucracy, the rule of law, and other ‘modern’ forms of large-scale coordination (Lin, 1939; Xun, 1980 [1934]).

But the relational ethic, far from being entirely antithetical to industry, did provide ways to support labour co-operation. Peasants relied on long-term labour exchange relationships with neighbours, kin, and friends to achieve tasks for which their own labour was insufficient—from housebuilding to harvesting (Fried, 1953, p. 117; Friedman, et al., 1991, p. 53; Potter & Potter, 1990, p. 60). But co-operation was not limited to dyadic relationships; as chapter 2 argued, whole networks were formed from them, and these, too, could be mobilised for labour. Thus the ‘lineage villages’ of southern China made use of dense networks of interpersonal kinship-based obligations to coordinate large tasks such as irrigation and construction (Baker, 1979). In industry, personalistic networks channelled investment, information, and recruitment (Fried, 1953). Craft industries, such as papermaking in Sichuan and Shanxi (Eyferth, 2006; Harrison, 2006), and silk weaving in Hangzhou (Rofel, 1999, p. 53), relied on moral pressure attaching to relationships between neighbours and kin to ensure the diffusion of innovations and mutual assistance among producers; while early Chinese urban labour unions were built using pre-existing networks among workers who shared a native village (Warner & Zhu, 2000). In short, the relational ethic could organise labour and industry.

In some cases, it was necessary to elicit co-operation from those with whom it was possible neither to engage in equal exchange nor to call on a shared network through which obligation could be transmitted—an acute problem in relationships between people occupying different levels of the social hierarchy. Fried (1953), in his study of an Anhui township, claims that landlords and tenants found themselves in this circumstance: landlords depended on tenants to report crop yields and to maintain fields; while tenants depended on landlords for help in times of scarcity. The difference in status and lack of kin ties meant that they could not engage in equal exchange, and they lacked a basis for obligation. In response, both employed tactics which they spoke of as cultivating *ganqing*—a form of affection, resulting from gift-giving, leisure time spent together, and favours—which disposed the other party to want to help them, and may also have created a sense of obligation stemming from normative structures attached to the feeling itself (Abu-Lughod & Lutz, 1990; Lutz,

1986; Lutz & White, 1986; Harré, 1986). Correspondingly, Chinese industry often took on a paternalistic character, in which managers provided subordinates with gifts and favours, and spoke of workplace relations using kin terms, in an attempt to create loyalty and motivate work (Warner & Zhu, 2000; Perry, 1997; Yeh, 1997; Chen & Farh, 2010). These affective patron-client relations demonstrate how co-operation could be made to work through the blending of material and affective exchange inherent to the relational ethic.

Moreover, Chinese social practices included ways of sanctioning and excluding those who did not co-operate. In the case of *ganqing*, Gallin (1966, p. 91) notes that village gossip rapidly spread news of those who refused to respond to affective overtures. More broadly, the complex of practices surrounding notions of 'face' not only supported co-operation in villages through the threat of ostracism (Yang, 1947; Hu, 1944), but also may have supported urban industrial partnerships between those who shared a reputation network which would dissuade misconduct (Huang, 1980; Landa, 1981; De Groot, 1972, p. 314). Industrial recruitment, which often required hiring workers unknown to employers, relied on intermediaries who, in the context of vicarious reputation, were driven to recommend those they judged to be reliable, and to police their conduct thereafter (Fried, 1953).

### **3.1.2 Early Chinese co-operatives**

The Chinese co-operative movement began in earnest in the early 20<sup>th</sup> century (Yan & Chen, 2013). Co-operatives were promoted simultaneously by several competing factions. Under Mao's leadership, the Communist Party encouraged the establishment of peasant co-operatives throughout the Party's base areas, as a first step toward 'higher' forms of socialist organisation (Selden, 1971). Meanwhile, the KMT government promoted co-operatives in areas under its control, both as a means of developing agricultural production and to counter the attraction of the Communist movement. Both of these forces drew from and promoted the efforts of activists driven by a variety of intellectual currents which coalesced in what came to be known as the 'Rural Reconstruction Movement' (RRM). While RRM intellectuals differed in both their interpretations of Chinese society and its problems, they held a common view that the transformation of rural society was a necessary precondition of modernisation, and that co-operativism could play a key role in this. A further impetus toward co-operativism came from the arrival of foreign activists who established embryonic industrial co-operatives modelled on experiences abroad (Clegg & Cook, 2012). As a combined result of these activist endeavours and the organisational and financial support provided by both the CCP and the KMT, co-operatives mushroomed across the country.

By their own lights, these co-operatives met with mixed success (Thøgersen, 1998). Nevertheless, their experiences show the interrelations between obligation, reputation, and affect, and their role in supporting co-operation. In a village in Guangdong province (Potter & Potter, 1990, p. 60), local activists first organised 'mutual aid groups', along the lines of existing patterns of labour exchange: members were kin, friends, and neighbours; work was rewarded with a gift of a meal; and meticulous records were kept to ensure equitable exchange. These characteristics persisted when the groups became co-operatives. In a pioneering village in Hebei province (Friedman, et al., 1991), most early co-operatives collapsed because of distrust. The sole highly successful co-operative was small; comprised of friends, neighbours, and those they recommended; took pains to ensure equitable distribution; and had a leader with a paternalistic style, who worked to strengthen bonds between members. While activists were often motivated by collectivistic or universalistic ideals, these early co-operatives seem to have owed their success to personalistic practices.

### **3.1.3 Co-operatives under socialism**

With the proclamation of the People's Republic, the Communist Party declared that Chinese workers were now the 'masters', tasked with collective ownership and democratic control of the means of production (Warner & Zhu, 2000). Correspondingly, a new ethic would be promoted, in which work was carried out not for the sake of one's favoured acquaintances, but for the good of the enterprise, the community, and society. In the years after 1949, reforms were carried out cautiously. As already noted, small-scale co-operatives and mutual aid groups were promoted throughout the countryside, with some success. Nationalised enterprises introduced worker congresses, and initially emulated the Soviet system of 'one-man management'; but this was seen as insufficiently democratic, and various experiments in worker participation took place (Child, 1994, p. 62). Often, however, the enterprise Party committee tended to dominate. The new universalist ethic was threatened by nepotism and a drift toward a coercive management style borrowed from the Soviet Union (Sil, 1997).

As time wore on, some in the Party grew impatient with gradualism in the countryside, seeing small co-operatives as promoting only sectional interests, rather than instilling a socialist ethic. Their answer was to increase drastically the scale of co-operation (Fei, 1989, p. 228). The aforementioned Guangdong co-operatives were directed to agglomerate into co-operatives consisting of entire villages; work was to be monitored by a local bureaucracy, rather than through interpersonal relationships (Potter & Potter, 1990, p. 66). Villagers found this system to be unworkable; but it was soon replaced, at the beginning of the Great Leap Forward, when China's peasantry were organised into enormous communes consisting of multiple villages and thousands or tens of thousands of members. In Guangdong, commune members rapidly lost trust in other members, suspecting unfair

distribution, and above all, that others would take advantage of their hard work by shirking; effort dropped to minimal levels, and people consumed excessive amounts of communal resources, resulting in famine conditions (*Ibid.*, pp. 71-75). The formerly successful Hebei co-operative mentioned above was similarly integrated first into a village-level co-operative, then into a commune; as in Guangdong, enthusiasm deteriorated as distrust and fears of being taken advantage of led to endemic shirking (Friedman, et al., 1991, p. 227). Commune workers were exhorted to labour for the good of the collective, not for material incentives (Potter & Potter, 1990, p. 91). But across the countryside, a higher scale of socialisation had led to a breakdown in co-operation, rather than an increased social orientation (Yang, 1996, p. 55).

In response to the catastrophic famine which resulted, the People's Communes underwent important reforms beginning in 1961 (Yang, 1996, pp. 71-97). Spontaneous experiments in household contracting on the part of peasants, which prefigured the reforms of the 1980s, ultimately failed to win central political support. However, the leadership recognised the problem of excessive 'egalitarianism' in the communes, and production was reorganised around small production teams in which pay was once again linked tightly to labour—and which frequently relied on kinship ties and other interpersonal relations to sustain co-operation and facilitate mutual aid (Yang, 1996, p. 80; Oi, 1989, p. 131). By falling back on this hybrid of bureaucratic organisation and the relational ethic, agricultural production returned to sustainable levels in the years following the Great Leap Forward.

Similar problems were faced by industry. Attempts to agglomerate craft industry workshops into large units repeatedly broke down because of mistrust (Eyerth, 2006), until in 1958 over 100,000 small industrial co-operatives were declared 'capitalist', and either liquidated or merged into large state enterprises (Stettner & Oram, 1987, p. 53). Meanwhile, although workers in state enterprises were exhorted to work selflessly for the collective (Rofel, 1999, p. 133), experiments in industrial democracy continued to struggle (Child, 1994, p. 63). This was exacerbated by the Cultural Revolution, in which bands of militant youth were encouraged violently to combat middle-level Party leaders, and factory management was taken over by revolutionary committees which suspended worker assemblies and enterprise Party committees (*Ibid.*, p. 63). Formal factory institutions and material incentives were now considered to lead down the capitalist road; these were abolished in favour of pay based only on seniority and factory politics through anarchic struggle meetings. With little link between pay and work, and no formal channels for grievances, a sense of unfairness grew, and productivity reached new lows (Walder, 1986, pp. 198-219). While the intention had been to induce co-operation through a purely moral motive, many workers instead learned a lifelong

orientation toward conflict (Rofel, 1999, p. 176). Meanwhile, interpersonal relationships were torn apart by struggle meetings and denunciations. Toward the end of the Cultural Revolution, many reflected that those who had best weathered the turbulence of recent times were not those who embraced universalistic Communist morality, but rather those who maintained a network of particularistic ties supported by gift and favour exchange, which supported them through famine and chaos (Walder, 1986, p. 211; Rofel, 1999, p. 133).

The failures of this period gave birth to a sort of compromise between socialist institutions and the relational ethic. State enterprises, known as *danwei*, became significantly more paternalistic than their Soviet counterparts (Naughton, 1997), providing comprehensive social care, and rendering workers dependent on managers for everything from housing to matchmaking. Positions in many enterprises could be inherited by children of their current occupants, enabling managers to cultivate relationships with workers by helping them fulfil obligations to kin (Junghans, 2006). In this 'principled particularism' (Walder, 1986), the socialist state relied on patron-client ties to motivate co-operation, and use of gift and favour exchange for the strategic development of interpersonal relationships became increasingly important to conduct business and secure resources in the shortage economy (Oi, 1985; Yang, 1989). After decades of increasingly extreme failures to introduce a universalistic ethic by fiat, Chinese socialism appeared to fall back on older methods of co-operation.

### 3.1.4 The reform era

The turn away from ideology and toward *realpolitik* became fully entrenched with the beginning of the reform era in 1978. Attempts immediately to create a new Communist man motivated by universalistic morality were abandoned in favour of practical experimentation with a vast range of new forms of economic organisation, coordinated by markets and indicative planning. This diversity has been matched by a variety of forms of labour co-operation.

One set of new practices has come from foreign investors, who have brought their own ideas about how to motivate labour. Factories in China controlled by East Asian capitalists are often organised along quasi-militaristic, Taylorist lines (Chan, 2000, p. 45). Managers often claim that this authoritarian system of policing co-operation is necessary because socialist values have made mainlanders lazy and incapable of disciplined work (Lee, 1998, p. 126; Ngai, 2005, p. 79). By contrast, Western investors have attempted to introduce 'human resource management', in which workers are evaluated against explicit individual performance criteria, and 'encouraged' to take individual responsibility for improving production (Chan, 2000, p. 43). This has often had mixed success, meeting with resistance from Chinese managers unwilling to denigrate the reputations of

subordinates through criticism, or to introduce pay differentials which might damage interpersonal harmony (Björkman & Lu, 2000). Foreign investors have hybridised their management systems with existing practices: they may give workers household necessities and social services reminiscent of the *danwei* to cultivate loyalty (Otis, 2007; Smart & Smart, 1992); or recruit workers who share kin and native-place networks, obliging them to perform lest their misconduct reflect on co-workers (Ngai, 2005, p. 122). Thus modes of inducing co-operation found in different forms of capitalism have melded with others originating in and before Chinese socialism.

State enterprises have undergone similar transformations. Over time, they have become market-driven entities in which enterprise directors, rather than Party secretaries, hold sway; formally, workers exercise control through workers' congresses, and receive material incentives including bonuses and profit-sharing (Child, 1994, p. 189; Chan, 2000, p. 39). Cut loose from subsidies and the plan, managers are now more dependent on the co-operation of workers; in the early years of reform, many gave excessive bonuses in an attempt to maintain workers' loyalty (Walder, 1989). Attempts have been made in state enterprises, too, to introduce increasingly authoritarian labour regimes and tight links between pay and individual performance; but while these have transformed some industries (Sun, 2000; Zhao, 2006), managers may nevertheless continue to rely on paternalistic cultivation of loyalty and the manipulation of networks of obligations among workers to motivate labour (Hanser, 2007; Rofel, 1999, p. 121). Here again, then, there has been hybridisation.

In the countryside, related processes are at work. Following the breakup of communes and their replacement with long-term leases of land to households, peasants have continued or escalated participation in village-wide networks of instrumental and affective exchange, facilitating labour exchange (Yan, 1996; Kipnis, 1997). They have also created new forms of large-scale co-operation. For the first two decades of reform, China's unprecedented industrial growth was driven largely by Township and Village Enterprises (TVEs) (Watson, et al., 1996). TVEs, unlike earlier commune enterprises, could be owned by individuals, partners, or local government; but legal property rights were only loosely related to de facto ownership—collective enterprises might be controlled by a clique of kin and friends (Chen, 1996; Young, 1995, p. 7), while private ones depended on patronage networks in local government (Young, 1995, p. 160). Thus the vicissitudes of local informal relationships influenced who benefited from and held sway over each TVE; where locals could influence and monitor managers, TVEs often operated as collective enterprises (Chen, 2000; Pei, 1998). These personalistic ties also supported co-operation within TVEs; workers and managers were often bound by dense networks of obligation and affiliation extending beyond the enterprise and into the community, enabling trust and mutual aid (Chen, 2008, p. 73). Socialist exhortations to

serve the commune fell away; in one case, managers attempting these were rebuffed by workers who used the collectivist norm to point out that their TVE was run by a particularistic clique (Ruf, 1998). Other TVEs attempted to introduce Taylorist production and formalistic management, but were forced to retrench toward paternalistic practices to bind workers into co-operative relationships (Chen, 2008). While large numbers of TVEs have now transitioned into other ownership forms, these complex patterns of co-operation in rural industry have continued in other forms.

Thus in both urban and rural areas, the reform period has resulted in the development of a tangled mix of modes of co-operation. But within this, remnants of collectivistic ethics survive—not least in the organisations which are the focus of this thesis: the new co-operatives.

### 3.1.5 The reform era co-operative movement

In the early 1980s, when the reform era was still young, a generation of leftist thinkers interpreted the winds of change as blowing not in the direction of capitalism, but instead toward a new form of market socialism. Inspired by these developments, co-operativist activists who had worked in China before 1949 returned, and, in association with local colleagues, successfully lobbied the government to reactivate the dormant National Co-operative Federation (NCF). With state backing, they founded a series of 'co-operative experimental zones' around the country, establishing small-scale industrial co-operatives with the aim of demonstrating a successful model which would then spread around the country. However, in spite of some initial local successes, these experiments were not consonant with the eventual policy direction of the reform, and state support fell away.

Undeterred, advocates of market socialism found renewed inspiration in a new idea, that the small and medium-sized enterprises (SMEs) which began to be privatised in the late 1980s might be turned instead into worker-owned firms, thus creating a variant of market socialism not dissimilar to the Yugoslav model. Beginning with local experiments in Shandong and Jiangsu, local governments sold collective enterprises to workers, creating a hybrid form known as a 'shareholding co-operative' (SHC) (Clegg, 1996). SHCs were never uniformly defined across the country; but while in practice, they embodied a wide range of structures, the paradigmatic form was an enterprise controlled, like a producer co-operative, on the principle of 'one person, one vote', but in which profits were distributed to shareholders differentially in proportion to the number of shares held, like a corporation. In this way, firms could be privatised, even when no external investors could be found, while continuing to uphold the notion that the means of production were, in the final analysis, in the hands of the workers (Young, 1995).

As both SMEs and collectively held TVEs continued to be privatised en masse through the 1990s, the SHC became the predominant vehicle through which this was carried out (Garnaut, et al., 2005, p.

54). However, studies of SHCs found that while in some cases, their workers reported greater satisfaction and feelings of ownership, as well as higher levels of productivity, than in other sorts of enterprise (Dong, et al., 2002; Tseo, 1996; Tseo, et al., 2004), in other cases, worker ownership appeared to have little effect on the experience of the workers or the control and operation of the firm (Chiu, et al., 2007; Chiu, 2003; Chiu, et al., 2005). The clearest exception to this appears to have been the case of Shanghai, where some worker-shareholders used their power to defy the will of management, blocking reforms and even liquidating their own enterprises (Zeng, 2005; Oi, 2010, p. 17). But in general, evidence suggests that formal property rights in the SHCs were not often enforced.

For the co-operative movement which had been revived in the 1980s, the SHCs were initially treated with cautious optimism. However, as their problems became clearer, many within the movement became increasingly critical of their ambiguous hybrid form, and their imperfect realisation of worker ownership and control. Rather than continue to advocate SHCs, the movement began to focus increasingly on lobbying the state to legislate for and support co-operatives more strictly in line with international co-operative principles. At the same time, as chapter 4 will show, a shift occurred in the thinking of policymakers in Beijing, where a consensus developed that the SHCs were an inefficient form, which must be converted into private enterprises. Increasingly, SHCs had been treated as a strictly transitional vehicle; in many cases, authorities who intended to privatise a firm first gave money to its workers to allow them to buy shares, then immediately bought the shares back to sell to a private investor—a ritual demonstration that workers had definitively sold and received compensation for ‘their’ enterprise (Oi, 2010, p. 18). This process eventually played itself out on a national scale until the SHCs had all but vanished.

Meanwhile, with issues of rural development again coming to the fore, a number of intellectuals both within and beyond the co-operative movement joined together under the banner of what they self-consciously called the ‘New Rural Reconstruction Movement’ (Day, 2008). For these intellectuals, as for their eponymous predecessors, co-operativism held out the promise not only of resolving pressing problems of rural sustainability and development, but also of providing an alternative to the presumption that the countryside must ultimately follow a uniform global pattern of neoliberal modernisation. Together with the existing co-operative movement, adherents of the new RRM began to experiment with the promotion of rural co-operatives, and worked to lobby the state for new legislative and policy support (Yan & Chen, 2013).

These efforts paid off in 2007, with the passage of the Peasant Specialised Co-operative (PSC) law. This was the first time the international co-operative principles had been enshrined in Chinese law,

and its passage was to spark the beginning of the third wave of reform-era co-operatives. The PSCs are producer co-operatives, principally agricultural, which range in functions from marketing and joint purchase of inputs to the operation of value-added production units to process agricultural goods into secondary commodities. With the aid of foreign development agencies and the state, the NCF helped to propagate PSCs throughout the country, providing training, financing and other support. Today, there is a proliferation of PSCs and other forms of co-operative throughout the country (Xu & Wu, 2014).

However, while the number of co-operatives is impressive, there has been heated debate among co-operativists over not only how successful they are, but to what extent they conform to co-operative principles, or can even be considered 'genuine' (Zachernuk & Liu, 2014; Zhang, 2013). Indeed, as this thesis will argue, the experience of the PSCs has been as varied and problematic as that of the SHCs which came before them. Since the 1980s, the co-operative movement as a whole has been buffeted by the same forces of social change which have affected economic and interpersonal relationships in China as a whole.

### 3.2 Explaining co-operation

The history outlined above may have come as a surprise to those early Chinese reformers who believed that progress was to be had by instilling people with a spirit of self-sacrifice and social service. How are we to explain this? Why have the old personalistic practices survived—and seemingly imbued the reform era with greater economic success than attempts radically to supplant them?

One approach to answering these questions is that of an increasingly important interdisciplinary programme of research on human co-operation (Poteete, et al., 2010; Henrich & Henrich, 2007). The disciplines that comprise this research—including anthropology, sociology, psychology, economics, and evolutionary biology—employ varying assumptions and methods. But they share the view that sustained co-operation is a problem, albeit one for which there are many possible solutions. Solutions may include social, psychological, or ecological mechanisms; and these may arise through conscious design or imitation, or through processes which may be described using evolutionary equations, whether genetic or cultural (Mesoudi, et al., 2006; Henrich, 2004; Boyd & Richerson, 1985). The aim of this research is to provide an increasingly unified picture of how processes at each of these levels combine to give rise to co-operation in specific contexts.

Although it is impossible to give an exhaustive account of this body of research here, it is helpful first to clarify what it is *not*. Modern cultural evolutionary theory is entirely distinct from older,

discredited notions of social evolutionism, including the idea of society as an evolving organism, and the notion that societies progress through a series of increasingly sophisticated stages (Stocking, 1968). Instead, it draws on the insight that mathematical models developed in evolutionary biology can be used to study the diffusion of any kind of information within a system, given certain conditions—whether that information is transmitted genetically, culturally or otherwise (Nowak, 2006). In recent decades, mathematical modelling in evolutionary theory has made clear that one of the fundamental driving forces in evolution is the need to overcome problems of co-operation—where ‘co-operation’ can be defined in a narrow evolutionary sense as any trait or behaviour which evolves by virtue of the fact that it increases the fitness of another (West, et al., 2011). This has led to a flowering of ethological research aimed at testing the mathematical models by documenting the wide variety of mechanisms used by different species to overcome co-operation problems (West, et al., 2007). When combined with the insight that cultural transmission could give rise to evolutionary processes—indeed operating more quickly than genetic evolution, as well as interacting with it (Boyd & Richerson, 1985)—this research suggests that much human cultural variation may be attributable to the development of a range of specific mechanisms to support co-operation in different cultural and ecological contexts (Mesoudi, 2011). Like the ethologists, the task of anthropologists wishing to test these theories is to attempt to fit the theoretical models to cultural practices, and test their predictions (Henrich & Henrich, 2007).

A second thing that co-operation research is *not* is wedded in any way to rational choice models of individual decision-making, which are used to study problems of co-operation in microeconomics. It is important to be clear about this distinction, because both evolutionary theory and research on the co-operation problems associated with common pool resource management (Poteete, et al., 2010) draw heavily on the mathematics of game theory, itself a key component of the rational choice model of the individual. But here, no assumptions are made about individual psychology; the ‘strategies’ of evolutionary games are not typically conscious choices, but instead simply represent different traits or behaviours. Thus while the mathematics, and the framing of some problems, such as collective action and ‘free-riding’ problems, mirror those of microeconomics, the empirical instantiation of those structures is entirely different. Indeed, far from making a priori psychological assumptions, much co-operation research has been carried out by psychologists attempting to determine ways in which humans may be predisposed by genetic evolution to co-operate, and to adjust their co-operative behaviour depending on their social environment (Tomasello, 2009). What this approach can offer, then, is the possibility of insights based on a sensitive combination of theoretical models, cross-cultural psychology, and the anthropological study of social and cultural variation.

Indeed, co-operation research provides a tantalisingly simple way to account for the overall structure of the narrative given above of modern Chinese economic history. That is the idea of ‘crowding out’ (Ostrom, 1990): Co-operation is often supported by myriad informal practices, developed over centuries or millennia, whose role in supporting co-operation may not be obvious to participants. When conscious attempts are made to introduce incentives to co-operate, they may ride roughshod over existing practices, and result in a suppression of co-operation. It might be suggested that the relational ethic thus supported co-operation; that attempts to replace it with a collectivist ethic simply ‘crowded out’ existing co-operation; and that the reform era has succeeded because personalistic practices have been reborn, and allowed to hybridise organically, rather than by fiat, with other practices.

Whether or not there is any truth to this simplistic story, co-operation research makes many less grandiose, more detailed claims, which are relevant to the story of co-operation in China. The present study, far from taking these claims for granted, aims in part to evaluate them through empirical investigation. To that end, the remainder of this section will outline one way in which this body of theory might interpret the narrative given above.

### 3.2.1 Personalistic co-operation

One interpretation of the relational ethic is that it combines two mechanisms for supporting co-operation: *indirect reciprocity* and *affective bonds*. With indirect reciprocity, people co-operate only with those who have established a reputation for co-operating; thus non-co-operation is sanctioned by exclusion, and information about the reliability of others is of paramount importance (Fu, et al., 2008). Accordingly, much gossip and moral discourse in China is centred around fulfilment and non-fulfilment of interpersonal obligations, and general terms exist—such as *renqing*—for evaluating this, irrespective of the particular content of the obligations (Silin, 1972; King, 1991). Maintaining a reputation for reliability is essential for continued social participation (Silin, 1976). This motive is complemented by affective bonds: through helping, time spent together in leisure, and so on, people come to like each other, and therefore to be disposed to help each other irrespective of sanctions (a capacity which may in turn, at the level of genetic evolution, have developed through reciprocity (Back & Flache, 2008; Mitani & Watts, 2001; Lebreton, et al., 2009)). Indirect reciprocity and affective bonds together predict *multiplexity*: people should consider each other more reliable if they are more embedded in more sorts of relationships with their associates, and therefore have more to lose, materially and affectively, from damage to their reputation. Thus unsurprisingly, labour and trade networks in China have tended to overlap with networks of gift and favour exchange, kinship, and friendship (Yan, 1996; Yang, 1994)—all providing ways both to signal and to evaluate reliability. The importance of this is illustrated by the failure of early attempts to

agglomerate successful groupings of neighbours, kin, and friends into co-operatives consisting of less mutually embedded individuals (Friedman, et al., 1991; Eyferth, 2006).

On this view, accurate reputations depend on mutual monitoring in interpersonal interactions, which is therefore crucial to supporting co-operation. In such a circumstance, theory predicts that smaller co-operating groups—ideally, dyads or triads—will fare better, because it is easier for participants to evaluate to what extent each of their colleagues has contributed to the result (Diekmann & Lindenberg, 2001; Binmore, 1998). Thus pre-revolutionary labour exchange, like gift exchange, was based on a series of dyadic exchanges, accompanied by meticulous record-keeping to ensure adequate reciprocation (Fried, 1953, p. 117). It is easy to see how the success of early small co-operatives was quickly stifled by attempting to grow to larger scales, in which mutual suspicion became rife.

A further implication of indirect reciprocity is that reputation itself—as the necessary condition of all interactions—becomes a valued resource (Dunbar, 2004). It is therefore unsurprising that an obligation to protect the reputation of one's associates might develop. But in China, vicarious reputation might further enhance indirect reciprocity in several ways. People might be more likely to co-operate to avoid sanction by those whose reputations are affected by their behaviour; and if affective bonds are present, out of consideration for their well-being. Moreover, vicarious reputation may enable relationships to be established between strangers, if they can employ an intermediary known to both; for while a stranger is not embedded in one's own social network, and is therefore suspect for invulnerability to reputational sanctions, an intermediary lacks this disadvantage, and can, with vicarious reputation, be held responsible for the actions of the stranger (Coleman, 1990). This is the pattern observed—and sometimes explicitly recognised—in the heavy dependence on chains of intermediaries for labour recruitment, finance, and trade (Blau, et al., 1991; Gold, et al., 2002). When an intermediary cannot be found, relations between strangers may be established if cues suggesting a likely shared social network—such as shared native-place or former workplace—are present (Jacobs, 1979), consistent with the notion that the threat of reputational sanctions confers reliability. Thus indirect reciprocity extends itself to wider networks.

This interpretation also suggests ways in which large-scale labour organisation may be achieved. As with the notion of personalism, indirect reciprocity involves only interactions between individuals, not impersonal obligations to a collective. If groups of workers are to be organised to achieve a collective goal, this must be articulated through networks of interpersonal relationships. It is likely impractical for every worker to be considered individually obliged to every other worker to carry out their own part of the work; but this can be sidestepped if each of a group of workers is obliged to a

focal individual who reciprocates with payment—a leader. Thus agricultural labour exchanges, in which a group of peasants was often required to carry out a task, were organised not as amorphous collectives, but as dyadic exchanges between the recipient and each member of the group (Fried, 1953, p. 117). Moreover, co-operation research suggests that with indirect reciprocity, there is a tendency to form stable, relatively closed networks of collaborators (Cook, et al., 2005; Hruschka & Henrich, 2006); and that counteracting this tendency, for example in combatting factionalism in an organisation, requires fusing these networks together. On this model, invocation of group identity is not an appeal to a communal obligation, but rather an evocation of a tightly interwoven social network. It is then possible to understand how industrial enterprises have overcome factionalism by promoting individual interactions in work and leisure; and to interpret their use of the metaphor of ‘family’ for the organisation as an invocation of close relations between workers (Chen, 2008). This provides an explanation, too, of why so much has been said of the virtues of leaders capable of mending and strengthening relationships between workers (Friedman, et al., 1991); and why the sudden amalgamation of village co-operatives into immense communes failed to result in a straightforward scaling-up of co-operation to a new level of group identity.

In sum, this interpretation of the relational ethic as a form of indirect reciprocity, combined with affective bonds and vicarious reputation, goes some way toward explaining both the successes and the limitations of these practices in supporting co-operation in China.

### **3.2.2 Co-operation through impersonal obligation**

It is important to understand that the socialist state did not merely attempt to do away with the relational ethic; it also attempted to implant new co-operation mechanisms which would operate in a different way, independently of interpersonal relationships. When co-operation is framed not as a series of dyadic interactions, but rather as an impersonal obligation to follow a norm, co-operation research predicts that it must be sustained by one of a variety of possible enforcement mechanisms (West, et al., 2007).

#### ***Enforcement through policing***

One such mechanism, known as ‘policing’, involves specialised individuals being tasked with monitoring, punishing, and rewarding the behaviour of others (El Mouden, et al., 2010). The need for networks of interpersonal exchange is therefore obviated. The commune system after the 1961 reform, with its specialised bureaucracy responsible for monitoring and rewarding work, can be seen as an attempt to use policing in lieu of indirect reciprocity. Similarly, more recent attempts by state enterprises and foreign investors to introduce increasingly regimented production and individual performance incentives fit this mould.

However, policing is not without its problems. It depends on accurate monitoring carried out by functionaries who, unlike with indirect reciprocity, have no immediate personal stake in the performance of those they are monitoring. Determining who is responsible for errors in a complex labour process is difficult enough for participants, but may be impossible for external monitors (Rofel, 1999, p. 118). But poor monitoring implies that rewards and punishments will be imperfectly aligned with behaviour; and sociological and psychological research suggest that the resulting sense of unfairness may rapidly lead to a deterioration in co-operation (Cook, et al., 2005; Johnson & Johnson, 2001; Tomasello, 2009).

These problems might be magnified when policing is grafted onto a social context in which the particularistic practices described above are entrenched. Existing networks of interpersonal obligation might result in collusion against or with monitors, as in the example of managers in foreign-owned firms refusing accurately to review the performance of their subordinates (Björkman & Lu, 2000). Moreover, if indirect reciprocity conditions people to harbour a general suspicion of strangers, then the opacity of centralised monitoring and sanctioning may exacerbate this, particularly if collusion with monitors is suspected. It is easy to see why the hopeful enthusiasm at the outset of the commune period may have rapidly deteriorated, as suspicions of shirking and unfair treatment spread (Friedman, et al., 1991). As some enterprises in the reform period demonstrate, with sufficiently draconian enforcement, policing alone can work; but it is often more practical for management to police key individuals, while relying on their interpersonal networks when they cannot be monitored (Ngai, 2005, p. 122).

### *The 'moral incentive'*

A key plank of the Cultural Revolution was the attempt rapidly to advance toward communism through the replacement of material incentives with what has been called the 'moral incentive' of work for the common good (Guevara & Castro, 2009 [1965]). In the context of co-operation research, this might be interpreted as an attempt to create two new mechanisms to support co-operation. First, people were to be instilled with a new intrinsic motivation to work, by means of mass education campaigns. Second, especially with the temporary breakdown of formal institutions, punishment and reward for work would be administered not through formal monitoring and policing, but through moral pressure exerted by one's peers (Potter & Potter, 1990, p. 91).

This effort was plagued by problems. As already noted, even if people become disposed intrinsically to co-operate, there are reasons to think this may be rapidly eroded if there are suspicions of shirking. Moreover, enforcement of impersonal obligations by peers has its own problems; specifically, it carries the danger that some will shirk on the task of enforcement itself (Binmore,

1998). Nonetheless, the co-operation literature has suggested that in many contexts, this is a key way to support large-scale co-operation. It has been somewhat misleadingly labelled ‘strong reciprocity’: the tendency not only to co-operate, but to punish those who misbehave, including norm violators, even when one is not necessarily affected by the misbehaviour, and when punishing violators does not necessarily bring any direct benefit to oneself (Bowles & Gintis, 2011, p. 148). The conditions under which strong reciprocity holds appear to be highly sensitive to variables such as the perception that a norm is seen as legitimate and that others will punish violators, too; cross-cultural research suggests that in many contexts, specific social practices have developed to ensure these conditions are met (Poteete, et al., 2010, p. 255). But in the Cultural Revolution, ‘enforcement’ became, if anything, overzealous, in the form of waves of denunciations. Denunciation—perhaps enhanced by the lingering presence of vicarious reputation—became a means not to enforce co-operation, but to assert one’s own innocence or correctness, by contrast with others. It is no surprise that, far from learning the ‘moral incentive’, workers became less co-operative than ever (Walder, 1986, pp. 198-219).

In summary, in this interpretation of the story, co-operation in the pre-revolutionary period was supported by forms of indirect reciprocity and affective bonding, including vicarious reputation, which may have developed gradually over a long period of time. These forms were limited in size and scope; but attempts to replace them by fiat, first with policing and then with peer enforcement, succeeded only in suffocating existing sources of co-operation. The reform period, in which such top-down reforms have been abandoned, has seen a combination of particularistic practices and a variety of enforcement mechanisms.

### 3.6 Conclusion

This chapter has given a brief sketch of the interdisciplinary research programme on human co-operation. It has argued that this research provides insights not only into problems faced by co-operatives worldwide, but also into the modern economic and social history of China, including its co-operative movement.

Framing the relational ethic described in chapter 2 as a form of indirect reciprocity, it has argued that this ethic can successfully sustain co-operation, but only given certain conditions. When those conditions are weakened, co-operation breaks down. In addition to the problems of scale and anonymity, because this form of indirect reciprocity relies on sanctions within a long-term exchange network, its effectiveness depends on the degree to which individuals are dependent on the exchange network, and the likelihood that they will remain so—factors we might expect to be heavily affected by the forces of migration, urbanisation and marketisation currently rocking China.

Many other co-operation mechanisms are possible. While attempts to introduce a collectivist ethic met ultimately with failure, the reform era has seen a hybridisation of co-operation mechanisms—the relational ethic combined with other means of organisation and coordination. The remainder of this thesis is, in part, an attempt to make sense of changes in morality and other mechanisms supporting co-operation in contemporary China. In examining the experience of the co-operative movement, the following chapters will draw on the theoretical vocabulary and models presented above. Equally, the chapters on moral change that follow those will frame their analysis in terms of the same theory. Thus what follows is both an attempt to understand contemporary China through the lens of co-operation research, and to test the strength of that research by applying it to the Chinese present.

## 4. The co-operative movement: Institutions and activists

The Co-operative Institute, located on a sprawling university campus in a suburban area of the famously beautiful coastal city of Haibian, had the feeling, on most days, of an ordinary university department. But it frequently received visiting delegations of co-operativists, trainees, foreign academics, and activists, and when these visits took place, it was transformed into a bustling hive of activity. One such occasion fell on an autumn day, when several dozen managers of co-operatives from China's poorer western regions arrived in Haibian for two days of training at the Institute.

The delegates gathered on campus early in the morning for a group photo. They had arrived separately the night before, and stayed in a hotel on campus belonging to the university. Now they assembled in front of the Institute, smiling in their dark jackets and jumpers. Most of them had the dark, swarthy look which immediately signals long hours spent outdoors, and thus peasant status. They had come from several western regions—Xinjiang, Sichuan, and Qinghai—and greeted each other cheerily in clipped dialect, before adopting a serious expression for the group photo, joined also by the staff of the Institute.

Zhang Yongyuan, director of the Institute, posed proudly in a central position for the photo, then shepherded the group into the Institute building. On the way through the foyer, several of the delegates noticed the photos hung prominently on the wall of famous co-operativists, foreign and Chinese—the Rochdale pioneers, Japanese co-operativists, and others, alongside portraits of Marx, Engels, Lenin and Mao. They pointed admiringly at the photos, and at plaques commemorating foreign visits to the Institute, and its status as a 'cross-straits' centre for interaction with counterparts in Taiwan. Zhang Yongyuan looked pleased that they were suitably impressed.

He led them on into a large lecture theatre, where they sat, and he took centre stage at the front. There he introduced himself and the training session that would take place.

*"Our class today is called 'The theory of rural co-operatives'. The first topic is the modernisation of the countryside. Why start with this? Because the development of co-operatives and the development of the countryside have a very important relationship. What is rural modernisation? You come from the countryside, you know the difference between urban and rural areas is still very big. If you go to many counties and towns, you sometimes won't even find a hotel, or an inn. Everyone only wants to go to the city. Why? Because the city has a modernised environment, unlike the countryside. We want to improve our countryside's development. So we should understand, what is rural modernisation?"*

He went on to explain the official government line on rural modernisation: six points, summarised by twenty-four characters, from the development of rural production to improvements in hygiene. Quoting Hu Jintao and Wen Jiabao, he assumed the tone often taken by officials when quoting official Party policy—one suggesting a combination of indubitability and authority tinged with tedium.

*"To make the countryside develop, we need rural organisations. The Party department and the village committee are among these. But there's also another extremely important set of organisations: Our rural economic organisations. That's what we're talking about today—rural co-operatives. They are an economic organisation of the village. If rural areas have economic organisations, this may very well help the countryside to develop, to modernise. Without organisations, this is very difficult."*

For an audience comprised of leaders of already existing rural co-operatives, this tour through general Party policy on the countryside was neither novel nor, it appeared, particularly interesting. While a few listened attentively, many made little pretence of being interested—checking their mobiles, staring into space, and even visibly falling asleep. Zhang Yongyuan appeared to take no notice of their reactions, continuing his monologue regardless. He went on to explain the benefits of co-operatives for rural development, mainly consisting in promoting the ability for peasants to invest in value-added production, access credit and insurance more easily, negotiate better prices for agricultural inputs, and other benefits of scaling up production beyond individual households.

Zhang then turned to the question of what makes a modern co-operative successful. At this point, several audience members sat up and took interest. After all, this was the point of their visit. Having spent several years in Japan studying Japanese co-operatives, Zhang felt that they set an example which China should follow. He explained this with enthusiasm.

*"Let's have a look at what the most modern co-operatives are like. The most modern co-operatives aren't Chinese, they're Japanese. What makes them modern? Their management is business-like (qiyehua de guanli). If we want to have a co-operative, it should be an enterprise, a modern enterprise. Production takes into account local conditions. The co-operative promotes standardised packaging and branding—that's why all Japanese peasants have their own big brands. It adds value—instead of just apples, we can produce apple vinegar, dried apples, apple juice."*

Thus throughout, his focus was not on the theory of co-operatives as compared to other kinds of organisations, but rather on the idea of organised, large-scale peasant production, as opposed to production at a household level only. The co-operative principles received little mention, except

when he outlined the Peasant Specialised Co-operative Law, and briefly mentioned the principle of 'democratic management' enshrined in the law.

*"What is democratic management? It means that it's not enough that one person decides everything. If someone disagrees, or even if everyone has the same opinion and the manager says no, everyone must discuss the options. This is democratic management."*

Apart from this cursory mention, co-operativism as distinct from rural development in general went largely untreated. The talk did have an idealistic aspect; Zhang framed it in terms of the need for the peasantry, led by the Party, to develop the countryside for the good of the country. But the emphasis on co-operatives came not from co-operativism, but from their value as a means of promoting large-scale production and efficient consumption.

The rest of the morning was taken up with this training, consisting mainly of general business and marketing advice, not specific to co-operatives: how to move up the value chain and develop secondary products; how to improve marketing and accounting. Zhang delivered the training in the style of one accustomed to giving lectures—mainly monologues, accompanied by a PowerPoint presentation, with little opportunity for questions or interaction. Throughout, much of the audience looked bored and distracted, evidently unaccustomed to paying attention to a lecture.

In the afternoon, the delegates perked up. The training was over, and it was time for a scheduled visit to Haibian proper, where they would be able to take photos and buy souvenirs and gifts for acquaintances back home. Those who had slept in the lecture looked suddenly energised, and a few who disappeared during the training appeared now to join the rest of the delegates on a coach to Haibian. On the coach, they chatted and joked, comparing notes about what to expect from the famous local seafood, and swapping stories of other official visits. The coach deposited them on the seaside promenade, where they spent hours buying gifts and taking photos with and for each other, valuable signifiers of their relationships with each other.

Back at the Institute in the evening, it was time for one of the most important parts of the day: the banquet. Delegates were taken in the coach to a restaurant, and the entire staff of the Institute were conscripted by Zhang Yongyuan to participate. On these occasions, he made clear to the staff that they were required to join, drink and take part, although some grumbled that this was a waste of time, and an onerous task they performed only because they had to.

This banquet room contained five round tables, enough to accommodate the whole delegation. Zhang told the staff members where to sit, so each table had at least one or two staff, who would represent the Institute in the seating arrangement and make clear to delegates that they were

guests of the Institute and of Zhang personally. He emphasised that he had made a special effort to order western Chinese dishes suited to the tastes of delegates from those regions.

As in any banquet, the delegates and staff progressed through many rounds of toasting, becoming increasingly inebriated. Toasts were accompanied by speeches in which delegates expressed gratitude to Zhang and the staff, joy at meeting each other, and belief that through efforts like these, they would help develop China's western regions and bring better conditions to the peasantry. Conspicuous by its absence was any mention of co-operativism itself—the only mention was my own, when, suitably drunk, I made a speech, toasting the international co-operative movement and wishing for its success in China. This was met by warm approbation, but not echoed by the others. Toward the close of the evening, several delegates were sick, and one collapsed and had to be carried to the taxi by two others. In this and in other respects, it was a successful banquet.

The following morning, training continued, though some delegates remained in bed, and others, visibly hungover, struggled to pay attention. In the afternoon, they left for the airport, and flew back to their respective provinces. It was unclear how much they had absorbed, or indeed attempted to absorb. But they were satisfied: They had made connections which each other, which might be useful back home; and they had been provided a paid visit to Haibian, where they had gathered further resources, in the form of gifts and photos, which would also be useful for them. As for Zhang, he had done his duty, and attempted to impart knowledge. But regardless of how much was taken in by his guests, he, too, had succeeded; for training days, documented by official photos, served to promote the Institute and its mission, and were vital to secure resources from the state.

This story, repeated on occasions of other, similar events at the Institute, illustrates some of the tensions of the co-operative movement. Elements within the state, wishing to promote co-operatives, make funds available to support institutions like the Institute, which, in turn, must make use of these funds to grow, and to continue to secure support. In exchange for participating in visits like this one, co-operative members and managers are willing to participate in training, but the nature of the exchange means their motives are understandably mixed.

The purpose of this chapter is to explore the network of institutions and individuals which support and promote co-operatives. It will examine the experiences of activists, Chinese and foreign; of policymakers in Beijing; of organisations both within and ostensibly autonomous from the state; and of those working within these organisations. Through these experiences, it will argue that the movement is caught in a self-defeating position. On the one hand, it has successfully channelled resources allowing for the nominal registration of a large number of co-operatives. But on the other

hand, the provision of these resources often results in an erosion of adherence to co-operative principles. Thus the chapter concludes by arguing that, in line with predictions made by theories of co-operation, attempts by the movement to support co-operativism have resulted in a 'crowding out' of the moral motivation it seeks to promote.

## 4.1 Activists in the co-operative movement

As chapter 2 noted, recent years have seen a growing panic about supposed moral decay in Chinese society, in the form of both a weakening of personalistic obligations and a lack of concern for the welfare of strangers and society at large. The existence of idealistic activists within the co-operative movement both belies and confirms aspects of this picture. For while careerist motives—which may themselves be underpinned by personalistic obligations to family and friends—play an important role, there is a strain of universalistic idealism within the movement. But at the same time, this idealism is often frustrated by a social and institutional environment in which other motives are involved. This section will explore the experiences of co-operativist activists, both Chinese and foreign, and the role they play in shaping the movement as a whole.

### 4.1.1 Chinese activists

Activists supporting the co-operative movement work within a range of institutions, from academia and voluntary associations to NGOs and quangos with intimate links to the state. Some are drawn to the movement by their own personal convictions, while others come to it only tangentially through unrelated career choices.

Xunyi was an example of the former. Now in his early middle age, Xunyi had devoted his career to working as a teacher and researcher within the co-operative movement. He was passionate about the idea of market socialism and promoting co-operative ideals.

*"A co-operative is not a company. It is a big family. Now, a family has brothers and sisters, father and mother. It has a leader. But the others can choose the leader. Because a co-operative is an open family, with democratic management. Democratic management means the others can also become leader. But becoming a leader should not be the goal. The point of a co-operative is for everyone to work together, to benefit together. This is what we call the 'social economy'."*

Xunyi's apartment was packed with journals and magazines about co-operatives, collected from every corner of China and from abroad. He was devoted to his wife and young daughter, but passionate, too, about his ideals, devoting much of his spare time to reading literature. We shared impassioned conversations on co-operativism over lunches, and when he would invite me round to his flat, and we would talk late into the night.

*"In a co-operative, some peasants want to co-operate. But others do not. Why? Because they aren't familiar with co-operatives, or what they are. But of course, these peasants would derive many benefits from entering a co-operative. So you show them, and they start to want to join a co-operative, to participate in co-operative meetings. So our task is to educate them on knowledge about co-operatives. This can have great benefits for China's social development, economic development—and even its political development."*

But although Xunyi's idealism drove him to work hard, he was frustrated by the institution in which he worked, and the sense that his colleagues did not share his ideals. Instead, they appeared motivated by a careerism which sometimes made it difficult for Xunyi to speak his mind. His response was to adopt a tactic of keeping his head down, continuing to educate himself, and hoping that through careful compromise, he could continue to advance his ideals in the long run.

*"Not everyone sees things the way we do. Some people only talk about co-operative principles, but their goal is just to become a leader, or to achieve personal success. We must educate these people, too. But it is a gradual process."*

A similar picture is given by Li Qiang, a young researcher who felt a sense of moral conflict in his work. Unlike Xunyi, Li Qiang was not originally driven by co-operative ideals. Instead, he simply sought work as a researcher, and found employment in an organisation conducting co-operativist work. However, once he arrived, he developed an interest in co-operativism for its own sake.

*"At first, when I arrived here, I thought, 'This is just another job'. Of course, I wanted to do good research work. But I didn't really know about co-operatives. What is a co-operative? Why should we care about them? I thought they were just another aspect of agricultural development. But I found out that they are really interesting. In theory, a co-operative should be a new kind of organisation, which could maybe change our culture here in China. If the people learn to help each other, to help themselves, I think this could be a very good thing."*

This newfound interest in co-operativism, however, conflicted with the motives his colleagues. Like Xunyi, Li Qiang worked for an organisation which claimed to promote co-operative ideals, but, he felt, took little interest in the ideals themselves, instead using its position to amass resources and influence. He responded by burying himself in his own studies, and began to read widely, including obscure literature on the history of the British co-operative movement.

*"It is very frustrating. Many people in my office do not really care about these ideas. They say they care, but really, they do not mean it. For them, it is just another job—it doesn't matter if this co-operative really has democratic management, or that co-operative is really a co-operative. You see it*

*also when you meet the leaders of the co-operatives. They speak very beautifully about their principles, but in fact, they run their co-operatives like a company. They are the boss. But many of the people I work with don't really care. So, I started to spend a lot of time with my books. I've ordered some relatively obscure books in English on the 19<sup>th</sup> century co-operative movement, and I'm thinking of translating them into Chinese. Of course, I don't tell my boss or my colleagues. But in this way, even if I do not believe in the work I do in my job, I can know that I have made a real contribution."*

This was echoed by Yu, one of Li Qiang's colleagues, who approached her work with a different attitude. A young researcher, Yu, too, had come to the organisation with no interest in co-operatives. But unlike Li Qiang, her work did not inspire her to look into co-operative values. Instead, it was simply a research position, which she needed to further her career. Nevertheless, she, too, felt aggrieved by the apparent conflict between the organisation's values and how it was run.

*"This is just the way things are done in China. What is our job? To help co-operatives. We receive funds to support them, to grow our own organisation. The important thing is to keep those funds coming. Of course, there are some problems. You might say that many of the co-operatives are not really co-operatives. Still, we must support them. And for me, it is not my job to speak out about these problems. As a researcher, this kind of practice does not satisfy me. But I must work in this way."*

On the other hand, there are many activists who feel little conflict, and instead see the movement as a way to achieve other goals. To them, the notion of striving for consistency between their actions and the principles they espouse is less important. The point of their involvement in the movement is that it facilitates other personal goals, such as career advancement, or that it simply forms a natural extension of the amorphous body of state and parastatal institutions which provide the general ambit within which public service takes place. One such activist was Liang, a middle-aged former civil servant who worked at an organisation promoting co-operatives in her city.

*"Democratic management is one of the co-operative principles, and we promote it. We promote all the principles. We explain them in our training. This is part of our government's policy... You asked me about worker control in co-operatives. Do you think the members should have the power to elect their leaders, to sack them, to decide the future of the co-operative? Such a thing is, of course, impossible in China. Maybe in your country, you have this kind of practice. But in China, the members and leader cannot be equal. The leader must decide. Even if it were possible, it would not work. The members do not have the capacity to make important decisions. This kind of idea is not realistic."*

How are we to interpret this apparent lack of concern with consistency, not only between the actions of this activist and her beliefs, but even between the beliefs she claims to hold? It is important to note that this attitude is widespread not only amongst co-operative activists, but in functionaries and officials more generally. Although it remains necessary and commonplace to reaffirm 'socialism with Chinese characteristics' in public and official settings, in private, those who make these statements often assert the contrary. An example of this is Yuan, a middle-aged Party member in Shandong, who brought up the topic of socialism privately, after we had left a banquet.

*"Of course China is no longer a socialist country. Today, we are a 'state capitalist' (guojia zibenzhuyi) country. You can't say that openly, but everyone knows. In the Party, we study Marxism-Leninism. It has some useful aspects. But 99% of Party members do not believe in Communism. Communists are very good, very moral people. But today, it is almost impossible to meet a real Communist in China."*

In accounting for these attitudes, it is tempting to draw a parallel with accounts of 'duplicity' in other socialist countries, such as those of some in Romania who compared society to a theatre, in which everyone knew they were only acting, but went on performing regardless (The King of Communism: The Pomp & Pageantry of Nicolae Ceausescu, 2002; Kligman, 1998; Reconstituirea, 1968). It is then possible to see the rhetorical shift from Maoist ideology to a deliberately vague and distant notion of socialism as simply a shift toward a new performance of pragmatism (Qiu, 2000). For some, this is merely one aspect of a larger Chinese transition to postmodernity, and the loss of concern with the truth claims of old ideological frameworks (Litzinger, 2002).

But it is also possible that this phenomenon draws on deeper cultural roots. A line of argumentation originating with James Watson suggests that the historical unity of Chinese culture resulted from the concern of the state, over many generations, with orthopraxy, rather than orthodoxy (Watson, 2007). While this hypothesis has been criticised for overstating the success of such efforts, the notion of orthopraxy as the priority of the historical Chinese state, and indeed as the continuing standard in many contemporary state practices, has found broad support (Abramson, 2007). More broadly, this conception tallies with anthropological arguments against the universality of the notion of belief itself, understood as a commitment to act and speak as if a given proposition were true (Needham, 1972). Indeed, if belief is understood in this way—not as a psychological construct, but as a normative commitment (McDowell, 1996)—then we may wonder whether the relational ethic can support belief at all; for that ethic does not, in itself, provide for commitments to action or speech outside the context of the function these perform within particular relationships.

The thoughts of Xuan, a young neo-Buddhist in Guangxi, would seem to support this suggestion.

*"Most people don't know what Buddhism really is. Even if they say they are Buddhists, they don't know; all those traditions were lost in the Cultural Revolution. I'm no different—I'm still learning what it means. I go to temples and pray sometimes, but like most people, it's not that I believe in those gods. Most people just go for good luck, because it's something you do when you have a problem—they don't think about whether they believe or not. You know, in China we always say that words don't mean anything, only actions do. If you want to know about someone, you must consider their actions, not their words... After I learned about Buddhism, I became a vegetarian. I've been vegetarian for several years now—it's very important to me. Of course when I eat with others, I always eat meat. Being vegetarian doesn't mean I should make problems for other people."*

For Xuan, it was not that performing her relational duties took precedence over her commitment to vegetarianism; instead, she simply failed to see any conflict between the two. She was puzzled when I suggested that Western vegetarians would behave differently, and responded that this was 'too extreme'. Likewise, her understanding of prayer and meditation centred around practices which were, and would remain, personal; she felt no impulse to make her 'beliefs' consistent with her practices, or even with each other. This would seem to suggest a pattern which extends beyond political speech alone.

But we must be careful not to overstate the case. As Yuan's reflections on 'state capitalism' show, people are often not only capable of holding beliefs, but fully aware of the contradiction between their beliefs and their own statements and actions. Moreover, from the Taiping Rebellion to the spread of Communism, countless Chinese people have been gripped by unbending commitments to whole systems of belief. It may be the case that the relational ethic in an idealised form does not support belief; but that is not, and has never been, the only moral system at work in Chinese society.

Indeed, if we dismiss the rhetoric of 'socialism with Chinese characteristics' as merely an empty performance, we negate the experience of countless people who have seen that rhetoric, and often the hypocrisy it engenders, as providing the moral resources to question capitalist modernisation. In some cases, the continued rhetorical valuation of socialism has served, for intellectuals and ordinary workers alike, as a means of criticising and resisting the state (Choi, 2011; Ruf, 1998). For others, the refusal of the rhetoric openly to endorse capitalism provides an opening for continuing debate over alternative visions of the social and economic future (Dirlik, 2014; Zhang, 2008).

Among these alternative visions are those of many of the intellectuals behind the co-operative movement, mentioned in chapter 3. But as Yan and Chen (2013) note, those intellectuals are themselves divided between some who see the co-operative principles as paramount, and are

therefore deeply concerned about the proliferation of 'fake' co-operatives, and others who argue openly that the implementation of the principles is of little concern. Thus Liu (2010) suggests that although only a tiny minority of co-operatives are 'genuine', the 'true-or-false debate is meaningless...In light of today's realities, a loose environment rather than strict regulation is more important'.

This divide between intellectuals is mirrored by the divide between the activists in the co-operative movement itself. For some, the co-operative principles are deeply held beliefs which must be taken seriously for their own sake; while for others, they may be a useful rhetorical device, but their implementation in practice is unimportant. As with political discourse more generally, this conflict suggests multiple moral systems at work. Those motivated by collectivistic or universalistic beliefs must contend with an environment in which the relational ethic continues to underpin an orthopraxic attitude toward the statement of principles, further reinforced by a deliberately vague and self-contradictory official discourse. For these idealists, functioning within networks dominated by this attitude frequently proves frustrating.

#### **4.1.2 Foreign activists**

As the history given in chapter 2 showed, foreign activists have long played a central role in the Chinese co-operative movement. They have been key proponents of the international co-operative principles in China, but they have also often functioned as intermediaries who could secure access to valuable resources from foreign organisations and individuals. However, like their Chinese counterparts, they have often struggled to implement their ideals, as they are faced with the difficulty not only of attempting to import foreign values and social structures, but also that of understanding the motives and views of their Chinese interlocutors, including those in the Chinese state.

Robert was a sixty-something man at the heart of the movement. He had grown up in China, to Western Communist parents who had arrived before 1949, but stayed to aid the revolution. Their status as 'foreign friends', and the sacrifices they made willingly during the Cultural Revolution, gave them an honoured status in the Party and the state, and Robert inherited some of this honour, though he was destined always to be classed as a 'foreigner'. This family history had allowed him to play a central role in the co-operative movement when it was revived in the 1980s, and he had the ear of important policymakers in Beijing, as well as those in many co-operativist institutions. Having come of age during the Cultural Revolution, he was a strong believer in socialist ideals, who lamented the general direction not only of China, but of the world, away from socialism.

*"If you look back at the thirties and forties, there was tremendous international sympathy for China... You know, my dad was a fundraiser in New York, and he went to the AFL-CIO and they raised money to bring to [the co-operative movement] in China. But right now, where's the big—I don't know. I personally am fascinated with Venezuela. I went there once many years ago, long before Chávez. But boy, I wonder what's happening there. But that's a personal thing. Do you think the experience in Venezuela—is there something we can learn from that? Do you see any successful models in the world today?"*

For Robert, the purpose of co-operatives was clear. Though he understood that many in the Chinese state saw them as merely vehicles for rural development or other policy objectives, he believed they offered the chance for real empowerment of ordinary people through democratic decision-making, and ultimately constituted an economic alternative to capitalism and the market economy.

*"People like us, we still think that genuine co-operatives are a good form of organisation and have many advantages... For me, the great thing is, when I look at a workers' co-operative, what's so wonderful about a co-operative is, it's not a dichotomy between labour and capital. Labour is the capital, capital is the labour. That's what really excites me."*

But through years of working to promote co-operatives across China, Robert had learned that it was no easy task. Notions of democracy and the equality that goes with it were, he felt, alien to Chinese culture. And he and his colleagues were faced with the perennial problem of how to verify whether a co-operative was 'really' democratic, in a cultural context in which little value is placed on a consistency between words and actions.

*"What makes co-operatives succeed or fail in the Chinese context? It's an interesting question, because that's one of the things that, when I look at the ICA principles, they sound wonderful—well, you talk about democratic management and so on, but it assumes everyone is equal. But traditional Chinese values don't believe in equality, really—they believe in a hierarchical structure. So what's appropriate for China? Now the government is promoting co-operatives in the countryside, and they're even giving money, and wherever you look in the world, whenever there is money to be had, there are always problems, because there are always people who want the money and who will say and tell lies and so on to get the money. So right now, if you look at the government statistics, there might be tens of thousands of cooperatives, but how genuine are they? Some are just bosses' co-operatives where they pretend to have lots of members, but really it's not democratic, it's not member owned, it's owned by a few. So there are problems, but we're pushing for genuine co-operatives."*

Thus although he had unusually good access to networks of influential individuals, Robert was faced with enormous challenges in attempting to implement his ideals. Through his networks, he could mobilise resources to start and coordinate projects across China. But once those resources were deployed, there was an unavoidable degree of opacity about how they were actually used. Like his Chinese activist counterparts, Robert did his best to operate within a social and cultural context which seemed to make his work a Sisyphean task.

Sam, another Westerner, was a different sort of activist. In his own country, he belonged to a small left-wing group which had long connections with China and co-operatives. He travelled frequently to China and spent a great deal of time there, representing his organisation and attempting to aid the Chinese projects they supported. Although he spoke little Chinese, and often struggled to understand his counterparts, he had a great love for the country.

*“In [my country]—I’m sure it’s the same where you live—there’s just no hope. We in the West think we’re so important, but we are really just the past now. That’s why I fell in love with China. Even if people say it’s capitalist, you have to admire what they’re doing here, lifting people out of poverty. And what we’ve been able to do, teaching people about co-operatives—I think there’s a real chance to develop a new social model here, one the rest of the world could learn from. And you know, the people here are something else. The women are beautiful. I just wish I could spend all my time here.”*

Being in China was, for Sam, a chance not only to fight for a cause he believed in, but an escape from a life back home, in which he felt his ideals were even more marginalised than they were here. However, he felt unsure whether he was doing much good, and he recognised the disadvantage he faced not only from his limited linguistic abilities, but from the opacity of the power structures around him. Speaking of Guo, a local friend and colleague, he explained:

*“I’ve known Guo for many years now. He works incredibly hard, even though there are so few resources, even when the government makes it hard for him. He’s come and stayed with me in [my country], and in many ways, I feel closer to him than to anyone back home. But he’s still a bit of a mystery to me. People here don’t always tell you what they think, and I don’t always have the feeling Guo is completely open about how our projects are going. I guess that’s just part of the mystique.”*

By contrast, Andrew had been in the country for many years, and spoke fluent Chinese. He felt integrated into Chinese society, with a Chinese wife and child, and had spent much of his career working on economic development projects around the country. When I met him in a provincial town in a southwestern province, he was in the office of a project which had left him bewildered.

*“I’ve been here in this office for a year now, and I have to admit, I’ve been twiddling my thumbs. The local government put me in here, and I’ve tried over and over to get the work going, but they just keep delaying. Here, let me show you—this is the plan for the whole project. It’s an exciting project, an integrated centre for disseminating agricultural technology, for experimentation, training and production. Most of the funds came from the development agency in [my country]. The local government welcomed it. They want the technology, it’s really advanced stuff. I’m here because the idea came from the mayor of [a city in my country]. He’s a big believer in co-operatives. He didn’t just want to transfer the technology; he wanted to promote co-operatives as a new model for development in China. So they attached that condition to the aid money. This project is required to be based on co-operatives—training and production co-operatives inside the centre, which are supposed to help propagate more co-operatives among farmers in the whole province. My job is to oversee that part—the social element, I guess. But I haven’t been able to do anything. You can see they’ve already built half the facilities, they’ve started production and training. But every time I ask them when I can start on the co-operative side of things, there’s some new reason for a delay. They always say they agree that co-operatives are important, but I’m beginning to wonder if they’re interested in co-operatives here at all. Meanwhile the mayor back home isn’t in charge of the [foreign] side of things anymore, so the co-operatives might just be forgotten. It’s looking more and more like my time here has been wasted.”*

As these cases illustrate, foreign and Chinese activists face similar challenges. The distinctive status of these foreigners and their access to overseas resources puts them in a particularly difficult position; for they can rarely be certain whether their partners and interlocutors share their ideals, or are, instead, simply interested in gaining access to the resources they possess. However, this is a difference of degree, not of kind, from the idealistic Chinese activists with whom they work. Both groups are faced with similar problems, for they are attempting to engineer a moral and social change, in a social and political context in which such projects appear to be trumped by the imperatives of personal advancement and the priority placed by the state on economic growth above all else.

## 4.2 Institutions of the movement

Co-operativist activists work within a broad network of organisations which spans the country. These organisations serve as intermediaries between co-operatives and the state and various levels. They perform a range of functions, from lobbying and influencing policy to training and supporting co-operative members. Far from constituting a strict hierarchy, the network is organised loosely and highly decentralised, with local organisations drawing support directly from regional or municipal

governments as well as foreign donors. At each level, the role these organisations have in channelling resources gives them great importance for the co-operatives. However, this section will argue that these resources may also be a curse, as they tend to encourage motives not entirely aligned with the ideals of co-operativism. It will proceed by examining examples of organisations carrying out the key functions of these institutions: lobbying, training and support.

#### **4.2.1 National Co-operative Federation**

At the centre of the network of co-operativist institutions is the National Co-operative Federation (NCF). The headquarters of NCF are located in a residential block in a suburban neighbourhood of Beijing, staffed by two secretaries, and decorated by dusty photos and plaques commemorating visits by friendly international sympathisers. The Beijing office lacks resources, and it does not function as a physical hub of activity. Its staff travel around the country providing assistance to co-operatives and running programmes to monitor their performance.

In Beijing itself, the influence of the NCF is derived from the individuals who sit on the board of directors, and the network of relationships in which those individuals are embedded. These include academics, activists, and politicians. Members of the board have sat on influential committees of the NPCC, or national assembly, including the committee which drafted the 2007 law on Peasant Specialised Co-operatives. Others have coordinated research programmes on co-operatives within the Chinese Academy of Social Sciences. The NCF board thus functions as an important nexus of policy formation, in which ideas are exchanged and fed through to the state.

The principal function of the NCF with respect to the co-operative movement itself is as a national coordinator of various loosely affiliated branch offices, which themselves liaise directly with co-operatives. In that capacity, the Beijing office organises occasional meetings between these branches, and acts as an intermediary between them and the central state. But each branch is highly autonomous in both funding and direction, and as a result, the power of the central organisation is relatively limited.

A clear example of this autonomy is given by the Shanghai branch of NCF, which appears to be the most well-financed and professionalised part of the co-operative movement in China. Here, the NCF functions as an umbrella organisation for many types of co-operatives, which have accreted from a series of historical periods, and the NCF leadership are closely linked to the leaders of many of these co-operatives, and—as Shanghai is the only place in China where shareholding co-operatives remain—to the leadership of the Shareholding Co-operative Federation.

My first introduction to the Shanghai branch was through the banquet described at the beginning of the previous chapter. As that banquet showed, the NCF is tightly enmeshed with local government. All of the board of directors and staff rotate in and out of various Shanghai government bureaux. The Shanghai government has made NCF responsible for managing and organising a large number of organisations which happen to fall under the umbrella of co-operatives, but which play important parastatal roles such as providing social security and pensions to workers whose former work units have folded during the course of the reform. Thus while the Beijing NCF works largely through bottom-up efforts to build co-operativism and influence the state, and accordingly attracts idealistic activists who wish to change policies, the Shanghai NCF is less interested in promotion of co-operativism for its own sake, and more interested in functioning as an effective steward of the public responsibilities which the Shanghai government has increasingly delegated to non-state institutions (Zhang, 2002). Xiao, a secretary of the Shanghai bureau, explained:

*“Shanghai NCF are responsible for all kinds of co-operatives. There are the co-operatives of the ‘sent-down youth’, which were formed in the 1970s to give work to young people returning from the countryside. Today, they don’t produce anything, but they pay pensions to their members. We are responsible for them. There are the taxi co-operatives—these are very important for Shanghai’s transport system. Our government must support and regulate them, so we are responsible for them, too. We have a women’s handicraft co-operative, which the government created to give employment to women in vulnerable situations, widows, victims of abuse. As for the Peasant Specialised Co-operatives, there are some in the countryside of Shanghai, but we are not really involved with them.”*

The autonomy of this NCF bureau from the national organisation mirrors the relative autonomy of the Shanghai government from the central state, and thus its ability to channel resources directly to the bureau (Li, 1997). NCF branches around the country operate more or less autonomously, deriving funding from a variety of sources, including various levels of government, as well as foreign agencies. Nowhere is the NCF so enmeshed with government as in Shanghai; and arguably, nowhere does it influence government so strongly as in Beijing. Between these two extremes exists a broad network of institutions within which activists, foreign donors, and state actors interact and sometimes conflict.

#### **4.2.2 Co-operative Institute**

One of those institutions is the Co-operative Institute. Founded in 2008, the Institute is officially a ‘station’ of NCF, and has taken some support from NCF in Beijing, as well as from international donors. But while its founding was spurred on by the passage of the PSC law in 2007, it is run independently of NCF, and the NCF staff in Beijing are only vaguely aware of most of its activities.

The prime mover behind the Institute is its director, Zhang Yongyuan. Zhang lived ten years in Japan, where he completed his PhD on the Japanese co-operative movement. He proudly mentioned this experience—and his fluency in Japanese—frequently. For in spite of the general antipathy toward Japan, there is a clear understanding that Japan is more ‘advanced’ than China in many respects, and certainly in the case of co-operativism, is more developed. This also meant that Zhang was able to attract visits from Japanese organisations, some of which provided funding and all of which provided more status to the Institute.

Similarly, Zhang Yongyuan has hired several foreign-trained specialists, who have recently returned to China, and form the core of the Institute’s staff. Employing an agronomist and an accountant trained in France appears to give the Institute a degree of greater status and respectability. However, it is notable that few of the staff of the Institute come from a background of specialisation in co-operatives; they are, for the most part, trained in technical disciplines with no particular relationship to co-operativism. In my conversations with them, it was clear that they took jobs at the Institute simply because these jobs were available, secure, and close to their families, and that prior to working at the Institute, they had little interest in co-operativism as such.

Zhang himself gave the consistent impression of being uninterested in co-operativism as an idealistic pursuit. When I explained my desire to study employee-owned or co-operative industries, he told me that such things were impossible, and had failed in China, and recommended I go to study the village of Huaxincun, a well-known quasi-Maoist village which serves as a sort of nostalgic theme park of collectivism. Zhang was certainly keen to discuss co-operative principles and the experience of co-operatives in other countries, but when it came to practical implementation in China, he tended to be more interested in technical problems faced by agricultural businesses than the implementation of co-operative principles themselves.

The Institute has developed and maintains a close paternalistic relationship with many co-operatives in the nearby countryside, and further afield in the province. Following the Japanese model, in which co-operatives are principally created through top-down initiatives by co-operative federations, the Institute has helped to found and cultivate co-operatives from the ground up, and provides them with resources which act as an incentive for them to maintain a relationship with the Institute. The Institute trains these co-operatives on technical matters, and provides them with literature on how co-operatives should be governed. The walls of their offices are typically plastered with posters provided by the Institute, espousing the ICA principles and the text of the PSC law, and displaying their organisational charts, in which the members of the co-operative are always shown as holding ultimate power. Particularly in the case of a few model co-operatives, the Institute makes regular

visits, bringing groups of students, who inspect the co-operatives and hear from the leaders of the co-operatives about their experience. In some cases the Institute is able to provide some funds to co-operatives or help them to obtain loans, and it also provides the more intangible benefit of high status, which comes from association with a larger, urban institution. In the case of an organic vegetable co-operative with which the Institute has a particularly close relationship, the leader became, in his own eyes at least, something of a minor celebrity: thanks to the Institute, he appeared in a local television film about the co-operatives, and he proudly shows a recording of this film, in which he is shown standing authoritatively alongside Zhang Yongyuan, to all his visitors.

Thus the co-operatives receive money, training, connections and status by virtue of their association with the Institute. The price of this is that they must appear to be what the Institute requires them to be: when visitors are brought from abroad or from other institutions, or when students are brought in groups, the Institute expects the co-operatives to display co-operative values just as the Institute itself does, through many visible signs hung on the walls; and for the leaders to espouse these in their speech. Certainly, on my first visits to these co-operatives, their leaders repeated phrases which Zhang Yongyuan himself frequently used, emphasising the importance of 'democratic management' (*minzhu guanli*) and adherence to the PSC law. But as the following chapters will show, their daily adherence to these notions is less clear. Nevertheless, displaying loyalty to these ideas is perhaps necessary to secure continuing support from the Institute. Thus the co-operatives and the Institute exist in a symbiotic relationship, exchanging resources for displays of commitment to the principles nominally attached to those resources.

#### **4.2.3 Meibian Co-operative Federation**

A contrast can be found in a distant outpost of the co-operative movement, in Meibian, the desert county described in the introduction. It was here that Rewi Alley and George Hogg came in the 1920s to set up some of the earliest Chinese industrial co-operatives, and as such, when NCF was revived in the 1980s, and proceeded to inaugurate several 'Co-operative Experimental Zones', one of these zones was established in Meibian. The local affiliate of NCF is the Meibian Co-operative Federation, a small organisation which was originally tasked with setting up and supporting industrial co-operatives in the 1980s with government support, but is now primarily funded by foreign development agencies, which also provide training and a stream of foreign experts who collaborate with the Federation.

This foreign influence began, however, in the 1980s, when NCF was revived, and co-operativists from New Zealand and Canada arrived to help with the Co-operative Experimental Zone. Eventually, 15 industrial co-operatives were established, in industries ranging from construction to linen

manufacture. While there was as yet no legal framework defining the rules governing co-operatives, the foreign co-operativists helped to establish a de facto expectation that these organisations would adhere to international co-operative principles. Later, the Federation's focus shifted toward agricultural co-operatives, which were backed both by foreign development agencies and eventually by Chinese state policy. Today, it works to promote these co-operatives as a form of poverty alleviation and empowerment of the rural poor.

Mr Chang, one of the leaders of the Federation, exemplified the tone of the most idealistic activists of the co-operative movement. He saw co-operatives as a way to aid the poor, but also as a path to a different socioeconomic model.

*"Most co-operative members are those who most want to change their material conditions, or those of their families. Richer peasants don't generally join, because they don't have to. People understand there is a process to get richer, and they join to improve their conditions. So co-operatives attract poorer people, economically vulnerable people... From when we were re-established in the 1980s, our goal was this. Not only to promote development here, but after our experience, to spread co-operatives around the whole country. To present a new, fairer economic model to the country."*

At the same time, he was highly critical of the tendency of co-operatives, both in China and abroad, to drift away from their own principles.

*"I've seen a lot of foreign co-operatives, including in New Zealand and Canada. They have a very big scale. But they don't really represent the international co-operative principles. They are more like a company. Because even Mondragon, in Spain—that's just a big company. A co-operative, when it develops, all of its members should get a bigger benefit. But they definitely don't have enough profit-sharing, democracy, or fairness. Our co-operatives—we want them to be fair... Members should think, 'Who does this co-operative belong to?' A co-operative is a collective (jiti). Whose collective? It's the collective of all the co-operative members... Some co-operatives are OK. These kinds of co-operatives, they have good team spirit (xiangxinli). Their democracy is relatively strong. Other co-operatives have some problems."*

To address this, the Meibian NCF employs the sorts of participatory development methods championed by the foreign development agencies which back it. In marked contradistinction to the style of the Co-operative Institute, Chang argued for a form of education based around open-ended and participatory discussion.

*"We have a method of meeting with them. We don't just go and lecture them. We raise issues and ask them about them. For example, we ask them, 'What is a co-operative?' and let them discuss it all*

*together... Only at the end, we explain international co-operative principles, discuss the principles with them. Afterward, they understand more clearly. This isn't something controlled by a committee, or a secretary—it's controlled by its members."*

Nevertheless, Chang lamented the fact that in many cases, these lessons fell on deaf ears. The Federation provides not only training, but also financial support to many co-operatives. These include small business partnerships which opt to convert into a co-operative form and thus benefit from financial assistance. But according to Chang, despite the best efforts of the Federation, these are often run in practice as family businesses, giving little voice to members.

*"These small businesses say they want to turn into a co-operative. Their manager wants to be the leader. They will appoint their own family to the management committee to control the co-operative. People don't really trust the co-operative, and later they will leave it. We have had this problem many times."*

Thus even deploying widely accepted methods of participatory development, Chang felt that the Federation could not ensure its financial support was encouraging, rather than discouraging, adherence to the principles it espoused.

Moreover, the Meibian Federation is itself not immune to the influence of external financial and political considerations. When industrial co-operatives fell out of vogue in the 1990s, the Federation lost funding and political direction to support them. At the time of my fieldwork, neither Chang nor his colleagues could even be sure which of the 15 industrial co-operatives were still operating, let alone in what condition they found themselves. Unlike NCF in Shanghai or the Co-operative Institute, the Meibian Federation is under-resourced, and necessarily maintains a narrow focus depending on the objectives of its funders.

These three examples—the NCF, the Co-operative Institute, and the Meibian Co-operative Federation—illustrate both the diversity of the institutions comprising the co-operative movement and the consistency of some of the problems they face. As with the activists who work within them, there is a constant tension between often conflicting motives—a general desire for public service; a specific belief in co-operativism; a drive to further one's own career; and the need to act consistently with the political imperatives of the day. But these tensions are further complicated by the relationship between these institutions and those who fund and guide them, whether in the state or in foreign agencies. While in Meibian, foreign development experts may demand to see participatory methods and open discussion, in Shanghai, the imperative of the state is to see that its social service provision needs are met. More broadly, while all these larger actors claim to demand that the

institutions promote co-operative principles, in practice, their backing is contingent on a range of criteria which may or may not have anything to do with those principles. Thus it is no surprise that these relationships colour the relationships between the institutions and the co-operatives.

### 4.3 The role of the state

The most important of these larger actors is the state. The co-operative movement is heavily influenced by political projects, but it has also played an active role in shaping policy.

In its interface with state actors, NCF benefits from a group of Chinese academics who sit on its board of directors, and lend it influence. Foremost among these is Yu Lin, an economist at the Chinese Academy of Social Sciences (CASS), who by virtue of her position in both organisations, sat on the committee of the NPCC which drafted the 2007 PSC law. Yu Lin and her colleagues at CASS appeared to take a different view of co-operatives from that of some of the more idealistic activists at the Beijing NCF. They expressed the view that the SHCs of the 1990s had to be eradicated through state-supported management buyouts because worker-owned firms did not give sufficient incentives to managers in a market short of managerial talent. That is, while my conversations with some activists at the Beijing NCF revolved around the problems of introducing democratic and egalitarian ideals into Chinese communities, their colleagues at CASS framed their conversations in the technocratic terms of neoclassical economic theory. In the words of Yu Lin,

*"The shareholding co-operatives were only a temporary arrangement. Especially with the 'grasping the big, letting go of the small' [privatisation] policy, the old collective enterprises had to be sold. So the government sold them to their employees. But this was not efficient. Experienced managers are rare. Why should they work for a firm where their employees might sack them? And if they do, there is little incentive for them to perform. There is a principal-agent problem. The solution is for the managers to buy the company, so they receive the profits. We argued that this transition must happen quickly, if China was to have a normal market economy. So, the government decided there would be management buyouts, and now there are very few shareholding co-operatives left."*

Similarly, the main function of the new PSCs was to assist in the transition of agriculture from the smallholdings created by the Household Responsibility System to larger scale agricultural units.

*"China has a problem, because, you know, our population is very big. And our government has announced a goal, to urbanise the country. But our agricultural productivity is not high enough. The scale of production is too low. Under the Household Responsibility System, each piece of land is allocated to one household. We need a way to join them together, to scale up production and*

*increase efficiency. That's why we wrote the PSC law, to accelerate the scaling up of agricultural production."*

Yu Lin and her colleagues appeared to view co-operatives as nothing but a means to an end, in which adherence to the ICA principles was only important insofar as it led to the achievement of that end: the successful transition of the Chinese economy to an efficient market enjoying economies of scale in production. The writing of the ICA principles into the PSC law is thus emblematic of the basic tension at the heart of the Chinese co-operative movement: on the surface, the law appears deeply concerned about ideals, but even those who drafted it frankly admit that the realisation of those ideals at the local level is at best ancillary to their goals, and at worst, deeply unrealistic.

This law, and the support of the state generally, has brought many benefits to co-operatives. Political endorsement led to the creation of the Co-operative Experimental Zones and the revival of the NCF in the 1980s. After successful local experiments in several provinces, it was the central government which adopted SHCs as a standard method of privatisation in the early 1990s. And the 2007 PSC law, as well as funding and endorsement of the institutions that have attempted to implement it, originated with the backing of the state. Had it not been for these political foundations, the movement would certainly not have had the resources from which it has benefited.

However, at each stage, state backing has coloured the co-operative movement with wider political motives driven by factions within the state. As explained by Yu Lin, SHCs became a vehicle for privatisation through a transitional stage of ostensible worker ownership, and a method for the state to offload its pension obligations; after these steps had been achieved, the central government rapidly abandoned support for SHCs. One of the leaders of the Shanghai Shareholding Co-operative Federation, which represents the few remaining SHCs, explained:

*"It is as if the government has forgotten about us. Back then, in the 90s, they promised us support, that they would continue to help us and to guarantee our pensions. Then it was decided that shareholding co-operatives were no good. Many of our members refused to sell. Outside of Shanghai, there are no more shareholding co-operatives. Here, there are, but it seems no one knows about us. They are not interested in us anymore."*

Similarly, for some policymakers, the principal motivation behind the PSC law is to achieve the transition to large-scale industrial agriculture. The danger here is that co-operatives provide a useful ideological smokescreen for a political agenda which is ultimately aimed not at co-operativism, but at ostensible economic efficiency achieved through privatisation of enterprises and agglomeration of land.

But the central state apparatus in Beijing is only one part of the picture. Before centrally formulated policies can be implemented, they must be transmitted to lower levels in the form of ranked lists of priorities, the fulfilment of which by officials is assessed through the points-based Cadre Responsibility System (Edin, 2003). The discretion this affords officials, coupled with often multiple lines of authority in the fragmented state system, gives great leeway to local state organs, and has underpinned broad economic experimentation and policy entrepreneurialism (Yang, 2013). Central to this has been intimate involvement of the local state in the promotion of local enterprises, from TVEs to SHCs, an arrangement which has been labelled 'local state corporatism' (Oi, 1995).

However, to understand the relationship between the state and organisations such as the co-operatives, it is not enough to distinguish between the central and local state. As Pieke (2004) has argued, there is no sharp discontinuity between the networks of state and society; instead, local officials are driven by their relational obligations as members of the local social network, as well as broader networks connecting them ultimately to officials in Beijing. The close dependency between cadres and enterprise managers further blurs the distinction between state and non-state within the managerial elite, and calls into question the autonomy of organisations (Nonini, 2008). Thus through a close examination of the behaviour of county-level officials, Wang et al (2014) argue that the 'local state corporatism' model is wrong to portray the local state as a collective, acting as one; instead, individuals in and around the local state operate through networks governed by the relational ethic, which penetrate state and non-state organisations alike.

Given the unclear distinction between state and non-state, it is hardly surprising that although there has been a debate among co-operativist intellectuals over the question of whether the state should back co-operatives (Yan & Chen, 2013, p. 969), the vast bulk of co-operatives have received support and guidance from various levels of the state and its agents. Studies of the 'fake co-operatives' mentioned above, which are typically said to constitute the overwhelming majority, suggest that they are typically set up either directly by the state, or by powerful local individuals able to coerce others to join what is effectively their own business venture (*ibid*). Liu (2010) claims that even those co-operatives he considers 'genuine' are principally initiated and operated with the close involvement of external institutions, from university departments to NGOs. However co-operative policy is formulated in Beijing, the actual relationship between co-operatives and the state depends more on the specificities of the interpersonal networks involved. The risk, then, is that the provision of resources for co-operativism may end up supporting other agendas entirely, thus undermining the cause it is intended to promote.

Thus although they enjoy nominal independence, co-operatives in reform-era China, like most other forms of organisation, are closely tied to the apparatus of Party and state. As the historical discussion in chapter 3 showed, some intellectuals hoped that both the new industrial co-operatives of the 1980s and the shareholding co-operatives of the 1990s would yield a new form of market socialism, in which state direction would give way to autonomous, decentralised decision-making, while remaining within the socialist mould. Indeed, the institutional apparatus supporting co-operatives continues to espouse this sentiment in its educational and promotional literature. But co-operatives of all kinds are heavily dependent upon a network of institutions which are themselves dependent on various levels of the Chinese state. Moreover, foreign individuals and organisations play a key role in resource provision and leadership in some of these institutions. This dependence enforces a hierarchical model in which both co-operatives and individuals employed by co-operativist institutions ritualistically display adherence to co-operativism in exchange for resources ultimately provided by the state, regardless of whether they themselves adhere to co-operative values. Far from being a spontaneous movement, co-operativism in China is propelled and directed from above, and fed by competing ideological agendas both from abroad and from the state.

#### 4.4 The 'crowding out' of moral motivation

If the only goal of co-operativism were to promote larger-scale agricultural production or the formation of efficient businesses, then there would be no reason to be concerned about whether the more high-minded principles of fair distribution and democratic management were being put into place. Indeed, as we have seen, for some policymakers, this is the case. The 'co-operative' label is unimportant, so long as scale and efficiency are achieved. However, it is clear that for many activists, this is not enough. The co-operative principles enshrined in the PSC law do matter to them, and it is a matter of great consternation that they often do not feel these are being respected.

Arguably, these principles are at an inherent disadvantage. For while it is relatively straightforward to verify whether a firm has been created and has achieved a certain income level or number of employees, it is more difficult to determine whether, or to what extent, it instantiates nebulous concepts such as 'democratic management' and 'fair distribution'. In countries with a strong sense of the rule of law, co-operative members may be able to resort to judicial means to enforce their legal rights. But as the following chapter will argue, this channel is typically unavailable to Chinese co-operative members. Instead, enforcement of norms takes places within the network of relationships in a community, which may itself present difficulties. As Xunyi explained,

*"The members should be able to choose their leader. But often, the co-operative leader is also the leader of the village. In this case, it is very difficult. Because this leader has a lot of power, a lot of*

*knowledge. As co-operatives develop, the members will develop their abilities, so their power will increase. But right now, many co-operatives are really the property of the leader."*

In such circumstances, as Robert pointed out, it is often difficult or impossible for an external agent to determine whether members have chosen their leader through a 'democratic' process, given the pressures at work, not only in that process itself, but even in answering questions posed by outsiders.

Thus a fundamental problem presents itself, both for activists and for institutions which hope to spread co-operatives. To promote these ideas, there is a natural temptation to offer resources, whether financial or social, to those who agree to put the principles into practice. But the difficulty in verifying the genuine instantiation of those principles means that in practice, rewards may be directed simply to those who appear to demonstrate adherence in speech, through appropriate platitudes about 'democratic management', or worse, simply to those who establish firms with a sufficient level of productivity.

Far from being limited to interactions between supporting institutions and co-operatives, this problem reproduces itself within the institutions themselves. For they, too, must demonstrate success in exchange for the resources provided them by the state and donor agencies. As we have seen, the criteria which define success shape the behaviour of those in the institutions. For the Meibian Co-operative Federation, the constant presence of foreign development experts who demand and monitor the carrying out of participatory development workshops means that success is defined in terms of these processes. But for the Co-operative Institute, it is more important to demonstrate the presence of a number of highly productive co-operatives which at least appear to abide by the co-operative principles. Generating these observable results must take priority over time-consuming and perhaps ultimately futile attempts to ensure that the principles are adhered to. The unfortunate result is that many of the idealistic activists who work within these organisations feel betrayed by the bureaucratic motives of their superiors.

The structure of this problem is not unique. It chimes with a broad body of cross-cultural research suggesting that in many cases, attempts to use formal regulation or financial reward to encourage moral behaviour often have the opposite effect, instead resulting in a 'crowding out' of co-operation and moral motivation by financial incentives.

At an individual level, much cross-cultural psychological evidence suggests formal sanctions or rewards may undermine moral or intrinsic motivations (Bowles, 2008). Simply by framing the situation as instrumental, they may lead individuals to disengage cognitive structures associated with moral motivation, and instead exert the minimum of effort required to gain the reward or avoid

the sanction. Moreover, the use of formal incentives may convey information about the expectations of those responsible—that they themselves do not expect moral behaviour, or that they would not trust the individual to act morally were it not for the presence of the sanction. Over the long term, the presence of formal incentives may result in a larger attitudinal shift, in which a problem is no longer seen in terms of morality, but rather as a simple question of instrumentality. Given these findings, it may be that the deep involvement in co-operatives of the state and parastatal supporting institutions cannot but undermine motivation to conform to co-operative principles, rather than simply claim to do so.

At a social level, the problem of crowding out may manifest as a breakdown in co-operation sparked by state intervention, when it was previously organised through ‘bottom-up’, informal mechanisms (Ostrom, 2005). The attempt to motivate people through formal sanctions and rewards tends to undermine these informal mechanisms, rather than complementing them. This combined body of psychological and social evidence has led researchers in the common pool resource management school to conclude that many breakdowns in co-operation can be understood as the unintended consequence of misguided attempts at formal support (Poteete, et al., 2010, p. 110).

Co-operation research suggests, too, that those who would otherwise be disposed to follow and enforce a norm tend to become rapidly disinclined to do so when they perceive that few others around them will do so, too—a prediction of theoretical models which has been borne out by both experimental and ethnographic evidence (Bowles & Gintis, 2011, p. 22). Thus it is hardly surprising that problems may arise from state provision of resources to those who create co-operatives and co-operative institutions. When the state provides subsidies, technical training, and favourable loans, it creates an incentive for people who neither understand nor care about co-operativism to claim to adhere to co-operative values, in exchange for the resources on offer (Pan, 2012, p. 150).

In marked contradistinction to the way in which the Maoist state exhorted people to join new institutions on the basis of moral motivation, and with a view to building new social forms, the reform-era state has used co-operatives for a variety of wider political motives, and has attempted to induce people to join them using purely transactional means. For those drawn to the movement by idealism, the atmosphere thus created threatens to undermine their own moral motivation. For others, it simply signals that, just as with the dominant discourse of ‘socialism with Chinese characteristics’, the principles of co-operativism are unimportant compared to the measurable outcomes of scaled-up production. The implementation and verification of the co-operative principles may, then, be ‘crowded out’ by the provision of resources by the state and foreign donors.

## 4.5 Conclusion

This chapter has sketched the interactions between three sets of actors promoting co-operatives in China: activists, intermediary institutions, and state and foreign agencies. The experiences of these actors belie any attempt at a simplistic portrait of moral decay in contemporary China. Instead, the moral discourse surrounding co-operativism is interpreted and deployed in a variety of ways. At times, it informs the self-concept and the deepest motivations of activists; and at times, it functions as nothing but an ideological smokescreen for ulterior motives. These varied uses reflect the variegated and shifting moral fabric of Chinese society, but they also present a fundamental problem for anyone attempting to operate within that fabric. For activists, co-operative members, and policymakers alike, it is, perhaps, never entirely clear whether those with whom they are dealing view the co-operative principles as moral injunctions, meaningless phrases, or something in between. This vagueness means that those who wish to re-engineer society through policy or activism can never be entirely sure where to direct their sanctions and rewards. This chapter has argued that the problems encountered by the movement are not unique, but are instead representative of a more general problem of the 'crowding out' of moral motivation. The next chapter will explore the implications of this environment for the co-operatives themselves.

## 5. The experience of the co-operatives

On a sunny Saturday morning in Meibian, I met Xiao Tao, a young civil servant I had befriended. Xiao Tao had a motorbike, and had offered to spend the weekend taking me around Meibian county in search of the industrial co-operatives founded by the Co-operative Federation in the eighties and nineties. Mr Chang from the Federation had provided me with a list of these fifteen co-operatives, and the addresses last on file for them, though he had warned me that it had been years since he had been in touch with some of them. Armed with the list, Xiao Tao and I set off into the desert.

Although its population is less than 200,000, mainly concentrated in the county town, Meibian county extends over 5400 square kilometres of desert and grassland, stretching across the Hexi Corridor which straddles the old Silk Road, from the mountains of Qinghai in the south to another mountain range marking the border of Inner Mongolia to the north. It is no surprise that Chang had difficulty keeping in touch with the co-operatives, as the Federation did not even have its own car, and they were widely scattered throughout the county. For us, wending along desert tracks between ancient Han dynasty watchtowers, it would be no easy task to locate them all.

As we made our way out of the town and into the grasslands, Xiao Tao turned to me and shouted into the wind, repeating what had become a familiar refrain.

*"Industrial co-operatives... Are you absolutely sure? You know, I was thinking about it—I have heard of agricultural co-operatives, I'm not very familiar with them, but I know there are some around here. But industrial co-operatives? I've never heard anything about that. But we will try, we will do our best to find them."*

After riding most of the morning out into the desert, we arrived at the hamlet which was our first destination. Here, according to the records, there was a linen co-operative, processing the products of local flax growers into a marketable secondary commodity. At first, the hamlet appeared deserted. We rode to what seemed to be a central point, dismounted and began to wander through the streets, looking for signs of life. Finally, we came across an elderly woman, and asked her where we could find the linen co-operative.

*"Linen? You mean the workshop? It's over that way, outside of the village. But perhaps you won't find anyone there. I think it's been closed for some time."*

Xiao Tao and I headed in the direction she indicated, toward the edge of the settled area and the threshold of the desert. We came upon the entrance to a small, disused factory; wandering around

the grounds, there was no indication it had been occupied recently. It seemed abandoned. On the way out, we met another elderly man, and asked him if the factory was still operating.

*“No. Around here there is no industry at all. The factory belonged to the flax farmers—it’s better for them just to sell it to a big enterprise. It’s too much trouble to operate a factory. Probably their technology wasn’t good enough. It’s been closed for a long time.”*

We resumed our search, but in every corner of the county, we met with similar results. The coal co-operative, the chemicals co-operative—all seemed to have vanished. There remained the construction co-operative, which was located in the county town itself, and which, according to Mr Chang, was one of the largest, boasting a membership of more than 800, as well as 400 non-member employees. But when we arrived at the site on the outskirts of the county town, we again found nothing but a dilapidated, abandoned office complex, with a large lock fixed to the gate. Again, we asked a neighbour, a shopkeeper in a shop next door, what had happened.

*“That was the construction co-operative, but it is closed now. All the young men have gone east to work as labourers. They don’t want to stay here in the countryside. So they had to close the business.”*

Unbeknownst, it would seem, to the Co-operative Federation itself, the industrial co-operatives it had first fostered when it was re-founded in the 1980s seemed to have vanished.

Indeed, this phenomenon of ‘missing co-operatives’ is not limited to Meibian, but can be found throughout China. Shareholding co-operatives have vanished in accordance with the wishes of central policymakers. Their uniform disappearance throughout the country would not be so mysterious were it not for the fact that several thousand remain in Shanghai. Many agricultural co-operatives, too, are ‘missing’. In the Ningxia county of Jiaohu, dozens of PSCs were formed with the help of an NGO supported by Beijing-based and foreign development organisations, but virtually none of them remain. While they still exist on paper, and thus add to the official figures for the number of PSCs at a national level, they have simply broken down and ceased to function. According to the head of the NGO which backed them, this is simply because people in the area lack education and resources, and cannot be persuaded to see the benefits of the co-operatives. All over China, countless co-operatives remain registered officially as legal entities despite having disappeared—or in some cases, perhaps never operated at all.

What has driven this mysterious mass disappearance of co-operatives? This chapter will attempt to answer this question by examining key forces that have shaped the experience of the co-operatives, as well as their successes and failures. It will argue that many attempts at co-operative organisation have been vitiated by the uneven enforcement of formal rules stipulating the rights of co-operative

members; that larger structural changes in China's economy, and migration in particular, have worked to undermine the bases of co-operation in the co-operatives; and that the historical experience of the failures of the socialist period has contributed to an underlying distrust of collective forms of organisation. Finally, it will argue that although some co-operatives do achieve a measure of co-operation by working around these problems of trust, the structural factors already mentioned tend to limit the success of these efforts.

## 5.1 Formal rules and rights

The formal rules defining co-operatives and the rights of their members are central to attempts to differentiate them from other forms of organisation. Formally, the co-operative is the property of the members, who therefore have the right to a share of its profits, and a say over how it is run, including the right to choose the leadership. As chapter 4 argued, the enforcement of these rules is uneven at best. In some cases, they are ignored altogether, resulting in organisations operated effectively as family firms or the personal domain of their leader; in others, they play a stronger role. This section will explore examples illustrating this range of cases, and conclude by arguing that the variability in the strength of formal rules, itself rooted in a wider ambiguity about the role of law in China, has worked to undermine many co-operatives.

Dongguang Electronics Factory, in the Shandong city of Gongshi, is typical of many former shareholding co-operatives. The factory employs around 600 people, manufacturing a variety of consumer electronics. Prior to 1994, it was a collective enterprise<sup>2</sup>, owned and operated by the government of Gongshi. Then, during the wave of privatisation of small and medium-sized enterprises, Dongguang was converted into an SHC, through a share sale to its employees. In most cases, SHCs were created through forced purchases, in which employees were given no option other than to buy shares. Dongguang was no exception; according to Li, a manager there, the share purchase was a 'requirement'.

*"At that time, we were still a collective enterprise. Our technological level was not very high—not very suited to market competition. So it was necessary to raise money. All employees invested in the enterprise, became shareholders. Some people didn't want to. They didn't understand what a share was, or if they would receive their money again. I was also reluctant. The reform and opening was like that—it was a process."*

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<sup>2</sup> In the Chinese context, 'collective' enterprises (*jitiqiye*) are enterprises owned by various levels of the local state. As chapter 3 above made clear, when the bulk of these enterprises were converted into Township and Village Enterprises (TVEs), their 'collective' status often became ambiguous, particularly given that the category of TVE included a wide range of ownership forms, from SHCs to corporations privately controlled by local families .

Legally speaking, the rules governing SHCs were never made uniform across the country. While they were touted as a middle way between socialism and capitalism, in practice they apportioned a wide range of balances of control between employee shareholders, managers and investors. But in Gongshi, one of the first places in the country to experiment with SHCs, they followed a typical pattern in which voting rights and rights to profits were separated. Dongguang was no exception; it, like many other Gongshi firms, adopted the principle of ‘one person, one vote’, whilst allowing individuals, including outsiders, to own variable amounts of shares, and to be paid a fraction of profits in proportion to the size of their share ownership.

Formally, then, the transition to SHC status meant that Dongguang had gone from being the collective property of the Chinese proletariat to being the collective property of the specific proletarians who worked there. This hybrid form allowed the firm to accept private investment, but without abandoning the socialist commitment to worker ownership. Nevertheless, in 2005 the factory underwent a management buyout, in which several senior managers purchased the entirety of the employee-owned shares—again, in a compulsory sale—thus converting the factory finally into a privately owned joint-stock corporation.

However, throughout this process of formal restructuring, it is unclear whether the legal rights conferred upon and subsequently removed from employees made any difference to the operation of the factory. Duan, a worker there, recalled:

*“There was no difference. This ‘shareholding co-operative’—no one really understood it. I don’t either. Before we were a collective enterprise. Then we became a shareholding co-operative. Now we are a private company. Our managers are the same. Life in the factory is basically the same. There was no change.”*

This tallies with the experience of other employees of former SHCs—even much smaller firms. Meimu Furniture Company is another former SHC located in Gongshi. A manufacturer of wooden beds and other furniture, Meimu employs around 90 people, and like Dongguang, was formerly owned by the local state. Xuli, a middle-aged worker there, recounted her memory of Meimu’s days as an SHC:

*“What is a shareholding co-operative? Something from the reform and opening [period]. This kind of thing is the business of the leaders. It’s a management question, nothing to do with us workers.”*

As for the motives for the transition, it was clear that at least in Dongguang’s case, the path from collective to SHC to private company was a result of policy direction from above. Li, the manager, explained:

*“The problem with shareholding co-operatives was simply that they were ‘neither one thing nor the other’ (bu lü bu ma, lit. ‘neither donkey nor horse’). Neither a company nor a collective. China’s economy had to be modernised. That’s why our government decided that the shareholding co-operatives should become companies.”*

This chimes with sentiments expressed by policymakers in chapter 4. Indeed, in conversations with local officials around the country, identical reasons were consistently given for the disappearance of local SHCs. It was clear the decision had been made centrally, and enforced by the managers of each firm. One may wonder to what extent SHCs, and indeed private companies, can be said to have been autonomous from the state, given the uninterrupted ability of the state to dictate their futures. One may further wonder what, if anything, employee ownership can have meant, if it neither gave workers power within the firm, nor gave them any say over whether their factory should allow a management buyout. Why did the employees not resort to legal action to enforce their rights? I put this question to Yitao, an engineer in his thirties.

*“Go to court? It’s too much trouble. You say there are still shareholding co-operatives in Shanghai. Maybe it’s because Shanghai people are different. Their educational level is very high. Maybe they really understand the law, and they are willing to go to court. People here wouldn’t do that. They would be afraid that if they do it, they will definitely lose. They just don’t consider the law, or whether or not they have rights.”*

This observation is consistent with studies of the contemporary Chinese legal system (Lieberman, 2009). In the systems of socialist law which formed the basis for that of today’s China, judicial decisions are, in principle, concerned principally with the public good, and therefore the social effects of each judgement, rather than its strict consistency with the law. Legislation, then, formulates broad and malleable guidelines, rather than rigid and predictable rules; while the political apparatus, led by the Party, is responsible for guiding the judiciary toward the most socially beneficial outcome. As this system has evolved in China, it has developed strong mechanisms through which political guidance takes precedence over legislation. Specifically, cadres are given centrally formulated lists of priorities, fulfilment of which is assessed regularly according to the points-based system mentioned in chapter 4; while these may include enforcement of legislation, this is by no means mandatory, much less a particularly high priority (Birney, 2014). As a result, legal enforcement is highly uneven across the country. Moreover, when cases do arrive in court, there is little or no attempt at enforcing consistent interpretations of the law. Instead, judges are expected—often by the public, as well as the Party—to disregard the law when it is considered better to do so (Lieberman, 2009). Judges and enforcement officials are themselves enmeshed in the networks of

exchange relationships governing any given locality. It is therefore hardly surprising that mere factory workers would be reluctant to attempt to pursue a case against their own relatively powerful, well-connected managers, particularly when the management buyout which would have been under dispute was itself a centrally mandated priority, albeit one contrary to the law.

But if the rights of employees as owners of SHCs never really existed, what was the point of creating them in the first place? One possibility is that the forced purchase of shares by workers was seen as a necessary step to raise capital for privatisation of firms which might have been uncompetitive, and therefore insufficiently attractive to private investors. However, if this were the sole motive, it is unclear why SHCs should have been created with the principle of 'one person, one vote', rather than simply formed as ordinary employee-owned corporations. It has been suggested that SHCs were used as a transitional device because, with the Communist Party still in power, and still officially guided by Marxism-Leninism, it would have been unacceptable to effect privatisation directly (Oi, 2010). Instead, formally at least, collective firms would continue to belong to the workers, who became owners through officially voluntary purchases. If several years later these same workers decided to sell their shares to managers and investors, this was not the act of the state, but their own decision. Thus the SHC moment was used as a sort of ritual transition from public to private ownership—but one in which, on paper, the process was driven by the sovereign proletariat itself.

This suggestion is compelling, and it finds support in the fact that there does not generally seem to have been an attempt to encourage SHC employees to exercise their rights, suggesting there was little political will behind the idea of the SHC as a permanent organisational form. However, the experience of workers like those in Dongguang shows that for many, the idea of employee ownership was so unreal as to have barely registered in their memories. That would suggest that if the ritual transition hypothesis is true, the intended audience of this ritual may not have been the workers themselves. It is worth remembering that in the 1990s, at the height of the SHC period, there remained within the Party and the state a substantial leftist faction, which arguably would have resisted outright privatisation of so many state assets. Thus it may be that the SHC process was adopted as an ideological smokescreen to placate these forces.

Whatever the case may be, the lack of enforcement of formal rules was a key factor in the disappearance of SHCs, as well as their failure to function as worker-controlled organisations. Had the formal rights of employees been realised, the outcomes might have been different.

Not only SHCs, but other forms of co-operative, too, have suffered from the weakness of formal regulations. The 2007 PSC law is the clearest legal expression of co-operatives yet to exist in Chinese

law, but in practice, the implementation of the rights specified by the law has been highly uneven. Mr Chang of the Meibian Co-operative Federation explained:

*"There are two aspects we must consider in the co-operative development process. One is the co-operative's organisational development—that is, its internal problems. The other is commercial, that is, its economic management. These two develop together. If you get the internal organisation right, this will bring great benefits to production, and the co-operative will develop. But if economic management is good, so the co-operative gets a lot of income, but you have bad internal organisation, bad internal systems (zhidu), unfair distribution of benefits—then regardless of what the law says, the co-operative will turn into a company."*

Junliu Grain Co-operative, in Meibian county, boasts around 120 members, all households which cultivate grain on their own land. Its principal function is to pool marketing and distribution of the grain produced by its members, as well as making bulk purchases of inputs for production. Legally, the co-operative belongs to the households as units. But there is something peculiar about Junliu village: For most of the year, apart from the leader of the co-operative and a few staff members, there are almost no men present at all. In the words of a female grain farmer there,

*"My husband has gone to work in Jiangsu. He comes back once or twice a year to visit. Most of our men are the same—they've gone to Lanzhou or outside the province. They come back for the Spring Festival, but after they leave again, we women stay to look after our land. Sometimes the men do some work here, but most of it is done by us... The co-operative meetings are held during holidays, when the men are here—because the men must represent their households. So even though we are the ones who look after the farms, when they come back, they decide the business of the co-operative."*

Although the vast bulk of the labour is done by the women, and the results of decisions taken in Junliu are borne principally by them, it is nevertheless the men, absent for most of the year, who are formally consulted as heads of their households. The principle of 'democratic management' enshrined in law is here overridden by the men's assumed prerogative; and in spite of the legal equivalence of the rights of men and women, men dominate here, as in village 'democracy' throughout China (Howell, 2006). When I suggested to a group of women in Junliu that they attempt to make a legal claim on their rights, this was met with laughter, as an absurd suggestion. Moreover, as chapter 6 will show, even the participation of the men in co-operative meetings in Junliu is extremely limited. Even if the households—however represented—are taken as comprising the demos here, the principle of democratic management is hardly enforced.

Often, the unreality of member ownership appears to go further, when co-operatives are run under the control of an individual or group with no intention of respecting the formal rules of distribution and control (Yuan, 2014). One such case is that of a former dairy co-operative in Meibian. Yueli, a farmer who was a member of this co-operative before it ceased to function, relayed the story of how it failed.

*"At the beginning, the co-operative went well. My husband and I saw an economic benefit. There were some problems even then. The Co-operative Federation offered us support—when the income of the members wasn't enough to support our livelihoods, they gave some money to help. But this money didn't come to us directly. The business manager handled it, and he didn't always distribute it fairly. We later found out that our leader was supposed to deposit it in our account so we would all receive what we needed. But all of the leaders were his family, so it didn't happen this way. Later, there was more competition in the marketplace. Our leader should have invested to help us develop. Instead, he used the money for his own family. So more and more households began to leave the co-operative, and we left, too."*

This story appears by no means to be an isolated case; as noted in the previous chapter, co-operative activists frequently relayed similar accounts of corruption and mismanagement. As Mr Chang put it,

*"There are co-operatives which behave like a private enterprise. Someone starts a co-operative because he wants to be a leader. He brings in his family to manage it. He thinks he is the 'protagonist' (zhurengong) of the co-operative. So he loses any sense of responsibility to the co-operative, because he thinks it's all his affair."*

Thus just as the ostensible co-operative form of the SHCs was vitiated by the lack of enforcement of formal rules, it seems that in many cases, the PSC law, and the internal rules of each co-operative, which emanate from it, are at best loosely enforced, and at worst, flatly ignored. As O'Brien and Han (2009) argue in the context of village elections, informal institutions such as kinship networks tend to override formal democratic rules. Nevertheless, all this is not to say that co-operative members are completely powerless. On the contrary, members of PSCs are often at least aware of their status as owners, and can make use of this status in ways which have a direct impact on the functioning of the co-operative.

Taoyuan Organic Vegetable Co-operative, in a village on the outskirts of a large city in Shandong province, was formed of 12 neighbouring households in 2008, and has since grown to include several dozen households and more than 100 people. Its leader, Mr Chen, had worked as a manager in a

private company, but returned to the village when he saw a business opportunity. He convinced his neighbours to form the co-operative, which would be responsible for packaging and marketing their produce, charging a premium for its 'organic' label. However, production remains in the hands of individual households, and Chen has no way of ensuring that his members refrain from spraying their crops with pesticides and industrial fertilisers.

*"It's very hard to manage this co-operative. In a company, people will do what you say. It's like driving a car—you just drive it where you want to go. Here, I can't manage them. Whatever I want to do, they don't want to do it. If they don't do what I say, there's nothing I can do. I have no power at all."*

Here, the force of member ownership is such that the leader feels unable to compel the members. Ironically, this results in a failure of co-operation. The problem of maintaining the organic standard of the vegetables is a classic collective action problem. Without any means of testing the produce of each household, the co-operative has no way of sanctioning those who use pesticides and fertilisers. Each household benefits individually if it does so, because doing so will reduce its costs and increase its output. But collectively, there is a risk that consumers will discover the results of this practice, and the benefits of the organic brand will be lost. According to Chen, as a manager in a private company, he could use his position to enforce co-operation; but as the leader of a co-operative, he is unable to override his members.

However, here again, we must ask whether the formal rules of the co-operative are being deployed to the extent possible to address the problem. After all, members have a collective interest in preventing other members from spraying their crops. Given that they are the legal owners of the co-operative, it is within their power to institute a formal rule forbidding spraying, to attach sanctions to that rule, and to empower Chen to enforce it. Instead of making active use of their formal rights to solve this problem, their status as owners appears to empower them only insofar as it reinforces their autonomy as households. For Chen,

*"Any organisation should be like a big family. But this co-operative is not like a family. If I try to suggest activities, to make them feel more like a family—to watch a film, to eat dinner together—they don't want to do it. They just never want to do what I suggest. Every household has their own piece of land. And if they are really unhappy, they will just leave."*

Indeed, it is perhaps the very autonomy of the households, rather than any sense of formal rights in the co-operative, which provides the strongest basis of their power. Under the Household Responsibility System, each household maintains rights to its own piece of land, on a long lease from

the state, providing it with a crucial source of income and security. Because co-operatives do not pool this land, and rarely even pool agricultural production equipment, households remain free to leave co-operatives more or less at will, without risking major losses. For many, leaving a co-operative when it is no longer convenient to be a member is the extent of the power they will ever exercise within it, a point discussed in more detail in chapter 6. Again, this is made clear in the frustrations of the leader of Junliu Grain Co-operative:

*"If our members don't receive enough benefits from the co-operative, they may just leave. That has happened to many co-operatives in Meibian. The leader must work hard to produce benefits. Members are not patient, and they think it is our responsibility to make the co-operative develop. This is the biggest problem—to make them stay."*

This point was echoed by Xunyi, the researcher and activist discussed in chapter 4, who has worked with co-operatives around the country.

*"The main thing is to bring material benefits to the members. Peasants may not understand the idea of a co-operative. They probably are not interested in it. They want material benefits for their household. And if the co-operative stops bringing these, they will not think, 'This co-operative belongs also to me, I should try to improve it'. They will just leave."*

These sentiments seem to mirror Andrea Pia's claim (2015, p. 199), in his study of collective water management institutions in Yunnan, that villagers resisted rights-based understandings of property relations, in favour of a discourse based on the obligations of officials to the people when managing shared resources. Although the PSC law is framed in terms of the rights of members, the members of these co-operatives appear to frame their involvement in terms of the obligations of co-operative leaders to serve the members.

Thus while the formal rules of co-operatives are emphasised repeatedly in training workshops and literature distributed by the co-operative movement, and often keenly repeated by co-operative leaders themselves, the reality of their enforcement varies widely. There are, nevertheless, cases in which they have an effect. But as these examples have illustrated, the greatest lever available to members may be the relative ease with which they can withdraw from the co-operative, particularly if their right to withdraw any initial investment or joining fee is respected.

A further, and perhaps more dramatic, case in which the formal rules of co-operatives function with real effect is that of the SHCs of Shanghai. While SHCs appear to have vanished nearly everywhere in the country, the one exception, as one of the Gongshi informants indicated, is Shanghai. There, at the time of fieldwork, there were still more than five thousand SHCs legally registered as operating,

and represented by the Shanghai SHC Federation, an umbrella body. But why is Shanghai such a glaring exception to the trend? The leader of the Federation, who is also the head of a rubber factory, itself an SHC, explained:

*"In the 90s, we were all state-owned enterprises. But the state decided it couldn't manage us anymore. So they said, 'Here, you manage it'. We were converted into this new kind of organisation. But there were a lot of problems. These new organisations could not compete in the market, and they could not raise capital. Eventually, the government decided to close them, or convert them into companies. But many people refused. They own the shares, and they did not want to sell them."*

Indeed, there is some evidence that members of the Shanghai SHCs have not only made use of their legal rights; they have dared to do so in direct contravention of the wishes of their managers, the state and the Party. In the early 2000s, with Shanghai property prices booming, it became apparent that SHC members could make a substantial gain by liquidating their enterprises and dividing up the proceeds amongst themselves. At the time, this was contrary to policy; and the managers of these factories, at the behest of the local Party, informed these workers that such a move was not an option, and that the factories were to continue production. In spite of this, the SHC members boldly staked their claim, exercised their legal rights as owners, and liquidated their factories, as a result of which, many SHCs went out of business (Zeng, 2005). Again, it is perhaps ironic that one of the most dramatic instances of co-operative rules being respected happens also to have been the moment of dissolution of those co-operatives. Nevertheless, these cases show that there is perhaps some truth to the suggestion made by the worker in Gongshi that there is something unique about Shanghai which leads people there to fight for their legal rights, and win.

But there may be other explanations. Analysing 16 years of corporate law cases in the Shanghai People's Courts, Howson (2010) argues that although there are indications that these courts have become increasingly autonomous, they are still constrained by political considerations, in particular tending to prioritise the maintenance of the social order over the enforcement of shareholder rights. Indeed, enterprise restructuring in Shanghai proceeded at a more gradual and cautious pace than elsewhere, a difference which may be attributable to the simple fact that unlike other localities, the Shanghai government did not set the speed of enterprise restructuring as a priority target for their cadres. As Zeng (2007, p. 123) argues, the political pre-eminence of Shanghai and the economic success it experienced even before restructuring may have led to an unusually gradualist attitude toward enterprise restructuring. The relative autonomy of the Shanghai SHCs may, then, have been as much a result of local cadre incentives as of cultural specificity.

Nevertheless, we should not be too quick to dismiss cultural influences. Apart from stereotypes of Shanghai as historically open and ‘Westernised’, a consistent observation has long been that Shanghai people tend to place a strong emphasis on individuality and autonomy, even including social norms to the effect that people should ‘mind their own business’ with respect to major life decisions (Li, 1996). This apparent valuation of the individual self would seem to contravene the relational ethic, and arguably has more affinity with universalistic morality, and its notion of individual rights.

The anthropology of law has long argued that legal forms can serve not only as rules, but as more general sources of meaning which can be called upon in other ways than explicit rule enforcement (Geertz, 1983; Cover, 1983/84). Thus Zeng (2005) reports that although Shanghai SHC workers had little understanding of their formal rights, and therefore governance and management went largely unchanged, managers claimed they were unable to sack employees, who would claim that their status as ‘owners’ meant they were immune. This mirrors the complaint of the manager of Taoyuan Vegetable Co-operative, that although his members may not have understood their formal rights, they knew they were owners, and could not be told what to do. It also helps explain the ritual transition to privatisation via SHCs around the country; for everywhere, enterprise restructuring required cadres to negotiate with, persuade and cajole workers, who continued to frame conflicts in terms of the proletarian ownership they had long been guaranteed (Zeng, 2007; Hurst, 2009, p. 115). Like the discourse surrounding ‘socialism with Chinese characteristics’, it seems that the laws governing co-operatives may function in this way as a symbolic device, even if they are neither understood nor enacted literally. The unusual case of the Shanghai SHCs may, then, reflect the symbolic currency of individual rights, coupled with unique political conditions allowing for this currency to be traded in.

But for these as well as other co-operatives, a vague symbolic suggestion of member ownership is insufficient to ensure cognisance or enforcement of co-operative rules. For such rules to have effect, it is not necessary to have recourse to courts, but only for people to accept and enact them as social norms. Again, co-operation research suggests that humans may be primed for social norm enforcement, and the punishment not only of norm violators, but of those who do not punish norm violators; but as chapter 3 noted, this behaviour—known as ‘strong reciprocity’—depends heavily on the perception that a sufficient proportion of others in the group will do the same (Bowles & Gintis, 2011, p. 22). In a legal culture in which laws are not ordinarily experienced as norms to be enforced by ordinary people, but only occasionally by police and the state, theory predicts that the

development of enforcement practices on the part of one or a few individuals should be highly improbable.

Thus as this section has shown, the enforcement of formal rules governing co-operatives is highly variable, mirroring the status of Chinese law in general, which is unevenly enforced and flexibly interpreted, to the point of functioning often as no more than a symbolic gesture. The relevance of this problem for co-operatives should be clear. As chapter 1 argued, co-operativism is, in part, a conscious attempt at social engineering—the attempt to construct democratic, member-owned organisations in a variety of social contexts, which may or may not have had any history of such a concept. Formal rules instantiating the international co-operative principles are a standard component of this project, providing as they do a touchstone by which members can ensure their rights are respected, and in this way, constituting a mechanism through which they can solve co-operation problems, such as the problem of pesticide spraying in Taoyuan Co-operative. But this presupposes a cultural and politico-legal environment in which formal rules are respected and enforced, even and especially when they come into conflict with the imperatives of informal institutions. Contemporary China does not, on the whole, provide such an environment, and while there are exceptions, even those involved in formulating the PSC law were not so naïve as to believe that legislation is enough to bring the co-operative principles to life, as some of the reflections in chapter 4 showed.

But formal rules are not the only way to solve co-operation problems, including the sorts of problems faced by co-operatives which attempt to pool resources or make decisions together. As chapter 3 indicated, the relational ethic and the patterning of relationships which typically accompanies it may be understood as instantiating a particular form of indirect reciprocity, a mode of co-operation which, in many contexts, may help to overcome co-operation problems through purely informal mechanisms. The conditions under which this may occur are not, however, unlimited. The following two sections will explore structural and historical forces which have coloured the experience of the co-operatives, as well as their ability to rely on informal mechanisms to support co-operation in the absence of formal enforcement.

## 5.2 Marketisation and migration

The development of the co-operatives has played out against a tumultuous backdrop of economic change, accompanied by mass movements of people which have transformed and uprooted communities. In this context, many co-operatives have succumbed to the destructive forces which have affected other businesses, too. But at the same time, there are reasons to believe that these changes may have weakened the foundations of informal co-operation which might have sustained

them in the absence of formal rule enforcement. This section will explore these two broad categories of effects.

The first of these is the general effect of exposure to market pressures. This has manifested itself in a number of ways. In the case of the Meibian industrial co-operatives, which were established at a time when the market economy was still in its infancy, it would seem that geography was not on their side; as ever more industry concentrated along China's eastern seaboard, it became increasingly difficult for small enterprises in a remote, landlocked region to compete (Wen, 2004). Moreover, as the case of the construction co-operative shows, they faced competition, too, in the form of labour demand, as the rapidly growing private sector lured workers away from the countryside with higher wages. If these forces had not been enough to render the industrial co-operatives unviable, they struggled, too, to update their production technology to a competitive level. Mr Chang explained,

*"The local economy was backward, and it had to be brought into line with the market economy. These small industrial co-operatives, their scale was too small; the quality of their products was also relatively low. Their technology was backward. For a peasant to go from agriculture to industry—they lack basic knowledge about production. So they have many problems in the process of development. In this process, they need more technological development. But at that time, they didn't have the capacity. Foreign investors were more sophisticated and had more capital, so they could satisfy the conditions of technological development. So in market competition, the co-operatives struggled."*

Thus while the Meibian co-operatives were buffeted by forces which would have affected firms of any nature, they were also afflicted by pressures unique to co-operatives. On the one hand, their composition as worker-owned organisations staffed by peasants, rather than employing outside labourers, meant that they faced a shortage of knowledge and skills necessary to upgrade production. On the other hand, they struggled to raise the necessary capital to do so, while private firms could benefit from ample financing and often from injections of expertise by foreign investors. Indeed, the problem of access to external financing has long been recognised as a fundamental constraint on producer co-operatives worldwide; for if equity cannot be sold in exchange for capital, the firm's options for raising funds may be severely limited (Dickstein, 1991). According to Chang, the Meibian co-operatives were no different in this respect.

In the Shanghai shareholding co-operatives, the effects of marketisation and mass migration were felt in a different way. As Shanghai boomed into a commercial and service centre, labour and land

costs skyrocketed, pushing manufacturing into the periphery of the city. As indicated above, many SHCs responded by liquidating themselves and sharing out the proceeds to their members. For many of the five thousand which remained, it was no longer profitable to continue production, and they, too, sold their facilities, and converted themselves into nothing more than legal vehicles for pension delivery. There are many which have nevertheless continued production. However, as the cost of living increased, they could no longer afford to pay sufficient wages to their own members. Instead, they gradually hired more and more non-member migrant labourers from outside Shanghai, who could be paid lower wages. Today, those that remain in operation have, to all intents and purposes, become joint-stock companies. Their shares are owned by the original workers, but their labour force consists almost entirely of hired migrant workers. The head of the Shareholding Co-operative Federation explained,

*“I know the co-operative principles, because I exchange ideas with the NCF—the ideas of Rewi Alley, that everyone should work together, for mutual aid. It’s a kind of moral attitude. But in the SHCs, people don’t want to work together. They just want to make their money, and that’s enough for them. That’s why there are still so many problems—you can’t really say an SHC is a co-operative.”*

Thus while the SHCs continue in name, their flexible and ambiguous legal status has allowed them to evolve seamlessly into something indistinguishable from a private company. In the absence of any political or ideological agenda to the contrary, there has been nothing to stop them doing so. Just as Chang criticised Mondragon and other western co-operatives for allowing themselves to transform into corporations, the forces of marketisation and its geographical and demographic implications have finally undermined what remained of the Shanghai SHCs.

In addition to the direct effect of these forces on firms, there are reasons to believe there may be a second, indirect effect. That is that the same general social processes may be working to undermine the foundations of informal co-operation mechanisms which might otherwise help to sustain co-operatives, in the absence of formal rule enforcement. One lens which provides a hint of this possibility is the example of housebuilding.

Xiao Zhang was a young government clerk in Meibian. Thanks to a small inheritance, he had recently acquired a piece of land outside of the town, where he planned to build a rustic-style restaurant, which he hoped would allow him to become a businessman. I first met Zhang at a bar in Meibian, through a group of mutual friends. He told me about the restaurant, that it was already half-built, and he was brimming with ideas for how to develop it. Then one of our mutual friends suggested I come along to the building site at the weekend, to help out with the construction. It turned out most

of Zhang's good friends went on a regular basis, whenever they had time off work, to help out with the project. Although they were all white collar workers in clerical jobs, they were young, fit men, so I expected we would be able to help out with carrying materials, laying bricks, and other aspects of the construction.

Five of us made the trip to the building site that Saturday morning, in a car owned by one of Zhang's friends. The journey lasted less than half an hour, but seemed a routine trip, punctuated by friendly talk about plans for the restaurant, but not about the building site itself. When we finally arrived at the building site, I was surprised to find a crew of several construction workers already busily working away. While Zhang spoke with them, and then set about surveying the site, his friends simply took up positions around the site and relaxed, continuing to chat, a couple of them climbing to sit on the roof of the unfinished restaurant and look out across the countryside. Zhang made a couple of small interventions in the building process—screwing in a lightbulb, checking some door hinges—and one of his friends leapt to offer him a screwdriver during this process. But soon his involvement was finished, too, and he joined his friends in hanging around the building site, while the hired labourers continued to work.

When compared with scenes of housebuilding I witnessed in the same year in villages in the northwest of Yunnan, while still looking for a field site, the contrast could not be greater. In these 'backward' villages, still without electricity, water, or a substantial cash economy, housebuilding continued as it has long done in rural China, through the collaboration of entire networks of neighbours and kin (Yan, 1996). Dozens of villagers could be seen hard at work on each building site, constructing houses out of rammed earth. The skills necessary to do this were found throughout the community, as housebuilding was a regular enough occurrence that most males had multiple opportunities to learn and practise. Unlike building a modern house, with electrical wiring and industrially produced materials, rammed earth construction simply requires earth, wood, water and manpower, and in the villages I visited in Yunnan, these methods were still in constant use. When a member of one's kin network required help, one was obliged not only to show up, but to be seen to work hard to help construct the house.

Why, then, this contrast? I asked Zhang why he had to rely on hired labourers. Constructing a modern building, he replied, required specialist knowledge and skills; it wasn't just something you could do yourself. He needed an electrician, a plumber, people who knew how to mix and apply cement. Moreover, he had the cash to pay for this labour, and this was factored into his decision to build the restaurant at all. The technical requirements of this kind of construction do not begin to resemble simpler methods like rammed earth. When I asked Zhang why, if all the work was done by

hired labourers, he had to attend the building site at all, he explained that the labourers would only work if they were being watched. He had to pay them at the end of each day, because they did not trust him to pay them less frequently, and he did not trust them not to abscond and never return to the work site. Even with daily pay, he insisted that if he were not personally present, they would either not work at all, or deliberately do a shoddy job, which would then have to be repaired later. His friends, Zhang explained, were there to ‘help’, and when I asked them in each other’s presence, they emphatically agreed: it was important for them to come every weekend to ‘help’ with the construction, because Zhang needed it, and they were his friends.

Later, I spoke privately with Pengyi, who was not a member of Zhang’s friendship group. Pengyi said that this sort of ‘helping’ behaviour was common when people built houses, that it wasn’t practical to give much actual help, but that Zhang’s friends went along because it was important to give him face, and to demonstrate that he had a ‘broad relationship network’ (*guanxiwang hen guang*). Other informants in Meibian confirmed this pattern: exchanges of housebuilding labour had been replaced by exchanges of a ritualistic display of friendship, masked in a vocabulary of ‘helping’.

The same pattern appeared to recur in the village of Damo, a remote village in an economically underdeveloped area of Ningxia. Damo is home to a pig co-operative—the one surviving co-operative in the county, out of many dozens which were founded on the initiative of an NGO backed by foreign aid. Even this co-operative, however, has struggled to attract the interest and involvement of villagers. The example of housebuilding may, again, help provide an answer as to why.

Although Damo is in a poor region, its villagers are relatively well-off. The majority are shepherds, pig farmers, maize farmers, or some combination of the three. They benefit from relatively large plots of land, worked mainly by the middle-aged and elderly who remain in the village with their grandchildren, now that the majority of young people have emigrated to the cities. They benefit, too, from generous government subsidies, enabling them to build and live in relatively modern, spacious houses, constructed from concrete, with large glass windows, sliding doors, electricity, and often garishly modern fixtures bought from urban suppliers. Just as in Zhang’s case in Meibian, when I asked villagers who lived in these houses whether others in the village came to help out, they emphatically said yes. But when I pressed them, it became clear that most of the construction and repair work was carried out by hired labourers from the nearby city. While I was not able to observe house construction directly in Damo, numerous informants confirmed that the ‘helping’ that took place when their houses were built and repaired was not actually a matter of technical necessity, and could be thought of instead as a sort of friendly visit.

Without question, the construction and purchase of houses for young people throughout China is still supported financially by immediate kin, specifically parents. In urban areas, this generally means parents pay for an apartment, which is then constructed by a building firm. In rural areas, apart from provision of finance by parents, support for housebuilding by kin networks, except from in the poorest villages, appears to have become purely symbolic.

This shift in construction methods extends also to infrastructure previously maintained through kin and neighbourhood networks. In Damo as in many other villages, collective infrastructure, such as roads and irrigation, is managed by the village government, which contracts hired labour to perform construction and maintenance, rather than relying on mobilising networks of locals. Thus the obviation of the old network-based construction and maintenance methods is complete.

The implication, then, is that in the sphere of housebuilding and construction generally, the relational ethic as an organising principle has been rendered increasingly obsolete by technological progress, rising incomes, and the encroachment of the market economy. Technological progress in building techniques and materials has made it impractical to rely on unskilled village labour for construction and maintenance. Rising incomes have enabled even many relatively poor villagers to afford hired labour to perform construction. And the concomitant of these two forces is the marketisation of construction, and its removal from the sphere of personalistic organisation. While it continues in areas such as the aforementioned villages in Yunnan, where incomes are still too low to enable marketisation, the trend appears clear in other areas of the countryside.

Nevertheless, it is notable that in both Meibian and Damo at the time of fieldwork, a ritual display of 'helping' still accompanied housebuilding. Interpersonal relationships still retain immense value, and even if the material basis for the exchange of housebuilding assistance has dropped away, these events can still serve as opportunities to signal and reaffirm commitment to relationships.

Indeed, a similar portrait is painted by Daniel Roberts (2013), in his study of the Zhejiang village of Wangcun. His informants, too, have ceased labour exchange in housebuilding, though they cite as reasons both the availability of contract labour, and the monetary sacrifice they would be demanding now that their associates would have to forego paid work elsewhere to help build. Unlike in Meibian, Wangcun villagers do not make a show of 'helping' in construction, but they similarly seem to shift from material interdependency to more purely affective ties; one of Roberts' informants claims that the result of no longer depending on each other economically means that 'you have more connections and actually have more friends and family than before'. Thus although

Wangcun villagers are no longer enmeshed in a web of exchange relations, they continue to cultivate affective relationships.

But it is questionable whether these affective relationships can be as effective as material interdependency in supporting co-operation when it becomes necessary. In Durkheimian terms, the material foundations of organic solidarity provided by the division of labour appear to have eroded away (Durkheim, 1984)<sup>3</sup>. In terms of models of indirect reciprocity outlined in chapter 3, this shift may be problematic in two ways. Firstly, by reducing the frequency and intensity of exchange, it provides less opportunity for individuals to establish and maintain trustworthiness. Secondly, a reduced dependency on the network lowers the costs<sup>4</sup> of acquiring a bad reputation, and therefore reduces the effectiveness of sanctions, thus further reducing confidence in exchange.

Has the attenuation of material interdependency undermined the Damo pig co-operative? While the co-operative was formally in operation, organising occasional bulk purchases of inputs for farmers, it had struggled to grow beyond this function. Jianguo, the mayor of Damo and one of the instigators of the co-operative, expressed dismay at the disinterest of the peasants.

*“I saw something on television about co-operatives in Henan. In fact, their conditions aren’t as good as here. Their population is high—many people, little land. Maybe in Henan there aren’t many co-operatives. Their co-operatives are just like this little neighbourhood—this area, from here to here. But our co-operative is still not developed; its benefits have not yet manifested... The quality (suzhi) of rural people here is very low. Our members gradually get older and older—they are atrophying (tuihua). Here, land is plentiful, but people have little interest in working together.”*

This sense of social atomisation was perhaps a reflection of the overall mode of life of the villagers. Geographically, Damo is spread over a large, sparsely populated area, and has no public spaces or obvious central point. With large plots of land apportioned to each household, and little in between, most villagers either drive or ride a motorbike even to visit their neighbours.

There is much free time when neither the maize nor the animals require attention, and this time is typically filled by entertainment. For many, this involves a great deal of alcohol. Many of the men

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<sup>3</sup> Here, ‘solidarity’ means social cohesion. Durkheim (1984, p. 84) argues that mechanical solidarity arises from uniformity of personality, in which individual and collective consciousness coincide; while the division of labour produces organic solidarity because while specialisation leads to psychic differentiation, material interdependence necessitates cohesion between differentiated individuals. In light of processes of individualisation in China, Durkheim’s notion of mechanical solidarity does not strictly apply. Nevertheless, his claim that material interdependence undergirds social cohesion in a differentiated society is apposite.

<sup>4</sup> Again, defined as the consequences—social, material or otherwise—which result in a lower probability that the individual will be imitated or otherwise transmit his or her behaviours to others (cf. p. 15 above).

begin drinking in the morning, either alone or with one or two friends at home. For women and men alike, the most social form of entertainment available is mah-jong. A few households boast elaborate robotic self-resetting mah-jong tables, with lights and sound effects. These households function from time to time as a sort of social hub, where villagers while away the hours gambling and chatting about their children in the cities and their grandchildren, who attend school in a nearby town.

But the principal form of entertainment is as atomised as the geography of the village. Nearly every household has a television, and villagers spend an inordinate amount of time in their own houses, watching television alone or with their spouses. The elderly couple with whom I stayed, a groundskeeper of an abandoned school and his wife, did little else, spending practically all day in front of the television together silently. As I visited house after house for interviews and social visits, I was invariably greeted by the sound of the television on arriving, and more often than not the members of the household would be sat in front of it at any time of day. The most popular programming was consistently set in and broadcast from the metropolises of eastern China. From soap operas to factual programmes about police dogs in Shenzhen or new kitchen designs in Guangzhou, the villagers spent most of their days absorbing themselves in the dream of urban China—a place and lifestyle few had experienced, but which their faraway children might conceivably be living.

Thus Damo exhibits the classic sense of ‘spectralisation’ of the countryside (Yan, 2003). With the young gone, the children expected to go, and the apparent future lying in total urbanisation, there seems to be little sense in committing oneself to communal life. As the villagers no longer need each other for material exchange either, interactions seem to be principally based on affective ties and the desire to pass time in a more enjoyable way, rather than the need for mutual aid. It would seem that much of the basis that sustained the relational ethic has fallen away. In place of a complex web of intertwined material and affective exchange relations, there is only co-residence and affiliative interaction; thus the relational ethic itself has been increasingly abandoned, in favour of a different, less interdependent mode of life.

The implications of this for the co-operative were spelled out starkly by one of its members, a pig farmer in his fifties.

*“Life has got better since I was a boy—much better. Before, there were no televisions, no cars. Now our children can go to the cities to work. They can buy modern apartments. So we don’t have any big problems here. That’s why this co-operative—I think I am a member—but what does it do? I don’t understand very clearly, but I can’t say I’ve really thought about it.”*

These effects can be seen, too, in wealthier communities. Quyuan Egg Co-operative, in the Shandong countryside, is located in a fairly developed patch of countryside near a city. The manager explained that the co-operative had strict procedures for admitting new members. Applicants had to go through a trial membership period of 6 months, to make sure that they would not harm the interests of the co-operative, and to make sure they demonstrated 'integrity' (*chengxin*).

*"Integrity is the most important criterion for accepting new members. If someone wants to join, we must evaluate their integrity. So, we have a six month trial period for new members. We want to make sure they will not quarrel with other members, spread gossip, or damage harmony... No, in fact no one has ever done these things. But as a modern business, integrity is very important to us."*

This particular co-operative not only did not engage in any collective labour, it also lacked even the type of public goods problem exhibited by the organic vegetable co-operative. It was, then, puzzling that the manager emphasised integrity, given the low interdependence between members. Later, in private, an assistant who was present in the interview expressed cynical frustration: 'What is *chengxin* anyway? It can mean anything to anyone. It's just a word you see in business books and people say it without a clear meaning or purpose.' Later, another manager at the co-operative gave a different view of their acceptance criteria: they simply recruited new members who happened to have land which abutted that of existing members. It was a co-operative of neighbours; and the careful screen process described by the manager appeared to be of little actual importance.

*"We are all neighbours here. If you have a piece of land next to mine, you can join... 'Integrity'? Of course, this village is like anywhere—some people are good, some people are bad. But these days, it's hard to know. So many people come and go between here and the city—it's not like the past, you don't necessarily know everyone well. So if someone has a chicken farm, and it's not too far away, that's enough."*

These examples illustrate the possibility that for some communities, the social fabric may be changing in a way that vitiates pre-existing informal co-operation patterns. If the relational ethic is a form of indirect reciprocity, then this is unsurprising. Not only can indirect reciprocity be undermined by the reduction of interdependency; rapid migration can be expected to undermine it by reducing the likelihood that exchange relationships will continue long enough to make sanctions work. Having the option of migrating to the city reduces the drawbacks of local social exclusion, thus potentially giving more weight to the threat that co-operative members will withdraw from a co-operative, as the Taoyuan Vegetable Co-operative head suggested. And when people do emigrate, the network may be left too sparsely populated to serve its original function.

This section has argued that co-operatives have been buffeted by economic and migratory forces for two sets of reasons. Firstly, these changes have exposed co-operatives to competition and costs with which many could not cope, leading them to fold, or to convert themselves into private companies. Secondly, economic development, marketisation and migration may work to undermine the functional basis of the relational ethic as a form of indirect reciprocity, thus removing the informal mechanisms which might have allowed co-operatives to thrive, similarly to the pre-revolutionary co-operatives, in lieu of enforcement of formal co-operative rules.

### 5.3 The shadow of history

The experience of the co-operatives has been influenced not only by present trends, but by the past, too. In general, there is little awareness of the concept of a co-operative. What everyone is aware of, however dimly, is the historical notion of a people's commune, and the near-universally accepted view, officially endorsed, that these communes, along with the Cultural Revolution and other experiments of the Mao era, were a catastrophic failure<sup>5</sup>. For many older people, these topics remain taboo, but there is a nascent curiosity among the young. One day in a Meibian park, I asked Liang, a 26 year-old friend, what he knew about the communes.

*"When I was a child, no one would talk about these things. Most people still don't really know what happened. At the time, they didn't know either. My grandparents thought there was only a famine in Meibian. They had no idea it was happening in other provinces, or throughout the country. Nowadays, we can use the Internet to find out more, but it's still a sensitive topic. Of course, everyone knows it was a very difficult time, that there were some big mistakes. The people's communes were just too extreme—they couldn't work."*

Differentiating co-operatives from the people's communes and the historical trauma with which they are associated has been a consistent challenge for the co-operative movement. Mr Chang of the Meibian Co-operative Federation described a typical reaction encountered by his staff in training workshops.

*"When we're in the training process, there are some people who understand, they know what kind of concept a co-operative is. But more people say, 'This co-operative, isn't it a people's commune?' Their awareness is not great. So in this situation, we discuss it together. We make a comparison*

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<sup>5</sup> The argument of this section is *not* that this commonly accepted construal is wholly accurate. Indeed, the notion of a people's commune held by many of my informants perhaps predominantly reflects the experience of the Great Leap Forward, rather than the years that followed (cf. the historical account in chapter 3 above). But that notion—which may be as much a product of reform-era political agendas as of any personal experience—may itself be an obstacle to some forms of co-operation.

*between co-operatives and people's communes. A co-operative is a new kind of thing, a self-help and mutual aid exchange group. We explain international co-operative principles, discuss with them."*

The aversion to anything resembling a people's commune is, however, more specific than a vague suspicion. It revolves around a common understanding that the Achilles' heel of the communes was their adoption of a reward system unrelated to individual effort levels, so that regardless of the work each member did, he or she could consume an equal proportion of the commune's products. This situation is commonly referred to with the phrase '*chi da guo fan*', or '[all] eating out of one big rice pot'. As the normal custom is for rice to be served out in equal portions into individual bowls before consumption, the implication is that the communes, by failing to police the effort and reward of each member, allowed individuals to take advantage of the group, thus leading the others to stop investing effort, too. That is to say, the common understanding reflects the notion that this was, as chapter 3 suggested, a classic free-riding problem. That this is the central concern is reflected again in the response Chang has received from numerous peasants in his workshops.

*"From the point of view of human nature, anywhere in the world, human nature has a problem of selfishness. Now if you want to talk about the members of a co-operative, their conditions are different. Some of them, their economic conditions are good, they have more money. Some are relatively poor. They stand to gain more from development. So in this process, there will be some internal conflicts... That's why we emphasise that you have to have a clear rule about how to distribute the proceeds—for example, giving an equal proportion to each member. Without clear rules, you don't know who it should go to. If it continues like this it turns into a new people's commune. This is very bad!"*

Moreover, the problem extends not only to the distribution of proceeds, but to the pooling of any kind of resources, including land or tools. Such pooling would bear a close structural resemblance to the free-riding problem in the communes. Thus Zhao, the academic and activist quoted in chapter 2, emphasised that co-operatives could only be established if there were no such pooling.

*"If you want [people] to start a co-operative, you cannot require them to share land, share tools. No one would trust this, because they fear others will take advantage of them... That's why whenever we start a co-operative, we emphasise that each family's land must be kept separate. Property rights should be very clear. Any other way would just not work."*

That is not to say that land is never cultivated with the help of inter-household co-operation. In the Junliu Grain Co-operative, members rely extensively on the help of their neighbours and kin in the village, who are typically also members, for harvesting and ploughing their plots of land. However,

this co-operation takes place by means of the network of interpersonal ties spanning the village, following the pattern of the relational ethic, rather than within the auspices of the co-operative. The co-operative has neither joined together plots of land for large scale cultivation nor enabled the purchase of shared equipment, the maintenance of which would itself present a free-riding problem. Instead, the pre-existing network of labour exchange in the village has continued unaffected by the founding of the grain co-operative.

In general, then, there seems to be a preference for means of co-operation in which the outcome is easily monitored, and therefore easily sanctioned. Xiao Zhang, the young Meibian man building a restaurant, thus claimed that he had to remain personally at the site to monitor the builders he hired, without exception:

*"I have to come here every weekend when a labourer is here. If I don't, he won't do any work. If I go away to eat lunch, maybe he won't do anything, or maybe he will do it very badly. And I have to pay him at the end of every day for that day's work. Otherwise, he won't trust me to pay him at all, so he won't come back tomorrow. It's always like this when you hire labourers."*

Both Zhang and the workers refused to hold up their end of the bargain without being able to verify immediately that the other would do the same. Similarly, dyadic exchanges, like the labour exchange in Junliu, can be easily monitored, and buttressed by a system of indirect reciprocity, they allow for co-operation without requiring individuals to trust others to behave well when unobserved. But there are many co-operation problems which cannot be translated into dyadic exchange. In some cases, there are workarounds. Thus managers of Junliu adopted the practice of leaving their account books on a desk in an open office for all members to inspect at will.

*"When we founded the co-operative, some people were a bit suspicious. If we manage the accounts, how can they be sure we will treat them fairly? How can they be sure we won't use the money for ourselves? So we decided that nothing should be secret. The account books are open—they can look at the books whenever they want."*

It is tempting to interpret these patterns as reflecting a lack of trust, perhaps stemming from the memory of the betrayals of the Cultural Revolution and similar events (Govier, 1997, p. 164). Sociologists attempting to measure 'trust' and other components of social capital in China have, however, produced conflicting results. Surveys based on asking respondents to rate their general level of trust in others have found that China is an outlier, apparently displaying surprisingly high levels of trust (Tan & Tambyah, 2010). However, breaking down the question by asking about trust in specific categories of people—close kin, friends, neighbours and so on—results in a rather different

pattern: high trust in friends and close kin, low trust in strangers, and moderate levels in fellow villagers (Huhe, et al., 2015). This ‘particularised trust’ is consistent with the logic of the relational ethic, and indeed, some have suggested that its roots lie not in recent events, but in that older cultural pattern (Fukuyama, 2001; Pye, 1999). Still, recent studies have found that levels of ‘generalised trust’ have a strong negative association with the intensity of Cultural Revolution activity in each locality (Wu, 2016); while generalised trust as a whole shows a declining trend, but is particularly low for those who came of age during the Mao period (Hu, 2015).

While anthropologists may question the methodological soundness of measuring trust in this way, these studies suggest important patterns. As the ethnographic evidence suggests, too, the relational ethic proved surprisingly resilient in the face of the upheavals of the Cultural Revolution. However, the increasing atomisation of society risks reducing the domain of interaction governed by that ethic, at least in the rural communities discussed above. Meanwhile, the notion that trust in others in general is declining is consistent with the discourse of moral decay and ‘safety’.

It is difficult to disentangle which strands of this story lead to the open accounting book in Junliu Co-operative, and Xiao Zhang’s insistence that he must always watch his workmen. For the relational ethic as a system of co-operation does not rely on the assumption that people will behave well outside of observable dyadic exchanges. And here, perhaps, is where methodological difficulties with trust research become problematic. To ‘trust’ that an exchange partner will reciprocate—a monitorable and therefore sanctionable response—is a different thing from ‘trusting’ someone to behave well in the absence of all monitoring. The former is, for example, the understanding of the term *xinyong* (‘trust’) amongst the overseas Chinese traders studied by Kiong and Kee (1998). But as we have seen, it appears to be the latter kind of ‘trust’ that was undermined by the experience of the People’s Communes—though as a concept foreign to the relational ethic, it may never have had much purchase. The account books are kept open, then, because there is no clear way of transforming the problem into one of dyadic, monitorable exchange; but perhaps Xiao Zhang’s attitude reflects not a decline of trust, but continuity with long-established practice.

That practice is, of course, capable of supporting co-operation in many conditions. For the relational ethic, understood as a form of indirect reciprocity, is, in part, a system for supporting what some have called ‘co-operation without trust’ (Cook, et al., 2005). On the one hand, the shadow of history may mean simply an aversion to practices which seem, like the People’s Communes, to require trust. On the other hand, whether through the lasting damage of the Cultural Revolution to the social fabric, or through more recent atomisation discussed above, history seems, too, to weigh heavily even on the forms of co-operation which do not.

## 5.4 Conclusion

This chapter began by asking why so many co-operatives appear to have vanished. To answer that question, it has examined the experience co-operatives have had of a variety of challenges: the lack of formal rule enforcement in the contemporary politico-legal system; rapid marketisation and mass migration; and the historical trauma associated with memories of the Mao era. Co-operatives and activists alike have confronted these problems in a variety of creative ways. Some of these solutions have led to the dissolution or corporatisation of co-operatives, while others have maintained them, whilst carefully avoiding intractable problems of co-operation and trust.

What these experiences have in common is the ways in which they reflect the efforts of ordinary people to cope with an opaque and rapidly shifting social fabric. The activists and institutions described in the previous chapter have attempted to propagate a consciously designed economic model based on international standards, but the shifting sands on which that model has been placed mean that its practical implications are variable and unpredictable. While the provision of resources to the co-operative movement may crowd out the motivation to comply with co-operative principles, this chapter has shown that at the same time, the political, social and economic context renders the implementation of those principles particularly difficult.

In response to this problem, many co-operatives have succeeded by avoiding problems of resource pooling and collective action. The next chapter will argue that there is one form of collective action problem which they cannot avoid: that of member participation in decision-making.

## 6. Participation as a collective action problem

Chapter 5 argued that many co-operatives survive by working around problems of trust, assiduously avoiding the sorts of co-operation that would require a reliance on individual good will or collective orientation. But there is one domain in which co-operatives cannot avoid these sorts of problems, because it is a key aspect of what defines them as co-operatives. That is the domain of member participation, or so-called ‘democratic management’—the idea that the co-operative not only belongs to members as a shared resource, but must be controlled collectively by its members.

As the discussion thus far has already suggested, member participation is widely considered to be severely lacking, by co-operative members, activists, and leaders alike. When members do not participate, this does not stop decisions being made. Instead, co-operatives tend to default to a hierarchical leadership style in which decisions are made from the top-down, and if the results are poor, members often vote with their feet, by leaving the co-operative when it fails to benefit them.

This pattern demands explanation. On the one hand, one might imagine the preponderance of top-down decision-making results from a power relation, in which leaders make use of their greater social and economic resources to dominate the co-operative against the wishes of their members. The first section of this chapter will offer evidence that this may, indeed, be one strand of the story. However, even leaders with hierarchical tendencies often express frustration that they receive little feedback or information from members. There is reason to believe that for members, participation represents the kind of collective action problem discussed in chapter 3: the individual costs of participation are simply too high relative to the potential benefits<sup>6</sup>. The second section will elaborate on this suggestion. The following section will propose a combined model, in which paternalistic leadership exacerbates the collective action problem, which in turn reinforces the strength of hierarchy as a means to avoid deadlock. Finally, the last section will argue that the use of hierarchical coordination as a default mode is underpinned by a deeper hierarchical principle in Chinese culture and social structure—a principle the basis of which has been transformed by socialism and post-socialism, but the effects of which continue to be felt in every domain of life.

It should be noted that the evidence presented here is interview-based. Because of the multi-sited nature of the fieldwork and the sporadic timing of meetings, it was not possible to observe co-operative meetings directly. However, interviews with leaders, activists and members provided

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<sup>6</sup> Again, the use of these terms throughout this chapter should not be taken to imply a rational choice model, or even that conscious decision-making is at work. ‘Costs’ and ‘benefits’ here refer to changes in circumstance which affect the probability the individual will be imitated or will otherwise transmit the relevant behaviours to others (cf. p. 15 above)

ample evidence of goings-on both during and between meetings, and how meetings often seemed to be less salient to members than co-operative ideals would suggest.

## 6.1 Decision-making and the leader's prerogative

Garden Products Co-operative is a small fruit co-operative in the countryside outside of Haibian. They were founded in 2008 at the instigation of Qianfeng, a village man who had heard of the new co-operative law and convinced a group of 14 friends to join him in this new enterprise. Qianfeng was the leader from the beginning, and has formed a bridge between the co-operative and its sponsors in the nearby Co-operative Institute. Though Garden Products Co-operative has, like many other co-operatives, an office wallpapered with copies of the co-operative law and explanations of international co-operative principles, Qianfeng was remarkably candid about his own management style:

*“According to the co-operative law, every member has a right to participate in decision-making. But the market changes every year, every day. And a lot of members don’t understand it, they don’t know even the most basic things about the way the market works. For example, what to sell, how to market it, and for how much—deciding the price—the members don’t know how to decide these things. Even when the members think they have a good idea to make a decision for the co-operative, the decision may not be very good for its development. So the management committee won’t accept their vote. As general manager, I will make the decision, not the members. Of course, in the production process, every member has the right to vote on how to make production better, but anything serious—how to make a contract, when we should sign it—on these issues, not every member knows all the details. So I should control every detail.”*

For this co-operative manager, it was clear that the principle of democratic management could not take priority over the overriding purpose of the co-operative, to provide a material benefit to its members. Moreover, because the members lacked the education and sophistication of the management, it was necessary for the management to fulfil a paternalistic duty to ensure that the co-operative would thrive. Far from being resisted by the members, Qianfeng claimed that they were satisfied with this arrangement from the beginning, and that the principles of co-operatives had never been especially important to them.

*“When we established the co-operative, no one came up with any ideas apart from me. Many people didn’t understand what a co-operative was, what they should do, what kind of production it would involve. I explained to them many times that their advice, their ideas were important. But how to choose, how to make decisions, how to give better advice—this is a matter of development. The*

*leader must say yes or no. We had to make an example out of the co-operative, to show the peasants the advantages, because no peasant knew the advantages of co-operatives. They had no concept of co-operatives. So of course they may give me advice, but the most important thing is that I take the decisions."*

There were, then, several important aspects of Qianfeng's attitude toward member participation. First, he felt that in spite of the protestations of the literature and training he accepted from the Co-operative Institute, the concept of democratic management was not particularly central to what made the co-operative a co-operative. Instead, it was at best an abstract ideal which must, at least for the foreseeable future, be deferred to ensure the right decisions were taken. Second, Qianfeng was at pains to emphasise that although he attempted to elicit 'advice' from his members, they were unwilling to contribute ideas and feedback, particularly in the early stages of the co-operative. Finally, he appeared to hold the view that, regardless of the feedback he received from members, it was his responsibility and his prerogative to take the final decision about important matters within the co-operative.

This admixture of justifications for top-down decision-making was also reflected in interviews with ordinary members of Garden Products Co-operative. Lixin, a female member in her early forties, who had joined the co-operative upon its founding, explained it thus:

*"Democratic management? Yes, this is a very important co-operative principle. But I'm not really interested in management. Maybe I have some ideas for how to help my family improve production. But I wouldn't want to suggest these to the co-operative. That's the leader's responsibility, and anyway, our ideas don't matter much. Why should I cause a conflict or a disagreement? I would be ignored anyway. Better to let the leader do his job, and let us ordinary folk (laobaixing) do our job."*

These sentiments raise an important question. For while it appears that in this case, the notion of member participation is dismissed out of hand by both managers and members as being impractical or undesirable, it is not clear what is driving this dismissal. On the one hand, Qianfeng expresses frustration at the difficulty he has had eliciting member participation; while Lixin's explanation suggests an attitude of indifference or impassivity toward the management of the co-operative. On the other hand, there is a *prima facie* case for suggesting that Qianfeng's own paternalistic attitude, and the power he derives from his role as founder of the co-operative, and therefore as broker between the co-operative and external institutions and markets, supply him with both the motive and the means to exert top-down control and quash any dissent amongst his members, running the co-operative as his own personal fief.

However, while in this case, the relationship between the paternalistic attitude of the leader and the lack of member participation appears evident, participation problems in other co-operatives suggest there may be more to this relationship than straightforward domination.

## 6.2 Member participation as a public goods problem

I first met with Jianguo, the mayor of Damo, on a cold winter morning, at his house on the outskirts of the village. He and an old friend, both weathered men in their forties, sat at his kitchen table, smoking and chatting while his wife prepared lunch. Like most people in Damo, he had little to do at this time of year, so he invited me to sit and drink, to pass the time. We drank and smoked for a long while, playing a drinking game lackadaisically until the effects of the *baijiu* made themselves felt, and he began to talk.

*“It’s not easy being mayor of this village. The people don’t want to listen to me, they aren’t interested. I do it because I am a Marxist, I am a Party member, and I must serve the people. I also do it because I want face, of course I want face. But basically, I must try to serve the peasants, even if they are still very traditional, and do not want to listen to me.”*

It transpired that Jianguo was not only mayor, but had for a time been director of the local co-operative, and had liaised with the state and with an international NGO to secure the resources to create it. He saw himself as being apart from other villagers—a member of an enlightened vanguard trying to help the backward countryside. This sense of being apart was consonant with the general social atomisation of Damo, noted in the previous chapter. Jianguo’s feeling of distance from the local social network may have been a reflection of the fragmentation of the network itself.

However, when the conversation turned to problems of the co-operative and of village governance, this sense of fragmentation took on a new light.

*“Our co-operative is not yet mature; its benefits have not yet manifested. People’s thinking is still not liberated (jiefang). If they can liberate their thinking, to make the co-operative serve the members, then they can do it. In China, the leadership (lingdao ceng), our thinking is liberated. But most people’s thinking is not. Their worldview is traditional, old-fashioned. My thinking is open and liberated. I consider everyone’s interests—individual, collective, national—especially national. But ordinary people don’t. They just think of their own interests. Their cultural level is very low. The quality of their character (suzhi) is very low.”*

This use of vanguardist language reflected Jianguo’s training and role within the Party and the state apparatus. His invocation of *suzhi* reflects a broader discursive pattern in the reform-era, in which

many problems are blamed on low *suzhi* (Judd, 2002; Jeffery, 2000), and all manner of policies are justified by their potential to raise it (Yan, 2003). But it also chimes with Jianguo's general sense of frustration and detachment from his fellow villagers, rationalising both his alienation from them and his legitimacy (Thøgersen, 2002, pp. 213-214). Most important, perhaps, was his eagerness to present himself as a selfless volunteer, serving the nation, in contradistinction to the relatively self-centred attitude of the peasants whom he attempted to lead. This self-centred attitude, according to Jianguo, was at the root of the problems of the co-operative.

*"If their thinking is not liberated, they just consider their own advantage (liyi). They haven't thought, 'If my co-operative develops, then through the development of the co-operative, I also benefit'. Right now, they are just thinking of their own advantage. They don't think about developing the co-operative and how it would bring benefits. So their thinking is not liberated. They need a long time, to struggle to open their thinking. They must learn to disregard (paokai) their own interest; then it will be resolved. This is the disease of the co-operatives—individual interests are not disregarded. In a co-operative you must have a spirit of devotion (fengxian jingshen), you must surpass your individual interests, not just think how much you can get for your own family, but how much you can get for everyone. So co-operative development is not very easy."*

This reflection appears perhaps to suggest a collectivist sentiment, and certainly Jianguo's comments about the 'low cultural level' are typical of Communist Party cadres, both today and in the socialist period. Indeed, while some have suggested that the function of *suzhi* discourse is to shift blame onto individuals to justify neoliberal policies (Anagnos, 2004; Pun, 2003), Jianguo's sentiments tend to support the view that, on the contrary, *suzhi* can be used to discuss policies of all kinds, including those contrary to neoliberalism (Kipnis, 2007). However, this self-described Marxist had no nostalgia for collectivism. I pressed him on whether the old collectivism was closer to what he advocated, but he shook his head: the old attitude was one of blind 'worship' (*chongbai*), which was not desirable.

*"In that time, the sixties and seventies, people worshipped great men like Mao Zedong and Zhou Enlai. Whatever those great men said in Beijing, our laobaixing in Damo would all accept it. After the reform and opening up, their thinking changed. We don't just accept whatever Hu Jintao or Xi Jinping say today. The laobaixing have their own thoughts. Their thinking is, 'I have my freedom, you have your policies'. The Communist Party's policies are good, of course, but the laobaixing has its own ideas. 'What I want to do, I do'. What he doesn't want to do, he doesn't do."*

Indeed, his proposal to remedy the problem that members did not see the benefit of the co-operative was not to replace this attitude with a collectivist spirit, but simply to show them, through experience, that the co-operative could benefit their family.

*"In a short period of time, this situation is very hard to change. It must be changed through practice, through showing results. People must see that if the co-operative develops, they also receive a benefit. Only in this way can it change."*

Thus the problem, for him, was not a lack of collectivist spirit, which was not the solution anyway, but a lack of confidence in the idea that the co-operative would deliver for its members. He had not asked members to invest money or land, as this was principally a marketing co-operative; nor had he asked them to sacrifice time or labour. The difficulty was a different one.

*"To me, I feel I'm a member of the co-operative. I'm in the co-operative, and I can receive a benefit. I can make an effort for the co-operative, think of ways to make it better. But other members don't think this way. What we need are new ideas, and here, there aren't any... For the co-operative to develop, you need new things, innovation to serve members. This is how you attract their interest. I always tried to do this, but after I retired as leader, there are no new things. They resist innovations, they're afraid of risks. Why? It's a problem of participation. No one wants to make suggestions to make things better."*

The investment he was asking for and not receiving, then, was participation. But why? Surely co-operative meetings provided ample opportunity for members to give feedback and suggest new ideas.

*"Every time we have a meeting, I explain to them, 'If you have any suggestions, just say them'. But they never speak. If someone has a good idea, he won't say anything about it. If he speaks, he might anger someone, have a conflict with them. So if he disagrees with something, he won't say it. And if he makes a proposal, whether others accept his proposal or not, he doesn't know what will come of it. Maybe he doesn't know all the implications, so his suggestion will harm the interests of the others. If it might harm their interests, he doesn't want to speak. He would lose face (mianzi). You made a suggestion, but what you said harmed me. So then you don't want to speak."*

There was, then, a risk involved in public participation. But could someone with a suggestion approach him privately and avoid the risk of face loss?

*"No. In that case, it's not a problem of face. It's a problem of participation (canyu). If he has a good idea, if it has an advantage for his family, he'll do it. But he doesn't want to tell it to the co-operative*

*leader. He doesn't want to speak. He thinks, after he says it, if it doesn't work out... this kind of thinking. It's not that he doesn't want others to benefit. He just doesn't want to participate."*

The problem extended not only to proposals and criticisms, but even to positive feedback.

*"If I do my work badly, of course they won't tell me. They'll say it behind my back, when I'm not around. They won't say if I have a weakness, or if I've made a mistake. But neither will they tell you if you've done things right. They won't say good things either. Why? 'I speak about my own business, not about others. If he does a good job, that's all right—if he does a bad job, that's also all right.' They prefer not to speak. If they say something, it's as if they're saying they're special (liwai). If other people don't speak, then I also won't speak. So their thinking is not liberated."*

For Jianguo, then, these were the two fundamental problems holding back the co-operative and the village. On the one hand, the risks of participating in decision-making were too high, because of the possibility of conflict, or worse, because one's ideas might have bad results, leading to face loss. On the other hand, as far as he was concerned, the villagers simply could not be bothered to participate or give feedback, positive or negative. It was safer and easier for them to sit back and allow the leader to take responsibility.

Interviews with Damo villagers shed more light on this. Bai, a pig farmer and member of the co-operative, explained,

*"I've been a member of the co-operative since the beginning. I don't really see any difference—no one knows what it does. Sure, I've been to a few meetings. But they're a bit boring. I don't know why I should participate. Here in Damo, if you want to get something done, you do it yourself—if I have to fix my roof, I hire someone from the town nearby, or I ask my cousin for help. It's not my responsibility to solve the problems of the village. That's up to the government, and the leaders. Why should I make suggestions in a meeting? Others would only think I was arrogant, and anyway, it's not my business. My family is my business. Collective problems are not my business."*

Some other villagers were not even sure if they were members of the co-operative or not. Wei, another middle-aged pig farmer, could not be sure:

*"Co-operative? I don't really know. I know we have the village, the village work groups (xiaozu)—that's the village government, when they want to fix the roads, they organise it through the village work groups. What is a co-operative? I've heard it's not the same as a people's commune, but I really don't understand about these things. Yes, there are meetings—village meetings, farmer's meetings. But this is not something I understand. Politics, administration. How can I participate when I don't*

*know about these things? It's best for me to pay attention to managing my own affairs, and let the leaders manage those problems."*

Thus in Damo, it seems clear that even when the leader of the co-operative and the village attempted to elicit participation in decision-making, villagers were reluctant to take part openly. Both in meetings and in direct conversation with leadership figures, they described a reluctance to speak their mind.

In part, this was described as a question of risking face loss. Face could be lost here for a number of reasons. If one's suggestion were to come into conflict with the ideas of others, one might risk open conflict, which itself would result in a loss of face; worse, one might lose face by causing others to lose face, either by undermining their views or by drawing them into open conflict. Moreover, by speaking out when others tended not to, there appears to have been a risk that one might appear to think of oneself as different or better somehow from the rest—thus inviting criticism and possibly retribution for inappropriately attempting to rise above one's station. Finally, if one's suggestion were to be adopted, but resulted in an unfavourable outcome, one would risk being blamed for the unfavourable outcome—while keeping quiet along with others, even in response to a bad decision by the leader, could not result in face loss, because any individual's silence would be indistinguishable from that of the others, so only the leader could be held responsible.

In addition to face loss, Damo villagers talked about participation in terms of a dichotomy between what was their 'business'—the affairs of their family—and what was not—the affairs of the co-operative, village, and public sphere in general. This mirrors recurring classical dichotomies across China between 'inside' and 'outside' (Brandtstädtter, 2009, pp. 161-162; Judge, 2005), and between the particularistic moral world of networks and the non-moral world of interactions governed by non-network principles (Wong, 1985; De Groot, 1972).

What lay behind this placing of the co-operative in the sphere outside the 'business' of the household? One possibility is that it was simply a conceptual primitive. That is, we might imagine that the co-operative lay within a conceptual domain which could not, by its very nature, be subsumed within the domain of the family, and therefore it was unthinkable that the affairs of the co-operative could become important. Perhaps any institution governed by formalistic, bureaucratic procedures, rather than by interpersonal exchange, is simply taken to be outside the domain of importance for ordinary life. Or perhaps the perception that the co-operative is backed by the state leads to the presumption that the state will take responsibility for its affairs, and that individuals cannot, or should not, involve themselves in it.

Certainly, there is reason to believe that for many people in Damo and elsewhere, involvement in the political domain is viewed with suspicion, and for some, associated with the chaos and trauma of the past. Baiwei, a sixty-year old Damo peasant, explained,

*"Yes, life has got better and is always getting better. The Party has made wise decisions. Sometimes local officials make trouble, but this is not the fault of the Chinese government. We all support our leaders and the Party—some people like to criticise and complain, but what's the point in that? When I was young we talked about politics all the time, and what good did it bring? Today we know it is better to leave politics to others—I prefer to look after my family, to drink, play mahjong and watch TV."*

However, it would be rash to draw the conclusion that individuals are unwilling to enter into the domains of politics and bureaucratic organisation, when there is a clear advantage for them or their associates. It goes without saying that across China, countless millions of people have involved themselves in bureaucratic structures of the state and the private sector in an effort to better their own lot and that of their families. In Damo, the mayor, by his own admission, is in part motivated to continue his Party membership and political position by the benefits he draws personally from these roles. If there is a reluctance to involve oneself in bureaucratic or state domains, it is not so strong as to override individual and familial interest.

Another possibility is that the conceptualisation of the co-operative as outside the business of households is masking a power relation, in which the leaders of the co-operative and the village dominate decision-making, leading ordinary people to 'keep to themselves'. That is, it could be that the situation described above in Haibian Garden Products Co-operative is mirrored in Damo, but masked by an ideological construct which leads members to describe the co-operative as not 'their business'. It is difficult, however, to find support for this position in the statements of either the members or the leader; instead, they paint a picture of a leader who is struggling to engage his members, and who may have materially lost from his inability to elicit their participation—as the lack of member engagement has led to the stagnation of the co-operative, and threatens the village with a drying-up of access to funds provided by the state and international donors.

Perhaps, however, there is another explanation. Contrary to the claims of the mayor, it may be that face loss is a consideration, even when feedback is ostensibly given privately. Villagers cannot be sure that their private communications with the leader will remain private, and even if these consist in nothing more than telling him quietly over a drink that he has done well, there is always a risk that

news of this interaction will spread, and the consequences will be the same as they would be if this were done in a public meeting. As one villager put it,

*"Of course, we all have our own opinions about what the local leadership is doing. This village has its problems. So we complain to each other—but no one wants to talk directly to the leaders. Sometimes they ask us, 'What about this, what about that?' But you don't really want to say. You just say, everything is all right. Better not to cause a conflict, to let others know you disagree. Even if they ask you in private, this is a small village. People would find out quickly."*

Moreover, if face loss and relationship damage is the potential cost of participation, whether public or private, it may also be that the benefits of participating are too small or uncertain to outweigh the risk of face loss. The co-operative has not yet provided substantial benefits to its members, and there seems to be little enthusiasm for it in the village, in part because it is unclear what benefits it may bring. This is reflected in the mayor's view that the only way to elicit member participation is for the co-operative to bring benefits to its members, so they can see that their interests are tied up with those of the co-operative. At present, the possible benefits of investing time or energy in the co-operative appear rather opaque.

It seems, then, that we may be able to understand participation in Damo as a case of a classic collective action problem. As chapter 3 explained, such problems occur when a number of individuals would be better off if some or all of them took a certain action, but for each individual, the costs of acting individually outweigh the benefits, thus leading to a suboptimal outcome.

Again, in the language of the cultural evolutionary schema outlined in chapter 3, we should expect the spread of behaviours which instantiate a strategy which, on average, brings a net benefit to individuals, in terms of desired social resources, given the strategies instantiated by the behaviours of others in the population. In this case, we can understand the costs faced by each individual as comprising not only time and energy, but all the social costs that may result from disagreeing, putting one's head above the parapet, and risking relational discord. In addition to this, the cost also includes any social sanctions resulting from being blamed in case the participation results in an unfavourable outcome.

But while the costs of participating are borne entirely by the individual who does so, the benefits—such as increased profits for the co-operative—are largely shared between all members. Individuals responsible for good decisions may derive a small social benefit from being responsible for this, but this may be relatively insignificant, particularly in circumstances such as giving feedback to the leader, in which the leader himself may easily take credit for any benefits this brings.

As such, it is easy to see why participation presents a problem. Members cannot be sure whether their participation will result in a favourable outcome or not; but they can be fairly sure they will pay an initial cost for the participation itself. If the outcome is unfavourable, they risk an even higher cost, not only losing out along with other members, but also being faced with reprisal for their intervention. Even in the best case, that of a favourable outcome, the benefits will be shared out among members who did not participate, and there remains a risk that any individual credit will be taken by the leader. Thus it is often in each individual member's interest to withhold participation, and hope that decision-making will be taken care of either by the leader, or by other members.

If this model is correct, then we should expect that people would be much more willing to participate if they are shielded from the risk of punishment and the initial social cost of participation. Fortunately, in a different context, a natural experiment was conducted by one of my informants, Weishan, interviewed at length in chapter 7 below. Teaching an English language class to disinterested students, Weishan attempted to introduce a variety of experimental teaching methods from Western pedagogues. Although these did not seem to help, he struggled to elicit any form of feedback from his students, who quietly went along with his methods, without showing any outward sign of discontent. Finally, he attempted to introduce anonymous feedback, a technique largely unknown in Chinese classrooms. The result unsettled him.

*"When I read the comments left by the students, I was shocked and disheartened. Some said I was the worst teacher they had ever had—that I should stop wasting their time with all these participatory exercises, and instead just concentrate on helping them memorise words for the exam. None of them had ever given me any indication they were unhappy, but when they could write their comments in secret, some of them were very hurtful. Only then did I fully realise that they weren't really interested in learning English, but instead just wanted to pass the exam so they could find a job."*

Although the context is different, this classroom experiment shares key features with the problem of participation in co-operatives. Like the mayor of Damo, Weishan had attempted repeatedly to speak to students in private and in groups, to find out their true feelings about his teaching techniques. Time and again, they responded passively, insisting everything was all right, in spite of their poor performance. Only when Weishan used truly anonymous feedback to remove the possibility that their response could result in sanctions either from him or their peers did they finally respond with honest criticism.

And while Weishan was disheartened about their cynical attitude toward the English language, it was arguably in their collective material interest to spend their class time memorising words to pass an exam based entirely on rote learning. Thus it would have benefited all of them if one or another of them had responded earlier and steered the class in that direction. Nevertheless, they endured this apparent waste of time in silence. If the mayor of Damo were right in his assessment that people do not participate because they are simply disinterested or lazy, then Weishan's experiment with anonymous feedback would have made no difference. But tellingly, removing the costs of participation made all the difference, suggesting that at least in this case, the public goods provision model may apply.

A further parallel can be drawn with experiences of village democracy. Since the early 1990s, elected village committees, as well as organs of participation like village assemblies, have spread across the country, and become ubiquitous (He, 2003). In general, these elected bodies have not challenged the dominance of the Party and of local factional economic interests (Oi & Rozelle, 2000; Kennedy, 2002). However, from the point of view of voter participation, village democracy appears more successful (O'Brien & Li, 2000; Shi, 1999). Voting is itself a collective action problem (Downs, 1957), but village elections across China exhibit high turnout rates (Zweig & Fung, 2007; Tan & Xin, 2007). On the surface, it would appear that in this case, there is no difficulty with participation.

However, it is worth noting that electoral turnout is a priority target for cadres, so voters are typically either paid or cajoled into participating (He, 2006, p. 231). Moreover, when they do vote, it is not at all clear that they do so with a view to helping elect the leaders who will best serve the community. In Hu Zongze's (2008) study of elections in a Shandong village, while a small minority saw voting this way, the vast majority were either indifferent, or saw elections as an opportunity either to procure favours or to vote for members of their own network of associates. Correspondingly, most villagers believed that elections were not an effective way of selecting good leaders—'shepherds' in their words—but instead simply brought chaos, as factions vied for power. Far from solving the problem of participation, this seems to suggest that villagers saw it as just another opportunity for personalistic exchange.

In other cases, villagers take a more positive view of elections, but this does not necessarily imply that they see village democracy as requiring their active participation. Brandtstädt and Schubert (2005), examining the experience of villages in Fujian, claim that although villagers do not use their vote to challenge the local power structure, they nevertheless feel that elections are an important endorsement of the relationship between them and their leaders, reinforcing a 'moral economy' in which leaders are obliged to serve the community; 'village democracy...was thus not so much

sustained by public deliberation...but by the “silent practices” that create local identifications and rightful “insiders”, and that turned cadres into village patrons’ (p. *ibid.*: 810). As in Feuchtwang’s (2003) argument that ritual selection of leaders in liturgical associations constitutes a form of democracy, what seems to be at stake here is not the active exercise of influence through collective action by constituents, but instead a symbolic assertion of the mutual obligations of both patron and client (O’Brien, 2001, p. 426; Schubert & Chen, 2007; Tsai, 2007, p. 170).

Moreover, in some cases, those who claim to seek election for the purpose of serving the community, and even dare to challenge power relations to that end, may meet active resistance from ordinary villagers. In Hu Zongze’s Shandong village, campaigning was seen as a shameful activity, in which people pretended to be interested in the public good, but were only competing to serve their own interests. Some elderly campaigners coped with this by telling voters during home visits that they needed a job, and that the vote would therefore be a personal favour. When one elected man, Wang, launched a crusade against corruption, resulting in the sacking of three party secretaries, most villagers doubted his motives, claiming he had a hidden personal agenda, and that he should not be ‘disruptive’ and ‘make trouble’; ‘some hated him so much that they secretly cut his phone line three times, uprooted his crops, and once set his house on fire’ (Hu, 2008, p. 629).

This kind of behaviour suggests the violation of a strong social norm (Fehr, et al., 2002). Widespread cynicism means people assume candidates can only be pursuing personal interests, although this is often considered a moral failing (Feuchtwang, 2016; Tsai, 2007, p. 226). But it is revealing that some campaigners felt they would have a better reception if they admitted this openly. This suggests that it was not only the scrabbling for personal interests which aroused ire, but the hypocrisy of doing so in the name of the collective good. Wang’s moral crusade might simply have been seen as particularly hypocritical. But by openly challenging authority in the name of the electorate, he may also have angered villagers through the perception that he had damaged the patron-client relation between them and their superiors.

In the presence of norms like these, the behaviour of co-operative members in Damo is easily intelligible. For they, too, feel that to participate in meetings, or even to provide feedback to leaders, would be seen by others as self-interested behaviour, disguised as concern for the common good. In the case of village elections, it is not surprising that people are willing to stand in spite of the social costs associated with being perceived in this way; for the personal benefits that accrue from winning are substantial (Ogden, 2002, p. 205). But in the case of participation in a co-operative, the benefits are spread across the group, and are unlikely to outweigh the substantial costs of social sanctions. With the help of payoffs and sanctions to voters, village elections have spread across China; but the

substance of democratic participation has remained limited (O'Brien & Han, 2009). It is therefore understandable that ostensibly democratic organisations like co-operatives would face similar problems.

Thus there are reasons to believe that the frustration of Damo's mayor is real. Villagers are not simply disengaged because of a power imbalance, for the leadership would materially benefit from their participation, too. Moreover, it cannot be the case that they simply see any formal or state-backed institution as outside the domain of their own activity, as there are too many examples to the contrary. Instead, this section has argued that we should take seriously the observation of co-operative leaders that their best hope for eliciting participation is to show members the material benefits of doing so. For if it is correct to view participation as constituting a collective action problem, then the problem must be overcome either by reducing the costs of participation, as in Weishan's classroom, or by increasing the benefits such that they outweigh any costs. This model, then, helps explain not only why participation fails to take place, but why people respond to this in the ways they do.

### **6.3 Interactions between member apathy and paternalistic management**

This chapter began with an account of a co-operative in which member participation appeared to be limited by the paternalistic attitude of a leader who did not trust his members to make good decisions, and preferred to control 'every detail' himself. By way of contrast, it then considered another case, in which it was argued that participation was held back not by the leader's paternalism, but by the intractability of participation as a public goods problem. But in both cases, the experiences of both members and leaders suggest that both member apathy and leader paternalism may have some role to play simultaneously. This section will attempt to bring these two characterisations together, arguing that paternalism and the public goods problem may be mutually reinforcing forces.

To begin with, it is worth considering again the claim made by Qianfeng, leader of Garden Products Co-operative, that he was frustrated at the time of the founding of the co-operative by the lack of member participation. As noted above, he claimed that he attempted to induce members to participate, and was frustrated by their lack of interest; he also felt that the only way to spark this interest was to show them the material benefits the co-operative could have. These remarks parallel the problem outlined in Damo, and suggest that participation in this co-operative, too, may suffer from a collective action problem.

What, then, was Qianfeng's response to member apathy? It would seem that he felt the only way the co-operative would bring the tangible benefits which would draw people in would be for him to take the reins and exert control to make the co-operative a success. This response on the part of the leadership is evidenced also by the reflections of other co-operative leaders around the country. In the words of the leader of Meibian's Junliu Grain Co-operative,

*"Here, we cannot say we have a 'real' co-operative. In a real co-operative, like you have in Britain or America, the members all participate—they criticise, they make suggestions. Here, our members stay silent. They don't come to meetings, and if they do come, they say nothing. Maybe they talk behind my back, but if they really have a problem, they just leave the co-operative. I would like to make this co-operative develop, to help bring more resources to this village. That's why I've gone to so many co-operative training events, and studied co-operative management. But it is very difficult to make people understand. Many members still don't understand what a co-operative is. They don't understand democratic management, and they're not interested. So no matter how many meetings we have, no matter how much I ask for their opinions, they will not give them. Until they start to give their opinions, we can never make progress."*

Thus there is some reason to believe that in response to an intractable public goods provision problem, co-operative leaders revert to a paternalistic mode of decision-making to ensure that the co-operative has some form of effective management.

At the same time, however, there is a *prima facie* case for suspecting that paternalistic management may, in turn, exacerbate the collective action problem. We might imagine several channels through which this might happen. Firstly, if leaders exhibit a pattern of disregarding member suggestions, as exemplified by Qianfeng's attitude, then members may develop an expectation that their suggestions will be disregarded—thus leading in the best case to a waste of time, and in the worst case, to a loss of face, or even open conflict with the leadership. Similarly, participation in activities surrounding village elections has been found to be strongly related to the perception that elections will make a difference to substantive decisions (He, 2006, p. 245). The experiences of many co-operative members chime with this. In the words of Xiaoli, a young member of another Haibian vegetable co-operative,

*"At first, I made many suggestions to the other members—I thought we could give the co-operative a more beautiful name, use more attractive packaging for our products. After the experts came from the Co-operative Institute and explained about democratic management, I thought, 'This is great, maybe I can suggest my ideas in meetings, too'. But when it came to making decisions, my*

*suggestions were ignored. Sometimes, others would laugh at my ideas. I gradually realised that the leaders are not interested, either. So, I stopped speaking my mind. Why should I waste my time, if they are not interested in what I say?"*

Secondly, a paternalistic management style may convince members that even if they do not participate, leaders will ultimately take the necessary decisions to protect their interests. That is to say, the expected benefits of participation decrease, because even if members do not participate, they expect that leaders will ensure a positive outcome. Moreover, a leader who tends toward taking overall responsibility for decision-making may tend to take credit for positive outcomes, while deflecting blame for negative outcomes, as suggested above. Xiaoli goes on:

*"It's just like in any company. The leader also wants face. If something good happens, he will say, 'This is because of my good management'. If something bad happens, he wants to blame it on others. So I think that's the problem. If I make a good suggestion, he will just tell others it was his idea. If I make a bad suggestion, he can blame me, and others will criticise me too. That's why I think the co-operative principles are not good. In theory, they are beautiful, but how can we practise democratic management in this way?"*

There is, then, reason to believe that the lack of member participation in many co-operatives is driven not only by either a collective action problem or by paternalistic leadership alone, but by a combination of these two mutually reinforcing effects.

#### **6.4 Hierarchy as a mode of coordination**

This chapter has thus far argued that participation in co-operative decision-making is hampered by a negative feedback loop, in which members are held back by a collective action problem, driving leaders to take a paternalistic attitude to management, which in turn reinforces the collective action problem. However, we could imagine that in other cultural contexts, the collective action problem might be resolved in another way. The question arises why paternalistic management, and the template of the *lingdao* with his particular relation of duty to and priority over his subordinates, appears to be such a prominent default solution to the problem of decision-making in Chinese co-operatives.

The argument of this section is that this is no accident, but the result of a deeply rooted hierarchical structuring of Chinese interpersonal relationships (Gao, 1996, p. 88; Bond & Hwang, 1986). As chapter 2 argued, co-operatives worldwide are an attempt at social engineering—a deliberate project to introduce egalitarian and democratic norms in widely varying cultures. When these fail, it is understandable that people may fall back on roles and solutions they already understand. Thus if

we are to understand why Chinese co-operatives end up defaulting to paternalistic leadership, we must first understand the underlying hierarchical principle governing many Chinese relationships and organisations.

The argument will proceed first by tracing the historical development of official ideologies of hierarchy, from imperial times to the present day, and suggesting that the Cultural Revolution represented a radical break, after which the justification of hierarchy has occurred in a more fragmented and piecemeal way. The second section will consider hierarchical relationships in organisations and the family, arguing that while the hierarchical principle still dominates, it is becoming increasingly contingent on its immediate benefits for both parties, possibly reflecting not only the loss of the official hierarchical ideology, but also the overall weakening of the relational ethic. Finally, section 3 will argue that the survival of hierarchy as a mode of coordination may be explicable by entrenched psychological patterns and social norms which render it a 'stable equilibrium', resistant to replacement by other modes.

### 6.4.1 Ideologies of hierarchy

Hierarchy in China has deep historical roots. In an attempt to extend Dumont's Indian theory to pre-revolutionary Chinese society, Taylor (1989) argues that the official imperial ideology upheld a strongly hierarchical social structure as a necessary means to maintain social and cosmological harmony. As in Dumont's (1980) account, he claims this was an 'encompassing' hierarchy, in which lower levels were seen as part of, 'children of', or 'engendered by', higher levels; thus Heaven, or the cosmos as a whole, encompassed Man, or society. Hierarchical levels within society in turn corresponded to degrees of proximity to Heaven, with the emperor as ultimate intercessor with the cosmos, supported by a powerful civil service and followed by a scholarly class, whose legitimacy derived from their enlightened familiarity with the cosmological principle of the Way; beneath these lay the lower orders of farmers, artisans and merchants. According to this structure, which was mirrored also in the structure of the family, those at higher levels bore greater responsibility, as their role was to maintain society in harmony with the cosmic order. Concomitantly, no distinction was drawn between state and society, between the imperial apparatus and the people as a whole; for officially, the whole hierarchical organism served to ensure a proper collective submission to Heaven and the cosmic powers. Politics, conceived as the articulation of conflicting interests, was thus unacceptable to the official ideology; for there could be only one proper set of collective interests, and this could only properly be expressed by the maintenance of the hierarchy in its correct order.

It is striking how closely this vision of society is mirrored by certain aspects of Marxism-Leninism, as it was conceived in its most orthodox phase (Pye, 1990). While Heaven and the cosmic order were

removed from the equation by the rejection of idealism in favour of dialectical materialism, parallels remain. The legitimacy of the Communist Party derived largely from its claim to have unique access to and expertise about the 'iron laws' of social development, expressed in dialectical and historical materialism. Just as the official role of the imperial scholars had been seen as the 'heroic vocation' (Taylor, 1989, p. 500) of guiding society and the lower orders in accordance with the Way, the role of Communist Party cadres was one of heroic self-sacrifice to guide society in line with Marxism-Leninism (and eventually, Mao Zedong thought). Equally, while the scholars had a dual role of 'autonomous custodians of the Way' (Ibid., p. 498) and loyalty to the emperor, Communist Party cadres in the Stalin era, and in China's Mao period, were simultaneously guided by their ideology (Kornai, 1992), and by loyalty to the supreme leader who was seen as the ultimate living interpreter of that ideology. Moreover, the imperial notion that political conflicts of interest were perverse, because there was a perfect alignment between all just interests, has clear parallels in the Stalin-era expression of Leninist democratic centralism, which assumed that consensus could be reached on all issues, because there was only one unified interest in a society in which class conflict had been eradicated. So too does the identification of the state with the people carry over; for after the imperial state was cast as a feudal dictatorship, the new proletarian state was seen as nothing but the expression of the power of all the people. Finally, private property in land had itself never been seen as wholly justified in imperial ideology; even when it had fully developed de facto, law and officialdom maintained the trappings of ancient communal land tenure (Ibid., p. 501). Thus even the collectivisation of land under socialism, and the treatment of land as a communal resource managed by the state, had ancient roots. For all these reasons, it is arguable that the transition from imperial ideology to Marxism-Leninism was not in all ways a radical rupture, but involved a degree of continuity.

These were some of the key grounds on which the Cultural Revolution was justified (Zhang & Schwartz, 1997). A radical rupture was what Maoists demanded, and this would have to involve not only the overturning of the old feudal order, but the destruction of the Party hierarchy, and the claim of intellectuals and Party cadres to be able to lead the country on the basis of their unique mastery of Marxist-Leninist doctrine (Gregor & Chang, 1979). This radical uprooting of hierarchical relations touched not only the national level, but also relations within workplaces and families, in which those who had, even under the new socialist order, been subservient to management by the ostensibly benevolent wisdom of leaders, were encouraged to rebel against those leaders, and take knowledge of Mao Zedong Thought directly into their own hands—a transition quite literally represented by the ritual demonstration of masses of ordinary hands waving copies of *Quotations*

from Chairman Mao, in marked contradistinction to the idea of Marxist knowledge inculcated in an elite cadre by a Leninist vanguard party.

At the end of the Cultural Revolution, the state and Party reasserted themselves as sources of order and authority in a society in which many were fatigued and traumatised, and yearned for stability. Thus a key part of the nationalist ideology propounded by the Party today is the total identification of the state and the Party with Chinese society as a whole (Guo, 2004). Crucially, this nation-state complex is presented as historically continuous with all previous Chinese states and peoples, allowing for the perpetuation of a concept of the country, state and people as one united, perduring entity, of which individuals can feel proud to be a part, and which lends the state legitimacy by virtue of its permanence and, by extension, the permanence of the state itself.

Marxist-Leninist orthodoxy and the attendant ideological authority of the Party were, however, not restored at the end of the Mao period. Instead, the reform era was to be an era of experimentation (Heilmann, 2008), of 'crossing the river by feeling the stones', and the authority of the Party-state was rebuilt based not on a role as ideological vanguard, but instead on continually proving its ability to guarantee political stability and economic growth (Laliberté & Lanteigne, 2008)—and increasingly, on cultivating nationalism and an association with vaguely defined constructs like the 'harmonious society' and the 'Chinese dream' (Holbig & Gilley, 2010; Gilley & Holbig, 2009). It is perhaps at this point, then, that the ancient notion of a social order governed by principles understood by a scholarly elite was finally consigned to history, and with it the notion of a fixed, proper social order in which the extant hierarchy served to sustain the common well-being of all.

The trappings of deference and paternalism have continued in the absence of an overarching justificatory ideology. From continual propagandistic exhortations to serve the country to the hints of a cult of personality around Xi Jinping, the state continues to repeat hierarchical motifs (Hart, 2016; Luqiu, 2016). As we have seen, these echoes of the old ideologies are also found within organisations. The continual repetition of banqueting arrangements in which seating arrangement emphasises hierarchy, while the roundness of the table suggests unity, serves in part as a component of widespread attempts by managers to enforce a vision of their organisations as like a 'big family' (*da jiating*) (Liu & Chen, 2000; Chen & Chung, 1994)—in which all members benefit from their subordination to the hierarchy, just as in the old imperial ideology.

Within families, too, changes have been afoot. The erosion of hierarchical ideology within the family began as early as the 1910s, when the republican New Culture Movement began to promote radical family reform as part of an attempt to modernise China (Glosser, 2003). Their explicit aim was to

dismantle the old analogy between family and state, and indeed the extended family unit as a whole, replacing it with small families (*xiao jiating*) living together bonded by voluntary ties of affection. This initiative was later appropriated by the Communists, who saw family reform as crucial to the reform of society as a whole.

Nevertheless, there are continued echoes of the old ideology within family life. Li Qiang, a 30 year-old informant whose life is examined in detail in chapter 8, had this to say about seating arrangements:

*"When I was very small, I remember sitting in the wrong chair once. My mother told me, 'My son, that is not your chair; your chair is there'. And as you grow up, with every year, your position at the table changes—maybe someone dies, so their position is taken, or the older generation makes way for the new. Your position isn't changed or decided by you, but by other people... "*

But as chapter 8 will show, Li Qiang's parents and grandparents treated him in an unusually egalitarian way. In his words,

*"My father had a wish, that maybe in future I would study medicine and become a doctor. But he didn't force me, because he always respected my choices. In my childhood, my parents didn't force me to do anything. What toys I wanted to play with, and later, my choices about my career, about who I should marry. They respected my decisions."*

Although Li Qiang's family repeated the practice of hierarchical seating arrangements, they were unconventional in other respects. His experience of life in his family was not one of strong hierarchy, but rather one of mutual respect and relative equality. Like the repetition of symbols like the banqueting arrangement in organisations, this points to a broader trend. For at every level, from the smallest scale to that of the state, fragments of the old ideologies of hierarchy survive, but in a piecemeal way. Rather than providing an overarching justification for hierarchy, these practices instead now form just another part of the loose and shifting social fabric.

### **6.4.2 Loosening bonds of hierarchy**

While there is no longer a systematic ideology of hierarchy, relationships continue to be structured by a hierarchical principle. However, this section will argue that this principle is tending toward one in which subordinates accept a relationship not out of duty, but only on the condition that doing so continues to deliver a sufficient degree of benefits. It will consider firstly, relationships within and between economic and political organisations, and secondly, relationships within the family.

The reform era has radically uprooted not only the basis of legitimacy between individuals and the state, but also the political and economic hierarchy which used to tie the state to enterprises and other organisations throughout society. Economic decision-making has been rapidly decentralised over the last three decades, beginning with the mushrooming of Township and Village Enterprises around the country, which vastly increased the financial and social resources available to local politicians (Oi, 1995). The process continued with mass privatisation in the 1990s, and reforms to corporate governance which have replaced the old planning apparatus with an arms-length form of indicative planning (Heilmann, 2013). Moreover, the introduction of a market-based economy has meant that resource dependencies are now more often embodied horizontally than vertically (Solnick, 1996). The cumulative result of these changes is that central government directives can be easily evaded or creatively interpreted by local officials, who are able to exploit ambiguity arising from conflicting lines of authority to exercise a great deal of discretion (Mertha, 2009). Thus the old, unitary hierarchy, which was the material expression of the notion of a unitary state governed by a unifying ideology, has been replaced with a more amorphous form of economic and political organisation, in which decision-making is decentralised, and happens through diffuse networks, which the central state can influence, but never significantly control beyond the implementation of a few priority mandates.

The case of the co-operatives illustrates this transformation. As previous chapters have shown, there is a gap between the policy-making activities of individuals in Beijing and their results around China. Co-operatives are not the bottom rung in a national hierarchy; they are locally created units which serve local interests, unconcerned with the policy prescriptions of the centre except insofar as demonstrating allegiance to them results in a flow of resources.

The loosening of the bonds of hierarchy within the economic and political apparatus has been accompanied further by transformations of social hierarchies more broadly. Reform has led to economic and social stratification, and the emergence of cross-cutting political and economic hierarchies, in which power accrues not only to those at the top of one hierarchy or another, but also to those occupying key network positions, such as intermediary between two hierarchies (Bian, et al., 2005). This is consistent with the tightly woven networks linking the institutions of the co-operative movement, the state, and parastatal organisations; successful operation requires the cultivation of multiple horizontal and vertical links.

Within organisations, while the *lingdao* tends to command a great deal of power, beneath the surface, subordinates do not necessarily hold him in the greatest of respect. In one workplace where I spent considerable time, the manager in charge was publicly applauded and praised by all his

subordinates, who followed his decisions without question. But privately, they disagreed with many of his decisions, and seethed with resentment at his authoritarian management style. Many of my young informants have reported similar experiences in their workplaces, and those who have worked in relatively egalitarian companies influenced by a Western management style speak of it as a breath of fresh air, having enjoyed the opportunity to speak their minds and contradict their managers if necessary. It is not, then, that people welcome authoritarian relations in management, or that the ideology of the *jia* convinces them that their managers are benevolent dictators; instead, it is often the case that there is simply no escaping the dominant hierarchical model of work relationships.

It seems, then, that the role of *lingdao* is sustained from both above and below. From the perspective of the *lingdao*, leading a group of subordinates who pay lip service to one's greatness, and obey one's commands unquestioningly, gives the manager face, as well as allowing him to accomplish his goals, albeit at the cost of not being able to rely on accurate information or consistent performance from his subordinates. From the perspective of the subordinate, delegating all decision-making power to the *lingdao* means that it is he who is responsible when things go wrong, and the subordinate does not have to take the risk of making suggestions which might themselves turn out to be in error. As the case of the co-operatives shows, this incentive is particularly strong when an individual is not concerned about the long-term success of the enterprise itself, because he or she has other options. With the breakdown of the *danwei* system and the marketisation and urbanisation of the economy, this has increasingly become the norm. If a project fails, it can be blamed on the leader, and his subordinates can find other opportunities elsewhere. Thus there is a strong incentive to maintain the *lingdao*-subordinate relationship, even though it may result in moral and economic problems for both parties.

These new forms of economic and political organisation have two key features in common. First, they are looser and more fluid than the previously existing hierarchies. Conflicting and overlapping networks of influence, as well as the choices provided by migration and the labour market, mean that local actors have both more room for manoeuvre and more difficult strategic choices to make. Second, these new forms do not rely on ideological grounding or custom for their legitimacy; they are largely transactional, despite the efforts of the state, and indeed many businesses, to construct a transcendental vision of themselves. People enter into these hierarchical relationships without the old expectation that they were permanent or that they were justified by their production of a harmonious or successful social order. Instead, hierarchy is fragmented, fluid, and pragmatic.

A final domain of hierarchy is that of family life. Much has been made of the idea that increasing numbers of young people are determining their own course in life, no longer allowing their parents to determine their career or their marital choices (Brandtstädtter & Schubert, 2005, p. 810). But for the vast majority of young people I encountered in my fieldwork, parental authority remained paramount. The sentiments expressed by these two young people are typical:

*"I wanted to study literature, but my parents instead chose business administration for me as my degree subject. My father is very wise. He wanted me to study business administration because that way, I would make more money. Of course, I did not like it, but I respected my parents' choice." (Wei Yan, male, 31)*

*"When I was younger, I fell in love with a boy from another province. We were together for three years, and I was really madly in love with him. But in the end, his career prospects were not very good. I didn't care about this, but my parents told me I was forbidden to marry him. We split up, and I still miss him to this day. But when your parents decide these things, you must listen." (Mei Lin, female, 25)*

These cases illustrate the hierarchical character of parent-child relationships within the relational ethic itself. Giving birth to and raising a child is said to create *enging*, a level of feeling and a debt owed by child to parent so profound that it can never be fully repaid. Child rearing initiates children into the network of particularistic debt and exchange, and the parent is the central node in this network. Thus there is a clear emotional and material imbalance from the outset in the parent-child relationship, and hierarchy arises from particularistic obligation without the need for a collectivistic ideology of the family.

Nevertheless, as the following two chapters will show, there are many cases in which children not only pay less attention to the wishes of their parents, but even cease to feel the force of subordination within the relationship. In the most extreme cases, young people claim that they no longer feel they owe their parents anything, unless their parents continue to provide them with support and affection (Yan, 2011).

Like the increasingly transactional nature of subordination to the state and to superiors in the workplace, these cases seem to suggest not only an attenuation of hierarchy, but a shift to a view in which people submit themselves to hierarchical relationships only on the condition that they continue to derive a benefit from doing so. Chapter 5 argued that the relational ethic may be weakening, in part because people now have the option not only of leaving a network through migration and the labour market, but of securing resources through non-network means altogether.

The transactional view of hierarchy would appear to be consistent with this; for the less dependent people become on the endurance of a given relationship, the more numerous are the conditions under which they may simply 'exit', rather than remaining subordinated. In the absence of a justificatory ideology, there is little to stop this happening.

### 6.4.3 Hierarchy as a default principle of coordination

Nevertheless, hierarchy remains the default principle of coordination, particularly in workplaces. That is to say, the general expectation is that the *lingdao* takes responsibility for decision-making, and in return for this, his subordinates will not express dissent or otherwise allow him to lose face, but will instead obey, allowing him to take credit for any successes. As the previous chapter showed, this arrangement often continues even when the *lingdao* or his subordinates feel they would benefit from a different way of doing things. Without the old ideology, and with the loosening of hierarchical ties in general, one might expect that in these cases, hierarchical coordination would fall away. Why, then, does it persist? This section will attempt an answer. It will consider, first, the idea that notions of hierarchical thinking, in relationships and beyond, are conceptually enforced through linguistic practices; second, the possibility that this conceptual enforcement may be reflected by psychologically entrenched tendencies toward hierarchical cognition; and finally, the idea that the resulting 'habitus' may mean that problems are naturally understood first through hierarchy, and that non-hierarchical practices may struggle to take root in part because of the greater cognitive effort they require.

It is easy to see how hierarchical thinking may be reinforced by practices in Chinese society. Not only are individuals constantly surrounded by examples of hierarchical comparison, but they are ranked from an early age as a result of intense competition, in everything from their performance at school, to university entrance exams which produce a single ranking encompassing every examinee throughout the country. More fundamentally, it may be that without the countervailing influence of an egalitarian ideology, the impulse to rank others and oneself simply operates unchecked, fuelled by rapidly increasing inequalities and the insecurity that comes with those inequalities. Xiao Yi, a 34 year-old female office worker in Beijing, complained,

*"Every time I meet someone, the first thing they always want to know is: How much money do you make? What is your job? Do you have a child, a house? They ask these questions because they want to compare themselves to others, to show they are better than others, or just to know where you stand in comparison to them."*

Might the pervasiveness of explicit rankings in speech mirror an underlying hierarchical cognitive style? Research in social and cross-cultural psychology has long suggested that individuals in some cultural contexts may be more disposed to hierarchical approaches to interpersonal relationships (Smith, et al., 1996), or to recognising and adhering to a clear 'pecking order' within organisations (Hofstede, 1980). Given that most of the examples of ranking talk noted above directly or indirectly concern the ranking of people, or at least human institutions, it is not entirely implausible that, there may indeed be an underlying psychological disposition toward hierarchical ranking of people, expressed in sentiments such as the idea that 'human beings were born essentially different and unequal' (Hu, 2008, p. 630).

If these arguments are correct, then it may be that part of the explanation for hierarchy as the default mode of coordination is simply that it fits most closely with existing patterns of thought and action. At an individual level, cognitive psychology suggests that once learned, interactional schemas may become dominant and be employed by default, even across domains. Cultural evolutionary models have suggested that concepts and practices tend to spread through a population more easily if they induce lower levels of cognitive dissonance or effort—if they are in some sense intuitive, or minimally counterintuitive, given the existing cognitive architecture of the majority of the population (Upal, 2010). We might expect alternative interactional schemas to struggle to become established against the existing backdrop.

Moreover, given that hierarchical coordination is known to be the dominant practice, it may simply be the path of least resistance for any given individual. As this chapter has argued, there appear in some cases to be social norms proscribing certain behaviours required by a mode of coordination like democratic decision-making. But, arguably as a legacy of the old hierarchical ideology, there are no such social norms proscribing hierarchical coordination. Thus the risks of employing it are low.

In summary, both linguistic and psychological evidence suggests an overall tendency toward hierarchical categorisation and cognition. Hierarchical coordination is arguably a familiar, intuitive pattern of engagement. Moreover, social norms proscribing other forms of coordination make experimentation risky. It is likely, then, that the tendency to default to hierarchy even in the absence of ideological justification, and even given the attenuation of dependence on networks, may result from cognitive and social inertia sustained by a hierarchical habitus (Pieke, 2004).

Section 6.4 has argued that hierarchical practices in China persist because of a combination of strong incentives for participants within personalistic exchange networks and possibly dominant cognitive schemas which are themselves reinforced by the prevalence of hierarchical discourse and behaviour.

The old ideologies of hierarchy are long gone, although some of their rituals and symbols remain, refashioned for use in the new society. The Party has attempted to promote a new Confucianism, in which not only allegiance to the nation-state, but also to notionally ‘traditional’ family values, underpins a conception of the wider function of a stable hierarchy. However, if there is a popular ideology of hierarchy today, it rather consists of the notion that Chinese people are *incapable* of equality, or that it is dangerous, and leads to instability—not that the hierarchy exists for the common good of all. One exception is within the family, where the idea still persists that parents, and especially fathers, should be obeyed. But this obedience is weakening in some cases. Even where it is not, it consists of loyalty within a dyadic tie, and often the respectful expectation that one’s parents know better what will promote one’s own individual well-being, rather than stemming from a belief that filial piety serves to promote the harmony and flourishing of the family as a social whole. Thus the traces of successive waves of modernisation, culminating in the Cultural Revolution and the economic reform, are clear. Hierarchy remains an important organising principle, but it is looser than ever, inhering not in collectivistic concepts of family and society, but rather in dyadic relationships which work together in networks, not wholes. When collective decision-making fails in co-operatives, it is in part because hierarchy offers such a familiar, safe alternative.

## 6.5 Conclusion

This chapter has explored a fundamental problem of co-operation in co-operatives. While the previous chapter showed that many Chinese co-operatives avoid problems of resource sharing, the nature of co-operatives means that there is one collective action problem they cannot avoid: that of ‘democratic management’, or at least of member participation in decision-making. This is not always a priority for those who found, lead and support co-operatives, and leadership figures often drive a model of top-down decision-making, in spite of professing a belief in principles of democratic management. However, it seems that there is more to the story than this. For participation in decision-making is, as this chapter has shown, a collective action problem in and of itself.

The resulting reciprocal relationship between the collective action problem and paternalistic leadership is not, perhaps, one we would necessarily expect. There is no a priori reason why the solution to the problem of participation should be rule by a hierarchical mode of coordination. However, in a context in which notions of hierarchy have deep historical and social roots, paternalistic management and hierarchical coordination present themselves as an obvious default solution, arguably making it even more difficult to overcome the collective action problem of participation, because this relatively low cost alternative is always available.

This chapter concludes the core ethnographic treatment of the co-operative movement itself. As the preceding chapters have argued, the experience of this movement is coloured heavily by larger social changes, not least of which is a conflictual and rapidly shifting moral backdrop. The following chapters will examine that backdrop through the lives of individuals around and beyond the co-operative movement, whose experiences of moral conflict help shed light on the difficulties of the co-operatives themselves.

## 7. The relational ethic under pressure

The previous chapters explored experiences in the co-operative movement, arguing that they are compatible with the idea that the relational ethic is a form of indirect reciprocity; that the bases which theory predicts tend to support indirect reciprocity are beginning to break down; and that the weakened relational ethic has not been replaced by co-operativist morality, but instead by apathy, paternalism, and increasing reliance on market mechanisms for co-operation. The story, then, is one of the beginnings of moral change. To probe these suggestions further, it is helpful to examine not only the experience of the co-operatives, but also the general moral milieu in which they operate. The following three chapters aim to do just that—first, by investigating a series of life histories of individuals who have experienced moral conflict and change; then, with a psychometric survey designed to test the resulting hypotheses by examining patterns in moral cognition.

The individuals profiled in this chapter and the next are not a random sample. They were selected on the basis of their experiences of value conflict—that is to say, they are all individuals with whom I became acquainted during the course of fieldwork, who had some experience of values or moral orientations which deviated from the norm, and often saw themselves as doing so. This chapter profiles two individuals whose lives ultimately do conform to the relational ethic, but who experience some degree of inner conflict because their values are not always in harmony with those of their peers. The next chapter looks instead at individuals who have deviated from the norm not only in their own value systems, but in their life choices. Together, these two chapters illustrate how and under what conditions the relational ethic may be breaking down, and assess to what extent this picture is compatible with the idea of the relational ethic as a form of indirect reciprocity, as well as whether a new moral order is being born in its place.

### 7.1 Xiao Tao

One cool spring day in Meibian, I rode with Xiao Tao on the back of his motorcycle out into the Gansu desert. He was not always free on weekends, as his manager in the local government could call on him at any time. But when he was, we would often travel together around the county, and he would either help me with my research, or show me the places he loved. That day, we headed for the Great Wall—or rather, a ruined section of the Great Wall that lay in the remote desert. No one ever visited it, because for most people, it was just meaningless rubble. But Xiao Tao was different, and he wanted to show me why.

He stopped the motorbike at a gap in the wall. The road was visible in the distance, following the route of the old Silk Road through the Hexi Corridor. To the north, a mountain range marked the

southern border of the Gobi desert. With a mischievous look in his eye, he asked me if I would be able to scale the wall. Together, we climbed to the top, and stood looking out at the desert below. For a while, we stood in silence, listening to the wind. Then, Xiao Tao looked to the north and stretched out his arms. ‘You can just see it, can’t you? The barbarian armies, coming over the mountains. You can really feel it—those Han dynasty soldiers stood exactly on this spot. Just imagine what it must have been like!’ In the dirt on top of the wall, I found an old pottery sherd, and showed it to him. ‘Yes!’ he said. ‘This looks really ancient—it could be a wine container, it might have belonged to the guards who once were stationed here.’

This reverie was interrupted suddenly by the ring of Xiao Tao’s mobile phone. He answered, looking embarrassed, then reluctantly told the caller our location. After talking sheepishly for a while, he hung up, and explained. ‘That was my girlfriend. She laughed at me when I told her where we are. She wants to know why we are wasting time here, when it’s just an old pile of dirt. I told her you wanted to see it, but she doesn’t understand.’

It was then Xiao Tao explained his relationship with this place. Every weekend, he would ride out into the desert on his motorbike, looking for ruins like this, and other evocative places. There he would soak up the sense of history, and let his imagination carry him away. But crucially, he felt he could never tell people what he was doing. He would lie to his mother, and tell her he was on business for his manager. If he did not, she and others would tell him off for wasting time. What was the point, anyway? Who had time for old rubbish? What he ought to be doing was investing his time in his relationships, and his career; instead, on weekends he lived something of a double life.

Xiao Tao is a 30 year-old civil servant, who recently returned to Meibian, the town of his birth, after a long period away. Insightful and energetic, he is frustrated by the dull and bureaucratic nature of his work, and feels a sense of claustrophobia and confinement in this small, provincial town. But in spite of his wide-ranging and cosmopolitan interests, he has decided to remain here, to buy a flat and get married, to fulfil his obligations to his family and live the life he is expected to lead. This contradiction—between his inner drives and worldview and the decisions he has made—provides an insight into the wider contradictions which exist for much of a generation which has grown up both open to the world, and still firmly embedded in older Chinese social structures.

Growing up in Meibian, Xiao Tao recalls a provincial childhood, in which time was filled with dreaming.

*“There wasn’t much to do here when I was young. My friends and I would sometimes go to the old Buddhist temple in the hills, and play in the caves or around the temple. Sometimes we would hang*

*out at the reservoir. We weren't allowed to swim, and we didn't fish, but we would just play, or hang out. I have always loved the outdoors, natural and ancient places. In a place like this, where people's world is very small, the best thing was to spend time in those places."*

Not only did Xiao Tao seek to escape through his physical environment; he was deeply intellectually curious, and fascinated by philosophy, politics and science from a young age.

*"What I always loved the most was physics—when I was a teenager, my favourite book was Stephen Hawking's Brief History of Time. But my parents wanted me to study something that would guarantee a job, so I studied management instead. This is the problem with China. People can't do what they want to do."*

Frustrated by his inability to pursue his own interests, Xiao Tao was relieved when the opportunity arose to leave Meibian for university, studying in Shandong for eight years. There, he broadened his horizons, and exposed himself not only to Western ideas, but to knowledge and concepts from other parts of the world.

*"I really admire India—their Buddhist philosophy is very profound. Unlike China, they are not obsessed with money, and they're always happy and optimistic. Also Japan—you cannot say it these days, but we have much to learn from them. The 1920s and 1930s were a golden age in China, when we resembled Japan; the Chinese aristocracy combined ancient customs with learning from the West. In Shandong, I studied all these things, and I am still searching for a better way forward for our society."*

When he graduated, Xiao Tao's parents wanted him to further his studies. He enrolled in a master's degree in politics, to which his parents gave their blessing in anticipation that this might lead to a job in the civil service. But what he enjoyed was the chance to explore his own interests in political philosophy.

*"During my master's, I wrote a dissertation about food safety. And it is an important topic in China today—how to change people's ethics, how to change the system so that we have fewer poisoning scandals. To be honest, when thinking about politics, I always really liked democracy. Locke, Rousseau—I find their ideas very inspiring. Until I was about 22, I thought the US system was much better than China's, and I didn't see why we couldn't have it. Later, I saw that our government does good things as well as bad things. But I still do not know the answer."*

After his master's, Xiao Tao felt it was time to find a job. He would have liked to have continued with his studies, and perhaps pursue a PhD, which would have allowed him to explore his intellectual

interests further. But just as he did not feel it was within his power to study physics, he felt he had no choice but to start work, as his parents wished. He soon found a position in a large Chinese technology company, in which he further experienced the influence of Western culture and a way of doing things he had not seen before or since.

*"In that company, things were very different from most Chinese organisations. It was like an international company, I think—very equal. If you had an idea, people would listen to you. If something was wrong, you could disagree with it. Your time was your time; they couldn't just call on you at all hours. I really liked it there. It was exciting, and I could use my brain every day. Life in [Shandong] was also exciting—it was a big city, with many international people. You felt connected to the world, to things that were changing every day."*

After several years working in that position, Xiao Tao was presented with what he considered a golden opportunity: the chance not only to work abroad, but to work somewhere exotic and fascinating.

*"I received an offer, to leave China and work in the Middle East—in Qatar. I thought, 'Wow, this is brilliant'. Not only to see the world, but to go somewhere really different, to experience a new culture and a new life. That was something I had dreamed of since I was little. It would have meant more money, of course, but most importantly, new experiences. My friends thought I was crazy—who would want to go to the Middle East? For most Chinese people, the Middle East is dangerous, frightening, and unstable. Most people prefer to stay at home with other Chinese people. But for me, this was really everything I wanted."*

This was a turning point in Xiao Tao's life. Had he gone overseas, as he understood it, he would have had the chance to fulfil the daydreams he had had since childhood, of experiencing other worlds and cultures. He would have broadened his horizons still further, and although he would not have been doing intellectual work, it was a path which held the promise of allowing him to learn more about the things which really enthused him—human life, society, and the world. But it was not to be.

*"In the end, my parents did not agree. My mother was worried about me going to the Middle East—she thought it might be dangerous, but more importantly, she worried I would not find a job again after I returned. It seemed like too much of a risk to her. Instead she wanted me to come back here to Meibian, to be closer to my family. Besides, my parents had found an opportunity for me here, working for the local civil service. Of course, it paid less than my previous career, but my parents are a bit old fashioned. They think a government job is the best, because it is very secure. And they wanted me to be close to them, not far away."*

When Xiao Tao relates his decision to return to Meibian rather than going to Qatar, there is a deep wistfulness about him—a sense of the road not taken, and the person he might have been. But there is also a sense of powerlessness, that there was never any question he might have defied his parents' wishes. This was simply the way it had to be. Back in Meibian, he found his new work demoralising.

*"Of course, after living in a big city, coming back to a place like this can be hard... My office now is not like the company where I worked before. The management style is very traditional—like we are in the 1950s. I have no free time; my boss can call me any time, day or night, and I must go to work, or do whatever he asks. I cannot speak up if there is something I disagree with, and whatever the boss says goes. This work is really boring. But there are no other jobs around here, so this is what I must do."*

Meanwhile, Xiao Tao found readjusting to social life in Meibian equally difficult. His school friends, many of whom had never left, some of whom had left and returned, continued to have the provincial mentality which had so frustrated him as a child. Though he would go along with groups of these friends to eat and drink, he preferred to meet singly with the few friends with whom he could have more intimate and profound conversations. This was a role into which I fit easily. We would go for hotpot or sit in a private booth at a local bar, talking for hours about politics and philosophy. This was something Xiao Tao loved to do whenever possible, with his friends who occasionally came to visit from outside Meibian. When obliged to spend time instead with school friends who simply wanted to drink and gamble, he was visibly uncomfortable.

In his love life, too, Xiao Tao felt a loss of agency. His girlfriend, whom he intended to marry, was a girl from Henan to whom he had been introduced through family connections, and who was supposed to move to Meibian to marry him after he had bought a flat and a car. The flat was still being built when we met, and he felt a sense of unease about whether things would go according to plan.

*"I've been to Henan to meet her parents, and they seem to like me. She hasn't been to Meibian yet. I do worry sometimes. I feel pressure from her to make money, and pressure for the flat I am buying to be a good one. I know she thinks I waste too much time—doing things like visiting the Great Wall. Of course, I would like to make her happy, to have a good family, which would make my parents happy, too. But it is very difficult to do all the things I have to do to make that a reality."*

This feeling of unease, and lack of agency, was echoed even more starkly by Jinhai, a friend of Xiao Tao who also lived in Meibian. One evening, as he prepared a badly-made cup of coffee for me in a local bar owned by his brother, Jinhai told me:

*"I'm a Party member, but I don't believe in Communism. For all of us, it's very distant (yaoyuan). It's just that you can't get certain jobs if you're not in the Party; 90% of local government workers are Party members. If you're not, it's thought there's something wrong with your thinking. Confucianism is the same, in fact—most people know nothing about Confucianism, and don't really believe in it; they just say they do when they have to. Most Chinese people just pay attention to their own business. As for me, in fact, I believe in liberalism. But I can't really, because my parents will decide who I can marry. They don't agree with me marrying my girlfriend, because her parents won't agree with her moving to Meibian, and I won't agree to move to Lanzhou. So even though we've been in love for two years, there's nothing we can do. And I will do exactly the same to my children: I will expect them to come back and take care of me, since I took care of them."*

At the time I left Meibian, Xiao Tao seemed resigned to a life which could not satisfy him, but which seemed inevitable. None of the major decisions in his life—what he studied, what work he did, where he lived, or his romantic choices—seemed to be his. This would not, perhaps, have seemed particularly salient, except that Xiao Tao was, in many ways, different from his peers. He had been a daydreamer from childhood, fascinated by the universe and the wider world. He had also been a critical thinker—casting doubt on social and political arrangements around him, and burning with a desire to probe reality further, and perhaps to change it. Moreover, he felt he had stood on the precipice of a wholly different life, one in which he saw the wider world, and pursued his passions freely. But at the last minute, he had pulled back from that precipice, and simply accepted the expectations others had of him.

This, too, might seem unremarkable, were it not for the fact that even after accepting this reality, Xiao Tao could not but construct a different, secret reality of his own, to cope. Alienated by the petty, provincial chatter around him, and the numbing nature of his work, he took solace and pride in the most important symbol of his remaining independence: his motorcycle. With it, he escaped Meibian at every opportunity, lying about his whereabouts and taking off into the countryside, to imagine himself as a mediaeval Buddhist monk in a monastery, or a Han dynasty soldier standing guard on the Great Wall, as hordes of Mongols poured over the mountains. He could not, and would not, share this aspect of his existence with anyone he knew. For it was more than a bit shameful for a man of his age to 'waste' time in this way, when he ought to be concerning himself with advancing his career, and putting all the necessary conditions in place to have a prosperous and stable family. Still, Xiao Tao could not resist doing it.

Xiao Tao's case sheds valuable light on the workings of the relational ethic for many young people in China today. He is not a person who has ever really rebelled against that ethic; his major life

decisions have been taken in consultation with, and deference to, his parents—even when this has meant he had to give up his greatest aspirations and the sources of his happiness. But inside, unbeknownst to those around him, he has all along harboured hopes and dreams of a different life, guided by different ideals (Remmert, 2016, p. 127).

Why did Xiao Tao return to Meibian, and defer to his parents? In part, the answer seems to be his emotional ties to his family, and the fact that his kin, lacking any experience of the outside world or any form of cosmopolitan education, could not see the value in the forms of life which attracted him. Xiao Tao's social world, too, comprised friends and colleagues who thought the idea of working in the Middle East seemed bizarre and pointless. The value system of those around him inevitably overrode the ideas he formed from books and his own contemplation.

Thus the relational ethic in this case emerges undefeated, and perhaps substantially unchallenged—but it is nevertheless under pressure. Xiao Tao feels the pull of other values, and other morals. In part, these are simply the values of intellectual excitement and stimulation, the thrill of experiencing new things and thinking new thoughts. But there is also the pull of other moral systems; the liberalism and democratic ideals which appealed to him in his youth, and the sense that he would like to do something to serve society, even if it is only to recommend a better food safety system. Somehow, in spite of the time and energy he has devoted to these feelings, it has been impossible for him to escape the nexus of family ties which has kept him firmly within the world of the relational ethic. But as the safety valve of his secret sojourns into the countryside shows, this has happened in spite of, rather than in harmony with, many of his own desires. The relational ethic no longer exists in a vacuum, if it ever did; instead, it must now compete with other ideas and values. Even when it wins out, cases like Xiao Tao's show that there is often conflict and contradiction lurking beneath a seemingly harmonious surface.

## 7.2 Weishan

*"I was in college when for the first time, I saw my favourite movie: Forrest Gump. I think I'm kind of like Forrest Gump. I'm not very clever, I think. I was touched by his persistence. I think if we persist in doing something, eventually we can achieve success. He inspired me a lot. Whenever I have difficulties, I watch that movie, Forrest Gump, and it gives me some kind of power, helps me to go on."*

Weishan is a 32 year-old secondary school teacher in Guangzhou. He teaches English at an elite private boarding school, a post which has given him the chance to travel abroad, to the US and UK, where he has liaised with Western universities and led groups of students on study tours. He is overworked and frustrated by the feeling that he never quite has the time or resources to do what

he considers to be an adequate job as a teacher; he feels that his primary obligation is to his students, and regardless of compensation, he cannot be happy as long as he is not fulfilling that duty. In this respect, Weishan exhibits a concern with what is an archetypal particularistic obligation, that of teacher to student. Much of his frustration with not being able to meet this obligation results from structural factors which mean that many of his students have not been genuinely interested in his teaching; but he takes every setback to heart as a personal failure. Over the months in which I came to know Weishan, I was impressed by both his sense of duty and my own sense that this was in contradiction with the environment around him. To probe further what this meant to him, we conducted a life history interview.

Weishan was born in a small, economically underdeveloped village in Hunan. His parents had come from a nearby village, of one thousand people, where all of his family had been peasants. His father worked as a civil servant, and in his early childhood, was rarely present. Weishan's mother was a nurse who worked in a hospital in the town. His earliest memories are of the hospital, where he slept in the workers' dormitory and was looked after by mother's colleague. He remembers, too, life in the hospital being redolent with early lessons about morality.

*"Whenever the family got together, we would talk about these things—issues happening in the hospital. My mum always told me the important thing was that she was kind to her patients. Some of her colleagues treated the patients very badly, so they were complained about and even lost their jobs. She's not that kind of person... My mum's brother also worked in the hospital, as a pharmacist... and he always said he was successful because people trust him, because he treats them well, and is honest. To respect others, to be kind, my parents didn't teach me these things explicitly, but I learned about them every day."*

Weishan's father travelled frequently on business, and while he was not often present, he left an important impression.

*"My father travelled to many different provinces, different cities, and each time he came back from business trips, he would have some photos, or some local foods. I learned early on that in the outside world, there were many new, interesting things. So I wanted to see the world from the very beginning. My home was close to the bus station—the only connection between our county and the outside world. But I didn't have any chance to see the outside world."*

Weishan's early childhood was not unusual for a child of his background. His family did not have books in the house, and the village had little by way of entertainment. He remembers that he was not taught to read or write, or given any other formal instruction by his parents; instead, his early

memories are of watching television in the hospital, and listening to the radio, learning songs and dancing to them. Then, when he was six years old, Weishan moved to the county town with his parents, and began attending primary school.

*"Nobody told me what would happen in primary school... I just thought it was a kind of fun, so my marks weren't very good, because I didn't know how to behave. We would be punished if we didn't do the work well, but I usually didn't. I never did my homework, and at school I'd be punished, made to stand in the back of the room."*

Because Weishan's parents both worked long hours, he was for a long time able to avoid doing homework without detection. Every day, he would go home alone and watch television until they returned and he went to bed. After a time, the school notified his parents that he was failing to do homework, and his father began to monitor him and give him extra tasks to improve his marks. His marks in Chinese class improved, but in other areas continued to suffer.

*"The maths teacher always said to me, 'You're so stupid, this is such an easy question, why can't you answer it?'... I wasn't a well-behaved student. I liked to talk to the person sitting next to me, to play cards in class."*

Although Weishan and his parents had migrated to the county town, his extended family remained present. His grandparents remained in the village, and he saw them only at major festivals, a few times a year. But his mother's brother and his two sons moved to the county town, and saw Weishan occasionally, living about 40 minutes' walk away. Thus although Weishan did not grow up in a context in which his extended family could actively help with his upbringing and schooling, he was aware enough of his kin network that it impinged on his life and his consciousness.

Still, his studies continued to suffer. In middle school, he recalls spending time with other students with 'behavioural problems'. Together, they would play truant and hang out talking about girls and gossip. Bored in a town with little to do, they occupied themselves with fantasies of a different life, far away.

*"There was a private room you could go to, pay one RMB and stay there as long as you want. They would play videos from Hong Kong, about gangsters and action and sometimes pornography. If the school found out you'd been there, you'd be expelled. So we would go there secretly. We would try to imitate the gangsters, so sometimes we picked fights with older children, because we thought it was cool."*

When he was alone, he continued to neglect his homework, escaping into television instead—Japanese cartoons, or Kung Fu films from Hong Kong.

With his poor marks, Weishan's prospects for entering a good high school were slim. The county town had two high schools—number one and number two—and number one was known for sending more leavers to university. His parents wanted him to attend the number one school, to have a chance at university, but his marks were too low.

*“They needed to find someone to help me. So they tried to use connections to find someone to help. That was the first time I knew that my parents were trying to use connections to solve problems for me. But it takes a long time, it’s really hard, because everyone wants to get into university, but resources are limited. It took about two months, and then I finally got a place at that school. From then on I realised I had to work hard, because my parents spent a lot of time, and also extra money, to get the place... My first day of high school, my mum took out the money and counted the notes one by one in front of me. From then on I realised I needed to work hard.”*

High school was a turning point for Weishan. For the first time, he got to know academically successful students, and formed friendships with them, playing video games, football and basketball together. He learned from them that the most successful students had a good social life, too—and he also learned more about the wider world, whiling away hours talking about the NBA, the Champions' League, and football matches around the world. Finally, in his second year, Weishan was randomly placed in an advanced class, which had been created for top students, but which required a quota of 'problem students'. Although he had no idea at the time why he had been placed in this class, it was a wholly new experience for him. He was surrounded by ambitious and talented peers, and his teachers took a new interest in his needs. Fearing their performance indicators would be harmed, they began to give him individual attention.

*“For the first time, I got a sense of what it is to have a dream. All of those students had a very clear goal, they wanted to achieve it, they were strong-minded. They influenced me a lot. But even though I tried hard, I didn’t have a good foundation. Most of the time I couldn’t understand what the maths teacher was teaching.”*

In spite of his hard work, Weishan failed the *gaokao*. He was faced with the choice of finding a job without going to university, or repeating a year. Then his cousins, who were university students, recommended he visit their university in Changsha and speak to the admissions office, to see if he had any chance of being admitted. This journey to Changsha left a deep impression.

*“It was my first time leaving our small county, and the first time I saw a big city. It was a long trip—we took the night bus, and when we got to Changsha, it was morning. I saw the streetlights, and I thought, ‘Oh, that’s great’—because there were no streetlights in our county. I went to shopping centres and looked at all the things for sale. I saw that people dressed very differently, very fashionably. Their faces looked energetic. I thought, ‘I want a life like this, full of hope’. We stayed in Changsha only three days. I went to the admissions office, and in the waiting room, someone asked me about my marks. When I told them, they smiled. I knew it wasn’t because they welcomed me, but because they thought the mark was too low. I felt humiliated. But I knew from then on I wanted to go to the big city.”*

Returning home, Weishan told his parents he wanted to repeat a year. But to go back to the same school would have meant losing face (*diu lian*), so he asked his parents to send him to the number two high school, instead.

*“After that, I studied harder than before, because I realised I wanted to change my life. I wanted to go to university. I wanted to go live in the big city—my desire to go to the big city was very strong. Most of my classmates were top students, and several had gone to university in Beijing, Shanghai, or even Macau. Chatting online had become popular, so I saw the pictures they took, and I knew that life there was very different.”*

Weishan’s father was angry with him, believing he was wasting time. But his mother supported his wish to repeat a year, and again, found a connection who enabled him to do so. This time, his *gaokao* result was a bit better, and he was able to enter a local three-year college. But he remained fixated on the dream of moving to Changsha—Beijing or Shanghai never occurred to him, as they seemed so far off, but Changsha held the promise of a modern, colourful life. Instead, his stay at college turned into a full undergraduate degree, and he remained there five years, taking a degree in English.

*“I told my parents I wanted to study Chinese, because I thought I was good at Chinese literature and I was interested in it. But they said studying Chinese is all right, but at the end, you’ll need to find a job. And if you have a degree in Chinese, you only have two choices: to become a teacher or a civil servant. Becoming a civil servant is difficult, because you need connections. And there is more demand for English teachers than for Chinese teachers.”*

Although English was not his first choice, Weishan recalls feeling it was a good decision, after all. He was particularly happy to have the chance to be taught on occasion by foreign teachers, with

Western teaching techniques. He has fond memories of a British teacher called Charlie, his first foreign acquaintance.

*"I still remember our first lesson. He asked us to introduce ourselves, one by one. It was very different from Chinese teachers, who don't care who you are—they just want to tell you who they are. But we were only 36 in the class, which was much smaller than in high school. We all had a chance to talk to him, and he asked us to do some role playing, some group discussions—it was really fun."*

Another British teacher, Julia, introduced her class to a particularly sensitive topic.

*"She talked to us about sex, and how to prevent AIDS. She even used a bottle of glue, and showed us how to use a condom—at the time it was really uncommon to have lessons like that. We were excited because everything we knew about sex came from Japanese movies, pornography—so we were curious about it, but we knew nothing about it... We did a lot of role plays, and I still remember once I was assigned to play an HIV carrier who wants to get a job, and someone else was acting as the boss, who turned down my application, and I had to argue. Most of us agreed that we shouldn't discriminate against HIV patients—but it was kind of far away from us, something we never thought would happen in our lives."*

Weishan credits these experiences with giving him a different perspective, seeing the world through the eyes of foreigners. They also helped form his approach to education, which became important when he started work as a teacher.

He began work at a vocational school in a small town in Guangdong, where he taught English to students destined for factory work, who had little interest in English. Rather than finding satisfaction in the knowledge that he had a secure career and decent income, Weishan was frustrated by his students' lack of interest.

*"Life was simple... I was happy with my colleagues, and with my students, though I wasn't very happy to be living in a rural area again. But I was not very satisfied because at that school, English was not very important. The students were not interested, so I had to motivate them. Sometimes I'd just teach them very basic things, and then I'd tell them jokes or stories in Chinese, just to motivate them, to entertain them, to keep them in order. I wasn't happy with that. I wanted to be a real English teacher. I wanted to teach English, not just be a person who supervises students and makes sure they don't cause trouble."*

By this point, Weishan had a serious girlfriend, Chunhua, who was also training to be a teacher, and shared his dream of living in a big city. He realised at this point that if wanted to marry her, he had to

be able to provide a better life for her; and he could not be happy in the work he was doing. So after working for two years, he applied to study for a master's degree.

*"Most postgraduate students in China, the reason they want to pursue a master's is not to be a scholar, but to have a better CV, so they can get a better job. I was exactly like that. I didn't want to do research or become an academic. I just wanted to change jobs—to be a real teacher. Also because Chunhua likes big cities, too, she wanted to have a better life, and I wanted to be able to give her a different life, a better life. So I had to be able to get a good job, in a bigger city."*

Weishan was accepted for a master's in Guilin, and he studied there for three years. During that time, he experienced a different kind of life, and had more exposure to foreigners, and new ideas.

*"Those three years were very different from my previous life. Guilin is a bigger city... Many tourists go there, and there were more opportunities. We had some teachers from the US. One of them made a deep impression on me. He was an expert on linguistics, specialising in pragmatics. He was a real scholar, and always emphasised that if you want to be a good researcher you have to read a lot of books."*

This was the period when I first met Weishan. At the time, he was agonising over what research methods to use in his master's dissertation. Under the influence of the aforementioned lecturer, he was determined not just to do what was necessary to pass, but to complete a piece of high quality research. His confidence had been knocked by years of being told he was academically inferior, and he seemed determined to work hard, because he felt this was the only way he could succeed. It is important to underline just how unusual this attitude was. Many other Chinese students express different sentiments. A representative view is given by Chaoxiang, a 23 year-old master's student from Haibian:

*"Why are you doing so much research for your PhD thesis? No Chinese student would do what you are doing. We all do the same thing: We just copy each other. Doing research takes too much time. After all, there's only one reason to get a master's or a PhD: so you can have a better CV, make more money and be more respected. Why waste time doing research?"*

The prevalence of this kind of attitude was what made Weishan's approach so striking. Although he had no aspiration to be a researcher, and saw himself as academically inept, he was not only unwilling to plagiarise; he spent an inordinate amount of time thinking about the design of his research project. After we had shared many long conversations about research methodology, he decided to settle on autoethnography. At the time, he was working part-time as an English teacher, to gain experience as part of his degree. He would record his own feelings and subjective

experiences, and use this to write a dissertation about the role of a teacher's personal development in pedagogy. This approach was considered highly unconventional, and was initially opposed by his academic supervisors. But he persisted, and asked me for copies of literature on autoethnography to assist him in his project. In the end, he passed.

*"From the year I repeated high school, I realised that if you don't work hard, you can't achieve things. But working hard is one thing; you also have to figure out the right direction. Working hard, but in the right direction—this is very important. This is something I learned; I didn't understand it when I was younger. I think working hard is the only way to change your situation. I wanted to change, I wanted a different life."*

Weishan agonised, too, over his own teaching methods. He was keen to experiment with participatory teaching methods he had seen Western teachers use, and he tried these out on his students in Guilin. But they, too, were vocational students, and were only interested in preparing for exams. When Weishan introduced the concept of anonymous feedback, he was met with mean-spirited notes calling him 'The worst teacher I have ever had' and demanding he stop wasting time on participation, and help them memorise words for the exam. This left Weishan feeling deeply dispirited. He wanted to find a way to be a better teacher, and felt he was letting his students down. 'I cannot say it is their fault', he would say. 'It is my fault, because I am using the wrong methods. I must find the right methods for them.'

After his master's, Weishan and his girlfriend applied for teaching work all over China. They were interviewed and received offers in several provinces, but ultimately decided to accept work at the elite boarding school in Guangzhou.

*"We both thought this would be a good school, because we knew the English level of the students was much higher than average. I thought it could be a good place, because I wanted to be a real English teacher. I wanted to teach English. I didn't want just to entertain students. So I thought, 'This is what I want'. And we knew that this school would give us many opportunities to go abroad, so we could understand other countries. Also, it's not far from our hometown, and it pays very well."*

Thus this decision, too, was made taking into account a combination of factors: Weishan and his girlfriend wanted satisfying work, in a big city, which offered the chance for foreign travel; but their parents also wanted them nearby, so they could visit frequently; and he felt pressure from both his girlfriend and his parents to earn a reasonably high salary. Later, on a work trip to the UK, Weishan proposed to Chunhua on London's Millennium Eye, and they married shortly thereafter.

This and other work trips have been important for Weishan. He sees himself as different from many Chinese travellers, because he wants to travel for its own sake, rather than simply to buy souvenirs or take photos.

*"I don't like staying in the same place. Being abroad, I find that wherever I go, I can always see fresh things. I enjoy experiencing new things, trying new foods. Ever since my childhood, I dreamed of going abroad, seeing the outside world. My other dreams didn't come true—I dreamt of being an astronaut, or an army officer, or a scientist, but my marks were not good enough. But being a teacher, going abroad is a dream I can realise."*

Both Weishan and Chunhua feel conflicted in their job. The work is intense, and leaves them with little free time. Weishan feels enormous pressure to stay in this job to earn the necessary money to pay their mortgage. But he also feels he never has enough time to prepare for lessons, and his students do not respect him because his English is not as good as their foreign teachers. Although he is well-compensated, he feels constantly anxious and insecure about his own ability and performance as a teacher.

*"It's a question of job satisfaction. I'm not the kind of person who can just accept any outcome, as long as I get my money. I think if I'm a teacher, I should try my best to gain respect from my students, to inspire them, to make them think it's worthwhile to be my student. Because even if the students don't say anything, if you bore them, you can see it in their faces. I'm really sensitive to this. When I finish a lesson, if I can see in their faces that they think I've wasted their time, I feel really bad. I think if a teacher cannot satisfy the students' need for knowledge, this is not a good teacher—this person should not be qualified as a teacher. If I'm doing things badly, I feel so guilty, because I think I'm not qualified."*

Weishan knows that this attitude is not always shared by colleagues, many of whom view teaching as simply a way to earn a salary. He has not found many friends among fellow teachers, who view his attempts to introduce new teaching methods with suspicion.

*"Some teachers think, 'It's not my problem, it's the students'. But I mostly think it's not the students' fault. There must be something wrong with my methods, so I have to change them. Sometimes they don't respect you because they don't think you're qualified. Then I feel really bad."*

Thus for Weishan, there is a strong sense of obligation to his students, to do his best by them and fulfil his responsibilities as a teacher. This is reminiscent of Confucian ideas about particularistic duties of teachers toward students, and vice versa. However, he claims that he would feel the same way, irrespective of what profession he had chosen. Even if he were an engineer, he thinks he would

be driven to perform well, because 'I've always felt I had to make things better, to work harder, to cause less trouble for others'. Thus he feels an abiding sense of duty, even when it comes into conflict with a social environment which gives students every incentive not to reciprocate.

Having achieved a marriage, a house, a decent salary, and the ability to visit his parents often in their old age, Weishan feels at a loss as to what to do next.

*"Currently, I think I have no dreams. I don't know what I want, what I should aim for. I don't know what my passion is. This is my problem now. What should I work hard for? Before, I had a very strong desire. I wanted to change my situation. But now I don't know. I'm confused. I need money because I want to have a family. Our parents are urging us to have babies—they think we are old enough, we should have a baby. But if we have a baby, that means we won't have freedom. So we need to think about it seriously."*

In many ways, Weishan's story is a classic illustration of the vibrancy and relevance of the relational ethic today. He has found meaning and satisfaction not only in his relationships with his family and his wife, but also in striving to perform what he sees as his duties toward his students, to deliver to them what he owes them by virtue of the relationship between teacher and student. If anything, this is vitiated only by the fact that the students themselves seem unwilling to reciprocate, whether because they see lessons as a mere vehicle to pass exams, or because they lack respect for him in comparison to other teachers. But in spite of the one-sided nature of the relationship, Weishan presses on, determined to do well at his job and to carry out the duties he associates with his role.

Perhaps, however, the story is not so simple. For Weishan believes he would feel the same about any job, even one without direct, dyadic interpersonal obligations. And for him, the key moral lesson of his childhood came from watching his mother and uncle in the hospital, and imbibing their conversations about what a good nurse, doctor or pharmacist should do to serve their patients, and how they should treat others with kindness and honesty. He seems to experience the drive to do well as a teacher not simply as a particularistic duty toward his students, but as something mirroring what he felt he observed in the hospital: a general, perhaps universalistic, duty to do a good job, and to serve others. This is the sort of ethic which his parents' generation may have absorbed from the socialist period.

At the same time, his long-standing insecurities about his academic abilities, and his drive to work ever harder to better himself, seem to point to the growing pre-occupation with individual self-development which has been observed by a number of ethnographers (Hansen & Pang, 2010; Yan, 2011). While in some instances, this has been attributed to the intense pressures of market

competition and accompanying neoliberal conceptions of the self (Chang, 2008; Kipnis, 2007; Hoffman, 2010), Weishan appears to see his struggle for self-betterment principally in terms of validating his own self-worth, rather than developing market competitiveness. The duty to do well by one's students is, for him, inextricably tied up with the notion of becoming a better teacher; Weishan thus seems to stand in clear contrast with the notion of self-development as an amoral pursuit (Farquhar & Zhang, 2005).

Thus Weishan's path in life can perhaps best be understood as resulting from an articulation of multiple value systems. On the one hand, particularistic obligations toward his parents and his wife have heavily coloured many of his choices, from what to study to where to live. On the other hand, his sense of a more universalistic obligation to do his job well and to serve those around him has pushed him to work harder than was sometimes necessary, and to experiment with new teaching methods where others are content to repeat established practice.

His current dissatisfaction can be easily understood, taking into account the interplay of these two forces. He has finally reached a point where his personalistic obligations are fulfilled, but he nevertheless feels that something is missing, because the nature of his work renders him unable to do what would make him most happy, which is to be a good teacher. Although he can continue in his job, start a family, and continue to fulfil his obligations under the relational ethic, this is not enough for him to be content. Whether because of values deposited during the socialist period and passed onto him by his parents, because of foreign influence from hours spent watching television or the foreigners he has known, or simply because of his own unique character, Weishan is not content. He has everything he needs to comply with the relational ethic, but this is not enough.

### 7.3 Discussion

Xiao Tao and Weishan are two young men who have found an accommodation with the society around them, and worked hard to fulfil their obligations under the relational ethic. Their families and friends have every reason to feel that they are morally upright individuals, who can be relied upon to carry out their duties in the sustenance of the exchange networks in which they are enmeshed. But beneath the surface of both men lies an inner life which is rife with contradiction, anxiety and discontent.

It is easy to see why the relational ethic should guide their life choices. Both are only children, who have good relationships with their extended families, and know that their parents will depend on their support in old age. They both come from ordinary families in economically depressed, remote areas, and they lack the resources to support either their families or themselves independently from

the prevailing norms around them. In other words, it would be too much of a risk to deviate from those norms—a fact recognised most explicitly by Xiao Tao’s mother in her intervention against him moving abroad. While both have spent long periods of time in urban areas, they remain firmly rooted in the rural areas from whence they came, by virtue of their parents having remained there. Thus familial, economic and geographic factors conspire to keep the relational ethic in place.

But at the same time, both men have experienced forces which may contribute to a degree of inner conflict. They are both thoughtful, introspective types, who have been exposed to a wide range of foreign influences, and have been open to using foreign values as a yardstick by which to evaluate their own social context. Both grew up as dreamers, imagining themselves in faraway lands as a way to escape the boredom and drudgery of everyday existence; and both have found more solace in the concepts and images of those faraway lands than in the often demoralising world which surrounds them.

Nonetheless, each life story must necessarily be the result of the myriad interactions between social pressures and inner life (Chibnik, 2011; Boholm, et al., 2013). The seeds of discontent have not motivated either of them to break away from established patterns of existence. Xiao Tao has sacrificed a great deal to fit one of those patterns, but he adopts an attitude of resignation, accepting this as inevitable. Weishan, on the other hand, blames himself for his own inadequacies, refusing to see his students’ lack of receptiveness as anything but a sign of his failures. Shades of other values and other value systems are present in both men, but both have come to terms with this by turning inward, rather than come into contradiction with prevailing norms.

This chapter, then, has aimed to illustrate how for some young people, the relational ethic may be fraying at the edges, but it nevertheless continues in force. The next chapter will examine cases in which the balance has tipped, and for some individuals, that ethic has been severely weakened, or almost entirely broken down.

## 8. The relational ethic in transition

The previous chapter showed the enduring strength, for many, of the relational ethic. It argued that this ethic forms a system which can effectively prevent competing values from taking root or expressing themselves. But for some, the relational ethic has, indeed, weakened. In some cases, but not all, it has then been supplanted by other norms. This chapter will explore four life histories which illustrate different ways in which this attenuation may be expressed. It will argue that while competing norms may contribute to the erosion of the relational ethic, the overriding cause of this weakening is likely to be changes in sociological factors which had previously acted to support the system.

The stories explored in this chapter illustrate a wide range of experiences among young people. All four individuals are in their late twenties or early thirties, and all four feel somewhat outside the norms they perceive as governing the society around them. But they vary widely in terms of whether they experience this difference as one of moral orientation. The first, Meiyu, is a language teacher in Yunnan, who feels that her drives and ambitions are different from those of her peers, but does not see this difference in ethical terms. The second, Li Qiang, is an academic in Shandong who lived abroad for many years, and is profoundly interested in world religions and universalistic values. The third, Li Ming, is a banker in Beijing who has also spent time abroad, and feels called to contribute to a cultural and moral renaissance in China. The fourth, Li Juan, is a tour guide in Guangxi who has lived an unusual life from an early age, but for whom circumstances conspire such that she expresses no sense of moral conflict at all. All four have substantial exposure to foreign culture, but this has had different implications for each.

What follows will examine each life history in turn, considering both how each individual has experienced the factors which may have set them apart from their peers, and what this means for their experience of the relational ethic. Finally, section 8.5 will argue that these stories illustrate the possibility that the erosion of the relational ethic is being driven by larger social factors, but its expression, and its relation to other ethical systems, depends on another, largely independent set of factors.

### 8.1 Meiyu: A life of experience and feeling

*"I have a recurring dream... In my dream there are two women, one very beautiful girl, with long hair. Every time there is a danger, there's a girl who will come rescue her. That one has short hair. After she rescues the first one, they fall in love, and stay together... They say your dreams are related to*

*your inner world (neixin). Maybe I have this dream because lesbians are what people don't accept. When I'm with all those people who just want to get married and have kids, maybe that is how I feel."*

Meiyu is a 29 year-old Chinese language teacher in Yunnan. She was born in a small village just outside of the city, studied at a local university, and has remained in Kunming, not far from her ancestral village. In these respects, she has not led an unusual life. But one only has to scratch the surface to understand why she feels that she is so 'strange' compared to her peers. She has never been concerned with finding a job or a husband, preferring to escape into novels or television, to daydream about the world, or to travel alone and see the world. She spent two years in Thailand and one in the Philippines, working as a language teacher. And she sought out these experiences not because of a concern with career or furthering her contributions to family or other relationships, but simply because she wanted to see new places and cultures. What has led her to be so different from her peers? She does not know—her response to this is simply that 'everyone is different'. But an examination of her life story suggests some important possibilities.

In many respects, Meiyu had an ordinary childhood. She was born in a single-surname village, in which everyone was considered kin. Her parents were peasants, though she also counted among her uncles and aunts schoolteachers and small merchants, who regularly travelled to Kunming to buy and sell clothing and other goods. She grew up with one little brother, four years her junior. In addition, she grew up with 'two paternal grandfathers and two paternal grandmothers'—her biological ones, whom she called '*da yeye*' and '*da nainai*', and the little brother of her grandfather, her '*xiao yeye*' and his wife, '*xiao nainai*'. Her '*xiao yeye*' was a primary school maths teacher, who died when Meiyu was very young, after which her '*xiao nainai*' shared a bed with Meiyu. She has fond memories of her '*xiao nainai*' teaching her numbers from 1 to 100 as they lay in bed.

Although Meiyu's paternal aunts and uncles were teachers and merchants, her immediate family were less educated. There were no books in her house. Every day, she and the other village children would walk half an hour to their school. But while the other children would have to walk back home at lunchtime to eat, Meiyu's uncle was a teacher at the school, so she could eat at his house, and stay there when the weather was bad. This, in addition to the relative prosperity of her paternal kin, gave Meiyu something of a charmed early childhood:

*"I had a lot of friends. Because we had a pretty good family... our family's house was more beautiful than others, bigger, so everyone thought our family had more money. We had a bicycle when other families didn't. In the village, everyone thought I was a princess. In the school, my uncle and other*

*teachers all liked me, because I was very cute, and my marks were good. So lots of people knew me, and boys also fancied me.”*

But there were unhappy times, too. Meiyu’s father gambled and drank, relying on his wife to provide for the family. She remembers her family as strongly patriarchal, with a preference for men over women (‘zhongnanqingnǚ’). At times, her father would gamble away all of the family’s money, leaving nothing for her school fee. Her mother and father would fight, sometimes violently.

*“When I was small, I hated bad people. For example, my grandmother, my father, my uncles. I hated my grandmother because I thought she had a lot to do with why my father was like that—she doesn’t like my mum, she likes to give all the good things to her own son. She also really loved my younger brother, but didn’t love me much.”*

Around this time, Meiyu remembers seeing the example of a very different male figure: Zhou Enlai.

*“He was a very remarkable man. When he spoke, he had a lot of wisdom, and he seemed very gentle. We watched a lot of historical television series in my family, and I knew Mao, he did some bad things, but Zhou Enlai, he was a very honest person. He had no flaws—I thought he was perfect. That’s why when I was small, I always dreamt of being a diplomat, just like him. Now you live in one country, next year you can move to a new country. You could see a different world. I had this dream when I was 7 or 8 years old. No one else I knew thought like me.”*

As long as Meiyu was considered beautiful and achieved high marks, she was relatively secure in her status. Even her grandmother seemed to like her then, because she felt she gave her a lot of face (*mianzi*). But when Meiyu entered middle school as a 12 year-old, things changed. She found herself unable to do well in science-related subjects, and felt that her natural ability lay only in humanities. At this point, she says, she ‘became a rebel’, and started to hang out with ‘bad people’.

*“One time, a boy wrote me a love letter in class. One of the teachers found it, and told my uncle, who threatened to expel the boy from school. My family found out, and they thought I was falling in love, and that’s why my marks were bad. They didn’t know I didn’t like science. They just thought I had become bad (bian huai). So, they didn’t love me anymore. Everyone stopped loving me.”*

As a teenager, Meiyu felt hated by her paternal kin, and suffered in school. Her only allies in her family were her ‘*xiao nainai*’ and, her *shushu*, the son of her ‘*xiao yeye*’—a teacher at another school. When her marks were too low to enter a good high school, he told her to come to his school and repeat a year. Meiyu’s father objected. ‘He was very disappointed in me. He wanted me to go out and make money. But my mum agreed and let me go study.’

Nonetheless, when she entered high school, Meiyu was still not interested in her studies. She would sneak novels into class and read them, ignoring her teachers. After class, she preferred to sleep or chat with her friends, rather than doing any homework. Finally she began to cheat on exams, so her marks improved—only stopping this when she was caught one day and had to beg her teacher for forgiveness.

After the cheating incident, her *shushu* confronted her. He explained that her mother was working by herself to support the family, and that Meiyu's behaviour would harm her.

*"They said, 'Do you know that your mum is going through a lot of trouble (hen xinku) at home? Because your father, your uncles and everyone, they didn't want to let you come here to study. But your mum has to face a lot of pressure, all alone... After I heard what they said, I cried."*

This was a turning point for Meiyu. Fortunately, in the second year of high school she was allowed to stop studying sciences, and her marks improved. But when she found that others assumed she was still cheating, she became determined to prove herself. She worked hard, and ultimately ranked second in her class in the university entrance exams.

*"No one expected it. My father and paternal uncles finally realised that I'm a very able person (hen lihai de ren). I grew up. I didn't have any respect for my father, because he's a useless man. But his attitude toward me changed."*

With the option of university open to her, Meiyu now wanted to leave the province, to study far away from her family, but they disagreed, and in the end, prevailed.

*"I had been with my kin from the time I was small. The whole time, I had my uncles next to me. I didn't have freedom (ziyou). Everything I did, they could see. I wanted to see the outside world, to see lots of different people. My heart wanted to travel, but I didn't have money. So I thought if I go elsewhere to study, I can experience the outside world. But my aunts and uncles, everyone disagreed. So I could only study here."*

Once the decision about where to study had been made for her, it was a foregone conclusion that her family would choose her degree course. 'I had no idea what to study', she says, 'They decided it, and told me after'. Because of their background as teachers, her uncles decided she would study English, and become a teacher. 'I thought, whatever, it doesn't matter. I just didn't want to study here, I wanted to leave the province—when they decided I had to stay, I didn't care what I studied.'

When she arrived at university, Meiyu felt 'very ordinary'—compared with the students from urban areas, who spoke good English and had many hobbies and talents, she and the other rural students

seemed poor and unimpressive. 'I felt very ordinary, extremely ordinary. But I didn't want to be a special person, so it didn't matter.'

Nevertheless, she made friends easily and lived a fairly happy life, reverting to her habit of studying as little as possible and not paying attention in class.

*"I would often skip classes, because I thought they were boring. I would watch dramas alone on television in the dorm, and buy food and eat it at home. I turned into the same person I was as a teenager, because there was no one there to watch me. So I was free."*

Whenever possible, Meiyu would watch foreign films and international news, or read about it in newspapers. 'I thought global things were related to me, because my dream was to go to many places around the world, so I wanted to know what was happening there.'

In her second year, Meiyu founded a student society devoted to travel and cultural activities. Organising paid activities allowed her to travel and explore the area around the city, and to show a different foreign film every month. While she didn't connect personally with most of the people in the society, it gave her the opportunity and resources to explore her interests. She cannot explain why she has always been so interested in foreign cultures.

*"I've liked these things since I was little. My classmates weren't like this. All of my classmates and friends just wanted to do something to make money. They thought, 'When I grow up, I want to make money'. They didn't think, 'I want to go travel, see the world, see cultural things.' I was never interested in making money."*

Throughout university, she felt bored and disengaged with her studies. Her family pressured her to sit exams for professional certifications, out of concern that without these, she had little hope of finding a job. 'Because I didn't have connections (*guanxi*), money, or high marks, it would be very hard to become a teacher. So my family told me to sit more exams.' Even when she agreed to sit these exams, she decided from the outset not to bother studying for them. 'I always looked for an excuse not to. Because if you study and fail, this means you aren't very good—so I prefer not to study.'

In Meiyu's final year, her classmates were preoccupied with finding a job. She remembers them travelling all around China for job interviews, investigating every possibility. But she was different.

*"Every day I just sat in my room watching TV, eating. I didn't care about looking for jobs, and I didn't have any job interviews. I wasn't worried about it. Everyone else travelled all around the country with*

*their CV. I don't know why I wasn't worried. I guess it was my mentality. I never cared about money. I just thought, why should I waste my time and money looking for jobs that weren't for me?"*

One day, when Meiyu was sat eating at her computer, a message arrived with an announcement that the university was looking for volunteers to teach Chinese in Thailand.

*"I was very excited! I went out, running around telling other people, 'I'm going to Thailand to work! I'm going to Thailand to work!' As soon as I saw that message, I told everyone I was going. My roommates and classmates thought I was crazy, because I didn't even know if I would be accepted. But my heart (xinli) told me: This work is for me. What I was waiting for was this work. I had an intuition (zhijue). Really, my intuition told me."*

Her family was completely opposed. They warned her that if she went abroad, she would be unable to find work when she returned.

*"I had no respect for my father, so I didn't listen to him. My mother loves me most, and I love her most. She didn't approve either, but there was nothing she could do to stop me. I thought, 'This is what I want to do, I want to go.'"*

During her first year in Thailand, Meiyu rarely contacted her family. She felt they no longer approved of her or liked her, because she was not 'successful', so she preferred to avoid contact—'I thought, "I'd prefer to be alone in this place"'. Instead, she occupied herself with her teaching, and with experiencing this new cultural context. She noticed that Thai people seemed to be very rule-bound, whether in dress or in conduct, but that they seemed to have 'two personalities'—a rule-bound one while in class or at work, and a more relaxed one afterward. This struck her as unlike her and unlike Chinese people generally. She also observed that they seemed constantly happy, although their salaries were low.

*"They pass every day happily... They don't think too much about the future; they think about the present, whether they're happy or not. I am not like this. If I want to be happy now, I have to think I'm going to be happy in the future. Why? Because it gives me a feeling of security. I want to see the world, and I have to save money to do it."*

Meiyu spent two years in Thailand, where she got to know students and teachers from Western countries. She enjoyed exploring Thailand with her colleagues, eating, drinking and chatting with them. But she felt that these friendships were only temporary, because she would not see them again.

*“For me, it was very clear—they are just my friends for now. After I go home, they will go their way, we will have very little contact. If they were Chinese, it would be different—we would keep in contact after we came back. So we were good friends, but it couldn’t continue after. If you have a really good friend, with really good feelings (ganqing), if there is no way to see each other again, it will be really sad. And it’s very hard for me to become a really good friend with someone. Two people must really be kindred spirits (xingge hen touyuan). This is my problem.”*

Superficially, Meiyu’s consideration that her Western friendships were necessarily temporary is certainly representative of commonly held sentiments among many Chinese people abroad. Chinese students overseas, for example, often restrict their social circles to their compatriots, on the basis that it is not worth investing in a relationship if it is not likely to continue, or linked to their long-term social network in China. But Meiyu did not eschew friendships with foreigners entirely. Instead, she enjoyed spending time with them and learning about them. Her reasoning for maintaining a certain emotional distance was instead that it was difficult to meet someone with whom she really deeply connected, and moreover, had she done so, it would have been too painful to be separated and not see each other again. Thus while her outlook on these friendships as temporary is consistent with the structure of the relational ethic, the story she tells about the motivation for this is rather different.

When she returned to Kunming from Thailand, a friend found work for her in a Southeast Asia tourism company. She accepted it, thinking that it would provide opportunities for more travel abroad, but this did not materialise.

*“During those 18 months back in Kunming, I felt like a fish, but living in an environment without water—so I would soon die. That was my feeling. In Thailand, every day was different. But here, every day was the same. It was very boring. My heart just thought, I don’t like it this way.”*

Soon, Meiyu quit her job and enrolled on a postgraduate course that presented the possibility of further teaching abroad. Bored as ever with her studies, she took every opportunity during the course to travel around China. Unusually, she did almost all of this travelling alone.

*“I really like travelling alone, in my own way. When you go to new places, there are no restrictions (jushu). You can do what you like. This makes me feel very good... I also went to Malaysia alone. When you travel alone, you can meet more people, and really talk with them.”*

Not only did she prefer travelling alone, rather than with friends or in tour groups, but her experience of the places she went in China was itself unusual.

*"When I go travelling, I don't go online and read what other people say beforehand. I go to places I know about, from stories or TV series, because I want to see what they are really like. When I'm there, I think of the story, of what happened there, and it gives me a certain feeling. Sometimes I feel a bit disappointed. For example, there's a temple in Hangzhou—in the stories, it is a barren, ancient, calm place. There are no people there. But I went to this temple. There were so many people with tourist groups. The temple is very commercialised. You see it like this and feel a very heavy weight on your shoulders. So sometimes I don't go inside—I'm afraid all the beautiful things in my mind will be destroyed."*

As for the other tourists around her, she had a very different impression.

*"They definitely won't think this way. They'll think, 'Oh, look at this temple!' and go inside and burn some incense, and come back out again. They just talk a lot and take pictures. All tourist spots are the same for them. But for me, they're not all the same. So I don't feel like taking pictures—I'd rather just get out of the way."*

Meiyu's final experience of living abroad was in the Philippines, where she taught Chinese for another year. There, she became friends with local colleagues, as well as others from around East Asia. Conversations with them opened her eyes to realities of life in Taiwan, Korea, and elsewhere. She attended a weekly Bible study group, never intending actually to convert, but simply to learn more about Christian culture. Although her life in the Philippines was more repetitive and boring than her time in Thailand, she valued the memories it gave her. Finally, she returned to Kunming and arrived in her current job as a Chinese language teacher.

*"My father and uncles think my choice to go to Thailand was mistaken. They think I was wrong, that I should have stayed here, so I would already have a house, a car, a husband, a job, maybe a child—just like everyone else. At the beginning, my friends thought I was very happy, free and unrestrained. The men in my family thought I just wanted to have a good time, and hadn't planned well. They think I made a mistake. But the women in my family think I should choose my own life. The men have very rigid brains—work, starting a family, house, car—this is success. They think travelling is pointless."*

Noting again the difference between her and all those around her, she emphasised that this litany of desiderata—which she repeated each time as a kind of tedious ritual—was something she neither had nor wanted.

*"These are the things everyone else wants, but not me. What I want is my dream. My dream is to go to lots of places around the world to know and explore lots of cultures. Just as I was in Thailand and the Philippines, to work in one country for a while, then another, to learn lots of different things."*

But at the time of these interviews, Meiyu saw no prospect of living abroad again.

*"It's a matter of the contradiction between dreams and reality. I don't have the courage to keep going, because I haven't found another opportunity. Sometimes I think, some of my classmates don't know as much as me, but they can just focus on their lives, make money, work. They won't think 'My life is boring, I want to choose my own life'. They just do it—they don't have any other ideas. I think, 'Why can't I be like them? Work, work, work, find a person to get married, have children. Why can't I? Have I seen too many things? Thought too many thoughts?' So I don't have a way to calm my heart. I think, if I have to stay here, how can I turn into someone like them? And if I turn into them, is that good or bad?"*

## **Discussion**

Meiyu's experience shows one way in which the values of the relational ethic may weaken, and be partially replaced with new values, which are nevertheless not themselves moral as such. Although she finds the Buddhism of Thailand and the Christianity of the Philippines interesting as cultural objects, she is not swayed by their moral injunctions or by any other competing moral system. Instead, what she values most is the pursuit of her own dream, the dream of travelling to experience the world. She has eschewed typical relational ethic practices, such as travelling for the sake of enhancing relationships, and replaced them with hedonically motivated practices such as travelling to give herself a certain 'feeling', by experiencing the places she has read about and imagined through stories. Her sense of obligation to those in her social network has not been eroded by any other obligations, but instead by a simple desire to live life according to what her 'heart' and 'intuition' tell her.

It is therefore instructive that Meiyu herself describes her current predicament of being unwillingly settled in China as a contradiction between 'Western and Confucian culture'. By 'Confucian culture', she means the obligation of her peers to pursue the standard set of desiderata—job, house, car, husband, family—to satisfy their relational obligations, including through the accumulation of 'face'. But by 'Western culture', she refers not to Christianity or any other moral system, but instead to the idea that a person in their twenties is still young and free, and can do what they like. This is not a conflict between two moral systems, but a conflict between the moral system which surrounds her and the amoral values which have gripped her more deeply.

This raises the question of why Meiyu has turned out so differently from her peers. She herself wonders about this question, though she certainly provides some hints about possibilities. We could speculate about the individual psychological factors which may have contributed to her development. Certainly, the patriarchal nature of her family, and the bias of many of her family

members toward her younger brother, coupled with an early sense that she had disappointed them, began a lifelong sense of distance from her kin. In particular, her estrangement from her father and his mistreatment of her mother left her feeling little obligation to help any family member apart from her mother. It is not difficult to see how a girl growing up in such circumstances could feel less than fully persuaded by obligations to kin and, by extension, the network of exchange partners to whom most Chinese young people are initially introduced through kin. Neither is it difficult to imagine the appeal of Western films and other media, and the hedonic values of individual self-expression they often convey.

However, individual motives are not sufficient to explain this case. In China's rural past, a person with the same experiences would likely not have had the opportunity to express them in the same way; locked into dependency on their relationship network, they would simply have had to follow the rules of exchange within that network to survive (Judd, 2008)., Something about the social environment must have changed to facilitate this kind of existence.

Part of the answer must be the simple point that urbanisation and the growth of bureaucracy as a coordination mechanism provide people with more opportunities to escape dependence on their relationships. For Meiyu, frequent trips to the city during her childhood already prepared her with knowledge of a wider world, and her ability to migrate to the city for university meant that she entered a new social milieu. As she says, she lacked connections and resources, having come from a poor rural family; and indeed, when she did rely on connections to find jobs, it was always her urban friends, met through university, rather than people known to her through her kin. Thus she had little to lose from jettisoning her obligations to her kin, and much to gain from the city. Moreover, the bureaucratic institution of the university provided her with formal entrance criteria into opportunities like teaching in Thailand, for which she appears to have applied without relying on any connections. Thus the relevance of the relational ethic for her life has been substantially weakened.

## 8.2 Li Qiang: Developing a cross-cultural identity

Li Qiang is a young man who burns in equal measure with passion and frustration. Tall, handsome, and 30 years old when I first met him, he has a deep interest in Chinese high culture. He has read and re-read several times the four classical Chinese novels, as well as works of Confucius and the Taoists. But he sees China as if through the eyes of an outsider, expressing cynicism and hope for Chinese civilisation often in the same breath.

This viewpoint was, undoubtedly, formed in part by his long stay abroad, and only recent homecoming. For unusually, Li Qiang, an ordinary Haibian boy, had left China at the age of 18 to

study in Russia, and remained there for ten years before returning. He abruptly returned when he felt his parents were now too old for him to be overseas, but he felt he left part of his heart behind in Russia.

*"It was unusual for me to stay in Russia, just because I liked it. Most Chinese people do not understand why I would do such a thing. Neither do I, really, but I did."*

Indeed, Li Qiang's decision clashed with what many other young people say about major life decisions such as studying abroad. More typical is Lili, 23, a student in Beijing:

*"I dream of going abroad to study one day—maybe to America or England. Of course, I would not stay forever, just long enough to gain a good degree. I think this way I can return to China and have a better life. But I could never fall in love or remain overseas—this is my country, and my life is here."*

Not only does Li Qiang's decision set him apart; the implications of his choice do, too. Upon returning to China, he took a decent academic job, but he has been frustrated with the Chinese way of doing business—and the focus on interpersonal relationships, rather than on the values he holds most dear, of truth, the advancement of knowledge, and social justice.

*"I myself do not understand why we do things this way—drinking so much, worrying about 'face' and not behaving honestly. I do understand, because I am Chinese, but I do not like it. It is very difficult."*

Thus perhaps Li Qiang's unusual life choices have left him with a value orientation at odds with the society around him. But there is more to the story. Why did he make the unusual choice of moving to Russia, studying literature, and attempting to integrate into Russian culture? To find out more, he and I carried out several days of life history interviews, which revealed perhaps as much about his generation as they do about him.

### **Li Qiang's upbringing**

From the beginning, Li Qiang remembered feeling like an outsider. At school, he had few friends, and those he did have were outsiders, too.

*"We had a fat teacher who always laughed at me, because she thought I was not normal. Because I ate a lot, I talked to myself, and I didn't obey her, so she thought I was strange. When we were supposed to sleep, I read cartoons instead, and she caught me. She called me 'crazy' (chixian) because I didn't agree with her, I read books, I talked to myself, I didn't play with other children."*

He vividly recalls skipping school at the age of 6, simply because he found the classes boring, as he had already learned the material himself. Alone, he would wander the streets of Haibian, observing

people and inventing stories for himself about their lives. He particularly liked the port and the railway station, where he whiled away hours dreaming of escaping to lands far away.

*"I cherish that time, because it gave me space to think, to imagine, to dream. Education didn't teach me those things—just competition and struggle and challenge, not to be a loser. That half year was different. I had the freedom to think."*

This early preoccupation with foreign lands was perhaps linked partly to his sense of himself as not fitting in, and the disapproval of his teachers. But throughout his childhood, Li Qiang was exposed, too, to many foreign influences. As a teenager, he went to great lengths to obtain Japanese films; and during his younger years, he read a wide range of literature, both Chinese and foreign novels. Most striking of all, perhaps, is his very earliest memory.

*"I remember educational programmes on television, about English—this is my first memory. It was my first impression of foreigners. I remember that they were blonde, very tall, with coloured shoes, and they spoke English. I don't remember cartoons or films from that time, just these programmes. I thought, 'These people are different. They are not Chinese. They are not people from my real life.' I think these memories influenced me for my whole life. Later, I decided to study in Russia—and maybe this was the first step."*

Li Qiang was a bright boy and a misfit, whose imagination was fuelled by depictions of foreign places and cultures. But crucially, rather than reprimanding him as many Chinese parents might have done, his were unusually supportive. His mother read him advanced Chinese poetry from an early age, and often put intellectual discussion programmes on the television. His father, a blue collar engineer, had a passion for studying Chinese medicine, and filled the house with books. When Li Qiang was finally discovered playing truant, and told his father dishonestly that he was innocent, his father responded in an unusual way.

*"He asked me, 'Is it true?' I said, 'No!' and then he said, 'Your headmaster told me you skipped school!' At last I confessed. My father has beaten me only twice in my life—and this was the first time. He told me, 'I'm beating you not because you skipped school, but because you lied.'"*

What made his parents so unusually supportive of their son's eccentricities? He is himself aware that the norm for Chinese parents is to attempt instead to iron out these quirks in order better to equip their offspring with the qualifications and social connections necessary to succeed materially and support their family. But Li Qiang's parents were different.

His mother's background was anything but ordinary. Her mother had come from a highly educated petit bourgeois family before the founding of the PRC. Heavily influenced by new liberal ideas, Li Qiang's grandmother's brothers had all gone to university, one becoming a renowned physicist in Beijing. His grandmother had not, but she showed all the signs of a modernising family background, from her liberal attitudes to her unbound feet. Li Qiang's mother had thus grown up in a family steeped in cosmopolitanism and in which intellect was valued for its own sake. But during the Cultural Revolution, she was one of the generation deprived access to normal schooling, and as a consequence, she set out to inculcate the intrinsic value of the intellect in her son.

Li Qiang's paternal grandfather came from a less illustrious, but nonetheless well-off background. A mechanic when cars were new, he made a small fortune operating garages in Haibian. While he was not a Communist, after 1949 he shrewdly donated his garages to the state and became an ordinary factory engineer. Thus Li Qiang's father, too, had perhaps absorbed an unusually early experience of capitalism and foreign ideas and values.

It is therefore apparent that Li Qiang's parents inherited a set of values which themselves had roots in China's early modernisation and contact with the West. The trauma of the Cultural Revolution only magnified these.

But beyond the nuclear family, extended kin networks have historically played an important role in the socialisation of Chinese children. Here, too, Li Qiang's experience sheds important light.

In his earliest years, Li Qiang and his parents lived in a sort of walled community within Haibian. This community had been formed by extended kin networks which had migrated from the rural area whence Li Qiang's ancestors came. He remembers aunts, uncles and grandparents living nearby in the community along with their affinal groups, as well as a number of people whom he considered distant kin, but with whom he could not reckon an exact relationship. Within the community were shops, a school, and a communal watering station. Relationships mirrored those of a village: neighbours and kin exchanged favours and gifts and attended each other's funerals and weddings, according to the normal pattern. Li Qiang remembers in particular that his father used to volunteer to help the woman who ran the watering station, who was perhaps distant kin. Thus in spite of the peculiarities of Li Qiang's parents, it would seem that there was ample opportunity for socialisation into typical norms through the wider community.

But all this changed abruptly when Li Qiang was 8 years old. The state declared that the community would be demolished and replaced with modern apartment blocks. Some were available on the spot, and Li Qiang's grandmother and ailing grandfather chose to remain. But superior quarters were

available in another part of the city. Li Qiang's father initially decided to stay to be close to his elderly parents. But Li Qiang's grandmother refused, insisting it was more important they take the better apartment, even if it meant they would see her more infrequently. Li Qiang puts this down to his grandmother's unusual open-mindedness.

*"My grandmother is very open-minded, a wise woman. She even had big feet, because her family was not very traditional. They had a modern education, and her father was a merchant. So they did not bind her feet. She always spoke gently, and valued education. And she told him to leave, because of the quality of the flat, because she wanted her son to have a better life."*

Thus urbanisation and the modernising agenda of the Chinese state, coupled with his grandmother's own modernising ideas, took Li Qiang out of a typical social network. In turn, his upbringing was framed by layers of experiences of modernisation and Western ideas deposited across multiple generations. As shown by his father's disapproval of dishonesty rather than shame, by his mother's valuation of intellect for its own sake, and by his grandmother's insistence on the happiness of her children over their obligations to her, these deposits went beyond mere awareness of unorthodox ideas, and embraced fully universalistic values and norms. Finally, the interplay of these factors unfolded in the context of China's opening up and the sudden availability of foreign media and values which fed Li Qiang's young imagination.

Thus the young man who made the unusual decision to study in and fall in love with Russia was no fluke. Urbanisation, economic development, waves of new moral ideas from abroad, and the trauma of the Cultural Revolution all contributed to his formation. It was, then, a logical step for him to seek to expand his horizons in the wider world.

### **Li Qiang's journey abroad**

At the age of 18, having attended a technical secondary school (*zhongzhuan*) which did not offer the possibility of university entrance, Li Qiang was unsure what to do. He considered for a time becoming a lawyer, 'Because it is related to morality. I wanted to understand where laws came from, why we are obliged to obey them, and the relationship between ethics and law'. In the midst of these contemplations, a new opportunity arose. A friend of his father's, whose son was studying in Russia, suggested he apply to do the same.

*"My parents told me, we will give you one week to think about it. If I agreed, then I would go to Russia. My father always respects my decisions. He didn't tell me what to do. So I thought for one week. And my heart told me that I should go. I felt that the world was calling me, that I should go"*

*and make a journey—just like when I was a child, imagining adventures in faraway lands. I felt the dream from my childhood had finally come true.”*

This decision was not welcomed by much of Li Qiang's extended family. Both paternal and maternal kin objected. Studying abroad would cost too much money. Moreover, after the fall of the Soviet Union, Russia was considered to be weak and poor, so at best there was no point going there, and at worst, it would be dangerous. But his parents told him to ignore all these opinions, and make the decision for himself. 'You make the choice', said his father, 'and I will support you'.

Arriving in Russia was at first a great adventure. It took some time for Li Qiang to master the Russian language, but from the beginning, he set about learning everything he could about Russian culture. Other Chinese students at his university stuck to themselves, not interested in Russia or Russians—perhaps, he says, out of fear. He was not interested in them, and instead formed friendships with Russians, took buses around the city to observe this alien culture, and wrote down what he saw every day in his diary. As soon as he could, he moved out of his student hostel to live with a Russian family, so he could distance himself from his Chinese classmates and immerse himself in Russia.

In this first year, Li Qiang compared everything he saw to China. He felt at first that Russian culture was 'better' than that of China, that people were 'more polite, more respectful'. They respected traffic lights, formed orderly queues, and spoke quietly when in public. Streets and classrooms were clean and orderly. 'I thought then that Russian people were principled, they respect principles. And when I saw these things I thought, "Wow! We should be like this, too"'.

Things took a turn for the worse in his second year, when Li Qiang was required to live again in a student hostel with his compatriots. Arguments and eventually violence broke out between Chinese and Russian students, sparked by Chinese students disregarding a rule banning loud noise and music in the evenings, and a troublesome young Russian connected to organised crime, who did not like the Chinese. Tensions culminated in a vicious fight.

*"There was blood everywhere, bottles, chairs. I tried to stop them...It was lucky because I hid all of the knives—our big Chinese cooking knives—I had a cupboard, and hid them all. When I tried to call the police, the 'mafia' boys just hit me. Three of them beat me. It was a nightmare."*

After a slow police response, the university administration refused to hold anyone responsible. From that moment, Li Qiang lost his positive impression of Russia. The violence left its mark, and he distrusted all Russian men, feeling that they could all secretly be 'mafia', so he must always be ready for a fight.

For three years, he focused on his studies, and while he had Russian friends, the idea of Russia itself had lost its lustre. Then, he met his first love, a girl who briefly restored his faith that not all Russians were bad. But a year later, their relationship ended and he was left with a broken heart. Had it not been for her friends, who commiserated with and supported him, inviting him into their homes, he might have lost all hope. Soon after this, he graduated from university.

*"I wanted to leave Russia after graduation, because of my broken heart. I told my father I wanted to go back to China to work. He asked me, 'Have you lost interest in studying?' I said, 'Not at all, but I want to help our family—I have a degree, I speak two foreign languages, and I think I can earn money.' But he told me, 'If you haven't lost interest in studying, I suggest you carry on.' This was the first time he ever gave me such a suggestion. Even then, he said it was my choice—this was his suggestion, but it was my choice. And I thought he was right. I hadn't lost interest in studying. That was the only reason—not for a job, not for a definite purpose, just to learn. I felt that I should do it, even though I hated Russia. My interests were more important to me."*

So it was that Li Qiang moved to another city in Russia to begin his PhD. There, he met another problem that would further chip away at his trust in Russian people. One of the staff, on whom he depended, demanded a bribe in exchange for his continued support.

*"It was terrible. I lost hope again. My classmates had helped me to rebuild my belief in Russia, and this man absolutely broke my last hope. Bastard! But I stayed. I didn't pay him—but instead I decided to prove myself."*

Shortly thereafter, at Christmas vacation, he stayed again with his former classmates, including the friends of his ex-girlfriend. They helped him to calm down and recover, and advised him about how to proceed. This was a sort of turning point for Li Qiang. He found a way to manage his relationship with the staff member in question, and set out to find work to support himself financially.

From this point on, he travelled extensively in Russia, both to collect data for his PhD, and as part of his new job as an interpreter for Chinese engineers working on Russian railways. These travels gave him time to reflect, and to interact with a range of people, both Chinese and Russian. He saw both good and bad behaviour among both, and began to understand that even those who had behaved badly had their motivations.

*"At last, I found out the reason why [the staff member] needed money from me. Because his daughter was ill, and he didn't have any other way to make money. Of course his behaviour was absolutely not correct, but he had his reasons. So, I could forgive him... Travelling around, I tried to*

*understand people, Russian people and Chinese people. Now I know that Russian culture is not good, and it's not bad. Like Chinese culture—not good, not bad. I can't judge any culture, or any nation."*

His PhD complete, after more than a decade in Russia, Li Qiang decided to return to China. He had come to enjoy his life there. His work on the railways gave him time to think and read, and it paid well—money he was able to keep, as his family did not expect him to send any remittances back to them. Moreover, he felt little pressure to return from his parents.

*"I suddenly noticed that my grandmother was old. And I thought, 'This is the time. If I stay in Russia for five more years, maybe I won't see her again. I will lose her forever.' My father said, 'It's your decision, you can stay there if you want, and we will visit you once or twice a year.' But if I lost my family, I thought, what is the meaning of my life?"*

Having finally come to the point where he felt he could understand and live as part of both cultures, Li Qiang returned home to China. His return was not without sadness. He had grown attached to Russia. But he returned, not because of the pressure of obligations, but because of his own desire to be close to those he loved.

### **8.3 Li Ming: A cosmopolitan life**

Li Ming is a 30 year-old Beijinger who works in banking, speaks impeccable American English, and enjoys an aspirational and cosmopolitan lifestyle. His hobbies range from collecting models of old ships to travelling the world, trying out local cuisines and exploring the outdoors. I met him not through the network of co-operativists, but through foreign journalists in Beijing, one of the circles in which he moves. It was immediately apparent that he, too, deviated from many of the norms of his peers, and his thoughtful outlook provides a further insight into conflicting moral worldviews. Li Ming aspires to contribute to society and the world, and while he is lucidly aware of a different moral reality around him, he copes with this by existing within a network of friends and associates who are either foreign or have themselves spent extensive time abroad. From within this enclave, he dreams of contributing toward a larger moral transformation in Chinese society; but the existence of the enclave itself allows him to live a contented life.

Li Ming was born and grew up in Hubei province. Although his family was not rich, they lived a moderately comfortable existence, supported by his father's work as an academic and his mother's job in local government. He remembers a happy childhood, and one in which there was not a great sense of pressure to become financially successful.

*"I always did well at school, teachers liked me, my classmates all liked me. You take a lot of things for granted—I just felt like that was how it was supposed to be. My parents never emphasised money much at all. Throughout my upbringing, they never talked about it, never said 'You should earn this much money, money's so important, this and that'—I just think throughout my life I felt like money was never an issue, nothing to worry about."*

This relatively carefree childhood was perhaps underpinned by the unusual background of his parents. Li Ming's maternal grandparents both studied at university during the Nationalist period, attending campuses that had been evacuated to the southwest during the Japanese occupation. He remembers his grandfather as being a bit 'aloof', and being proud all his life of having attended the most prestigious university in China at the time. As intellectuals educated under the Nationalists, his grandparents suffered during the Cultural Revolution, and Li Ming's mother passed down to him her dislike of Mao, often muttering that he was a 'dictator', or 'mad'.

His father's family came from a more 'traditional' background, from a remote town in Hubei. Li Ming's paternal grandfather joined the PLA just before the Communist victory in 1949, and went to work for a state-owned company. In spite of the uneducated background of his family, Li Ming's father went to university as a mature student after the Cultural Revolution, eventually completing a PhD and becoming a university lecturer. He became 'the intellectual of the family'.

It was perhaps this mix of backgrounds which induced Li Ming's parents to take up an early opportunity, in the 1980s, to work for a period in Japan. This made a strong impression on his mother.

*"Back then the gap between China and Japan was huge. Before they went, they had never even seen an elevator before. My mom told me that even working part time, she could earn in one day what she could earn in four months in China. It really opened their eyes, seeing what was outside China, so when they came back they thought it would be very good for their son to study abroad."*

Again, unusually, Li Ming's mother did not pressure him to study abroad, but rather attempted to influence him by other means.

*"She's not the typical 'tiger mom', like, 'Hey, you should do this, because I told you so'. Rather, she kind of hinted in that direction. Instead of saying, 'You should study English', she let me pursue my interests, like watching Hollywood movies or American TV shows. So when I watched a show and liked it, my mom would suggest, 'If you like it, you'd understand even more in the original language, instead of just reading subtitles'. So my parents, especially my mom, had a huge influence on me studying abroad."*

Thus in 2002, after applying to many American universities, Li Ming won a scholarship from an American foundation and went to study in an elite US university. At the time, it was still unusual for Chinese students to go abroad for their undergraduate degree. From the beginning, he aspired not only to use this degree to further his career, but to integrate himself into American culture in a way that would allow him to reinvent his personality.

*“Day one at university, I set myself a goal: To be as American as I could be by the time I graduated. I think I largely fulfilled that goal. But throughout that process, I was mindful about striking the right balance—spending time with my countrymen, and also with Americans. Traditional Chinese students are good at studying, but are very quiet. I was trying to be different. I did a lot of extracurricular activities—I was the only foreign student in the student government... That helped me to make friends, interacting with people a lot. Through all these interactions I became a more rounded person, immersed in American culture. Now in many ways America is my second home.”*

On his arrival in the US, Li Ming experienced being an outsider for the first time. Immediately noting the contrast between the homogeneity of Chinese society with the US, he was unsure whether he would be welcomed. To his surprise, he was.

*“I became a minority, because I didn’t yet speak English well, I didn’t know how to play baseball or football. I became one of the marginalised, the fringe of society... But people treated me as a family member. The very first Thanksgiving, I didn’t have any plans, so I thought, I’ll just hang out on campus. But a classmate of mine said, ‘Why don’t you come with me to my home to spend Thanksgiving with me?’... I was on the fringe of society, but nobody treated me as such. Everyone treated me as equal.”*

In particular, Li Ming was struck by being aware of inequality, and concern for inequality, for the first time in his life. At home in Hubei province, he had lived a relatively charmed existence, and been concerned mainly for his own well-being. But in the US, he came into contact with American ideas about egalitarianism, and the deeply unequal society with which those ideas coexist.

*“At my university I saw people from a really underprivileged background. In the past I took it for granted that everyone is equal, but it’s not really like that. I realised, ‘Wow, there are so many people in society who have never had a chance to go to the right school or have the right job. They can be smarter or work harder than me, but they just never have a chance’. Chinese are very discriminatory... My experience at university helped me to think everyone should be respected and treated the same, no matter whether you’re prime minister, or you’re just someone sweeping the street. Because in China, that thinking is really lacking. People show off, drive fancy cars, treat people*

*without power or money as if they're so inferior to them. I really don't like that—but it's very prevalent in China."*

When he graduated, Li Ming made the decision to return to China. Although he had received offers of employment from Wall Street firms, and felt he could build a career in the US, he explains that he decided to return to China because he felt that in the long run, opportunities would be better there. On one hand, he feared the possibility that subtle discrimination against East Asians in the US might harm him. On the other hand, he felt that China, as a still-developing country, presented more opportunities both for personal advancement and for being involved in interesting changes. However, in spite of the decision to return, Li Ming views his four years of university as the key turning point in his life.

*"Before that, I was open-minded, but you need to be in an environment where you can be open-minded. If you're 'like a frog sitting at the bottom of a well', you look up and all you see is the small sky. So I saw the world outside. I see things from a different perspective now. For example, the Communist Party will always say things in certain ways, but from an American perspective you see things a bit differently. My values as well... For example, I consider myself a feminist. I think men and women are equal—unlike prevailing thoughts in China nowadays, that women should rely on men to make a good living. That's something I don't agree with, but I think [gender equality] is a very typical American value."*

Although Li Ming returned to China to live, his career in banking has allowed him to continue with a globally-minded existence. He has always worked for foreign firms in China, and travelled frequently. At work and in his social life, he has found a world of people within China who share his values. He is nevertheless aware that he thinks differently from many people around him.

*"It can be difficult. That's why a lot of my close friends studied abroad as well. You hang out with like-minded people, so that helps. Very few fu'er dai [children of the new elite]—it's not that I can't find them, I just don't like to hang out with those kind of people. Of course you can't avoid interacting with people like that. What I do is, if it's for work purposes, I keep it strictly for work purposes—let's get the thing done and that's it, I don't want to get into your personal life...I've always worked with American firms...if I worked at a coal mining company or an SOE, it would be very different. A lot of people think like me at the beginning of their career, but they have to change for their job."*

Li Ming recognises that even if he wanted to maintain this separate social world, the separation of personal and professional life would be impossible if he were working for many Chinese organisations, which demand a merging of interpersonal networks and a blurring of the lines

between professional and personal obligations. Moreover, it must be said that the economic resources afforded him by his career provide Li Ming with the possibility of defining the geographical and cultural boundaries of his own social world. Even if his parents wished to pressure him to conform to more conventional norms, he has ample resources both to support them and to exist independently from them; but instead, they share in his cosmopolitan lifestyle, often going on holidays abroad with him and displaying pride in their son's unusual choices. All these factors appear to allow Li Ming to exist in his own way and with his own worldview, although he is aware of the conflicting values of the society around him.

What is more, he wishes for a change in that society. He has a keen interest in history, and is convinced that the moral vacuum he perceives in China today is a result primarily of poverty and inequality, and that people will naturally become more empathetic and charitable as they become richer. He expresses a typically American fusion of moral vision with the idea of personal enrichment.

*"I want to make a difference in the world... A person's life's worth is not measured by how much money or power you have. You should be measured instead by how many people's lives are really influenced for the better because of you... I want to give back, to do something to help others. If I were ever to become very successful, I want to be like Bill Gates and Warren Buffett—I want to give the money away."*

To that end, Li Ming has set up a sort of social enterprise, to promote Chinese cultural heritage around the world, in part by selling products with an educational value. In this project, he sees hope for a combination of three of his aspirations: to become 'successful', to help others, and to contribute to a rebirth of Chinese civilisation.

*"I'm very proud of my country's history and heritage, but it's hugely underappreciated. A lot of Chinese people are not even aware of it. I want to promote our traditional culture and values, to let people know that we Chinese should be more confident."*

When he talks about his hopes and aspirations for the future, Li Ming does not frame his dreams in terms of his interpersonal relationships, or what his family or friends will think of him. He couches them instead in universalistic concepts like helping the poor, and to some degree in nationalist ideas about contributing to China itself. Materially he has already achieved what many poorer Chinese people can only dream of—but as his own experience attests, his affluent peers maintain the particularistic relational ethic he has himself rejected. What his case illustrates, then, is that it is possible to construct a life outside that ethic even if one sometimes cannot avoid dealing with it. In his case, several enabling factors were in place: supportive parents who themselves were a product

of early Chinese modernising education and had experience abroad; his personal experience of study in the US; the pool of cosmopolitan friends afforded by life in Beijing; and the economic and social resources provided by his career with foreign firms. Moral conflict is not absent here, but because of the presence of these conditions, Li Ming experiences that conflict as an intellectual problem which he hopes to address on a social scale, rather than a personal problem constraining his life.

#### 8.4 Li Juan: Growing up as an 'independent' person

All of the cases discussed so far suggest conflicts between moral systems, a sense that even if one gives up the relational ethic, there will always be a feeling of pressure to return to it. Li Juan is different. A 32 year-old who worked much of her life as a tour guide in Guilin before becoming a Chinese language teacher, she is multilingual and has many foreign friends. She has travelled independently and sees her life not in terms of explicit criteria of 'success' or of pleasing her family or others, but rather in terms of doing the things she enjoys and exploring the world. But although in all these respects she deviates from the commonly understood norm, she expresses no conflict between herself and that norm, no pressure to do other than what she has done. An examination of her life story offers some suggestions as to why.

Li Juan's family background provided little opportunity for her to become embedded in a network of kin. Her parents were both factory workers, who missed out on education because of the Cultural Revolution, and migrated to Guilin, leaving their families behind in other cities. Her grandparents all died before she was born, and she had little contact with other extended family. Li Juan's father served in the army during China's war with Vietnam, so was absent for some years. He returned bearing scars, but did not speak of what he had experienced. When Li Juan was in primary school, her father died suddenly—but she is quick to emphasise she felt this had little effect on her.

*"I have a particularity in my childhood, because when I was 9 years old, my father got sick and died. Then my mother took care of me and my younger sister alone; it's been like this until today. I was 9 years old, in third grade. But I don't think it had an especially big influence, because I've always been an independent person. It didn't matter if my father was there or not."*

Her mother, meanwhile, had distant and sometimes conflictual relations with her own family.

*"She was alone in Guilin; all her family were in Nanning... Her relationships with my uncles and aunt were not very good; my mum doesn't have much to do with her family."*

Indeed, this extended not only to kin, but to friends and neighbours, from whom her mother remained unusually distant.

*"The difference between my mum and me is that I have a lot of friends, and I really like to be in contact with lots of people. My mum has friends, but few good friends. She knows who she knows, but she won't actively go and seek them out to spend time with them. At the spring festival, I say to her, 'Aren't you going to go visit them?' She says no. So at the spring festival, it's just the three of us. Every year, just the three of us."*

Li Juan thus recalls her experience of family as three people on their own—her mother, her younger sister, and herself. But far from retreating into this small family unit, she recalls a strong sense of independence from a young age.

*"I always liked to go have fun by myself or with others. My parents and my sister never really understood me as well as my friends did. They would often hit me, because I was very naughty. I left very early in the morning and came back very late at night. I like my family, but I can't constantly be with them for a long time. I like to go away somewhere, then come back, go away somewhere else, come back."*

This sense was bolstered by the fact that her mother took a laissez-faire attitude toward Li Juan's choices in life.

*"My mum sometimes is also a very enlightened (kaiming) person. She won't force me to do anything. Maybe it's also because my family is a single-parent family. But she hasn't given me or my sister much pressure, there's never pressure. She just wanted us to study well, take care of our health, be safe. She never told us to go make money to buy a house, or to make more money for her sake. She's never said these things. Never."*

What brought Li Juan's mother to take this attitude? Given her own absence from wider social networks, she may not have experienced the pressure that often comes from these ties, and therefore had no impetus for transmitting it to her daughters. That is, in the relational ethic, one without obligations themselves has little motive for imposing obligations on others. Moreover, as an uneducated child of the Cultural Revolution, she may have imbibed its egalitarian influence, without later having this tempered by the pressures of interpersonal obligations. Finally, Li Juan herself speculates that her mother's attitude may have been partly down to being a single mother, and it is conceivable that her emotional dependence on her daughters may have led her to be wary of pressuring them. However, in a society where such pressure is the norm, this explanation on its own seems insufficient.

Whatever the causes, from an early age, Li Juan recalls being a deeply independent person. What is more, her youth was coloured heavily by the experience of being a 'tomboy'.

*“My hair was long in primary school, but in junior high school I cut it short, because I liked Nick Carter, from the Backstreet Boys. Then I became a tomboy. We had a school uniform, and I asked my teacher if I could wear the boys’ uniform instead. I wore boys’ clothes, I didn’t like wearing skirts. I didn’t like girls’ things. Other people said, ‘She’s a tomboy! (nanshinu)’. I didn’t care, because I thought I looked handsome and cool.”*

The sense of independence and of being outside the norm was apparently unopposed by her mother, and as she grew older, Li Juan felt increasingly that she was different from others. She found an outlet for this in foreign media, particularly music.

*“I really liked the Backstreet Boys, and Michael Jackson. I liked to watch foreign films, and MTV. I would buy myself lots of music magazines—every month, I would buy one for 5 RMB, which was very expensive at the time. I’d buy it, so I knew a lot of Western music. I always liked foreign things. I read the magazine ‘Zhongwai Shangnian’. It talked about Chinese kids going abroad, stories of them abroad, and about the thinking of foreigners. I thought, ‘Oh, cool. I like these things’.”*

Around this time, she began to cultivate pen friends from around China, Malaysia and France, first through a magazine and later, after it arrived, through the Internet. For Li Juan, this was not a search for difference or foreignness, but a way of finding others who were similar to her, with whom she could form a connection.

*“I didn’t think they were very different [from Chinese people] at all. The only difference was what language we used to communicate. But I didn’t think they were very special. I just liked having friends far away who had a similar life to mine.”*

## 8.5 Discussion

The four cases explored in this chapter illustrate four ways in which individuals can deviate from the dominance of the relational ethic. They differ not only in their experience of that shift, but in its causes and the effects it has had on their lives.

A common thread running through all four cases is the influence of family background. For Li Qiang and Li Ming, a family history stretching back to grandparents who received a university education and imbibed modernising liberal values during the Nationalist period provided a backdrop against which the pressure to conform to network obligations was perhaps weaker than usual. Meiyu’s fraught relationship with her father and his family meant that she, too, felt a weaker sense of obligation to a kin network. And Li Juan’s parents’ migration, her father’s early death and her

mother's own troubled relationship with her family meant that she grew up without any sense of being embedded in a network larger than her immediate family itself.

The Cultural Revolution plays a recurring role in these stories. Li Juan intimates that the divisions in her family may be connected to traumatic events of that period. Li Ming, too, suggests that his maternal grandparents' persecution as intellectuals contributed to his mother's disaffection and desire for him to see the world. Li Qiang tells a similar story. In all of these cases, the collective trauma of the Cultural Revolution, and the damage it did to the strength of many relationships throughout society, may have played a role in the weakening of family networks.

But it is not only the Cultural Revolution; urbanisation and migration, too, further attenuated the strength of family ties, in particular for Li Qiang, Meiyu and Li Juan, creating wider space in which they could operate outside the constraints of the relational ethic.

Urbanisation has also further enabled another element which appears to be a contributing factor: economic independence. When Meiyu went to the city for university, she was able to find work without relying on family networks, instead applying directly or through friends; the growth of the city and of its connectedness to the world has expanded her horizons such that she does not have to concern herself with maintaining a status within the village network whence she came. Li Ming's work with foreign financial companies allows him to choose his friends, and gives him the monetary resources he needs to live a life unencumbered by particularistic ties. In all four cases, the lack of dependency—both material and affiliative—on an exchange network is supported by the availability of alternatives, whether they come from abroad, from bureaucratic institutions, or from elsewhere.

Thus there are reasons to believe that for these four, the relational ethic breaks down just where the theoretical model proposed in chapter 3 would predict. That ethic depends on material interdependency, on an exchange network into which individuals are initiated at birth, and on the attitudes and values which go along with playing one's part in that network. For some, those values have been eroded by modernising education or exposure to foreign cultures, but crucially, what appears to make the difference in cases like those discussed in this chapter is the erosion of the structural supports of the system. Exchange relationships may be weakened by migration, political upheaval, or personal conflict. At the same time, the growth of the urban economy, of markets and bureaucratic modes of coordination, and of the availability of friends and resources from abroad, have provided alternatives to the exchange network, allowing some individuals to seek emotional and material resources elsewhere. When these factors combine, it would appear that at least in some cases, the relational ethic tends to break down.

However, even a cursory examination of these four cases shows wide variation in how people experience this breakdown. For Li Juan, there is no sense of conflict at all; she has created a life of her own, and there is no one to pressure her to do otherwise. For Li Ming, there is a conflict, but rather than feeling pulled toward the relational ethic, he views it at a distance, with some disdain. Li Qiang experiences a daily contradiction between his universalistic values and the necessary particularistic machinations of the networks in which he and his colleagues are embedded, and can only seek to resolve this by cultivating an inner world apart, 'in his own heart'. Meiyu is pulled to and fro—spending long periods abroad, but questioning whether, if she is to stay in China, she must become a different person, with different values.

It is notable that the two individuals who experience the most turmoil over this problem out of these four—Meiyu and Li Qiang—are the two who lack the alternative resources which would enable them securely to live a life apart. Li Juan and Li Ming both have an extensive pool of like-minded friends, as well as the economic means to secure their well-being independently. Meiyu and Li Qiang, on the other hand, are more beholden to the networks around them, and correspondingly feel more torn. There is at least a *prima facie* case for suggesting that this indicates that as the structural conditions for independence from the relational ethic become more precarious, anxiety is likely to increase as the contradiction between the social system and one's own values becomes more acute.

This chapter and the last have examined a series of somewhat unusual lives, and argued that these lives, though in some sense marginal, suggest a broader movement and perhaps the beginning of a larger social change. The next chapter will examine an attempt to test this idea at a cognitive level.

## 9. Changes in moral cognition: Evidence from Beijing

While qualitative evidence can help elucidate the nature of moral change, and can suggest causal relationships in selected cases, to gain a broader understanding of processes of social change in a complex society, it is helpful to augment this qualitative evidence with quantitative data allowing for statistical inference. Attempting to measure the prevalence and relative importance of competing moral systems is not a straightforward matter, and measurement could conceivably be carried out in a number of ways, including the use of behavioural, attitudinal and psychometric questions. Each of these methods has disadvantages: behavioural questions rely on accurate self-reporting, and do not necessarily capture how subjects feel about or reflect on their behaviours; attitudinal questions may tend to evoke responses in accordance with perceived norms; and psychometric batteries require complex analysis and a great deal of interpretation. As such, the approach taken here was to combine all three of these question types in one questionnaire, to attempt to measure a combination of subjects' moral attitudes, behaviours relevant to the moral systems in question, and the unconscious cognitive and affective structures underlying moral cognition.

Although it would be ideal to carry out the survey across China, resource constraints necessitated restricting it to Beijing only, with additional pilot and development work carried out in Taipei. It is not possible to make direct inferences to the whole country from a survey carried out only in Beijing. However, because Beijing, like other Chinese cities, has experienced a mass influx of migrants from all regions of China over the past few decades, any findings which hold in Beijing are at least highly suggestive for trends in China more broadly.

### 9.1 Psychometrics and the measurement of moral judgement

Modern research in cognitive moral psychology begins with Piaget (1932), who interviewed young children about their understanding of a variety of stories about moral violations, and suggested on the basis of these interviews that differences in moral reasoning were driven by cognitive development, and corresponded to two distinct phases: a 'heteronomous' stage, in which younger children understand moral rules as absolute, and ascertain them from the behaviour of adults and older children; and a later 'autonomous' stage, in which children become aware that moral rules are a matter of social convention, and they must freely decide whether to adhere to them. This early hypothesis was extended by Kohlberg (1958), who conducted similar interviews with adolescents—presenting them with moral dilemmas, and asking what the main character of the story should do, and why—and concluded that in place of Piaget's two-stage theory, a six-stage formulation was more adequate to explain moral development. As the theory became further elaborated, Kohlberg

suggested that these six were sub-stages of three broader levels: a ‘preconventional’ stage in which rules are followed to avoid punishment or secure reward; a ‘conventional’ stage in which norms derive their legitimacy from the expectations of others or the consensus of the group; and a ‘postconventional’ stage in which moral reasoning is based on more abstract principles, which may even trump the accepted norms of society (Kohlberg, 1984). The theory is meant to describe an invariant, universal sequence of developmental stages, strongly linked to age (Kohlberg, 1981; Rest, 1979).

This theoretical framework gave birth to a substantial body of research aimed at testing and elaborating Kohlberg’s theory, including its claims to universal cultural validity (Gibbs, 2003; Boyes & Walker, 1988; Locke, 1979). By way of testing the various forms of the theory, a panoply of psychometric instruments were developed to attempt to detect the activation of cognitive schemas (Derry, 1996) corresponding to each developmental stage. While these have typically shared Piaget and Kohlberg’s original approach of presenting subjects with short stories involving moral dilemmas, followed by questions, the specifics have varied widely. Their formats can be grouped into two main categories. The first are open-ended instruments, such as the Moral Judgement Interview (MJI) (Colby, et al., 1983) and the Sociomoral Reflection Measure (Gibbs, et al., 1984), which function like semi-structured interviews, in which participants are asked to talk through their reasoning about why the protagonist should act in one way or another, or why a particular action is right or wrong. Responses are then coded and analysed accordingly. In part because of the time-consuming and allegedly subjective nature of this coding process, a second category of ‘reactive’ instruments have been developed. Instead of asking open-ended questions, instruments like the Defining Issues Test (DIT) (Rest, et al., 1974) and the Hahm-Beller Values Choice Inventory (Hahm, et al., 1989) present subjects with moral dilemma vignettes, followed by a series of forced-choice items, typically Likert scales rating the importance of various considerations in the decision the subject has chosen for each story. While there was much debate over the relative merits of open-ended versus reactive instruments, the most important distinction was long understood to have been one of ease of administration and interpretation by researchers (Elm & Weber, 1994).

But the foundations of developments which would call this assumption into question were already being laid by the ‘affective revolution’ of the 1980s, in which cognitive psychologists not only turned increasingly to the study of affect, but began to question the distinction between cognition and affect itself (Watson, 2016). Rather than comprising a wholly separate domain, affective processes came to be seen as a crucial component of cognition, and vice versa; concomitantly, this period saw the rise of so-called ‘dual process’ models of cognition, in which the bulk of cognitive tasks are

accomplished by fast, reactive, ‘hot’ systems often cued by immediate emotional reactions, while a smaller proportion of tasks are achieved by a slow, conscious, deliberative reasoning process (St Evans, 2007; Kahneman, 2003). Thus it became increasingly clear that the drivers of most behaviour must be distinguished from the verbal rationalisations people offer themselves and others—reaffirming the long-standing anthropological insight that motivation must be distinguished from justification (Vaisey, 2009).

For moral psychology, these insights have called into question the ‘cold’, cognitivist approach of Kohlberg and his colleagues, in which explicit verbal reasoning is taken to reflect the same cognitive structures which underpin intuitive moral judgement in everyday life. This has driven a move toward models of moral judgement which distinguish intuition from reasoning (Kristjánsson, 2016); although in practice they are likely to be interrelated, as in Haidt’s (2002; 2001) ‘social intuitionist model’, it is no longer tenable to conflate the measurement of the two. The implications for the psychometry of moral cognition are clear; for if these new approaches are correct, then open-ended instruments like the MJI should measure explicit reasoning, while reactive measures like the DIT should correspond more closely to intuitive moral judgement, and therefore to the activation of cognitive structures typically employed in everyday life (Narvaez & Bock, 2002).

In addition to coalescing around dual-process and intuitionist views, contemporary moral psychology has seen a flowering of cross-cultural research intended to go beyond Kohlberg’s developmental framework, to search instead for the presence of culturally-determined moral cognitive schemas. Beginning with the work of the anthropologist Richard Shweder (1991), who proposed a set of distinct moral domains present across cultures but activated differently in each, cross-cultural psychologists have suggested that moral cognition in any given cultural context is the product of culturally-specific cognitive schemas which may be based to varying degrees on underlying cross-cultural cognitive tendencies (Haidt, 2007; Haidt, et al., 1993).

The survey described in this chapter was motivated by the combination of these considerations. If moral cognitive schemas vary not only across individuals, but across cultures, and if the kind of moral change and conflict described in the preceding chapters is taking place in China today, then it should in principle be possible to detect the presence of schemas associated with the relational ethic, and with other moral orientations, such as universalism and collectivism. If these could be detected, then it would be possible to test the hypotheses suggested above, namely that the relational ethic is declining in importance for those who are relatively less dependent on personalistic networks, and that this decline possibly facilitates, but does not necessitate, the development of alternative moral orientations. Moreover, to attempt to measure intuitive cognition, rather than explicit justification,

it would be necessary to develop a reactive instrument, like the DIT. The remainder of this chapter describes the development and implementation of that instrument.

## 9.2 Survey development process

I began development of the survey in early 2013, employing a series of qualitative and quantitative methods to develop and refine the final survey design. As an initial step, I carried out a preparatory survey in both Beijing (n=29) and Taipei (n=31). The purpose of this survey was twofold. First, it asked respondents to list five ‘bad’ and five ‘good’ things they or their friends had done recently. This served to generate a list of ideas that would inform the stories used in the final survey. Second, it asked respondents to rate, on a scale of 0 to 100, the strength of a series of words describing three spectra: agreement, acceptance, and importance. The purpose of this section of the survey was to choose appropriate words for the scales to be used in the main survey (only the importance scale was used in the final survey). The lists of words were generated by asking informants in both locations to write down as many words as they could think of for describing degrees along these spectra. It has been shown that using this method, it is often possible to find a remarkable degree of consensus about the numerical value of such terms, and by choosing terms which are roughly evenly distributed along the scale in a given population, the reliability of the resulting data can be improved significantly (Pasek & Krosnick, 2010; Krosnick & Fabrigar, 1997).

Label	Scale value	Beijing values	Taipei values
完全不重要 (‘completely unimportant’)	0%	N/A	N/A
不重要 (‘not important’)	25%	Mean: 34.14 ( $\pm 7.56$ ) Std dev: 19.5	Mean: 29.7 ( $\pm 6.44$ ) Std dev: 17.55
不那么重要 (‘not that important’)	50%	Mean: 46.621 ( $\pm 7.53$ ) Std dev: 19.8	Mean: 42.39 ( $\pm 5.98$ ) Std dev: 16.3
重要 (‘important’)	75%	Mean: 75 ( $\pm 4.31$ ) Std dev: 11.34	Mean: 70.9 ( $\pm 3.68$ ) Std dev: 10.05
极度重要 (‘extremely important’)	100%	Mean: 96.93 ( $\pm 2.6$ ) Std dev: 6.83	Mean: 96.06 ( $\pm 1.915$ ) Std dev: 5.21

The terms chosen for the ‘importance’ rating scales in the final survey are shown in the table above, with corresponding means (and 95% confidence intervals) for Beijing and Taipei. The labels for ‘important’ and ‘extremely important’ are a better fit than the lower scale labels; nonetheless, ‘not

important' and 'not that important' are a better fit than any of the alternatives. Unfortunately, none of the words listed in the initial survey returned a value corresponding to zero. As I did not have the resources to carry out another preparatory survey, I chose the phrase '完全不重要' ('completely unimportant'), and confirmed with several informants in both Beijing and Taipei that they felt this corresponded to a zero value.

Following this initial survey, I developed the first draft of the main questionnaire. The questionnaire for the pilot included six stories about moral dilemmas. These stories were based in part on real problems faced by several of my informants, in part on the responses to the open-ended questions in the preparatory survey, and in part on Chinese news reports. I first wrote the stories and questionnaire in English, then had them translated into Chinese by professional translators in Taipei and Beijing, and finally combined the two versions into one.

The questionnaire administration procedure was as follows. First, interviewers read out a short introduction explaining the survey process. Then, for each story, beginning with an example story to allow respondents to practise, respondents were handed a card with the story text, and an image illustrating the scale of importance to emphasise the relationship between scale adjectives (see appendix A). The interviewer then read the story aloud, repeated it if the respondent requested this, and asked the respondent what he or she thought the protagonist should do in response to the given moral dilemma. Next, the interviewer presented a series of 'issues' (14 in the pilot, 10 in the final survey), phrased as questions, and ask the respondent to rate each one in terms of how important it was to deciding what to do. In the final survey, respondents were then asked to rank the top three issues by importance. After all stories were administered, interviewers moved on to attitudinal, behavioural, and attribute questions. Finally, interviewers were asked to note any other comments made by respondents, and their own observations.

The order of the stories, the issue questions within the stories, and the behavioural questions were all randomised to eliminate order effects (Krosnick, 1992).

Research assistants were postgraduate students in the social sciences, whom I recruited through friends at a local university. To provide a sufficient incentive to ensure the survey was carried out to a high standard, I developed relationships with the research assistants as both informants and friends, and provided them with training as well as pay (50 RMB per questionnaire).

The initial draft was revised through focus groups and individual interviews with the team of assistants, and informants in Beijing. Following the pilot, the same process was carried out with the final draft of the questionnaire.

### 9.2.1 Pilot

The pilot (n=47) was carried out in Beijing in October 2013. It included 6 stories of moral dilemmas, with 14 issue questions per story. Respondents were chosen from public places in areas near the university where the assistants lived. Following the pilot, all interviewers were interviewed about their experiences. On the basis of feedback, adjustments were made to question wording, survey format, and instructions to interviewers.

To allow for the capture of multiple possible moral cognition constructs, initial issue questions were designed to reflect 7 broad a priori constructs, with 12 items assigned to each construct (2 per story). The constructs as initially conceived were as follows: universalist individualism (UI), an orientation toward fulfilment of general obligations toward all individuals; particularist individualism (PI), one toward obligations to individuals dependent on relationship status; amoral self-interest (AS), a concern with one's own satisfaction irrespective of consequences for others; universalist collectivism (UC), an orientation toward general duties to collectives, such as the state or locality; particularist collectivism (PC), an orientation toward duties to collectives dependent on the status of one's relationship with the collective; homophilous universalism (HU), an orientation toward duties to all those with whom one shares certain traits; and homophilous particularism (HP), a concern with duties to the same individuals, but contingent on relational status.

Item analysis was carried out on the initial 84 issue questions.

For both forms of universalism (UI and UC), initial indications were that these constructs were unsatisfactory. In the case of UI, inter-item correlations (Spearman's rho) ranged from good to poor, and inter-item consistency was poor (Cronbach's alpha=.571). After dropping those items with no significant ( $p < 0.01$ ) correlations, principal components analysis (PCA) was carried out on the remaining eight items. Four further items were dropped to yield a fairly satisfactory one-component solution. However, inter-item correlations for these four items remained low, and Cronbach's alpha remained unsatisfactory, at .650.

Slightly better results obtained for UC. Here, Cronbach's alpha reached an acceptable, but still suboptimal level of .770. Inter-item correlations were greater than for UI, but remained patchy. PCA was again used to select four items which yielded a one-component solution. Although correlations here were good, Cronbach's alpha decreased to .696.

On the suspicion that the UC and UI constructs might be poorly distinguished, further analysis was carried out on a combination of the final items produced by the UC and UI analyses. PCA produced a satisfactory one-component solution based on seven items, explaining 48.5% of variance and with a

clear scree plot 'elbow' after the first component. Inter-item consistency was increased to a good level (Cronbach's alpha=.812), and inter-item correlations were also good (ranging from .42 to .68,  $p < 0.01$ ). This analysis, combined with the content of these seven items, provided *prima facie* evidence for a construct reflecting neither UC nor UI specifically, but rather a general concern with the well-being of people and society large—what might be called simply 'universalism'.

The 12 items measuring PI showed somewhat better initial consistency (Cronbach's alpha=.72), but still patchy inter-item correlations. Removing the four items with lowest correlations, it was possible to increase Cronbach's alpha to a maximum of .756. PCA on the remaining eight items produced a two-component solution with an unclear interpretation. After removing the three items which failed to load on the first component, PCA produced a satisfactory one-component solution explaining 49.26% of variance in the remaining five items, with a clear elbow in the scree plot after the first component. These five items retained an acceptable level of consistency (Cronbach's alpha=.732) and fairly good inter-item correlations (ranging from .3 to .587,  $p < 0.05$ ).

Results for PC were better still. The initial 12 items showed good consistency (Cronbach's alpha=.83) and fairly good inter-item correlations. Removing the two items with the lowest inter-item correlations increased Cronbach's alpha to .850. Again, PCA was used to assess the dimensionality of the remaining ten items. This yielded a two-component solution, in which oblique rotation (Oblimin) suggested a correlation of .536 between the two components, again indicating a suboptimal solution. Removing the items which failed to load on the first component produced a one-component solution explaining 48.42% of variance, with a clear elbow in the scree plot. The seven remaining items used in this PCA retained a Cronbach's alpha of .811 with fairly strong inter-item correlations.

Could PI and PC reflect a shared underlying construct, like UC and UI? Combining the items resulting from the previous two analyses did, indeed, produce good inter-item consistency (Cronbach's alpha=.851). However, PCA on this combination suggested a clear two-dimensional structure in the data, corroborating the distinction between PI and PC. Similar results obtained when attempting to combine the best items from PI and UI, as well as PC and UC, with both resulting in a moderately higher consistency (Cronbach's alpha=.778 and .839, respectively) but a clear division between the constructs in PCA.

In the case of HU, the initial 12 items displayed acceptable consistency (Cronbach's alpha=.769), rising to a good consistency (Cronbach's alpha=.803) after the removal of six items with low correlations. PCA suggested the removal of two further items to yield a one-component solution

explaining 60.32% of variance. The remaining four items displayed a lower consistency (Cronbach's alpha=.747), but good inter-item correlations (ranging from .387 to .645,  $p < 0.01$ ).

For HP, results were stronger. The initial items yielded good consistency (Cronbach's alpha=.843), improving with the removal of three items with low inter-item correlations (Cronbach's alpha=.853). PCA on the remaining nine items yielded a one-component solution explaining 48.64% of variance.

Could HP and HU reflect a shared homophily construct? The combination of the best items from both of these analyses resulted in a set with nearly excellent consistency (Cronbach's alpha=.897). PCA suggested the removal of two items to yield a one-component solution from eleven items, explaining 50.84% of variance. This result provided strong *prima facie* evidence that HP and HU might be better understood as reflecting a single underlying construct, 'homophily'.

Further combinations were attempted. A combination of homophily and universalism items yielded a Cronbach's alpha of .898; however, PCA suggested a multi-dimensional structure with a fairly clear division between the two constructs. A more interesting combination was that of homophily and PC, yielding an initial Cronbach's alpha of .922, decreasing to .899 after PCA suggested the removal of seven items to achieve a one-component solution explaining 52.87% of variance. This eleven-item combination suggested that homophily and PC might reflect a single construct, perhaps a general orientation toward the in-group.

In the case of AS, the initial 12 items showed acceptable consistency (Cronbach's alpha=.712), rising somewhat after the removal of the four items with low inter-item correlations (Cronbach's alpha=.758). PCA on the remaining eight items suggested the removal of two further items, to reveal a one-component solution explaining 46.3% of variance. These remaining six items retained an acceptable level of inter-item correlation and consistency (Cronbach's alpha=.756).

On the basis of the preceding analysis, it was hypothesised that the initial constructs should be replaced by the following four constructs: particularist individualism, universalism, in-group preference, and amoral self-interest. Although the pilot sample was too small to perform confirmatory factor analysis to test this hypothesis, exploratory factor analysis was carried out, and suggested that although the universalism dimension was distinct, there may be some overlap between in-group preference and AS. Moreover, PI items were unsatisfactorily indistinct from other dimensions. It was therefore decided to retain additional items for each of these constructs, in the hope that a larger sample size would provide clearer results.

However, the overriding priority at this stage was item elimination. Interviews with the research assistants made clear that respondents were quickly fatigued by the number of stories and items. On

the basis of the preceding analysis, it was decided that two full stories could be removed, as well as four questions per story for the remaining four stories. Thus 40 items in total were retained, out of the original 84.

### 9.3 Main stage

On the basis of qualitative information from the pilot, and initial statistical analysis of the results, the final questionnaire draft was prepared. Interviewers were asked to read and respond to the final draft in a focus group, and final revisions were made.

The survey (n=297) was carried out by a team of 12 research assistants, 2 of whom had been involved in the pilot. After training and preparation, the team carried out the survey over a period of 2 months, from late November 2014 to early January 2015. Questionnaires were administered in public places, such as parks and shopping centres. The sample was stratified according to geographical subdivisions of urban Beijing, and their respective populations, as shown in the table.

District	Population	Proportion of total	Number of questionnaires
<b>(11,716,00)</b>			
Dongcheng	919,000	7.8%	24
Xicheng	1,243,000	10.6%	32
Chaoyang	3,545,000	30.3%	91
Haidian	3,281,000	28%	84
Fengtai	2,112,000	18%	54
Shijingshan	616,000	5.3%	16

Research assistants were asked to choose an equal proportion of men and women, and a range of 'different kinds of people', but apart from geographical stratification, the sample was not formally stratified. The resulting sample comprised 48.1% females and 51.9% males. 90.2% were Han Chinese, while 8.5% identified as another ethnic group, roughly corresponding to official proportions at a national level. 89.6% claimed no religion, versus 9.1% who identified with a religion; of the 27 who claimed religious affiliation, one third belonged to ethnic minorities.

The sample was heavily skewed toward students (39.1%) and those in the 19-25 age group (45.1%), an unanticipated consequence of the age and occupation of the research assistants. To compensate, analyses were carried out on with weights reflecting the overall demographic structure (CIA, 2015).

### 9.3.1 Initial confirmatory factor analysis (CFA)

Attempts were made to fit a series of CFA models corresponding to the data structures suggested by the pilot. However, these models were either unspecified or produced consistently poor fit parameters, suggesting the structure found in the pilot may have been an artefact of the sample size.

As an additional exercise before reverting to exploratory factor analysis, a CFA model was constructed with each item mapped to one of four of the five moral domains posited by Moral Foundations Theory (Haidt, 2012), in the hope that the questionnaire might have inadvertently picked up these structures. However, it was not possible to construct a satisfactory model along these lines. The decision was therefore taken to return to an exploratory analysis.

### 9.3.2 Exploratory analysis

Ordinal multidimensional scaling (MDS) was carried out on the whole set of story items. Unlike PCA, ordinal MDS does not assume linear relationships, and is therefore able to detect similarities where these are less visible to PCA (Jaworska & Chupetlovska-Anastasova, 2009). Indeed, initial MDS produced a clustering of two sets: on one hand, items which correspond to considerations of moral duty—whether these consist of obligations to family, to the country, or simply considerations of the impact of one's actions on the well-being of others. The other set appears to correspond to what might be called, quite narrowly, ‘particularism’—that is, consideration of particular features of the case, the history of one's relationship with the other party, the consequences for oneself, and so on.

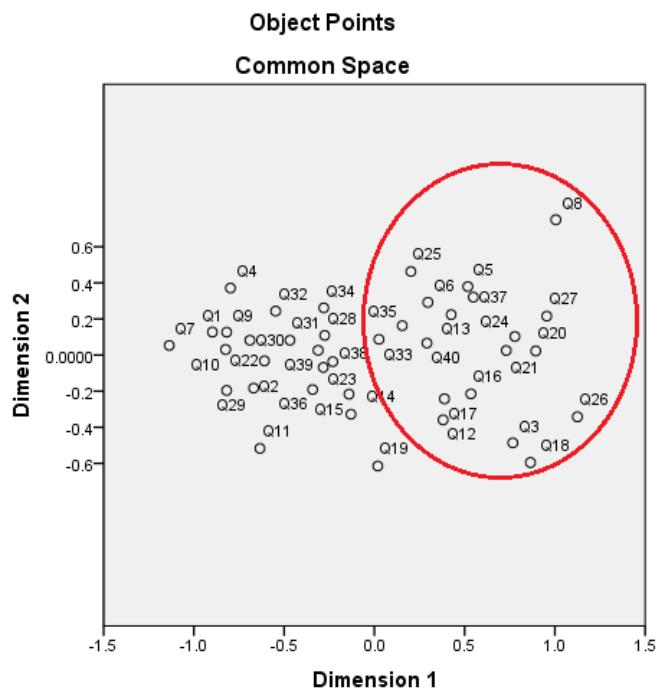
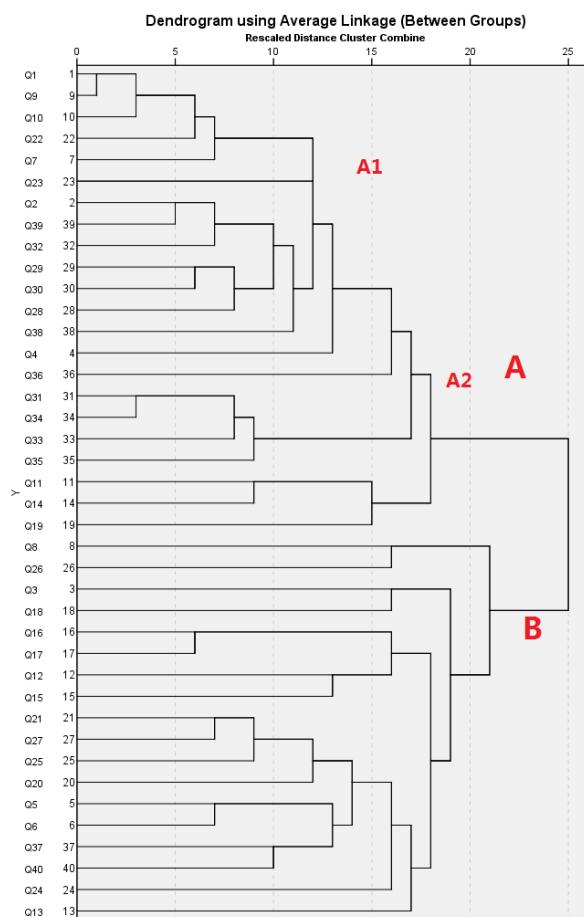


Figure 1: MDS shows two item clusters (particularism circled). A one-dimensional solution was preferred, but the structure is clearer in two dimensions.

To break this down further, I carried out a separate MDS on the items of each story, and was able to reproduce a similar structure for each, while eliminating a few outlier items. To determine whether the two sets identified thus far themselves comprised further structure, I then conducted MDS on each of those sets separately. The result of this was a clear division of the 'duty' items into two categories: one corresponding to duty to non-kin, the other corresponding to duty to family.

This 'familism' grouping includes several items which appear to have to do with the well-being of the respondent—asking, for example, whether he or she will undergo a great deal of 'hardship' as a result of an action—but it would appear from their sharp distinction from other items asking more directly about individual consequences that these items were interpreted as having direct implications for close family. This clustering is supported by all of my other analyses, including those mentioned below, and it is consistent with similar results in neuroscience to the effect that Chinese subjects were found to cluster motivational self-concept and concepts of close family tightly together (Zhu, et al., 2016). It is also consistent with the notion of the 'expansive I' (Chen, 2015).



**Figure 2 Item clustering. A is 'duty', breaking down into A1, 'familism' and A2, 'duty to strangers'. B is 'particularism'**

While the 'duty' items partitioned into these two subsets, the 'particularism' items did not form a useful partition. This was further supported by hierarchical clustering analysis, which showed a very similar structure, in particular the division between the two larger categories, but also the earlier and clearer clustering of subdivisions within the 'duty' set. I therefore adopted the tentative hypothesis that these three constructs could be an adequate partition for analysis.

### 9.3.3 Confirmatory factor analysis

A CFA measurement model was then constructed on the basis of these three constructs. After removing some of the more weakly loading items and allowing appropriate error terms to covary, a satisfactory model was produced ( $\chi^2 = 137$ ,  $df = 131$ ,  $p = .34$ ;  $CFI = .991$ ,  $RMSEA = .031$ ). Items loaded uniquely on each factor, and factor loadings were all of the correct sign and reasonable magnitude, as shown in the diagram below.

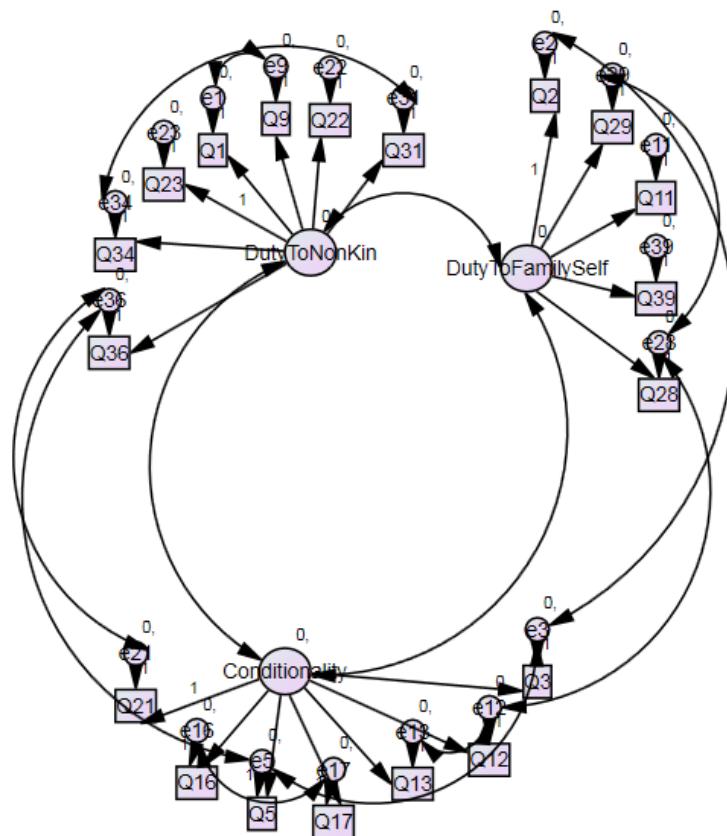


Figure 3: CFA measurement model

### 9.3.4 Relationships between the factors

Because of the relatively small sample size given the number of parameters, it was decided to generate factor scores from the CFA measurement model and perform regression analysis on these scores, rather than attempting structural equation modelling.

The correlation matrix between the factors showed significant, but relatively moderate relationships between particularism ('conditionality') and familism (.189,  $p < 0.01$ ), and duty to non-kin and familism (.274,  $p < 0.01$ ) but no correlation between particularism and duty to non-kin. A possible explanation for this is that familism shares an aspect of each of the other two factors, i.e. it is a sense of moral obligation, but one which is restricted to a certain domain of individuals; thus we might expect both increased particularism and increased duty to increase familism. Linear regression tended to confirm this; a model with familism loading on the other two factors resulted in a low, but significant adjusted  $R^2 = .111$ , with both factors loading positively ( $p < 0.01$ ).

The effect changed markedly when the analysis was segmented by sex. For women, the values in the correlation matrix increased strongly, and the regression improved correspondingly;  $R^2$  increased to .272, and the magnitude of both loading factors increased as well. But for men, the significant correlations disappeared entirely, as did the significance of the regression; thus it seems women are responsible for the whole of the relationship between these factors. A breakdown of sex differences on the factors (t-test for equality of means insignificant in all cases) shows why:

	Sex	Mean	Std. Deviation
DutyToFamilySelf	F	.0690	.66519
	M	-.0235	.60386
DutyToNonKin	F	.0488	.49065
	M	.0103	.40468
Particularism	F	.0618	.45564
	M	.0095	.52041

Evidently, men exhibit a markedly (and significantly) lower mean on all three. It might be suspected that female respondents are simply suffering from an acquiescence bias; however, they also exhibit higher standard deviations than the men on the first two factors, as well as higher variances on the item scores themselves. Alternatively, this result could reflect a higher level of conscientiousness or engagement amongst female respondents. It is difficult to ascertain whether the pattern reflects a measurement error or a real distinction in moral psychology. Suffice it to say that were this instrument to be carried forward in a further study, it would be crucial to attempt to answer this question. In any event, for these reasons, all further analyses were carried out separately on males and females.

To test the hypothesis that rural-urban migration and the resulting severing or attenuation of relationships is resulting in a weakening of the relational ethic, several regression models were fitted

to evaluate whether for those born in the countryside, the proportion of one's life spent in the city might affect one's moral orientation. While no relationship was found with general duty or familism, both men and women showed significant effects. For men ( $R^2 = .107$ ,  $p < 0.01$ ) particularism significantly decreased with time spent in the city; for women ( $R^2 = .181$ ,  $p < 0.01$ ) it instead *increased* with time in the city. Unfortunately, these effects are too weak to justify speculation about a genuinely divergent causal relation. This result calls again for further methodological investigation. However, it does show that there is at least a weak interaction between rural-urban migration and particularism.

Similarly weak results were found when attempting to evaluate relationships between the factors and other measurement variables, such as measures of economic status and education—many of which were plagued by heteroscedasticity which resisted a number of attempted transformations. It must be concluded that although the measurement model has *prima facie* validity, and the CFA analysis supports the idea that this may, indeed, reflect a true psychological partition, the causal component of the survey yielded inconclusive results.

The one apparent exception to this is the relationship between age and familism. Both men and women showed a clear effect: familism increased linearly with age ( $R^2 = .243$ ,  $p < 0.01$ ) (neither of the other two factors showed any relationship with age). That is to say, familism shows a decreasing trend in younger generations. This pattern is amenable to at least two explanations. On the one hand, it may be that, consistent with the argument made elsewhere in this thesis, familism—as part of the relational ethic more widely—is weakening across generations, and thus this statistical evidence can be taken to support that hypothesis. On the other hand, it is possible that the age effect here reflects a life cycle pattern in which individuals of all generations become more familialistic as they age. In that case, the pattern found here may not indicate a cultural shift at all. Without longitudinal data, it is impossible to determine which interpretation is correct. However, when considered in the context of ethnographic evidence presented in the rest of the thesis, this finding is at the very least suggestive.

## 9.4 Discussion

While these results do not allow for the evaluation of the principal causal hypotheses for which they were designed, they are enlightening. The measurement model tested and validated above chimes not only with the idea that self and immediate family are still conceptually elided, at least in moral cognition; but also with the notion that there is a clear distinction between a particularistic orientation and the notion of duty to strangers (perhaps ‘universalism’). It suggests, moreover, that far from being inversely related, these constructs are in large part orthogonal. This finding, at least,

is certainly consistent with the suggestion made in this thesis that for those for whom the relational ethic is weakening, it is not a necessary consequence that universalism should take its place. Indeed, the positive relationship found in this sample between universalism and familism suggests that they may have as much in common as they do apart.

Thus the above analysis is consistent with the claim, made elsewhere in this thesis, that multiple moral systems are at work in Chinese society today, and that these systems are instantiated by distinct sets of individual dispositions. The orthogonality of the two corresponding factors suggests that for any given individual, both the relational ethic and an alternative, universalistic ethic may be simultaneously at work—or, indeed, that only one, or neither, may be salient. Moreover, the weakly positive relationship between familism and concern for strangers suggests that the relational ethic is not only not being supplanted by universalism, but that it may be that in some cases, those individuals more strongly guided by universalistic concerns are the same individuals most concerned with the relational ethic—that is, perhaps those who feel a stronger moral orientation more generally. Where the relational ethic is weakening, then, it is not necessarily being replaced by any other moral system, although for some people, this is the case.

## 10. Conclusion

One evening in Meibian, I met my friend Wei to have a beer at a local bar. We sat in one of the private booths in the bar, as we generally did. He seemed agitated. We had spent the last couple of months working together to try to convince the local police to formalise my permission to stay in the county. Each time we had fulfilled their requirements, they had given us new ones, but he generously pressed on, insisting on helping me. The day before, we had given them a new tranche of documents, and I was eager to hear the result.

*"I had a call from the police today. They told me these documents are not enough. But then do you know what they said? 'We advise you not to go on helping that foreigner, and not to be his friend anymore. It could be very bad for you. It might damage your future.'"*

It was obvious I had to leave. In the days leading up to this, it had become clear that the police had been following me, and had visited, and intimidated, several of my informants after I spoke with them. Although my research questions had been innocent enough, I had discovered what seemed to lie behind this behaviour. For one afternoon following a banquet, a drunken official accompanying me in the back of a car related a curious story.

*"You know why things are a little sensitive in Meibian? Last year, there was a foreigner who made a big mess of things. He came and ran a training project for co-operatives, but this training was funded by an American company. And that company is on the blacklist. You know what I mean when I say 'blacklist'? Officially, it doesn't exist, but... The local people didn't realise until it was too late. But it was their responsibility. So let's say, it wasn't the best time for you to come."*

This local political scandal had, it turned out, been the hidden reason behind the prolonged difficulties I had with permission in Meibian, and the nervousness of some of my informants. It had been kept secret not only from me, but from the foreigner involved in the training project in question; only his Chinese partners were informed and held responsible. So, after Wei received his threatening phone call, I decided I must leave, lest I put him or anyone else in danger. He tried to stop me: 'You must stay! I know my rights as a Chinese citizen'. But I had no choice.

That night, I booked a flight from a small airfield in the desert nearby to Lanzhou, and on to Beijing. In the morning, I took the first taxi from outside of the hotel where I had stayed throughout my months in Meibian. The driver headed into the desert, but immediately made a call on his mobile, talking agitatedly to someone about the whereabouts of the airport. We left the main road and started to wind around desert tracks, apparently lost.

Suddenly, the driver pointed at a gate, and said, 'Oh, the airport should be just on the other side of that military base—we'll just go straight through'. Before I could object, he drove up to the entrance, rolled down his window and exclaimed, 'Comrades, comrades! I have an American here. Please let us through!'

In an instant, a group of soldiers pounced on the car, opening the doors and pulling us both out. Between shouting and barking at us, they went through the car, pulling out my luggage and searching for hidden objects. Then I was frogmarched to a tent and placed under armed guard.

During my 14 hours of detention, I was subjected to a 'good cop/bad cop' interrogation. A young soldier would enter the tent, telling me he just wanted to have a friendly chat, then casually ask whether I had been to Japan or Taiwan, and so on. Then he would leave, and an angry-looking officer would enter and shout at me that they knew I was a spy, that I had broken the law, that I had no right to speak to my embassy and that I would be thrown in prison for a very long time.

This carried on until the arrival of intelligence officers, who would conduct my formal interrogation. I was made to sit in a chair underneath a bright lightbulb, facing a panel of interrogators sat at a table with my luggage on display, and a video camera to capture the process. I was told to make a statement explaining what I was doing in China, and giving the names of everyone I had met there—an impossible task. They asked repeatedly what I was doing in Meibian, seemingly incredulous that any foreigner would want to stay in such a 'backward' place. Then they went through the files on my laptop, including my field notes. Although they did not speak English, they asked me about every Chinese name they came across.

Finally, at four in the morning, they told me they had not found anything with which to incriminate me, and they would let me go—but that it would be in my best interest not to return to this province.

This episode, which ended my stay in Meibian, but not my fieldwork, is far from an unusual occurrence for researchers in China. While chapter 2 discussed some of the difficulties of fieldwork stemming from the personalistic organisation of society, there is, too, the constant difficulty of interactions with the Chinese state—an all-pervasive, but opaque and often barely detectable force.

The scandal in Meibian illustrates the uneasy relationship between the priorities of the state and those of the co-operative movement, including its foreign participants. Not only the soldiers who interrogated me, but also local police, and other officials, showed a sense of suspicion which is not unusual. Why should foreigners—who, after all occupy a higher level of the hierarchical world described in chapter 6—wish to spend time in a poor, 'backward' place, if not for some ulterior motive? Perhaps it was all right for them to conduct a few co-operative training sessions, so long as

it did no harm; but the overriding priority was to guard against the possibility of subversion. Similarly, those within the state who see co-operativism as a convenient way to achieve the overriding aims of economic growth and urbanisation appear happy to allow idealistic activists to advocate their cause; but the autonomy afforded to co-operatives, as illustrated by the case of the SHCs, never reaches to the point of contradicting the policy prerogatives of the state.

There is a story, too, about morality here. The activists who remained in Meibian after the scandal, and who did their best to assist my research, showed a deep commitment to co-operativism. And Wei's willingness to stand his ground, and his assertion that he knew his rights as a citizen of China, showed not only courage, but also moral conviction. For I was only a relatively recent friend; my disappearance would have no impact on the rest of his relationship network. And his invocation of 'rights' was no coincidence, for he and I had spoken at length about his desire to serve the country, and the idea that things could be improved if people were to start respecting universal rules. The soldiers who interrogated me may also have been moved by feelings of duty to country. In short, while the outcome may have been frustrating for all concerned, what played out in this remote corner of the desert was not a story of cynical amorality, but one of conflict between shifting and ambiguous, but unquestionably moral, positions.

This thesis has argued that the story of the co-operative movement, and the milieu of moral change which surrounds it, is much the same. This chapter concludes the argument, by placing it in the context of broader theories of social change. The first section will provide a synopsis of the thesis, bringing the various threads of the argument back together. The following section will then consider lessons for the study of Chinese society, and in particular for arguments about the trajectory of social and moral change there. Section 3 will revisit the theory of co-operation discussed throughout the thesis, asking what lessons its findings might have for that theory. Finally, section 4 will put the thesis in the context of more global theories of post-socialism and modernisation.

## 10.1 Synopsis

The thesis began by posing a broad question: What does it mean to be a co-operative in contemporary China—in a post-socialist society, undergoing rapid economic, social and moral change—and what can the answer to this tell us about that society more broadly?

By way of setting the stage for an exploration of that question, chapter 2 outlined an idealised theoretical model of what this thesis has called 'the relational ethic'. This model reflects much of what has become the archetypal characterisation of Chinese morality and social structure: a personalistic, particularistic system of relationships, in which moral behaviour is enforced through

shame and notions of ‘face’, as well as multiplex affective and material exchange. The chapter then offered ethnographic evidence to the effect that, while ‘individualisation’ and even the decline of the relational self may be taking root, the relational ethic remains in force as the dominant structuring principle in interpersonal relations.

The theoretical and historical chapter which followed attempted to make the picture more precise, firstly by framing the relational ethic in terms of broader cultural evolutionary theories of human co-operation, and secondly by arguing that the modern history of labour co-operation in China, including the co-operative movement itself, can be usefully understood through the lens of this theory. Specifically, it showed that the relational ethic can be seen as a particular form of indirect reciprocity—a mechanism predicted in a range of theoretical models to support co-operation. It suggested that failures of co-operation in the Mao period may have stemmed from policies which undermined indirect reciprocity, without replacing it; and that if broadly accurate, this story may shed some light on the experience of modern co-operatives.

Chapters 4, 5, and 6 provided an ethnographic treatment of co-operation problems faced by the co-operative movement in its various guises. First, chapter 4 examined the activists and institutions which support and promote co-operatives, including the state itself, and argued that by providing resources, these institutions risk ‘crowding out’ moral motivation and co-operation. Second, the following chapter examined problems faced by the co-operatives themselves—the lack of formal rule enforcement, changes in the social fabric that might work to undermine indirect reciprocity, and lingering effects of failed experiments of the Mao period—arguing that together, these forces have driven many co-operatives to close, and others to operate with a highly circumscribed form of co-operation. Finally, chapter 6 focused on the particular problem of participation in decision-making, arguing that this itself constitutes a collective action problem, which co-operatives have struggled to overcome; and that this problem may be exacerbated by a tendency to default to a hierarchical mode of action and thought, which may have deep historical roots in Chinese culture.

The remaining three chapters sought to give a more general context to the problems faced by co-operatives in recent years, by painting a portrait of moral change in Chinese society more generally. Through a combination of life history interviews with young people struggling with moral conflict, and a psychometric survey designed to examine moral cognition and its determinants, they showed the difficulty of navigating the complex and shifting moral terrain of contemporary China, for people in general, let alone for co-operativists. They argued, moreover, that the moral changes occurring are not doing so randomly, but appear consistent with the predictions of the theory of co-operation put forward in chapter 3. That is to say, indirect reciprocity is attenuated when the conditions for its

existence begin to weaken—and what replaces it is by no means predetermined. For these reasons, it is easy to understand the myriad difficulties faced by co-operativists in their attempts to introduce forms of organisation dependent on more than the most direct, immediate forms of exchange.

## 10.2 Social and moral change in China

This thesis has presented evidence for what may appear to be two conflicting hypotheses about the state of the relational ethic. On the one hand, it has argued that in many cases, a weakening of material interdependency and the lessening through migration and other forces of the stability of social networks is leading to a concomitant decline in the strength of the relational ethic. The argument here is not that the relational ethic is changing to some new form, but that it is in decline. Moreover, as the individualisation hypothesis would suggest, many young people seem increasingly to understand themselves, and morality generally, in ways incompatible with that ethic. But on the other hand, as sociological studies continue to show, personalistic networks remain the single most important mode of coordination in a wide range of domains. For many individuals, regardless of how they may feel, the relational ethic continues to appear as the inevitable structure of social interaction. How, then, are we to explain these two apparently contradictory findings?

Any satisfactory answer to this question must begin with the consideration that changes in morality, personhood and social organisation in China are by no means uniform or universal, either between locations and individuals or within any given individual's experience of life (Pieke, 2014). This thesis has described individuals who experience the relational ethic as a natural and comfortable system structuring the bulk of their social experience; others who strain against it and eventually reject it almost entirely; and many others who fall somewhere in between. Similarly, within the co-operative movement, there are not only those motivated by a burning passion for co-operativist ethics, and those who see those ethics as nothing more than a means to further their relational goals, but a great many people for whom both of these motives are at work, and may, indeed, sometimes be indistinguishable. All that is to say that part of the answer to the question of why there appear to be contradictory forces at work in social and psychological change must surely always be that this is simply the fact of the matter of human existence.

Nevertheless, this thesis has presented evidence which suggests the possibility of a further answer. For as we have seen repeatedly, from the experiences of frustrated co-operativist activists to those of some of the young people who feel trapped in relationship-building practices they deeply dislike, it appears there is often a deep incongruity between how people feel about the relational ethic and what they must, and do, enact in social interaction. For while the final chapters of this thesis presented evidence in favour of the individualisation hypothesis at an individual level, both they and

the conflicted experiences of many of the informants described within the co-operative movement seem to suggest that change at an individual level does not necessarily translate into change in social interaction. Instead, the ability for individuals to remove themselves behaviourally from the relational ethic appears to be contingent on the degree to which they are able to function and secure resources through channels other than personalistic networks. To the extent they are unable to do this, the relational ethic must continue to govern their interactions, irrespective of whether this conflicts with their concept of themselves and the world.

Similarly, other forms of morality, and other modes of coordination, often seem to struggle to establish themselves. Chapter 6 argued that the paternalistic decision-making engendered by the relational ethic tends to reassert itself against attempts to introduce other practices—even though many individuals might prefer those practices. This problem has vitiated attempts at moral engineering, not only in the co-operative movement, but arguably, in the project to introduce village democracy. Thus even if the relational ethic is weakening in some respects, its continuing position as the dominant mode of coordination appears to undermine the ability for other forms of morality and organisation to take root.

There are many exceptions to this. The most obvious one, which this thesis has not addressed directly, is that of the new religious communities which have sprung up and grown rapidly during the reform era, including Christians, neo-Buddhists, and others (Tarocco, 2007; Yang, 2006). But this may be the exception that proves the rule. For a religious community is just that; to join it means to join a larger group of people committed to its alternative ethos, from whom support can be drawn in lieu of whatever resources one might lose in so doing (Tong, 2013). That is to say that, as with those individuals able to withdraw from the relational ethic because of their material wealth or relationships with foreigners, religious movements may facilitate moral alternatives precisely because, rather than transforming communities from within, they form parallel communities which afford individuals a choice they would not otherwise have (Yang, 2005; Kupfer, 2013).

For those who do not have or avail themselves of options like these, the relational ethic and the networks governed by it remain deeply important. Even then, it is not the only mode of coordination; for as we have seen, there is reason to believe that in many domains, the market mechanism has begun to usurp it (Wedeman, 2003; Wei, 2001).

This, however, could lead to increasing pressures on Chinese society. For if marketisation is driving a process of ‘disembedding’ from personalistic networks, but this in turn is not being met by the introduction of any alternative non-market forms of coordination, then the social fabric on which

the market economy depends may be eroded, undermining market coordination, too (Polanyi, 2001 [1944]). As is clear from cases like that of Xiao Zhang, the young man discussed in chapter 5 who feels the builders he hires will only work so long as he is watching, market-based co-operation without accompanying moral or legal enforcement mechanisms can carry enormous costs. Indeed, this would seem to be just a case of the general rule that markets everywhere depend heavily on the functioning of non-market moral orientations and systems of social relations (Granovetter, 1985; Polanyi, 1957). It would seem, then, that the gradual attenuation of the relational ethic, without an alternative non-market moral system to take its place, may represent the carrying out of the first phase of Polanyi's 'double movement'—the erosion by market forces of their own social basis. The second 'movement' may be yet to come.

We might wonder, too, about the effects of a growing incongruity between individual understandings and the social world—and how long this process can continue before some form of qualitative shift is engendered (Harmon-Jones, 1999; Rabin, 1994). This thesis has argued that where the relational ethic retains its force, it does so in large part because of continuing material interdependency; nevertheless, concepts of self and the person cannot help but be influenced by wider forces of individualisation in society, and their representations in mass media and popular discourse (Yu, 2014; Wedell-Wedellsborg, 2010; Kim, 2012). It is tempting to draw a parallel with social strains felt in many Western countries at the beginning of the 1960s, when conventional social norms were felt to come into conflict with the increasingly individualistic worldview of the young (Roberts & Helson, 1997; Thomson, 1992), just at the time when Beck's 'individualisation' ostensibly began in earnest (Beck, 1997). But as Yan (2010) cautions, the rise of the individual in China has taken place against a very different backdrop, in which both a lack of general affluence and the paramountcy of maintaining unshakeable state power are likely to lead to rather different outcomes.

It would be futile to attempt to prognosticate about the direction of moral and social change at this juncture—not only because of the inherent complexity of the case, but because this is a moment which appears in many ways to be a liminal one. So many of the institutions, values and concepts of not only the socialist past, but the Imperial society before that, have either lost their force, or are beginning to look increasingly frayed at the edges. Without a clear new pattern coming into view, it is easy to understand why so many feel a sense of moral crisis. Yet as this thesis has shown, the sense of moral failing is often present precisely because of the deep moral sense of ordinary people, cast adrift in the storms of social change.

### 10.3 Theories of co-operation revisited

If the arguments presented in this thesis are correct, then our broader understanding of the cultural evolution of co-operation can draw important lessons from the Chinese case. Again, if the relational ethic is properly understood as a form of indirect reciprocity, then the weakening of the force of that system in supporting co-operation appears to coincide with the predictions of theoretical models. For indirect reciprocity to support co-operation, the reputational sanction must be able to operate through the threat of exclusion from or punishment through the exchange network. But when the network becomes more fluid as a result of migration, and when other networks and other means of securing resources become available, as a result of urbanisation and marketisation, the sanction becomes weaker. Indeed, this account not only tends to confirm these predictions; it sheds light on just how rapidly cultural evolutionary change can occur (Henrich, 2001).

At the same time, the story of the co-operative movement illustrates the obstacles that may stand in the way of new forms of co-operation taking root and spreading. On the one hand, there can be little question that history, and historiography, matters here; the traumatic experiences of the failures of collectivism, or at least their traumatic retellings, appear to contribute to a suspicion of attempts at new forms of collective action, reflecting the cultural evolutionary notion that practices often spread—or fail to spread—as a result of a general human tendency to attend carefully to whether they have rendered others vulnerable to free-riding in the past (Gürerk, et al., 2006; Boyd, et al., 2003; Seymour, et al., 2007; Price, et al., 2002). On the other hand, because the relational ethic itself frames co-operation as a series of dyadic exchanges, the notion of engendering co-operation through other means, such as group norms enforced by ‘strong reciprocity’, is perhaps inevitably at a disadvantage (Rege & Telle, 2004; Tyler, 2006; Baumard, 2013). For even as the relational ethic may be weakening at the margins, it remains the dominant paradigm for understanding and enacting non-market co-operation. Indeed, as chapter 6 argued, there is often deep suspicion of those who claim to attempt prosocial behaviour beyond the framework of dyadic exchange. Thus the establishment of new forms of co-operation is hindered not only by the resource risk of forsaking the exchange network, but also by the powerful effects of cultural learning—both from singular past events, and from an all-pervasive present social model (Baumeister, et al., 2004).

Moreover, the difficulties of the co-operative movement provide an example of notions of ‘crowding out’ which have loomed large in the literature on common pool resource management and co-operation. This thesis has argued that crowding out has afflicted the co-operative movement in a number of ways. Not only can the moral motivations of individuals be crowded out by the provision of material incentives for prosocial behaviour; but the creation of institutions which serve to do this

can attract large numbers of people with ulterior motives, further undermining the motivations of others to adhere to co-operative norms. Moreover, the provision of resources at the level of the state can create a transactional chain in which moral motivation is crowded out at each level, reaching down to that of co-operatives themselves. But crowding out goes beyond the simple provision of material resources. As we have seen, the framing of norms can have an important impact on whether people see them as legitimate, generally accepted, and worth adhering to (Henrich, et al., 2004, p. 46). In the contemporary Chinese case, in which political and moral discourse has taken on a ritualised and often wholly cynical form, anyone attempting to introduce a new explicit norm, such as the ethic of co-operativism, must grapple with the obstacle that for many, talk of explicit norms is to be greeted by a default reaction of cynicism. In a sense, sincere moral and political discourse is crowded out by the vast quantity of insincere and cynical speech in this domain. If adherence to a norm depends heavily on the perception that others, too, will do so, the willingness to consider a new norm is surely vulnerable to falling at the first hurdle of the perception that even its explicit proponents have ulterior motives.

In addition to problems of crowding out, as well as the erosion of the foundations of indirect reciprocity, this thesis has argued that co-operatives face a particularly thorny collective action problem, in the form of democratic participation itself. If the arguments presented in chapter 6 are correct, they may have implications beyond China, both for co-operatives and for democratic structures more generally. For although the problem may be exacerbated in this case by the particularities of 'face' and the power of hierarchical coordination schemas, the general structure of the problem may apply to co-operatives in a wide variety of cultural contexts. This further underlines not only the importance of informal institutions in solving, or indeed reinforcing, co-operation problems, but also the centrality of such institutions in the interpretation and enactment of formal rules. As chapter 5 argued, the flexible and amorphous role of laws in China is readily intelligible in the light of the insight of legal anthropology that the force of laws derives from the way in which they are employed in discourse and everyday practice. This applies equally to the formal rules of co-operatives, which often bear little resemblance to the *de facto* operation of the organisation. In some sense, then, any claim that a human group solves co-operation problems by enacting formal rules is simply begging the question; for what matters is not the rules themselves, but the way in which they are deployed in social practice.

More generally, this account sheds light on the broader relationship between moral psychology and moral behaviour, and how these can be understood within the framework of the evolution of co-operation. While the power of individual suspicion of new forms of co-operation may appear to

suggest that psychological inertia, or even a form of cognitive hysteresis, takes explanatory priority over social forces, this notion is belied by accounts presented above which suggest that in many cases, when psychological change conflicts with social reality, it is the social reality that wins out. This lends credence to the notion that social change is often best understood 'epidemiologically'—as the result of psychological and social processes which are intertwined, if not inseparable (Sperber, 2001). The weakening of the relational ethic appears, as theory would predict, to coincide with the weakening of the material basis of indirect reciprocity; but this change is neither necessary nor sufficient for individuals to develop concepts and attitudes at variance with the relational ethic. Some young people feel deeply uncomfortable with that ethic, but feel they have no choice but to go along with it; others either feel little conflict, or adjust their understandings to correspond with the world around them. For others, even when material exchange through indirect reciprocity has vanished, as in certain highly atomised rural communities, the relational self and associated needs for affective exchange linger to promote forms of sociality, such as virtual 'helping' in housebuilding, which seem to mirror the old exchange networks. Thus stories of how people grapple with, and transform, the shifting moral sands around them are as varied as the stories of people themselves.

#### **10.4 Implications beyond: Post-socialism and modernity**

It is, then, difficult to deny Yan's (2010) claim that something like a process of disembedding has at least begun to take place. Indeed, the cultural evolutionary lens helps to shed light on the mechanisms underpinning this process. For if the tightly woven exchange networks which have long comprised the Chinese social fabric instantiate a form of indirect reciprocity, and are therefore predicated on material interdependency, multiplexity and relative relational stability, then it is easy to see why the erosion of just those foundations would lead the network to begin to unravel.

Beck (1997) suggests that disembedding and individualisation lead eventually to a 'second', 'reflexive modernity', in which individuals, cut adrift from the state and other collectivities as well as from ascribed social relations, begin to question the foundations of society itself, including the state, and imperatives such as economic growth. At present, this seems to ring no more true for China than older theories of modernisation and development which suggested the inevitable eventual triumph of universalistic ethics and the rule of law. Instead, this thesis has argued that the growing vacuum created by the weakening of the relational ethic must not necessarily be filled by any other moral orientation—much less an orientation toward principles which would call into question the foundations of society.

It could simply be too early to tell. Yan (2010, p. 510) appears to suggest this, claiming that 'the Chinese individualization process remains at the stage... of first modernity'. Perhaps Polanyi's double

movement must inevitably assert itself, lest the economy self-destruct. Or perhaps the theorists of liberal globalisation will eventually be vindicated, when the Chinese regime inevitably tumbles and is replaced by a rule-of-law system, populated by autonomous, rights-bearing individuals. On the other hand, it could be that Chinese modernity is destined for a different path—that the apparent triumph of universalistic ethics in the West was not an inevitable consequence of modernisation, but rather a contingent legacy of Christianity or some other factor. In that case, China may be in the process of carving out a new and distinctive form of modernity.

But we must not forget what is a crucial strand of the story: the experience of socialism, and the marks it left both on China and on its formerly ‘fraternal’ countries. Each of these societies has had to cope in its own way both with the disappointments of the past, and with the experience of seeing a comprehensive and universally inculcated belief system discarded, then officially rubbished, overnight. Cynicism, and suspicion of belief systems and ideologies, is certainly not unique to China; in post-Soviet Russia, Ries (2002, p. 277) describes how cynical talk allows people to ‘deconstruct whatever legitimizing discourses or practices are presented on behalf of the reformulated political-economic order, and thus regularly inoculate themselves against any naïve belief in state or market ideology’. Other formerly socialist countries, too, have experienced the ‘disembedding’ of individuals not only from the collectives to which they were formerly attached, but also from informal exchange networks which permeated many socialist economies, leaving behind a mottled moral texture in which collectivist values are still employed in moral judgement, but there is deep distrust of authority and of collective endeavour, leaving many to lead increasingly atomised lives (Klumbytė, 2006; Knudsen, 2015; Wanner, 2005).

Is this deep cynicism—nihilism, even—the sort of questioning envisaged by the notion of ‘reflexive modernity’, with its promise to transcend the nation state and shake up rigid social distinctions (Beck, et al., 2003)? It may, instead, simply represent a form of shell shock—as chapter 5 argued, the powerful effects of culturally transmitted narratives relating the putative failure of morally motivated projects and collective endeavours. Indeed, the rise of post-socialist personality cults (Cassiday & Johnson, 2010; Polese, 2015) would seem to suggest that the essence of this cynicism was not a ‘reflexive’ questioning of all authority, but rather a singular reaction to a specific chain of events—the dissolution of the socialist bloc, which left not only its inhabitants, but arguably much of the rest of humanity too, scarred by deep suspicion of belief systems, ideals, and collectivist dreams of all kinds.

## 10.5 Conclusion

Chinese civilisation has, as nationalist propaganda reminds us, extraordinarily ancient roots. Indeed, there is every reason to believe that elements of the relational ethic, if not the system as a whole, can be traced back many centuries, and even into prehistory. Today, however, what sets China apart is not its antiquity, but the unprecedented scale and rapidity of the transformation it is undergoing. Within a matter of decades, an agrarian society has become an urban one, as the new megacities have swallowed up thousands of villages, each with its own name and its own history, now lost in the mists of time.

In the context of this incalculable upheaval, it is easy to understand why many feel a sense of moral panic. We should not be too quick to dismiss nostalgia, or to denigrate the sense of loss felt by many. For something has been lost—from the erasure of memories in the Cultural Revolution, to the more recent emptying out of the countryside. Something has been lost in all the former socialist countries—a loss not only of stability and social order, but of values, worldviews and dreams now only dimly remembered, if at all (Pine & Bridger, 1998; Blank, 2004). Indeed, as globalised capitalism has consolidated its spread throughout the world, all manner of alternative values, meanings and moral universes seem to fade increasingly into obscurity.

Is China's social and moral trajectory really so distinctive? This thesis has argued that to understand the trajectory of the present, it is necessary to understand the past. Cultural evolutionary theory suggests that some of the fundamental threads weaving together the fabric of Chinese society may have developed long ago as a highly effective way of supporting co-operation through networks. Even if these networks are now beginning to weaken, there is, I have argued, a path dependency. What comes next for China—what sorts of co-operation mechanisms and moral orientations will manage to take hold—will in part be determined by the path already trodden. In that sense, we may have every reason to expect a uniquely Chinese form of modernity.

But at the same time, we must also bear in mind what all humans have in common—and in particular, the extraordinary degree to which we seem primed to co-operate, and at scales never before found in the animal kingdom. For all our failed attempts, we thrive on co-operation and mutual aid. Perhaps that is one reason for the enduring global appeal of the co-operative movement. For co-operativism has never been simply about the attempt to alleviate poverty or economic insecurity. From the beginning, it has stood for something more: the promise of building, or rebuilding, bonds of interdependence and fellow feeling, in the face of market forces which have torn up that social fabric as the price of industrial prosperity.

The Chinese co-operative movement is rooted in the same basic ideals. While this thesis has documented the enormous, and perhaps often insurmountable, challenges facing that movement, what is perhaps more important is that the movement exists at all. The efforts of countless ordinary people to make sense of and transform their own lives and those around them show that morality is alive and well in contemporary China—and that the process of cultural evolution is anything but spent.

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## Appendix A: Questionnaire wording

For the moral dilemma section of the survey, respondents were handed a laminated card for each vignette in turn, with the text of the vignette and a diagram illustrating the response scale, as in the below figure. Research assistants then read the text of the vignette aloud to them while they held the card. Before beginning the survey proper, the procedure was first explained using an example card, to ensure respondents understood.

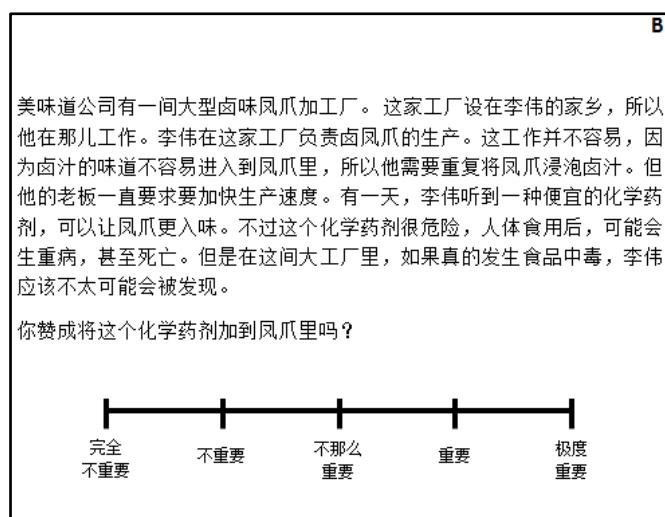


Figure 3: Example vignette card

After each story was read out, respondents were asked to respond first to what the protagonist in the story should do, then to rate, quickly and without too much thought, the importance of each of the items read to them in their decision. The order of both the stories and the response items was randomised.

What follows are the four vignettes used in the final survey described in chapter 9, and the ten response items corresponding to each survey.

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A

王老师是一名在大学工作的女性教授。她名声良好而且总是认真工作。她受邀写一本书，并且是个很重要的课题，但必须在年底之前完成。可是她的父亲最近病了，所以她大部份的时间都在照顾她的父亲。眼见截稿日即将到来，但是她却没有任何进度。因为害怕失去她的名声，她

找到一本书在其他国家以英语写成，且题目相同的书。假如她直接把这本书翻译成中文当作自己的原创，应该是不会被发现那是抄袭的。

你赞成抄袭这本书吗？

1. 应该抄袭
2. 不知道
3. 不应该抄袭

1	中国学者若发表抄袭而来的著作，是否会对整体中国学界形象造成伤害？
2	王教授的父亲会不会因为发现王教授的名声受损而病得更重？
3	王教授是否够正确地把这本英文著作翻译成中文？
4	在中国，各大学追求实质的顶尖学术研究和科技发展，是否比追求名誉还来得重要？
5	既然学校没有给王教授合理的截稿日，王教授又为什么要保护学校的声誉呢？
6	故事中校方是否有提供王教授良好的研究环境和办公条件？
7	抄袭相同学科领域的著作本身不就是不对的吗？
8	抄袭外国科学家应该是可以被接受的吧，只要他们不是中国人？
9	王教授这样的抄袭事件是否将会对中国的国际形象造成伤害？
10	如果王教授的抄袭行为被外界揭发，会不会因此而对该大学的名声造成伤害？

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**B**

美味道公司有一间大型卤味凤爪加工厂。这家工厂设在李伟的家乡，所以他在那儿工作。李伟在这家工厂负责卤凤爪的生产。这工作不容易，因为卤汁的味道不容易进入到凤爪里，所以他需要重复将凤爪浸泡卤汁。但他的老板一直要求要加快生产速度。有一天，李伟听到一种便宜的化学药剂，可以让凤爪更入味。不过这个化学药剂很危险，人体食用后，可能会生重病，甚至死亡。但是在这间大工厂里，如果真的发生食品中毒，李伟应该不太可能会被发现。

你赞成将这个化学药剂加到凤爪里吗？

1. 应该加
2. 不知道
3. 不应该加

11	李伟自己的家人和朋友会吃到这个凤爪吗？
12	对李伟而言，为了养家而保住饭碗，不是比担心陌生人更重要吗？
13	就算李伟加速凤爪的生产速度，但他的老板不会要求他再快吗？
14	李伟如果被免职的话，他会遇到多少困难？
15	如果消费者吃了凤爪后生病了，这会不会使李伟的老家蒙羞？
16	美味道公司提供员工的薪水高不高？
17	对于能为公司带来许多利益的员工，美味道公司会给予升迁吗？
18	这些凤爪是给中国人吃还是出口到国外？
19	买这些凤爪的人是不是跟李伟一样，是平凡的工人？
20	既然李伟和他的老板皆是同乡，老板不是应该要更加体谅他吗？

## C

一个强烈地震为中国的某一省带来严重的损失。学校、房子及其他建筑物皆被严重损坏，数千人无家可归而且急需医疗救助。当地政府宣布他们需要全国各地的志愿者的协助。刘伟是一名在其他省工作的行政人员，他从电视新闻上得知这个消息，虽然受灾省并没有任何他认识的人，可是他考虑要去当义工，但这意味着他会有好几天没办法工作。

你认为刘伟应该怎么做？你赞同刘伟去当义工吗？

1. 应该自愿去帮忙
2. 不知道
3. 不应该去帮忙

21	几天无法工作是不是意味着刘伟给家里的钱变少了？
22	刘伟的参与会不会激励其他人也参予？
23	政府有没有呼吁民众前往协助救灾？
24	刘伟的社区有没有得过灾区的协助？
25	若刘伟去当志愿者，会不会造成公司缺人几天的损失？
26	虽然都是中国人，也可以不用帮？
27	如果刘伟不去做志愿者，其他人会不会认为刘伟不够友爱？
28	刘伟当志愿者的时候，他会遭遇多少困难？
29	刘伟有没有妻孩？
30	刘伟有任何可帮助救灾的特殊技能？

李强是服务于一个小镇的 32 岁的公务员。他以前在大城市中从事很有趣的工作，但由于父母要求他回乡做稳定的公务人员，所以他返回故乡工作。他父母百般地叮咛他辛勤工作，好得到升迁，能买一间公寓然后结婚。但是李强觉得这个工作很无聊。唯一带给他快乐的，是他的秘密兴趣：每个周末到深山里探索一间寺庙里的遗迹。他热爱历史，喜欢想像当时是怎样的人住在其中，过着怎样的生活。他从没让父母知道这个秘密，因为他们会觉得这是浪费他本可拿来工作的时间。有一天，他的母亲发现这件事了，她要李强不准，删除再去了。

你觉得李强应该怎么做？你同意他不应该再去吗？

1. 应该继续去
2. 不知道
3. 不应该去

31	如果人们不再造访这些历史遗址，他们的下一代会不会失去历史知识？
32	李强的父母对于李强结婚这件事会不会感到很开心？
33	站在古人曾经走动过的地方不会感到慷慨激昂吗？
34	遗址所在县市的人会不会受益于历史遗址的存在而历史意识愈趋强烈？
35	面对前人所遗留给我们的东西，我们会不会感觉对过去社会有所亏欠？
36	身为一个公务员，李强怠忽职守会不会亏欠群众？
37	李强的同事们不是应该要理解李强对于工作的倦怠吗？毕竟他们做的是相同的工作
38	如果李强继续对他父母保守这个秘密，对他来说会不会很困难？
39	如果李强继续保守秘密，他父母知道后会不会很难过？
40	如果李强停止造访那座古庙，他能再找到其他古迹继续探索吗？