Putting the Chinese Communist Party’s reinvention of the party-state at the centre of the epochal transformation of China into a global superpower, this study homes in on the education and training of cadres (administrators and politicians), a crucial but almost completely overlooked aspect of the Chinese party-state. Cadre training is an entry into the often opaque and mysterious world of the people in China who staff the party-state and rule the country, a way of understanding the Communist Party’s enduring and growing power inside and outside China without having to risk an investigation in the often secret and highly sensitive specifics of the exercise of that power itself. Cadre training also highlights the fact that China’s contemporary administration is Mao Zedong’s worst nightmare become real. Gone forever are first-hand revolutionary experience and direct involvement in the life and work of China’s toiling masses. Instead, cadres have become a ruling elite who worship book learning and formal educational qualifications. As the embodiment and chief instrument of the party’s leading role in society, cadres are to be leaders, managers, moral exemplars and faithful servants of the party at the same time. The learning, discipline and privilege that cadre training provides is a key transformational experience in the construction of cadres’ unique personhood, a sense of self that straddles the boundaries between strong individuality, total submission to the party’s will, elitist exclusivity and faceless anonymity. Before the reforms, cadre training had always been the principal means to instil ideological uniformity and commitment to the party, but since the early nineties it has increasingly been tasked with much more. Nowadays, training also aspires to equip cadres with the managerial skills, professional knowledge and broad understanding of China and the world that the party considers necessary for the people who will have to lead the country to full modernity and global prominence.

In this book I draw on my ethnography of China’s cadre corps for a critique of the commonly held view (both inside and outside China) that...
socialism in China is dead in all but name. At the most general level, this view is based on the notion that socialism and capitalism are mutually exclusive and antagonistic social formations, despite their common roots in the western modernizing project. The basis of the assumed antagonistic relationship of socialism and capitalism lies in the holistic status that they are given. Although this in turn traces its origin to Marxist theory, the assumption of the inevitable clash between socialism and capitalism has long since been shared by socialist and bourgeois thinking alike. Socialism and capitalism are thought to be all-inclusive social formations, comprising a specific organization of the economy, politics, social relations and culture. Through revolution, warfare or evolution, the exploited masses will rise against their masters and socialism will eradicate capitalism. Alternatively, capitalism will supplant socialism as a new middle class and propertied bourgeois created by market reform demand democracy. One variant of the latter idea that is particularly relevant to this book is that capitalism might not necessarily bring full-blown democracy, but at least will turn China into a non-socialist technocracy (White 1998: 500).

However, as living ideologies and realities, socialism and liberalism can and have been intertwined, or, as Raman and West put it, ‘actually existing socialism and actually existing capitalism were never so distinct, and never independent of each other’ (Raman and West 2009: 5). If we no longer assume that, for instance, a capitalist market economy must bring other aspects of ‘bourgeois’ society like democracy and human rights as well, there is nothing irreconcilable between, for instance, a capitalist economy and a socialist form of government. We will then be able to see that the evolution away from the state socialism and revolutionary voluntarism of the Maoist era and the growth of a market economy do not necessarily spell doom for a locally meaningful understanding of socialism as a form of governance, i.e. the exercise of political authority and the use of institutional resources to coordinate and control activities in society that include, but are not limited to, the work of government. Obviously, this in great measure depends on how one defines socialism. In particular, such an analysis sits uneasily with externally defined criteria that determine what the essential components

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1 On the latter point, see Buck Morsse 2000.
2 See Tsai (2007) for an extensive critique and empirically grounded refutation of this argument. In chapter 4 of The Transformation of Chinese Socialism, Lin Chun thoughtfully discusses the larger issue of the Chinese fate of western liberalism and democracy, concluding that ‘we must treat political democracy as something subordinated to the imperatives of human needs and human rights, public welfare and social justice, peace and ecology’ (Chun 2006: 249).
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of socialism ought to be (for instance, public ownership of the means of production, dictatorship of the proletariat, fairness and redistribution, democratic centralism). By contrast, this book does not evaluate or measure the degree of socialist purity of contemporary China. Likewise, I also do not wish to engage the debates in China itself about the nature and contemporary relevance of socialism, although I do, where necessary, of course discuss the recent elaborations on the party's official ideology. Instead, I approach socialism ethnographically as it is lived and reproduced every day by the elite personnel, or cadres, that lead the institutions of governance: ‘really existing reform socialism’ from the perspective of those who govern rather than those who are governed. To cadres, the unique nature of socialist governance has always been linked with the dominance of the Chinese Communist Party (CCP), which has not seriously been challenged, despite the heavy blows that the party suffered during the 1989 student movement.

In the nineties, to myself and many other observers the turmoil and suppression of the 1989 protest movement and the long-term corrosive impact of market reform made a fundamental shift in China’s political structure seem inevitable, leading either to a more democratic and pluralistic form of government, or else to the fragmentation or at the very least a radical decentralization of the state (Pieke 1996). There were several reasons for this. Perhaps the most legitimate one, at least in my own anthropological eyes, is the routine cynicism and contempt with which citizens of all socialist states treat the party, the state, its cadres and its ideology. In Chinese studies after 1978 this was compounded by the embarrassment, or alternatively glee, over the follies of sixties and seventies fellow-travelling

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3 Not much of these debates is known outside China, or indeed in China itself outside the small circle of ideological professionals in party schools, universities and the party apparatus itself. For a clear and concise discussion of the Chinese Communist Party's recent ideological innovations, see 'Rebuilding the Party: The Ideological Dimension', chapter 6 in David Shambaugh's recent book on the Chinese Communist Party (Shambaugh 2008: 103–127). In his book What Does China Think? Mark Leonard discusses debates among some of China’s New Left intellectuals that are directly or indirectly relevant to the meaning of socialism as a guiding ideology (Leonard 2008).

4 It is quite hard, and methodologically not easy to defend, to say that the natives have got it wrong. However, as far as the natives are concerned I would argue that cynicism is not simply a rejection, but more a way of coping with the grim realities of ‘really existing socialism’; it is, in fact, a curiously backhanded internalization of communist rule. A rejection of the ideology goes together with the acceptance of many of its practical manifestations, such as cradle-to-grave social security, state paternalism, the pervasiveness of party rule and the like. Currently in China, cynicism about the state and denunciations of the CCP and its corrupt cadres continue to be widespread, but — and this is where outsiders often get it wrong — it is only infrequently coupled with a fundamental rejection of the status quo.
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that took the CCP’s ideological messages largely at face value. It has now become a ‘habit of the heart’ among China scholars to reject Maoism and its successor ideologies (Deng Xiaoping Theory, the ‘Three Represents’, the ‘harmonious society’) as blatant lies that merely serve to coat the CCP’s rule in a thin veneer of legitimacy, rather than as serious attempts to define socialism or the CCP’s role and vision.

More generally, and in a neat reversal of scientific Marxist evolutionism, the military and diplomatic defeat of the Soviet Union in the Cold War was too often glossed as the ideological and historically inevitable victory of democracy and capitalism over dictatorship and socialism. Although somehow China had escaped the same destiny, at least temporarily, the attempts of the CCP to reinvent itself since 1989 seemed of little importance, the final spasms of a doomed and fundamentally flawed system. Instead, the main issues being debated in the field were how much the state had to negotiate with local elites in exercising power; to what extent special interests and personal relationships informed the behaviour of agents of the state; to what extent the unified state had become a loose configuration or federation of regional governments or local state corporations; or how state-led democratization, legal reform and administrative restructuring were giving civil society the space to operate in opposition to the state.3

Yet since the late nineties, it has become increasingly clear that the weakening of the Chinese party-state has not happened. Capitalizing on rapidly rising prosperity and continued economic growth, the party-state has reinvented itself, putting the rule of the CCP on an increasingly solid footing both materially and organizationally, and, increasingly, ideologically. Although the jury is still out on the long-term sustainability of the reinvention of the Chinese party-state, radical political change now seems unlikely. It seems that the reformers around Deng Xiaoping who assumed power in 1978 were right, and western, particularly American, proponents of the ‘peaceful transformation’ thesis were wrong: market reform and socialist governance are, for now at least, perfectly compatible and even support each other. As Dali Yang put it: ‘while the Chinese state has played an important role in expanding the market, market expansion has, in turn, helped prepare the ground for the rationalization of the state’ (Yang 2001: 19). In other words, the state has created the conditions for the market to flourish, while the growth of a market economy has made possible an ambitious state-building effort. The end of state strengthening is by no

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3 For an overview of these debates, see Baum and Shevchenko (1999).
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means in sight, and potentially outstrips all earlier attempts to rationalize and strengthen the state in Chinese history.6

REFORM AND THE PARTY-STATE

In the last twenty-five years, the Chinese economy and society have developed at an extraordinary speed. Many issues and problems have emerged as a result, but on the whole the real miracle has been that China has maintained a remarkable stability and direction despite many fundamental changes. The reasons behind this are obviously diverse and defy quick generalizations, but governance is an important component. China’s unique administrative structure, with a finely struck and negotiable balance between centralization and devolution, and between the selfish (and often corrupt) behaviour of officials and party discipline is at the heart of this success story. In post-Mao China, entrepreneurial success has been bred by different forms of state involvement in the market, ranging from ‘local state corporations’ to ‘income generating’ spin-off companies to symbiotic networks of officials and entrepreneurs to outright graft and corruption.7

Parts of the state, in other words, have mutated to become a range of institutions that have enabled the market to grow. Despite mounting empirical evidence, it should be noted that this counterintuitive conclusion is by no means uncontested. Alternative analyses of the Chinese market economy tend to look at the lack of appropriate institutional guarantees as they are found in western capitalist countries, such as an independent legal system or the democratic election of officials, either concluding that the ‘market transition’ is still incomplete (Nee 1989; Nee and Su 1990; Nee 1996; Woo 1999), or else pointing to the predatory rent-seeking behaviour of officials simply as inhibitive to sustained economic development (Bernstein and Lü 2000; Lü 2000; Bernstein and Lü 2003).

China is indeed one of the most corrupt countries in the world, but it is quite another thing to say that corruption fatally undermines the CCP’s

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6 A few scholars have begun to turn their attention to the growth and transformation of the state, and, increasingly, the Communist Party itself; see for instance Edin 2000; Blecher and Shue 2001; Dickson 2003; Shevchenko 2004; Walder 2004; Yang 2004. For a comparative study of three specific periods of state strengthening during the Qing dynasty, Republican China and the People’s Republic, see Thornton (2007). I will have to add that Thornton herself does not seem to believe in the impact of the current state-building drive, instead emphasizing the corrupting influence of the market on the CCP’s rule.

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legitimacy and governmental capacity, or to claim that western democracy is a necessary cure for corruption. Illinois governor Blagojevich’s botched attempt in 2008 to sell President-Elect Barack Obama’s vacant seat in the US Senate has demonstrated again that mature democratic political systems, too, are capable of accommodating deeply entrenched corruption. Analyses of the antagonism of state and market are predicated on the belief, as outlined at the start of this chapter, that there is a fundamental incompatibility between socialism and capitalism. Because of that, they tend to focus only on what China does not have rather than on what it does have, and fail to acknowledge that the mice of economic development and political stability can be caught by cats, and indeed even corrupt cats, of many different colours. There is little doubt that, particularly in the nineties, corruption in China was rampant, with cadres high and low using their official powers to rake in money from the booming market sector, both for private gain and to boost the income of the local governments and departments for which they were responsible. Similarly, there is also ample evidence from surveys that by the late nineties corruption had become the foremost societal problem in the eyes of the Chinese people. However, there is much less evidence that corruption necessarily undermined the state’s capacity to rule. Anti-corruption campaigns aimed at individual culprits, for instance, in the eyes of the public put the central authorities on the side of the people, thus in fact strengthening the state’s legitimacy (Hsu 2001; Yang 2004: 221–222). More broadly, particularly in the nineties, corruption was the grease in the wheels of a society that combined a rapidly growing market economy with what was, at the time, a still largely old-fashioned socialist state (Wank 1999).

As Shevchenko has persuasively argued, in this context of proliferating state-market arrangements the continued presence of the CCP at the heart of the system has provided the stability, direction and detachment from local, sectoral or individual interests that are crucial for the reform process to continue (Shevchenko 2004). In other words, the continued presence of the Chinese Communist Party is not the problem that the reforms have to overcome; quite the contrary, the CCP’s blend of modernist adaptability and Leninist ideological and organizational principles is one of the main causes of twenty-five years of economic growth and social stability. At the core of the CCP’s strategy lies not simply its ability to facilitate institutional invention at the interface of state and society. As Maria Edin observed,

equally, if not more, important is the party’s willingness to reinvent itself (Edin 2003a: 4), while, at the same time, retaining core Leninist principles of governance that continue to guarantee its leading role over state and society.

As this new fusion of socialism and the market in China continues to develop, transform and adapt to new challenges, it becomes necessary that we go beyond the limits of the concept of post-socialism dominating the study of the former Soviet bloc (Verdery 1996; Humphrey 1998; Burawoy and Verdery 1999; De Soto and Dudwick 2000; Hann 2002; Mandel and Humphrey 2002). To account for the resilience of socialist rule, China scholars now often use the term ‘late socialism’. However, implicit in this term is the assumption that socialism has simply gained a stay of execution: sooner or later, the prefix ‘late’ suggests, the forces of history are sure to catch up with China. In my view, this not only undervalues the staying power of the CCP and the importance of the modernization and state-building effort in post-Mao China, but also seriously under-theorizes the novelty of what I propose to call the neo-socialist social, political and ideological institutions that have emerged.

**Neoliberalism and neo-socialism**

It has become quite common, mainly in the American literature, to characterize the Chinese reforms or aspects thereof as neoliberal and thus comparable to the backlash against the welfare state in many western countries (and especially the Anglo-Saxon world) since the late seventies. In his influential book on neoliberalism, David Harvey typifies the Chinese reform project as simply ‘neoliberalism “with Chinese characteristics”’ (Harvey 2005). Similarly, Gary Sigley concludes that China has witnessed what he calls the ‘emergence of a hybrid socialist-neoliberal (or perhaps “neoleninist”) form of political rationality’ (Sigley 2006: 489). Susan Greenhalgh and Edwin Winckler observe that China’s birth control policy has evolved from a Maoist–Stalinist approach in the eighties to a Leninist–neoliberal

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9 In earlier work, I developed the concept of ‘capital socialism’ (Pieke 1995; 1996); more commonly used nowadays is ‘market socialism’. Both these terms focus on economic and social institutions and practices. In this book governance itself is central, hence ‘neo-socialism’. Interestingly enough, my use of the term neo-socialism is rather similar to the earliest occurrence of the term postsocialism that I know of in an article by Arif Dirlik, in which he describes postsocialism not as something that simply comes after socialism, but as a ‘condition of socialism’ that ‘represents a response to the experience of capitalism’ with the reforms and opening up of China in the eighties (Dirlik 1989: 364).
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approach since 2000 (Greenhalgh and Winckler 2005). This characterization certainly has its uses, and I would not wish to simply dismiss it here. Neoliberalism highlights a distinct convergence or borrowing between China and capitalist countries in the strengthening of markets, the retreat of the state as welfare provider and the creation of ‘responsible’ individuals and families. It also helps better understand the strengthening of the state in other respects. Unlike classical liberalism, neoliberalism believes that a healthy market economy cannot be left to its own devices, but needs strong institutional guarantees for its growth and protection, guarantees that only a strong state can provide. Likewise, strong government needs the market (for instance through privatization or the contracting out of services) to keep it honest and effective. The problem is that neoliberalism is in the main a negatively charged term used to expose the self-serving and cynical application of liberalist notions by right-wing politicians and ideologues. This neoliberal language not only conflates, as traditional liberalism does, the economic freedom of unfettered market exchange and the political freedom of universal suffrage and multi-party democracy. In the hands of big business and big government neoliberalism can also be a blatant legitimizing tool in the exploitation and suppression of poor and powerless individuals, groups and even whole nations. As such, for many progressive intellectuals neoliberalism has become a convenient alternative to terms such as ‘capitalism’ and ‘imperialism’, that served a similar function in the sixties and seventies, but whose more direct Marxist roots have rendered them politically largely impotent in our post-Cold War world.

A strongly politically charged term, neoliberalism as an analytical concept has some distinct disadvantages wherever it is applied, but perhaps even more so in the Chinese context. Using the example of the discourse on ‘quality’ (suzhi) in China, Andy Kipnis has argued that simply presenting this discourse as a manifestation of neoliberalism ignores suzhi’s specific roots and connotations. Presenting ‘quality’ as neoliberal thus suggests similarities that aren’t really there, for instance to the American right-wing discourse that ‘blames the poor’ for their own poverty (Kipnis 2007). I largely agree with Kipnis here. In the context of this book, it would be misleading to assume a simple equivalence between, say, Margaret Thatcher’s privatization of government functions in the eighties and the marketization of cadre training in China in the 2000s, if only because of the fundamentally different political and ideological context. As we shall see, the Chinese reform of cadre training is part of a massive state-building effort based

10 Other works that are frequently referred to in this regard include Anagnost (1997) and Ong (2006).
on a very un-Thatcherite faith in the power of a modern, centralized and well-resourced government in shaping society and the economy. Yet treating China’s attempts at state building entirely *sui generis* would be equally incorrect. For several decades now, Chinese leaders, administrators, academics and businesspeople have mined western (and above all American) society, culture, politics and economy for clues, ideas and models – many of them ‘neoliberal’ – that may help make China a better place, and this book will give many examples of this effort. Following Nikolas Rose and Peter Miller, it might therefore be useful to distinguish between larger ‘political rationalities’ with specific genealogies in certain locations on which the exercise of power is conceptualized, and more limited governmental technologies that are easily borrowed and transposed (Rose and Miller 1992: 175). Although the Chinese reforms borrow many ideas and techniques of government from neoliberal thought and practice in the West, they are blended with indigenous socialist ideas and practices, producing a distinctively Chinese neo-socialist governmental discourse. From a Chinese perspective, the coming of neoliberalism thus resembles less the spread of a hegemonic western blanket than a process of selective borrowing and mixing, a ‘creolization’ process rather similar to other aspects of globalization (Hannerz 1987; 1992; 2000) in which Chinese actors moreover remain firmly in control.

Just as the ‘neo’ in neo-socialism suggests a rather loose connection well short of a direct equivalence with western neoliberalism, so does the ‘socialism’ of neo-socialism not refer to the state socialism of the collective period, which entailed a planned economy, collective or state ownership of the means of production, state or collective responsibility for citizens’ welfare, and the mobilization and transformation of the entire society for the realization of the communist utopia. Under neo-socialism, the CCP’s socialist mission is formulated as the engineering of an orderly process of socialist modernization and the engagement of economic globalization and the ‘multi-polarization’ (*duojihua*) of the community of nations (Hu Jintao 2003). An equally, if not more, important aspect of the socialism of neo-socialism is the perpetuation of the CCP’s Leninist rule. Leninism (less its mobilizational and transformational aspects) continues to inform the core of the party’s work: party leadership over all institutions of governance, and, within the party itself, the enforcement of democratic centralism and party discipline, and the requirement of an unqualified belief and adherence to the party’s principles and ideology (Jowitt 1992).

Neo-socialism in China entails more than an old-fashioned Leninist party that puts neoliberal techniques to familiar uses. As I will show in
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this book, under neo-socialism, innovative neoliberal and home-grown governmental technologies cut right to the heart of the party-state itself, serving to support, modernize and strengthen the party’s Leninist leading role in Chinese society. Crucial to the party’s neo-socialist project has been a combination of centralization, strengthening and selective retreat of the state. Since 1994, the central state has broadened its tax base and control over local revenue.\(^1\) This has enabled the state (particularly, but not exclusively the Centre) to take a whole raft of policy initiatives that in the early nineties still were utterly impossible, including a deliberate and selective process of streamlining, professionalizing, democratizing and centralizing the Chinese state apparatus. The party itself has sought to broaden its base in society by recruiting new members among China’s new elites, including intellectuals and even private entrepreneurs (Dickson 2003; on China’s new rich see Goodman 2008). The state has assumed the role of managing, facilitating and supervising society: ‘while governments at both the central and the local level are clearly far less intrusive than before, micro-managing fewer areas of socioeconomic and cultural life, they have arguably become more adept at macro-management – in effect, governing less but governing more effectively’ (Baum and Shevchenko 1999: 352).

A second characteristic of the neo-socialist strategy has been the selective, partial and gradual nature of the marketization of state or collective assets and functions. This ranges much wider than the well-known issue of the very slow pace of privatization of state-owned enterprises. Gradually, markets have been created for a vast range of commodities, resources and services, including labour, capital, insurance, housing, education, health care and land. In none of these cases has the state fully retreated from the markets its own policies have created, retaining a larger or smaller role for state agencies or state-owned enterprises as providers, regulators and quite often also as major stakeholders. Crucially, competitive markets also have been created for at least some functions that are at the very core of the party-state’s Leninist legacy. One of the main findings of this book is how cadre training and education are no longer the unchallenged monopoly of party schools. A range of local, national and international providers,

\(^1\) See Wong 2002. In a recent paper, Christine Wong argues that budgetary revenues began to rebound only in 1996, three years after the tax reforms of 1994 which are more conventionally taken as the point when the central state began to regain control. According to Wong, the main reason for the time lag between policy and effect was the impact of continued centre-to-local government tax rebates that allowed local governments to continue to maintain their spending levels (Wong 2007: 6)