Meeting Governance Challenges in China: Between the State and Society — An Introduction

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Meeting Governance Challenges in China: Between the State and Society — An Introduction

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The power to name and define is of great importance in the maintenance of hegemony (Foucault, 1984; LaDuke, 2005; Olson, 2002). The Chinese state has jealously guarded its monopoly on defining problems and formulating solutions – to retain its role as *the* main actor in meeting *its* governance challenges. The battle is acute as other developments in recent decades have run in an opposite direction, also owing to the state's decisions – the state has seen a wholesale retreat from societal activities under the umbrella of reform, and centres of influence beyond the traditional state proliferated. The role of the state in the new situation have since been put under "review" and become a subject of experimentation, rather than a definitive position to be protected and defended.

The tug of war between an instinct to monopolize within the state and an empirical and pragmatic decentralization of powers beyond it means that the state–society interface is a highly charged field of tension and struggles. The debate over the "appropriate" role of the Chinese state in society has raged over the years. Meanwhile, challenges from the emergent alternative "centres" to the state's diagnosis of governance challenges are routinely crushed. The result is a shifting and unstable state–society boundary, as one social experiment follows another. The variations in the specific configurations of experiments across geographical and administrative units in the vast physical expanse of the Chinese country and the five tiers of administrative hierarchy add further complexity to the picture. Nevertheless, as in the case of "cumulative decentralized powers" in administrative decentralization, which sees local powers surge over time after

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repeated cycles of decentralization *and* recentralization, the social space available to society vis-à-vis the mighty state has also gradually expanded (Li, 2010, p. 179; Riskin, 1991, p. 143). New methods and analytical frameworks have been deployed to capture these shifting and variant roles of the Chinese state, and of the society and their interactions, in meeting governance challenges (Li, 2009).

The three articles in this section examine how governance challenges are being met in China in three arenas: intra-state and how the state puts its house in order against the centrifugal trends of departmental and personal interests (equal pay reform); at the forefront of the state–society interface at the grassroots community level (urban community governance structural reform); and in the voluminous and indeterminate virtual space through which ideas of individuals are mediated and translated into collective actions (online activism and political participation). A dual process is unfolding: on the one hand the state is collaborating with emergent forces in society in exploring and testing out its new, adjusted role; and, on the other, it is *contesting* with these same forces in reconstituting each other's roles. Of interest to note is not only that the role of the Chinese state remains unchanged, which all three articles observe, but also the self-conflicted nature of the dual process. The volatility of the situation leaves open the possibility of more significant change as the incremental, haphazard changes reach a "threshold" (Pierson, 2004).

The maintenance of the state's political hegemony over society starts with a political will to maintain hegemony and requires the co-operation of the multitude of individual cadres and officials of various ranks to work together to that end. Getting to these initial baselines has been identified as a long-standing challenge by the state leaders. The spectre of centrifugal tendencies emerged from *within* the Party-state from the earliest years of the People's Republic in the early 1950s, when the threat from local powers against the power of a unified state had been recited from time to time and managing "central–local relations" entered the practical manual of political students (Li, 2010). The "equal pay" policy for government workers is one of the latest initiatives to mitigate the centrifugalism of the local administrative agents.

The logic of the policy goes as follows. The starting point is the greatly varied pay levels between the different administrative "systems", units, and localities, and the resulting injustice to government workers at large and those less well paid in particular. The feelings of internal injustice undercut the sense of solidarity as state co-workers. The result is a weakened political

will, and effectiveness, to govern the society as part of the whole, *the state*, though the acts of predatory *individual* state workers to exploit and benefit from society may proliferate. By adjusting the institutional conditions contributing to unequal pay, the pay reform seeks to remove the reason for internal dissension amongst the state workers, and thus to buttress the political efficacy of the state.

Wu in his article tells us that the policy has failed to deliver. The institutional conditions underlying the unequal pay practice ran broader and deeper than those the policy has sought to adjust. Even limiting the parameters to just those that the policy targeted, a lot remains to be done. The policy has not delivered at the level of outputs, let alone outcomes. The article does not give an explicit explanation of the failure of the policy. The discussion of the historical evolution of the public sector pay policy, from its initial focus on external parity (increasing public sector pay to match the rising pay in the private sector) to the later emphasis on internal parity within the state, suggests that self-interests may be the ultimate reason. In the case of the earlier reform on external parity, it brought net benefits to government employees, who also doubled as its executors. Private sector employees were likely to disagree with a reform which did not benefit them, but they had no role in policy formulation or execution. On the other hand, the internal parity reform will affect vested interests within the state unless sufficient *new* resources, extracted from society, can be made available to finance the reforms. Not only will the impact on society then be direct and thus likely to stimulate societal grievances, but also the powerful groups within the state, which usually are also the more highly paid under the existing system, may demand an even bigger share of the "new" resources, making the reform even more difficult to execute. The article concludes that reforms of broader and more fundamental institutional arrangements, such as the national fiscal system and the overall income distribution encompassing both public and private sectors, are pertinent to achieving internal parity and pay justice within the public sector. A reverse question that may follow is: will the deficit of internal pay parity in the state propel the pursuit of pay parity between the state and society and in society at large? The likelihood is that the historical process of equal pay may go a full cycle: from external parity into internal parity, and then to external parity before any progress can be made towards internal parity. Indeed, while the state has focused its efforts lately on alleviating "in-house" disquiet, society has lamented the state's excesses (corruption, inefficiency, etc.) and demanded more

external parity (thus transparency and accountability of public sector pay). So far these voices are largely treated as "noises" – unwelcome challenges to the state's responses to its perceived problems (i.e. internal parity) – but the balance may change. The internal parity project of the state may require the assistance of society's external parity challenges to make further inroads.

The two articles by Ma and Li and by Huang and Yip focus explicitly on the state–society interface and discuss the adaptation of institutional arrangements and the Chinese state's traditional roles in view of the expansion of the social realm – Ma and Li at the urban community level, and Huang and Yip at the individual level via cyberspace. The changes in governance structures in the urban neighbourhood which Ma and Li discuss exemplify the retreat of the state since the reform began. The urban neighbourhood had been an extension of the state through the integration of social management/control and service provision functions in a single unit, the "danwei", which was also the locale where people work (for working adults)/study (for students)/reside (for the rest). As the danwei institution fell apart, the "community" was invented as an alternative structure to provide a framework to deliver the necessary social functions and services. The difficulty is, what kind of structure is suitable to deliver what "necessary" functions and services for what purposes? On the one hand, the backdrop of this transformation of urban grassroots-level governance is the marketization reform, which by definition means the retreat of the state in economic activities. On the other hand, the state retains a keen interest in social affairs and feels obliged to provide for an indeterminate range of public and semi-private goods and services. The experimentation in Shenzhen accommodates these dual concerns through a structure consisting of two parallel committees. With one committee catering to the output function – provision of social control and other vital public services, and the other fulfilling the input function – garner community views on demands for services and feedback on output delivery, this dual structure straddles the arenas of the state and society and is accountable to both.

The dual-structure design is inherently unstable, as the instinct of state control juxtaposes the decentralizing demand of garnering communal inputs. The tilt of balance is still in favour of the former, so that the state's influence is sufficiently large to decide on how much power to decentralize, and there is great uncertainty regarding the prospect of the autonomous communal power. Interestingly, the still dominant administrative power of the Chinese state may have helped to pull together the tenuous

parts in the dual structure of urban community governance. After all, "how independent the society is of the state's influence is, still, largely a function of the state's decision of how much power it wants to shed or decentralize" (Ma & Li, 2012). At the same time, continuous market reforms will "provide a steady supply of impetus for decentralizing state power" (Ma & Li, 2012). The past decisions of the state thus constrain future state actions to the possible effect of significantly shifting the state–society balance to the favour of the latter. One is reminded of the insights of the better works of historical institutionalism and in particular of the discussions on changes in time and gradual institutional transformation (Mahoney & Thelen, 2010; Pierson, 2004).

Huang and Yip's discussion on the role of the Internet in homeowners' activism over neighbourhood environmental projects highlights the facilitating role of the Internet as well as its limits in contributing to political activism. The enhancing role of the Internet in information sharing, facilitating mobilization, and supporting networks has become almost the "conventional wisdom" in the literature on online activism. Along these lines Huang an Yip elaborate the various functions the Internet has ostensibly played in two cases of homeowners' activism in southern China. Through interviews with activists the authors further discovered the detailed configurations of the Internet chat rooms' influence, as well as the limits of that influence. In this regard, the impact of the "over-arching context" is relevant (Mahoney & Thelen, 2010, p. xi), to both the functions and limits of the Internet. Where media and political control is tough, as in the case of Xiamen, the Internet largely plays the role of information disclosure, disseminating information which is otherwise not available to a large group of Internet users. Any mobilization role is limited to those individuals and groups in the margins or periphery of the traditional means of state control. On the other hand, where the political context is more liberal and control is more lax, as in the case of Panyu district of Guangzhou, the Internet has performed a more diverse role including information dissemination, mobilization, and networking. In the authors' assessment, the influence of the state still looms large – the state is the most important determinant in the "over-arching context" and mediates the possible influence of the Internet. The powers of the Internet as an independent force in social change have thus, in their view, been somewhat overstated. However, as in the case of the other two articles, an interesting observation is the dialectical state–society interactions in the process of change, so that the presently great influence of the state, keen on social

control as it is now, may itself contribute to a very different make-up of the state–society relationship over time.

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