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052181233X - Social Connections in China: Institutions, Culture, and the Changing Nature of Guanxi

Edited by Thomas Gold, Doug Guthrie and David Wank

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Social Connections in China

Guanxi, loosely translated as “social connections” or “social networks,” is among the most important, talked about, and studied phenomena in China today. *Guanxi* lies at the heart of China’s social order, its economic structure, and its changing institutional landscape. It is considered important in almost every realm of life, from politics to business, and from officialdom to street life. *Social Connections in China* offers the latest scholarly thinking on the subject by leading China sociologists whose work on *guanxi* has been influential, and by new scholars offering the most current insights on the topic.

The authors present a history and taxonomy of *guanxi* as it has evolved in scholarly and business communities and offer new theoretical and methodological assessments of this important phenomenon. Their findings address fundamental questions surrounding the current debate about the role and origins of *guanxi*: What forms does *guanxi* take today? How is it shaping and changing China’s economy and economic reforms, business deals, and legal system? Is *guanxi* a fundamentally Chinese phenomenon in form and function? Or is it simply another word for the personal networks, social capital, and gift economies that can be found in other societies?

Drawing from a number of groundbreaking studies of contemporary China (from the perspectives of sociology, political science, and economics), the chapters examine the role of *guanxi* in business decisions among managers and entrepreneurs, the decisions and practices of workers, the construction of new legal institutions, and the new social order. Scholars and students of China will find this not only a rich source of detailed information on the workings of Chinese social relationships, but also a valuable, new interpretation of the meaning and place of *guanxi* today.

Thomas Gold is a member of the Sociology Department of the University of California, Berkeley; Executive Director of the Inter-University Program for Chinese Language Studies; and former Chair of Berkeley’s Center for Chinese Studies (1990–4 and 1998). He is the author of *State and Society in the Taiwan Miracle* (1986) and the forthcoming Cambridge book *Remaking Taiwan: Society and the State since the End of Martial Law*.

Doug Guthrie is Associate Professor of Sociology at New York University. He is the author of *Dragon in a Three-Piece Suit: The Emergence of Capitalism in China* (1999), as well as several articles on the economic reforms in China.

David Wank is Associate Professor of Sociology at Sophia University, Tokyo, and the author of *Commodifying Communism: Business, Trust and Politics in a Chinese City* (Cambridge, 1999).

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Mark Granovetter, editor

The *Structural Analysis in the Social Sciences* series presents approaches that explain social behavior and institutions by reference to *relationships* between such concrete entities as persons and organizations. This contrasts with at least four other popular strategies: (1) reductionist attempts at explanation by focusing on individuals alone; (2) explanations stressing the causal primacy of ideas, values, and cognitions; (3) technological and material determinism; (4) explanations using “variables” as the main analytical concept, as in “structural equation” models, where the structure connects variables rather than actual social entities.

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Social Connections in China

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Nature of *Guanxi*

Edited by

Thomas Gold

University of California, Berkeley

Doug Guthrie

New York University

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PROLOGUE

In the fall of 1998, the Center for Chinese Studies at the University of California, Berkeley, under the direction of Thomas Gold, brought several scholars from around the world to talk about *guanxi*, a phenomenon we had all written about in one way or another. We wanted not only to explore several substantive issues – the importance of *guanxi* in Chinese societies, the conditions under which it is alive and thriving in China today, the extent to which it is linked to Chinese culture, its fate in China’s economic reforms – but also to examine the ways this important Chinese phenomenon had been treated in academic scholarship and popular discourse over the years. As these discussions got under way, we were struck by something else: While actual research that discussed the phenomenon of *guanxi* in China was relatively young – scholars have really only been discussing the topic directly since the mid-1970s – there has been an absolute explosion of scholarship on the topic in recent years.

Though not the first to write about the phenomenon, Thomas Gold published one of the early essays in 1985 that addressed the issue directly from the perspective of its changing role in China’s economic reforms. And while the early works of Andrew Walder (1986) and Jean Oi (1989) do not spend much time discussing *guanxi* per se, the issue of social relations in China is clearly central in their examinations of Chinese political economy. In the 1990s, three seminal books were published that focused wholly and exclusively on understanding and explaining the phenomena of *guanxi* and *guanxixue* (social relations and the “art” of social relations, respectively) in Chinese society. In 1994, Mayfair Yang published *Gifts, Favors, and Banquets: The Art of Social Relationships in China*, which would prove to be the reference point for many future studies of *guanxi*. In 1996, Yunxiang Yan published *The Flow of Gifts: Reciprocity and Social Networks in a Chinese Village*, and in 1997, Andrew Kipnis published *Producing Guanxi: Sentiment, Self, and Subculture in a North China Village*. Each of these projects was based on intensive fieldwork in China, and each considered different aspects of *guanxi* in Chinese society. Another scholar, Yanjie Bian, has through a series of articles

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also established an important body of work on the role of *guanxi* in past and current Chinese labor markets. Finally, in 1998, a two-volume set simply titled *Guanxixue Quanshu* (Dong 1998), was published in Beijing, promoting its contents on the jacket by promising to “teach you how to grasp China’s most complex yet most practical body of knowledge (*xuewen*) . . . These two characters, ‘*guan xi*’ are endlessly subtle; if you learn how to manage all forms of human and social *guanxi*, it will be like planting a large tree from which you can obtain mounds of fruit you never imagined.”

From the academic and even abstruse treatments of *guanxi* to the practical (and clearly business-oriented) examinations of the issue, *guanxi* has clearly entered into the mainstream of both of these worlds. Yet there are many questions that remain unanswered. There is still quite a lively and unresolved debate about the extent to which *guanxi* is a uniquely Chinese phenomenon, inextricably tied to and deeply rooted in Chinese culture. Is *guanxi* fundamentally Chinese? Or is it produced by certain institutional arrangements and historical circumstances that happen to be common to China’s experience? The rapid economic and institutional changes that have occurred over the course of the last two decades in China actually provide interesting fodder for this discussion: How is *guanxi* changing in China’s economic reforms? What does *guanxi* look like today? If the nature of *guanxi* is changing in reform-era China, what do these changes tell us about the relationship between *guanxi* and Chinese culture? And, perhaps most importantly, what kinds of research strategies and methods provide us with the best tools for answering these questions?

It would be presumptuous to suggest that we have actually provided definitive answers to these questions. However, we do believe that this volume brings together some of the scholars whose work has been influential on the views of *guanxi* thus far and new scholars whose work provides the most current insights on the topic. While many of the chapters in this volume are grounded in the literature that has defined past research on *guanxi*, it is our hope that the volume will push research on social networks in China beyond the current divides in the literature. As such, this book has two goals. First, we have sought to push some of the boundaries of current work on *guanxi* both theoretically and methodologically. We have asked some authors to reconsider conceptual work they have done in the past, and we have invited some scholars to think methodologically about the ways in which we approach the study of *guanxi*. Second, we have attempted to push the work on *guanxi* in new directions substantively. With the dramatic changes occurring throughout China, there are many different settings and prisms through which to view the changing role of social networks there. In this study, we have brought together work that considers the situation of social connections within classical settings and settings that have not been closely examined in past studies of *guanxi*. At the very least, we hope that this volume provides a good mix of assessments of the past research, current insights from the field, and a research agenda for future generations of China scholars.

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In the course of producing this book, we have expanded our own *guanxiwang*, and in the process we have incurred multitudinous obligations from colleagues too numerous to name individually. We sincerely thank all of them for their contributions. We do want to single out Professor Hishida Masaharu of the University of Shizuoka and Professor Shigeto Sonoda of Chuo University, who joined the editors in a roundtable at the Asian Studies Conference in Tokyo in June 1999 where we discussed some of the central issues in this book.

Thanks to the Center for Chinese Studies at Berkeley for its financial support of the initial workshop and to Shiping Tang for research assistance on the Introduction.

We would also like to thank series editor Mark Granovetter and our editor at Cambridge, Mary Child, for support and encouragement as we developed this project.