An Exchange of Views about Basic Chinese Social Organization

Review Essay: Transfigured Community: Neo-Traditionalism and Work Unit Socialism in China*

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In the last decade a variety of local studies and more comprehensive works have shed light on basic-level Chinese politics and society, but Andrew Walder's book *Communist Neo-Traditionalism* has been the boldest and most influential in proposing a new paradigm for understanding the human realities of life and power in China. Although the empirical base of his study is the state industrial workplace in China, Walder claims that it is applicable to industrial relations in other communist countries, and his theory fits closely with Jean Oi's analysis of clientelism in rural areas.

These broader claims have been echoed by reviewers. Daniel Chirot says that Walder's book is "the best, most insightful work I have ever read about the nature of authority, politics and social structure in any communist country." Thomas Gold writes, "This exciting book's pathbreaking theoretical framework will no doubt set a research agenda for years to come. Top priority should go to testing his hypotheses outside the state industrial enterprise to see whether neo-traditionalism characterizes Chinese society as a whole." Not all reviewers have been so positive, but most treat the work as more than just a good piece of research about Chinese factory life.

Given the prominence that the idea of communist neo-traditionalism has already achieved and the importance of the issues of the relationship of state and society which it addresses, Walder's presentation of it deserves to be taken seriously and carefully. The *locus classicus* of the concept is the "Introductory Essay" which comprises the first chapter of his book, though some aspects of the

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concept are spelled out or modified in his subsequent writings. This essay will begin with an explication of Walder's argument followed by a critique. I will then attempt to formulate a more comprehensive paradigm of work unit socialism utilizing Walder's insights while avoiding the weaknesses of neo-traditionalism, and will end with a discussion of the relationship of work unit socialism to western social theory.

My basic thesis is that Walder's focus on the basic-level social structures and their shaping of power and politics is a significant step forward in understanding Chinese society, but that the narrowness of his focus on state power gives an artificial slant to his paradigm similar to that of the earlier paradigm of totalitarianism. The model of work unit socialism which I propose is based on the tension between the irresistible power of the state and the immovable permanence of work unit membership. In the ecology of a permanent community, what the leadership can do is conditioned by its need for continued co-operation from a fixed circle of subordinates. I then compare work unit socialism to other contemporary societies and to the community/society (Gemeinschaft/Gesellschaft) distinction between traditional and modern societies drawn by Ferdinand Tönnies and Émile Durkheim. My argument is that work unit socialism is not simply a traditional community, it is a community transfigured by its subordination to a complex and modernizing public order. I conclude with questions concerning the rejection, reform and deterioration of work unit socialism in contemporary China.

Communist Neo-Traditionalism

Walder sketches his idea of communist neo-traditionalism with bold strokes which leave the reader with little doubt as to its general meaning but with rather more questions concerning its details. This exposition follows Walder in discussing first the differentiation of neo-traditionalism from other paradigms and secondly the content of neo-traditionalism. It concludes with a discussion of the scope of application of the concept, a problem left ambiguous by Walder but raised by many commentators.

Differentiation. Walder positions his paradigm on the intellectual landscape of China studies by criticizing two polar interpretations, totalitarianism and group pluralism. The totalitarian model assumes a regime of total power based on impersonal control of an atomized society through fear. Group pluralism, the contrary model derived from the analysis of interest group politics in the west, emphasizes the importance of societal interests and the articulation and pursuit of these interests by groups. Neo-traditionalism is contrasted to totalitarianism because it stresses that communist societies have a high level of societal organization, power is particularistic rather than impersonal, and that positive as well as negative levers of deference
are used. One might say that Walder’s state is terribly close to the individual worker while the totalitarian state is terribly remote.

Neo-traditionalism is more at odds with group pluralism. Walder rejects the underlying analogy with western society, arguing that communist society is defined by institutions set up by the state, and therefore social networks rather than group endeavours provide the pattern of social activity. The masses are still atomized in a sense, for they are gelled into a comprehensive and monolithic social structure which is organized by and serves the interests of the party-state, and which is a different species from liberal western society.

**Definition.** The term “neo-traditionalism” is borrowed from Ken Jowitt’s work on the Soviet Union,\(^5\) but Walder uses it in a quite different sense. Jowitt uses neo-traditionalism to refer to the continuity of many traditional features in the party-state. As the party-state loses its revolutionary dynamic in the post-mobilizational phase, these traditional features corrupt the regime behind its now lifeless mask of heroic vanguardism.\(^6\) Thus Jowitt’s neo-traditionalism involves traditional features as well as a life-cycle dynamic for the regime. Walder, however, makes it clear that, for him, neo-traditionalism does not imply continuities with the past. Nor does it imply a social pattern that is not yet modern: “there is no implied universal scale of modernity.”\(^{(10)}\) Nor does Walder use neo-traditionalism to describe a falling back of a revolutionary society on some corrupt amalgam. Walder argues that the pattern established in the 1950s remains strong today. As his chapter on Chinese politics in the 1980s concludes, “These changes [in the post-Mao period] have occurred in the context of a strong institutional continuity; they represent a new version of the generic communist pattern, not its erosion.”\(^{(241)}\) So why the term “neo-traditionalism”? Walder’s answer is that in western social sciences, “the term *traditional* has come to be associated with dependence, deference and particularism, and the term *modern* has come to be associated with independence, contract and universalism.”\(^{(10)}\)

There is a significant terminological problem here. “Neo-traditionalism does not mean “neo,” does not mean “traditional,” and does not mean “not modern.” Nor is Walder’s usage consistent with his source, although Jowitt’s usage is clearly applicable to China. As Gordon White has argued, the term is an “analytical red herring.”\(^7\) Fortunately there is a better word for what Walder is describing, and it has a precise Chinese equivalent. The term is “work unit

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socialism,” *danwei shehui zhuyi*, and it refers to the all-encompassing social organization at the basic level which is Walder’s focus. In this essay I will continue to use “neo-traditionalism” to refer to Walder’s specific paradigm, and will eventually develop a more general paradigm of work unit socialism.

Terminology aside, Walder presents a clear impression of what he has in mind by communist neo-traditionalism. Basically, the structure of the factory in China has two principal and related aspects, the first of which has two sub-aspects. The two principal aspects can be called by his terms, “organized dependence” and “principled particularism.”

Organized dependence describes the comprehensive and monopolistic control of workers by factory leadership. Its two sub-aspects are, first, the non-market character of the workplace, in which labour is assumed to be immobile and all services are provided through the work unit, and secondly, the Party’s monopoly of all organization. The worker is totally dependent on his or her unit for every conceivable need and benefit, cannot escape through a labour market, and cannot organize autonomously within the unit.

Principled particularism describes how the leadership exercises power through its control of public goods, building up networks of loyalists (activists) who do its bidding in exchange for preferential treatment and who become the source of envy and dissension in the workforce. In sum, organized dependence refers to the structural character of the work unit, and principled particularism to rational behaviour consonant with that framework. Most of Walder’s book is devoted to illustrating this picture.

If we reflect on Walder’s project at this point, it becomes clear why he denies the influence of tradition on his neo-traditionalism. His model of the communist workplace does not depend on a specific cultural situation. It is a rational model, hence generic rather than specific. If the conditions characterized as organized dependence are met, then the behaviour (the institutional culture of principled


9. The detailing, however, is not up to Weberian standards. On p. 11 Walder promises to define communist neo-traditionalism by a list of “elements,” beginning with an employment relationship in which the labour force is considered permanent. The second element dissolves into a “set of features” of the workplace organization, including enterprise monopoly on public goods, the party’s monopoly on organization, and the broad discretion of supervisors. These features (now called “elements”) give rise to “several other features...that complete the definition of the type,” namely clientelist control of the workforce by management, ensuing vertical networks of control which are divisive in the workplace, and horizontal patterns of relation and exchange (guanxi) by which non-loyalists try to meet their needs. Then Walder begins again on p. 13 by saying that communist neo-traditionalism “as an analytical type” is defined by two institutional features, firstly “organized dependence,” the economic, political and personal dependence of workers on enterprise authority, and secondly institutional culture, the patterns and strategies which emerge from dependence. The remainder of the introductory essay is structured in terms of the three forms of dependence and the resulting institutional culture.
particularism) is rational and appropriate. Moreover, *to the extent* that conditions hold, the behaviour is likely to occur. To go beyond Walder slightly, it does not matter whether there are continuities with the past. If there are, it is because they have survived the winnowing of a new behavioural context, not because they are either old or Chinese. Walder’s denial of continuity is not really necessary, and the critics who assert that there is continuity are not challenging the essentials of his model.10

**Scope of application.** The empirical base of Walder’s thesis is the permanent state industrial workforce of China, which is a minority of the total industrial workforce (40) and a tiny minority of the Chinese population. More precisely, this is the claimed empirical universe of the study, since it is based primarily on interviews with 80 emigres (a couple of whom are leaned on rather heavily) completed in Hong Kong in 1979–80, plus a Hungarian dissident to whom Walder appears to have granted honorary Chinese citizenship.11 Nevertheless, it is suggested that the paradigm has general relevance beyond the industrial setting and even beyond China, and so the question of the scope of applicability must be raised. Is it applicable within all of Chinese industry? In all of Chinese society? At all levels? In all communist countries?

Various reviewers have held various opinions on the applicability of neo-traditionalism. Gold and Perry wonder about its relevance to less protected segments of industry, and they also see a deterioration in organized dependence in the 1980s.12 Walder himself admits in a recent article that the new dynamics of the economy have affected the power relationships he describes, if not the structure.13 But it is clear from Mayfair Yang’s description of a poor, struggling industrial cooperative in the 1980s that work unit socialism still provides a yardstick by which urban workers measure their existing conditions.14

The most extensive commentary on neo-traditionalism as a general societal model beyond the factory is Elizabeth Perry’s comparison of neo-traditionalism with Vivienne Shue’s thesis that China is (or has been) a “honeycomb polity” in which community solidarity insulates and protects the collective member from the state. Perry asserts that a good deal of the conflict in perspective results from Shue’s rural

orientation as opposed to Walder’s urban orientation. I would disagree. Although Walder carefully restricts himself to the urban factory, Jean Oi makes essentially the same argument concerning the domination of the basic-level work group by a leadership acting for the state and having a monopoly of rewards and punishments for rural production team leaders. 15 Although conditions in rural and urban areas are of course totally different and Oi uses the terminology of clientelism rather than that of neo-traditionalism, the picture of the unfettered power of the state at the local level through the manifold dependencies of production team members on their leadership and of their leadership in turn on its superiors is quite analogous in its structure to the situation Walder describes in the factory. Walder’s neo-traditionalism and Oi’s clientelism together present a remarkably general picture of basic-level power relations in China. The difference with Shue is not one between rural versus urban realities, but between Shue’s emphasis on the localistic content of collective activities in contrast to the rationalistic emphasis of Walder and Oi on state power relations. Shue’s thesis of the impotence of the centre at the village level is not a question of the scope of application of neo-traditionalism, but a more basic challenge to the validity of its focus on state power.

Even if neo-traditionalism is plausible as a general model for basic-level society in China, it is a much larger leap to see it as a general model for all authority relations. Chirot makes the leap: “Although Walder only studied the lower ranks of these pyramids, it is quite clear that… the entire party-state is bound together by the same kinds of personal, patrimonial, neo-traditional ties.” 16 Walder himself never explicitly extrapolates his theory beyond the basic level, and for good reason. At the elite level, the conditions of organized dependence are very different from the base, and a new variant on the model would have to be formulated. The problems of levels of organization even complicates the notion of the particularistic power of the work unit, since in a large factory the workshop director would not be the distributor for many unit benefits, while the factory director or Party secretary may be too remote from the shop floor to be particularistic. Moreover, China is more than an aggregate of work units, and the intermediate and central institutions might have their own political logics. Nonetheless, it could be argued that neo-traditionalism as a political culture rather than as a rational model is influential beyond the basic level.

Although Walder claims cross-national relevance for his model by calling it communist rather than Chinese, he is careful not to assume that Chinese conditions obtain elsewhere. Indeed, he makes some

excellent and penetrating distinctions between Chinese and Soviet
industrial relations. Certainly organized dependence is weaker in
European communist countries, but the recent problems of rapid
desocialization of economies in Eastern Europe have highlighted
some of the common features of communist political economies. For
instance, job security is for the first time a major concern for the
industrial work force. It may be that the first aspect of socialism
missed in Eastern Europe will be work unit socialism.17

If we summarise the neo-traditionalist paradigm, it is one that
wishes to replace totalitarianism and interest group pluralism as a
general model for communist societies. It is based on a model of the
work unit in which the worker is enmeshed in a situation of total
dependence on superiors from which there is neither escape nor
redress. The superior uses manifold levers of dependence to create a
minority of loyalists, and the conflict between the loyalists and the
rest of the workers distracts them from their common plight. The
model is probably decreasingly complete as one goes down the
hierarchy of workplaces, but it remains the ideal, and it would claim
to be explanatory to the extent that its conditions were present. An
analogous situation holds for the countryside, though with decoll-
ectivization in the countryside and economic reform in the cities the
applicability may be decreasing. The application is even fainter
beyond the basic level in China and across communist countries, but
it is still discernable.

Neo-Traditionalism or Neo-Totalitarianism?

My critique of neo-traditionalism as a paradigm begins where
Walder begins, namely with its differentiation from the totalitarian
and group pluralism paradigms. Clearly neo-traditionalism is anti-
ethetical to group pluralism. They are both theories of basic-level
social behaviour, and they offer contradictory interpretations and
hypotheses. It is also clear that Walder is right, though it is less
obvious to me who is wrong, since the group pluralism approach is not
popular in studies of China. In any case, Walder's emphasis on
centralized organization and personal relationships rather than on
spontaneous group dynamics is an advance.

Walder's distinction between neo-traditionalism and totalitarian-
ism is far more problematic. While it is true that proponents of
totalitarian theories have emphasized social atomization, fear and
impersonalism, among other traits, its underlying characteristic is

17. See the gruesome tales of mass firings in East German factories in Roland
Kirbach, "Die alten, neuen Herren: In den Betrieben haben heute die Direktoren mehr
that it is a paradigm of total state power, hence the name. Walder’s theory is also one of a concentration of total power, but within basic-level society. One could even argue that, so far as small-scale conditions permit, he describes a situation of social atomization (through pre-emptive organization), fear (of opportunity costs as well as punitive sanctions) and even impersonalism (relations based on power rather than free human interactions). Walder does present a more diversified analysis of power, and he concentrates on the base of society rather than on the top, but the difference seems to be one of concreteness and levels of analysis: totalitarianism concentrates on the brain and neurology of communist power, while neo-traditionalism concentrates on the thumbs and flesh. Despite the difference in focus, both assume a research posture bent on uncovering a latent pathology of total power as the reality behind societal relationships. The interests of state and society are dichotomized and juxtaposed, and the state is assumed to be the enemy of the people.

There are two major problems with such a pathological analysis of Chinese society. The first is that it substitutes a radical critique of state power relations for a more balanced grasp of social reality. The second is that neo-traditionalism’s implicit ideal of capitalist rugged individualism causes it to ignore the social functionality of work unit socialism and also to miss its life cycle in PRC policy.

Walder’s analysis of Chinese factory society is in fact a radical critique. Like Marx’s analysis of capitalism, it finds a basic pattern which reveals a “real” structure which is beyond (or behind) official explanations. There is of course a major difference of perspective between Marx and Walder. While Marx emphasizes the concrete reality of class struggle lurking behind the formal universality and equality of bourgeois society, Walder emphasizes the concentration of controlling power embedded in a regime supposedly committed to mass welfare. All the apparent advantages given to the workers—job security, housing, and so on—are merely bonds and levers in the hands of local leadership. Since there are few apparent constraints on

18. Totalitarianism became the dominant mode of analysis of communism in the early 1950s in response to Stalinism, the Gleichschaltung of Eastern European “people’s republics,” and the western intellectual rearmament of the Cold War. A classic of this period is Carl J. Friedrich (ed.), Totalitarianism (Cambridge, Mass.: Harvard University Press, 1954). Although not usually going so far as adopting an interest group approach, experts gradually distanced themselves from the paradigm as they became more aware of the nuances of communist politics. T. H. Rigby expressed well a common attitude: “...it is scarcely open to dispute that communist systems are dominated by a single highly centralized party, which tolerates no opposition, which directs all the institutions of society, and which had its origins in Marxist–Leninist doctrines and continues to justify all its actions in terms of these terms. Yet...the reality of political legitimation in communist countries is considerably more complex.” T. H. Rigby and Ferenc Fehér (eds.), Political Legitimation in Communist States (New York: St. Martin’s Press, 1982), p. 4. The concept of totalitarianism has experienced a renaissance with the political transformations of Eastern Europe, now as the “paturenc beast” upon whose grave the democratic revolutionaries dance. See Ellen Frankel Paul (ed.), Totalitarianism at the Crossroads (London: Transaction Books, 1990), p. 4. But it is not clear that the new political utility adds to its analytical merit.
the leadership, the leadership must be in total control. Walder is not arguing simply that "foreman's empires" do occur in China any more than Marx argues that exploitation does happen under capitalism. His thesis is that the total power of local leadership is the latent reality of the system.

Walder's emphasis on state power is problematic in two respects. First and most basic, it confuses what the leadership can do without overt challenge from subordinates with what its concrete options are. Since the power of the party-state is not restricted by effective constitutional limits or citizens' rights, concentrating on state power as the underlying societal reality makes the leadership appear omnipotent. But as Michael Crozier pointed out long ago, there can be a vast difference between formal powers and actual control over uncertainty. Distributing rice coupons can be the job of an autocrat or of a clerk, depending on the circumstances. In the French factory studied by Crozier, the factory manager is hamstringed by regulations and seniority, and the really powerful people in the factory are the repairmen who cannot be bound by a schedule and who can decide which machine to fix first. China has many similar anomalies. As Walder himself notes, permanent employment gives workers a very real strength against management. As a result, labour discipline was a problem in the 1970s, at the height of organized dependency. Perhaps, as Marc Blecher has speculated, a minority of loyalists had to be rewarded because so little authority was exercised over the rest of the workers. In any case neo-traditionalism is incapable of perceiving the soft constraints on leadership power, and in basic-level organization there are many such constraints.

A second problem is that the concentration on state power leads to a distortion of the evidence. For instance, although Walder sometimes carefully distinguishes between different kinds of activists (147), in general he conflates activism with loyalty. Likewise, attitude (biaoxian) tends to be conflated with political loyalty, and the disciplinary powers of leadership are described in the strongest plausible terms. In general, the theory is illustrated with the interview evidence (helped out by the Hungarian dissident when a stronger statement is needed), not proven by it. As Blecher puts it in the most seriously critical review that I have read:

Amidst all the iterations and reiterations about clientelism, there is not one systematic case study (and it would take more than one to carry weight) or sustained empirical argument in the book which shows that promotions, raises, transfers, housing allotments or anything else actually are distributed

20. A good counterpart to Crozier's repairman is Oi's description of how everyone tries to please the tractor driver because he determines which field gets ploughed first. Oi, *State and Peasant*, p. 112.
according to clientelistic logic... The theoretical design is elegant, but is the emperor wearing it?22

The second major problem of the neo-traditionalism paradigm is more basic and subtle than that of concentrating on state power. Implicit throughout Walder's analysis of organized dependence is the assumption that the non-market structure of the workplace and its provision of comprehensive services are a kind of entrapment. As Walder puts it, "The greater the proportion of needs satisfied by the enterprise and the fewer the alternatives (either for employment or the satisfaction of needs), the more dependent is the labour force." (15) The assumption here is that a cash nexus of employment and a labour market present a less dependent and more desirable situation. The implicit foil of normality to China's pathology of total dependence and total power in the workplace is the rugged individual in market capitalism.

The problem with this implicit ideal is not simply one of personal political-economic preference, or the provincialism of carrying the American dream to China. It is that it overlooks the context which made work unit socialism attractive from the standpoint of both the regime and the workers. It also ignores the justifying ideology, something which has appealed to modern reformers since at least the days of Robert Owen, and it plays down the benefits to the workers of non-market, collective guarantees. Anyone who thinks that an employer who can "only" fire an employee is less in command has never been fired. The one, thin power of the capitalist employer is sharper and harder than the basket of carrots and sticks of the work unit leader. The context of permanent employment in state enterprises has been seen as a benefit by the workers, and it limits the leadership in its choice of sanctions. Moreover, the increase of workplace-related benefits at larger and more prosperous enterprises is not viewed as so many additional shackles.23 To some extent the question of whether a non-market concession is a dependence or a benefit is one of the glass being half-empty or half-full. Certainly workers chafe at the restrictions that Walder well describes as organized dependence and principled particularism, and many have abandoned their state positions for the freedom and risks of the market. But a radical critique mistakes the emptiness for the glass, and assumes that fullness could exist in the alternative world of the market.

A more specific problem with ignoring the positive side of work unit socialism is that Walder thereby misses what might be called its life cycle. In a situation where essential services are not available, an enterprise must provide for itself or die. This is why company mining

23. A personal aside: After presenting this paper to the Faculty of Oriental Studies of Cambridge University I did personal fieldwork there in neo-traditional (actually preserved feudal) workplace-related benefits, and found them all quite pleasant.
towns sprang up in 19th-century America. In China the major state industries were national projects and therefore responsible for the creation and maintenance of worker services as well as for other needs. Even in established cities they tended to be modular additions. Work unit socialism was further encouraged by Mao's particular brand of non-market socialism with its emphasis on self-sufficiency and collective reward. In any case, as long as many necessities remained in short supply, the sequestering of part of that supply by an enterprise was a service to its workers; the alternative to dependency was deprivation. Unfortunately, the command economy of a party-state tends to preserve non-commercial, supply-driven habits even as a sufficiency of goods and services for a market economy emerges. But as China has become more prosperous in the 1980s and markets more comprehensive and reliable, at least the value of non-market privilege is reduced, and it becomes possible to convert material privileges into higher incomes. In other words, scarcity, lack of markets, and ideology are important **raisons d'être** for work unit socialism, and these have changed significantly over 40 years.

To sum up the critique of neo-traditionalism as a paradigm for understanding Chinese society, it is not as far from the totalitarian model as Walder thinks, and it has some analogous problems. It is still a theory of total power, although at the basic level rather than at the centre, and it is a hostile pathology that implies the possibility of a contrary utopia of market individualism. There are problems with neo-traditionalism both as a radical critique and as a capitalist critique. As a radical critique, its over-concentration on state power overlooks the concrete limits on leadership discretion, ignores the informality of power in small-scale, stable situations, and produces a skewed and unrealistic view of workplace interrelationships. The implicit comparison to market individualism finds the Chinese situation pathological by implicitly contrasting it to an ideal which was certainly not a realistic alternative in China. As a result, the benefits to the workers from work unit socialism are seen only as organized dependence. The utility of the Chinese pattern for China's level of development is missed, and a possible explanation for the deterioration of work unit socialism in the 1980s is overlooked.

Although neo-traditionalism per se (and certainly as a term) has fatal flaws, Walder's highlighting of the phenomenon of work unit socialism and critique of its power structure remains one of the decade's most stimulating and impressive theoretical contributions to the understanding of China. Moreover, his approach of describing the rational structure of the workplace rather than simply tracing continuities or narrating policy is a significant theoretical challenge. Without denying influences of political culture or continuities with the past, Walder's style of rational analysis is much more elegant and less tautologous than an inductive paradigm. The task, then, is to reformulate Walder's insight and method in such a way as to preserve their contributions while avoiding their weaknesses.
Work Unit Socialism

I will now attempt a tentative sketch of a more comprehensive paradigm for basic-level Chinese society. Like neo-traditionalism it is a rational model rather than a cultural or historical one, though it can be modified and enriched by cultural and historical dimensions. It is not based on new data or extensive field research, but it does fit my understanding of China and my reading of existing research more plausibly than does neo-traditionalism, and I invite other scholars to see whether it fits their research and perceptions.

The main difference in approach between work unit socialism and neo-traditionalism is that, while neo-traditionalism assumes a dichotomy between state and society, I assume that the integration of state and society has been a key feature of the Chinese party-state and a major internal contradiction. As Walder observes, Chinese society is organized by the state, but the other half of this truth is that society forms the substance of the state. For better or for worse the party-state's unity of state and society has been disintegrating in the 1980s. The confrontations at Tiananmen in 1989 were the most compelling examples of the emergence of more autonomous societal demands and the weakening of state control at the level of national politics.

The core societal reality at the basic level for most Chinese of the People's Republic of China has been work unit socialism, a centrally-structured politics of stable, self-sufficient communities. The feature which most distinguishes everyday Chinese politics and society from the west is this small and defined ecology of community rather than the indefinitely large ecology of society. The work unit is a creature of the larger system's politics and needs, and is subordinate to its demands and vulnerable in principle to its interventions. But it also has a lifetime, relationally immobile membership and it provides as many services as it can for its members. Work unit socialism is most complete in large state enterprises, but it is (or has been) the model for all industrial employment, and it also fits the team level of the commune system in rural areas. It is no longer a universal model, though it approached universality from 1957 to 1984. It has deteriorated since then but has not been replaced by a different model.

The basic realities of this ecology of community are twofold and in tension. On the one hand, the community is structured by the state and serves it. This implies subordination, vulnerability and dependence toward the centre, and an internal organization designed to serve central purposes. On the other hand, in this ecology everyone expects to be dealing with everyone else on a variety of issues for the

25. The printing co-operative studied by Mayfair Yang can be used as a limit case of its applicability.
indefinite future, and therefore any one transaction is viewed by both sides as a small part of a relationship. The work unit as an abstract set of rules cannot be separated from the work unit as a concrete set of people, and the question of what can or cannot be done cannot be separated in reality from the facts of who is doing it to whom. Under normal circumstances, the group cannot challenge the authority structure, and the leadership cannot challenge group membership. Thus work unit socialism is both localistic (a feature over-emphasized by Vivienne Shue) and the expression of state power (a feature over-emphasized by Walder). The relationship between the structure and the content of work unit socialism is not a segmented one, but one in constant tension, producing different blends in different times and places. Nevertheless it does have three basic features which deserve discussion: principled particularism, consensus politics, and strong relationships.

Principled particularism. Long-term multi-faceted relations within a fixed group are inevitably interrelations of unique personalities who are complex both as individuals and as parts of the group. Walder's term for such differentiated interaction is a good one, though here it refers to more than clientelistic and manipulative behaviour. Even impartiality in such a setting does not mean impersonalism, but the prudent and pro bono publico balancing of all relevant factors and of the actors in their complexity. Among the "relevant factors" are certainly loyalty and clientelism, but also skill, seniority, family relationships, personality, need and so forth. The importance of face and prestige in such an ecology is not simply a matter of political culture; the community preserves the memory of each incident and slurs it into the stream of relationships.

Leadership in this ecology is also particularistic, but the leader has a different order of responsibilities and powers deriving from his or her role as nexus to the centre. The leader is executor of central demands, mediator of group affairs, and representative of the group to the centre and to other organizations. Leadership is not simply a position with three tasks and specified powers, however; it blends with the personality of the leader. Moreover, the leader's need to preserve cooperation and balance in the group leads to all manner of informal

26. The exception proves the rule. Cases of removal are based on political allegations involving challenge to authority, but such cases are very rare. A comprehensive study of urban residents found that 94% of urban adults experienced no personal political difficulties under the PRC, and only 0.3% had been fired for political reasons. Martin Whyte and William Parish, Urban Life in Contemporary China (Chicago: University of Chicago Press, 1984), p. 280.


28. This is well illustrated by Brigade Secretary Ye's outlook in Huang Shumin, The Spiral Road (Boulder: Westview Press, 1989), especially by the case on pp. 107-109.

29. Davis details the importance of some of these in her criticisms of Walder, especially pp. 491-93, and the complex interaction of these factors leaps out of any concrete case study.
and concrete constraints on his or her power, though a pathological situation of leader terrorism can certainly come about. Typically the leader's power is conditioned by the permanence of group membership, and leadership tends toward paternalism rather than terrorism. Paternalism in this context is not necessarily a pathology but rather a responsibility, filled by a variety of "fathers" in a variety of "families."

Consensus politics. It is very important in work unit socialism to avoid public confrontation because both sides will have to continue to live with one another after the dispute. The risks of public hostility lead to a hyper-development of gossip as an outlet for private hostility and interests. The informational paradox of a small group is that everyone knows all the details through gossip, so to talk publicly about something becomes a political act. Not only is public confrontation avoided, but even public articulation of positions is considered less desirable than private discussion and arrangements. Inevitably public confrontations occur, but their unpredictable and often harmful consequences lead to a normal ethic of consensus. When hostile confrontations are encouraged as in the Cultural Revolution, then the group's very intimacy can sharpen divisions to the point of "ni si wo huo (if you die I live)."

Consensus does not imply unanimity. Consensus occurs when challenge is more costly than compliance. No one wants their interests to be disadvantaged, however, so consensus has its own characteristic politics which is based on the asymmetry between the leader and the group.

The leader has tremendous advantages in a consensus situation because he or she is the public figure in a situation that avoids "going public." The leader is the nexus to the centre and therefore controls the group’s agenda and the orthodox articulation of issues. As Walder and Oi observe, all the hard power is in the leader's hands. Moreover, the leader's roles as dispenser of justice, distributor of benefits, and official contact with the outside world strengthen his or her personal authority whether or not they are used invidiously to build a clientelist network. In general the leader is the person to talk to, not to talk against.

But the strength of the leader's position is only half the story. The leader can be a strong authority in a weak situation, and his or her hard power can be tied down by soft considerations as tightly as Gulliver at Lilliput.

30. This is rooted in purely rational calculus. As Axelrod has observed in the context of international politics, the optimal game-theoretic stratagem in an indefinite series of games is to begin with co-operation. A small, stable group presents the situation of an indefinite number of indefinite series of games. Robert Axelrod, The Evolution of Cooperation (New York: Basic Books, 1984).
The major advantage of the group vis-à-vis the leader is that fulfilling the organization's task requires their co-operation. The group's semi-compliance and lack of morale can cause the leader to fail in his responsibilities to the centre. The group's power involves, in James Scott's wonderful phrase, the "weapons of the weak": evasion, stalling, petty sabotage, and so forth. But in work unit socialism the weak can be in a strong situation, and the strong in a weak situation. The group can perhaps cause the removal of the leader, indirectly, but the leader cannot remove the members of the group. In this context it is less surprising that in the 1980s management has tended to over-reward labour for increases in productivity. The group is even stronger against ordinary members who want to innovate, and the small-mindedness of the group can be as much of a burden for a creative and dynamic individual as the tyranny of the leader. In a situation perhaps most scientifically described in terms of yin and yang, power and compliance merge in a shimmering pattern of interactions that is beyond complexity: the situation of everyday life.

Of course, life is not always everyday, and the party-state looms as a potential external intervenor, normally to the advantage of its putative agent, the leader, but not always. The work teams of the Four Cleans movement in the early 1960s are perhaps the most striking example of a very effective intervention against local leadership, and their effectiveness was rooted in breaking the pattern of consensus and encouraging confrontation. The unforeseen consequences of this intervention, however, demonstrated the prudence of consensus.

Strong relationships. One of the most striking features of daily life in China is the importance of relationships (guanxi), and Walder is quite right to emphasize them. Indeed, the problem with Walder's guanxixue is that it is too simple and restrictive. It is divided too neatly into vertical clientelism and horizontal exchange, and it is based too narrowly on formal power. In a situation of strong relationships, each transaction is a unique event between two people with a continuing relationship rather than market exchange of equally valued goods or services.

The ultimate source for the importance of guanxi is the stability of the group and of its environment. If any one communication or transaction is part of a stream, then its effect on the stream becomes an important consideration, possibly more important than equal exchange in the specific transaction. This affects rational calculi in an ecology of community. A village car mechanic is likely to be less deceitful than a motorway car mechanic not because he or she is

33. This is well described in Anita Chan, Richard Madsen and Jonathan Unger, Chen Village (Berkeley: University of California Press, 1984), and also Huang, The Spiral Road, pp. 69–86.
intrinsically more honest, but because he or she depends on a limited and stable set of customers. The motorist passing through must trust in luck, professionalism and the legal system.

One would anticipate that relationships would dominate transactions when interactions are intense and stable, and they would fade into a dotted line of autonomous transactions as interactions became sporadic and accidental. Relationships should then be seen as a spectrum. At the most intimate they are family relationships in which the specific bonds are part of the personalities of the interactors and the individual transaction is most significant as a statement about the relationship. At the other, more occasional end of the spectrum, a relationship may be assumed or hypothesized for the sake of a transaction, and is simply a covering fiction for what is assumed to be an equal exchange. Relations within a work unit are closer to the family end of the spectrum, and one of the advantages of unit leaders is their opportunity for relationships beyond the unit. The cultivation and culture of relationships extend indefinitely. As Walder points out in a recent article, in dealing with customers managers will try to structure their sales in terms of maintaining relationships rather than in terms of price.\(^\text{35}\) The vertical and horizontal dimensions are of course important for the content of the relationship, but the balance between the particular transaction and the stream of the relationship is determined by the expectation of continuity. In work unit socialism and in Chinese social life in general that expectation is quite high. Here again a rational behavioural pattern underlies and supports a culture of particularism.

\textit{Scope of application.} Like Walder's neo-traditionalism, the paradigm of work unit socialism is a rational model rather than an inductive one, and therefore it would predict principled particularism, consensus politics and strong relationships wherever its conditions hold. I think that it provides a general model for basic-level society in China, though, as will be discussed below, its conditions are deteriorating.

One could also see an analogous pattern beyond the basic level insofar as the group leaders at one level of hierarchy assume the role of subordinates at the next. But this should not be expected as the norm. Leadership dealing with intermediate officials is in a stronger position than the basic-level leader dealing with the workers. The subordinate officials are not as close a group, any weapons of the weak that they might use would be more obvious and confrontational, and most importantly they are vulnerable to removal. The strength of an official in dealing with a superior is the functionality for the state's purposes of the unit in his or her charge. The pattern of bureaucratic politics might therefore be expected to be more strongly authoritarian, with weak corporatist bargaining on the part of subordinates. Peter

Lee's description of the gradual emergence of corporatist industrial policies fits this expectation. Of course, the political culture of work unit socialism is still influential, and to the extent that the actors assume that they will be dealing with one another indefinitely on a broad range of issues, the logic should prevail as well. Similarly, its application beyond China to other communist countries depends on the existence of analogous conditions.

In sum, work unit socialism stresses the permanence of the state-structured work unit as its fundamental feature. Walder's critique of state power becomes one pole of a tension between the state's structuring of the unit and the concrete interests of its permanent members. The three characteristics of work unit socialism, principled particularism, consensus politics, and strong relationships, each contain this tension of public function and private interest. The pattern is at least weaker at elite levels because officials are more isolated and vulnerable, and therefore one would expect a stronger authoritarian pattern with countervailing weak corporatist arguments on the part of subordinates.

Transfigured Community

If we retreat into the armchair of western social theory and think about the general significance of work unit socialism, it is clear that it presents something unique but tantalizingly familiar. As an ecology of community, it has many of the features ascribed to traditional community as opposed to modern society by the classic social theorists of the early 20th century. But it is a transfigured community, part of a modern, rational state serving transformative goals.

It is worthwhile to begin by reflecting on the shadows of work unit socialism in contemporary western society, if only to avoid the temptation of exoticism in looking at it in China. Any small-scale unit with a public purpose and a relatively stable membership—an academic department, perhaps, or a government bureau—can present an interesting picture if viewed through the lens of this paradigm. But since principled personalism, consensus politics, and strong relations are counter-cultural and counter-professional in the west, and an all-too-bare cash nexus takes the place of organized dependence, what are strong characteristics in China tend to be only hints of alternative behavioural rationales in the west.

The most obvious link between western social theory and work unit socialism lies not in the eddies of contemporary western society but in the structure of the traditional community (Gemeinschaft) from which modern society (Gesellschaft) emerged. Surely the grand divide between traditional community and modern society is an oversimplification, and work unit socialism itself is the best evidence against the tendency to turn the distinction into a continuum of modernization.

But the contrast between modern western society and its traditional roots is too great to be denied, and it provided one of the core issues of the golden age of western sociological thought. Traditional communities were viewed as small-scale, personalistic societies, presuming common ideas and interests, and very different from complex modern societies based on roles, contracts and law. Ferdinand Tönnies, whose book *Gemeinschaft und Gesellschaft* began this line of interpretation in 1887 (and fixed it in German terminology, though the English terms are quite adequate), was nostalgic about the lost unity of the community and concerned that the artificial unity imposed by the state on modern societies was too weak to prevent its internal contradictions from degenerating into a state of war. Émile Durkheim opposed the romantic pessimism of Tönnies and argued that traditional communities were characterized by "mechanical solidarity" in which individuals were enveloped in small, identical clusters and a religious, collective consciousness displaced individual consciousness. In contrast, modern society has an "organic solidarity" based on the division of labour. Modern society is differentiated and therefore individual consciousness must develop, but it also is interdependent, giving rise to civil law. As a result, society becomes more diverse, secularized and rational.

There is a tremendous resonance between Durkheim's critical analysis of the difference between traditional and modern society and contemporary Chinese criticisms of feudal remnants and tribal mentalities in China. There is a longing for individualism, for the freedom of the market, especially among young intellectuals whose horizons have been expanded by reform. In this context, work unit socialism appears as work unit feudalism, a vestige of the past inhibiting the development of markets, legal systems and professions.

But a work unit community is not a traditional community. It is already part of a rational, future-oriented, differentiated, technological structure, and it has been quite effective in important modernization tasks. It is community within modernity, within a division of labour—a transfigured community. The problem of its relationship to China's socialist ideology is too complex to be explored here, but suffice it to say that the pattern of work unit socialism was considered by its creators to be a new one rather than a compromise with existing conditions, and to be an expression of revolutionary values of mass welfare rather than a replication of the past. It also was considered a route to modernity superior to that of market capitalism. And indeed with this pattern China accomplished basic modernization with impressive effectiveness and with high levels of mass welfare. The ghastly mistakes of the Great Leap

37. This is well described in Steven Lukes, *Émile Durkheim* (London: Allan Lane, 1973), pp. 138–167. The following is based on his analysis.
38. This was brought to my attention in a postgraduate research paper by Li Wei.
Forward and the Cultural Revolution did not directly result from work unit socialism, though especially the Great Leap Forward was a product of the same general approach to modernization.

Regardless of the accomplishments of work unit socialism, however, such non-market arrangements are vulnerable to deterioration as market options become available. In Yang’s industrial co-operative, for instance, a vicious circle is beginning as younger and better workers leave for better jobs and the co-operative’s relative burden of welfare costs increases, making it an even less desirable place to work. Like an inner city deserted by suburban migration, or the Russian mir when peasants were given the right to separate, the community could become the residuum of the non-viable. Other market effects such as inflation disadvantage and devalue non-market benefits.

It would be too complacently teleological to see these developments simply as the cost of a more efficient economic system. As A. O. Hirschman demonstrates in his classic study, the process of individual exit from collective arrangements depends on the immediate individual marginal utility, not on general optimality.40 Even those who leave could be worse off eventually and the process of collective deterioration would still be rational.41 I am not arguing that a market economy would be worse, merely that societal pressure toward a market economy should not be used as evidence of its general superiority.

Perhaps the final irony of the deterioration of work unit socialism is that while the weakening of state power and the privatization of productive resources may lead to sprouts of capitalism, especially in the cities, it might lead to the re-emergence of an integrated, autonomous elite in the countryside. Jonathan Unger paints the following picture:

The state’s pullback has also weakened its own hold over the local officiadmin. Increasingly, networks of local officials have taken advantage of this pullback to favour each others’ private interests, unimpeded by fears of anti-corruption campaigns or purges... It is not so much the Party cadres of the Maoist era but rather the local rural officials of today who resemble the rural gentry of traditional times.42

Are such developments neo-traditional? Feudalistic? The linkage of societal forms to historical phases is a tricky business.

There are many puzzles left in the relationship of work unit socialism to general social theory. Clearly the bond between the market and modernization has been overdrawn. It is possible to have

41. This is the basic “prisoner's dilemma” in game theory. If the game series has an end, then co-operation ceases to be the rational choice.
42. Jonathan Unger, “State and peasant,” pp. 134–35. This process can be seen in Huang’s The Spiral Road.
a communitarian work unit within a differentiated polity and to make material progress. On the other hand, work unit socialism is in tension with the market forces which made the modern west, and it is vulnerable to disintegration. Further analysis of such paradoxes could contribute towards a theory of modernity more general than the western path to modernity.

**Conclusions: Questions for China**

More important than any general theoretical interest that work unit socialism might have, it poses important policy-related questions for China. Does work unit socialism by nature stand in the way of further modernization? Can it be reformed, and continue to be a part of a Chinese path? What are the consequences of its deterioration, and how should these consequences be coped with? I raise these questions without attempting to answer them because these are complex, open questions demanding much research and debate from Chinese researchers.

It seems to me that a perverse effect of the regime's socialist orthodoxy and the general ideological failure of Marxism–Leninism is that reform-minded intellectuals assume that the solution to China's problems must lie in a fresh start, with models and concepts from abroad. Even if this were the case, a balanced understanding of China's existing socialist institutions is crucial. To the extent that China's current problems and opportunities are the result of a maturation of socialist institutions, then these are the organizational assets that must be built upon. The question of whether work unit socialism can be made more efficient and democratic needs to be explored. And even if one assumes that China has reached a dead end and has returned to total crisis, then surely the Chinese revolution is the best proof that there are no blank sheets of paper in history, and that the pictures drawn by social and political artists turn out quite differently from their designs.