

INTRODUCTION

Civil Society in China

Better Governance under Authoritarianism

THE PUZZLE: WHY IS GREENPEACE IN CHINA?

While conducting research in China in 2006, I was surprised to see the Greenpeace office in Beijing. With its anti-state rhetoric and dramatic whaling interventions, this seemed to be the last group that the Chinese Communist Party (CCP) would allow to operate. The presence of a group such as Greenpeace raised the question of how we understand the relationship between an authoritarian state and civil society. Most scholarly and policy analyses describe an environment in which all types of associations are either directly state controlled or highly incorporated into state bureaucracy.¹ However, clearly the story is not simply one of state control and repression, of a David civil society opposing a Goliath state; otherwise, why would the CCP allow a prominent independent group such as Greenpeace to exist?

In the following chapters, I examine this puzzle of why an associational revolution is occurring in authoritarian regimes such as China. Given the participatory goals and past role in democratization experiences in various countries including

¹ See the following authors for this discussion about the autonomy of groups in China: B. Michael Frolic, "State-Led Civil Society," in *Civil Society in China*, Timothy Brook and B. Michael Frolic, eds. (Armonk, NY: M.E. Sharpe, 1997); Heath Chamberlain, "Civil Society with Chinese Characteristics?" *The China Journal* no. 39, January 1998: 69–81.

Poland and the Philippines, why are authoritarian leaders allowing these groups to form and proliferate? I contend that local Chinese officials have learned through direct experience and observation of the experiences of other authoritarian regimes that civil society groups may both assist and threaten nondemocratic governments. On one hand, civil society generates reliable information about citizen dissatisfaction that authoritarian states are unable to access through formal institutions, and it meets these demands through social innovation, thus improving governance and increasing satisfaction with the regime. On the other hand, civil society advocates for more citizen participation in policy making and an expansion of democratic political ideals such as transparency and accountability. This advocacy challenges the opaque and concentrated nature of authority in an authoritarian regime. In seeking to retain the benefits of civil society while mitigating the dangers, Chinese local officials developed a new model of state–civil society relations that combines the pluralistic aspect of democratic governance with the state control mechanisms prevalent in authoritarian regimes.

This new model of consultative authoritarianism (CA) encourages the formation and development of an autonomous civil society while creating new, more indirect methods of state control. Thus, the growth of civil society under authoritarianism is not a unidirectional march toward political liberalization, but rather an interactive and dynamic process whereby government officials and civil society leaders learn from experiences with each other to build a new state-society model that emphasizes *both* pluralism and control. As I discuss in more detail at the end of this chapter, the normative implications of this new CA model are also nuanced and complex. The more cooperative relationship existing between local state and civil society generates better development outcomes and improves governance through increasing transparency and pluralism in policy making; however, this same relationship also decreases the ability and likelihood of these groups to challenge authoritarian rule and mobilize citizens to resist nondemocratic governance. Although proponents of democratization might be disappointed in this outcome, I argue that the improvement of

human welfare in authoritarian regimes around the world is non-trivial and should not be dismissed in favor of a focus only on sweeping revolutionary change.

Greenpeace-China offers an instructive example of this dynamic process of policy learning that is driving the development of the CA model. Greenpeace-China's first office opened in Hong Kong in 1997, followed by expansion to Beijing in 2002. One of Greenpeace's first mainland projects in 2004 was shut down after conflicts with Yunnan provincial leaders over its direct methods to oppose logging; however, in response to the Yunnan campaign, Greenpeace pursued a more collaborative relationship with Beijing officials and the Beijing office continued to operate.² This learning process flowed both ways, as officials also learned how the group could assist with state goals, such as using technical expertise to help draft a renewable energy law in 2006.³ This variation in Greenpeace's experiences questions the dominant understanding of the oppositional model of state-society relationship described by liberal civil society theories, and it illustrates that this relationship in authoritarian regimes is much more nuanced than previously thought. I find that the relationship between the state and civil society changes from corporatism in the 1990s to a more independent one in the 2000s through a process of policy learning by local officials occurring through two mechanisms: (1) direct experience with emerging civil society groups and (2) observing state-society relationships in other provinces and states.

Interestingly, I also find this process of learning, or policy diffusion, occurring in other authoritarian regimes. In fact, Greenpeace's experience in China is mirrored around the world, with the rise of a fairly autonomous civil society in authoritarian

² "Greenpeacers in China and Australia Target Illegal Logging," *Research and Environment News from China*, Embassy of Switzerland in Beijing, November 2004; available at <http://www.eda.admin.ch/beijing>

³ Greenpeace-China, "China Has Potential to Be World's Biggest Wind Energy Market by 2020," press release, November 6, 2005; available at <http://www.greenpeace.org/eastasia/press/releases/climate-energy/2005/20051106-wind-force-12-china/>

regimes. In this book, I focus on local government learning in response to an emerging civil society in China and then briefly extend this analysis to illustrate policy diffusion in other authoritarian regimes, such as Russia. Whereas this analysis was motivated by the changing state-society relationships I observed in China, I also noticed that China, although unique in many ways, has increasingly converged with other nondemocratic regimes in developing a new relationship with civil society – one that allows more participation in the policy process while creating new tools of state control. In the following chapters, I explore the factors leading to this convergence to understand why China and other nondemocratic regimes would allow, and in fact welcome, civil society organizations like Greenpeace.

This analysis challenges much of the current understanding of civil society in authoritarian regimes, namely by asserting that cooperation, not opposition, is possible between the two and that each side learns from experiences with the other. First, I develop a new hybrid model of state-society relationships merging the ideas of pluralism and autonomy in liberal theories of civil society with the idea of state control over group activities in corporatist theories. This model, which I call “consultative authoritarianism,” challenges traditional liberal theories by finding that civil society needs less autonomy from the state to accomplish goals of advocacy and service delivery and in fact increasing channels of interaction with the state might help these groups have more impact on policy making. This is not to suggest that civil society does not need space from the state to accomplish these goals, but that operationally autonomous groups cooperate with the state to provide services and policy advocacy, creating a new state-society model that is not a dichotomous choice between total independence and total cooperation. This model of consultative authoritarianism is increasingly being adopted by authoritarian regimes as a way to enjoy the governance benefits of autonomous groups but still control certain activities that might challenge the regime, and by civil society groups as a way to influence policy making in authoritarian regimes.

As a result of this cooperation, I find that civil society might play a role not in challenging authoritarian governments, as

liberal theories predict, but rather in making them more durable. Civil society plays an important role in good governance especially under authoritarianism. Authoritarian regimes do not maintain formal channels for receiving citizen feedback about policies, and thus officials often do not know which policies are ineffective or which might be causing grievances to build up that might eventually challenge the regime's authority. By transmitting information about policies and needs to the government and helping provide goods and services to citizens, civil society improves governance in these regimes, which might serve to extend authoritarian rule. Although my findings challenge the democratic opposition role ascribed to civil society by liberal theories, the role played by these groups in creating better governance should not be overlooked. This is a vital role that directly increases the well-being of the world's population in meaningful ways.

Second, my analysis highlights the role of learning in the changing relationship and policies toward civil society that reveals an endogenous mechanism for authoritarian institutional change. The existing literature on endogenous institutional change examines the use of feedback loops as the primary mechanism of change; however, authoritarian regimes do not have mechanisms for participation in the policy process, making receiving feedback slow and difficult.⁴ So how do authoritarian institutions lacking social feedback mechanisms change without regime overthrow? Much of the current literature examines how these regimes alter formal institutional structures such as legislatures and political parties to access information.⁵ However, I argue that change in these regimes is most commonly a result of a process of authoritarian learning,

⁴ Avner Greif and David Laitin, "A Theory of Endogenous Institutional Change," *American Political Science Review* 98, 2004: 14–48; James Mahoney and Kathleen Thelen, eds., *Explaining Institutional Change: Ambiguity, Agency, and Power* (Cambridge, UK: Cambridge University Press, 2010); Orion Lewis and Sven Steinmo, "How Institutions Evolve: Evolutionary Theory and Institutional Change," *Polity* 44, 2012: 314–339.

⁵ Jennifer Gandhi, *Political Institutions under Dictatorship* (New York: Cambridge University Press, 2008); Jason Brownlee, *Authoritarianism in an Age of Democratization* (New York: Cambridge University Press, 2007).

whereby policy makers' experiences and observations serve as a feedback mechanism leading to endogenous institutional change.

Although the policy learning literature focuses on this process in democracies, I find that a similar learning process occurs in and across authoritarian regimes as well and in fact that the role of civil society in this process is strengthened in nondemocracies that lack institutional mechanisms for the transmission of information about policy. In democracies, civil society organizations offer only one perspective (or voice) on policy and compete with many other actors, such as lobbyists and media, whereas in nondemocracies, civil society might be the only non-state actor advocating for policy change and sharing information about failed policies. As I find in the case of China, local officials' learning about the emerging civil society appearing in the early 1990s led to a new state-civil society relationship at the local level first in Yunnan and then in Beijing before spreading to other provinces. In the final section of this book, I trace the process whereby the consultative authoritarianism model diffused to other authoritarian regimes as policy makers observed this seemingly successful model of balancing the benefits and dangers of civil society developing in China.

THE ARGUMENT: THE PROCESS OF POLICY LEARNING

Dominant theories of civil society depict a state-society relationship of autonomy, whereby civil society operates in a separate social sphere from the political one of the state.⁶ In democracies, these liberal theories of civil society depict an independent and often conflictual relationship with the state. In authoritarian regimes, these theories predict repressive or incorporated state-society relationships as a result of social threats to state authority.⁷

⁶ Michael W. Foley and Bob Edwards, "The Paradox of Civil Society," *Journal of Democracy* 7, 1996: 38–52.

⁷ Philippe C. Schmitter, "Still the Century of Corporatism?" *The Review of Politics* 36, 1974: 85–131.

Corporatism is a state-society model that incorporates all societal groups into state organizations as “transmission belts,” transferring information between state and society. For example, all labor associations would be incorporated into one mass labor organization that is funded and staffed by the government. The characteristics of corporatism are that all social organizations operate as government entities and as such depend on government funding and employees to meet goals outlined by the state. Additionally, there is a lack of competition among organizations for each constituency: “at the national level the state recognizes one and only one organization (say, a national labor union, a business association, a farmers’ association) as the sole representative of the sectoral interests of the individuals, enterprises or institutions that comprise that organization’s assigned constituency.”⁸ The intention of corporatism is to integrate interest articulation into state agencies to control it and not allow social mobilization that might possibly be used against the state. Independent grassroots groups in this system are not allowed to exist, but as in the case of China when these groups began to form in the 1990s, corporatism can adapt by requiring that all groups register and operate under a state agency.⁹ However, I argue that during the 2000s, state-civil society relationships in China have changed from corporatism to a hybrid model of consultative authoritarianism that combines the autonomous civil society found in liberal models with mechanisms of state control found in corporatist models. Although corporatism still exists in China, CA is increasingly becoming the dominant model, as seen in recent regulatory changes such as easing registration requirements for groups.¹⁰

⁸ Jonathan Unger and Anita Chan, “Corporatism in China: A Developmental State in an East Asian Context,” in *China after Socialism: In the Footsteps of Eastern Europe or East Asia?* Barrett McCormick and Jonathan Unger, eds. (Armonk, NY: M.E. Sharpe, 1995), pp. 95–96.

⁹ Kenneth W. Foster, “Associations in the Embrace of an Authoritarian State: State Domination of Society?” *Studies in Comparative International Development* 35, Winter 2001: 84–109; Jennifer Hsu and Reza Hasmath, eds., *The Chinese Corporatist State: Adaption, Survival and Resistance* (London: Routledge, 2013).

¹⁰ Zhuang Pinghui, “Guangdong to Allow Some NGOs off the Leash,” *South China Morning Post*, November 25, 2011; available at <http://www.scmp.com/article/985858/guangdong-allow-some-ngos-leash>

In contrast to corporatism, consultative authoritarianism is a state-society model that allows for fairly independent social organization of many competing groups but seeks to control these organizations through a system of state management. However, in contradistinction to the direct tools used in corporatism, those used here are indirect and consist of positive and negative incentives that seek to punish certain activities while encouraging others. This term “consultative authoritarianism” is my adaptation of Li Junru’s term “consultative democracy (*xieshang minzhu* 协商民主).”¹¹ Li argues that an increase in public participation in policy making indicates a process of democratization in China. However, I argue that growing consultation does not indicate a process of democratization, but rather the creation of a new model that encourages independent civil society groups to participate in policy but also seeks to guide that participation through a system of indirect positive and negative incentives. Kang Xiaoguang and Han Heng also contend that this system of incentives, which they call “differentiated controls,” indicates changing state–civil society relations whereby the government uses different tools to control varying types of groups.¹² Groups that are deemed “safe,” such as those formed by government cadres or primarily interested in service delivery, are treated differently from those that might deal with issues of human rights advocacy. This has led to an explosion of civil society groups in China since 2000 – an associational revolution composed of both independent grassroots groups and those with close ties to government agencies.

¹¹ 李君如 (Li Junru), *Dangdai Zhongguo zhengzhi zouxian* (*Trends in Contemporary Chinese Politics*) (Fuzhou: Fuzhou renmin chubanshe, 2007), pp. 143–146.

¹² 康晓光与韩恒 (Kang Xiaoguang and Han Heng), “分类控制：当前中国大陆国家与社会关系研究 (Differentiated Control: Current State and Society Relationship Research in Mainland China),” *社会学研究 (Sociology Research Journal)* 6, 2005; available at <http://www.chinareform.net/2010/0116/8243.html>; for another conception of growing consultation, see Orion Lewis, “Net Inclusion: New Media’s Impact on Deliberative Politics in China,” *Journal of Contemporary Asia*, 2013: http://www.tandfonline.com/doi/abs/10.1080/00472336.2013.769387#.Ul2k7VCko_4

In contrast to corporatism, this CA model is characterized first by a more autonomous civil society, such as grassroots groups or formerly government-organized groups gaining more operational autonomy (i.e., designing projects, securing diverse sources of funding, independent hiring). Second, this model is characterized by a set of positive and negative incentives designed to indirectly control group activities, rather than the direct methods utilized by corporatism such as control over budgets and hiring. Positive incentives include government grants, capacity-building programs, pilot project permits, and access to policy making. Negative incentives include tax fraud charges, volunteer or staff intimidation, and seizure of documents or lengthy questioning of staff by police (喝茶).¹³ As seen in the case studies analyzed in later chapters, repression is the most extreme of the possible negative incentives but does still occur. Many groups focusing on controversial topics or those led by prominent activists in areas such as HIV/AIDS, legal advocacy, and human rights have been closed or had members arrested. Despite a changing political economy in China, local officials are still powerful and able to repress groups if necessary. In fact, the 2012 budget prioritized spending on social stability above that on national defense. However, local officials have developed a toolkit of indirect incentives that make outright repression less necessary.

I contend that the state-society relationship in China is evolving from corporatism to CA in response to a process of learning by local officials. As a result of a changing political economy during the 1990s in which they were expected to deliver public goods and increase development with little control over fiscal policy, officials were searching for ways to achieve expanded goals with less funding. As they learned through direct experience with civil society and observation of other provinces' and countries' experiences, one

¹³ Yaxue Cao, "Drinking Tea with the State Security Police – Components of a He Cha Session," *Seeing Red in China*, available at <http://seeingredinchina.com/2012/03/01/drinking-tea-with-the-state-security-police-components-of-a-hecha-session/>

emergent policy solution was to partner with civil society groups receiving funding and innovative policies from abroad. The CA model grew out of a desire by these local officials to reap the benefits of allowing the formation of an independent civil society that assists with development and governance goals, while minimizing the danger of these groups mobilizing citizens to pressure the state for political change. As I discuss later, civil society played a large role in shaping perceptions of these benefits and dangers.

THE GLOBAL ASSOCIATIONAL REVOLUTION

The associational revolution experienced in China beginning in the early 1990s was shared as volunteering and associational activity grew rapidly all over the world. As Lester Salamon argues,

We seem to be in the midst of a “global associational revolution,” a massive upsurge of organized private voluntary activity, of structured citizen action outside the boundaries of the market and the state, that I am convinced will prove to be as momentous a feature of the late 20th century as the rise of the nation-state was of the late 19th century.¹⁴

This global associational revolution is led by voluntary citizen organizations, such as nonprofit organizations (NPOs), nongovernmental organizations (NGOs), charities, sports clubs, and other interest-based organizations. Scholars often use the term “civil society” to represent this diverse associational life, ranging from large groups such as The Nature Conservancy or Doctors Without Borders to smaller, local groups such as soccer or book clubs.

The civil society sector is a major economic force in the world. In fact, NPOs as early as the mid-1990s accounted for \$1.2 trillion in expenditures and 31 million full-time workers.¹⁵ In the United States alone, the country’s more than 76,000 grant-making foundations gave an estimated \$45.7 billion in 2010, in addition to

¹⁴ Lester Salamon, “The Third Sector and Volunteering in Global Perspective,” presentation at the 17th Annual International Association of Volunteer Effort Conference, Amsterdam, The Netherlands, January 15, 2001.

¹⁵ Lester M. Salamon et al., *Global Civil Society: Dimensions of the Nonprofit Sector* (Baltimore: Center for Civil Society Studies, 1999).

grants of \$10 million or more in 2009.¹⁶ These resources have continued to increase, expanding the influence of these groups especially in the developing world. Whereas the majority of these organizations are based in the United States and Europe, many Western international nongovernmental organizations (INGOs) conduct projects in the developing world and fund the further development of indigenous groups through capacity-building projects. For example, of the ten largest grants in the United States in 2009, five were awarded by the Gates Foundation mainly for overseas health and education programs, and international giving accounted for nearly 24 percent of total grant dollars awarded.¹⁷ In large part, the ability of local groups to link to international groups increases the strength and capacity of grassroots organizations in developing countries.¹⁸

Additionally, and perhaps more interestingly, this global associational revolution is occurring regardless of regime type. For example, in democracies such as France, analysts see rapid growth in the formation of new associations from 10,000 per year in the 1960s to between 50,000 and 60,000 per year in the 1980s and 1990s, but also in more authoritarian regimes such as Russia, with more than 100,000 organizations organized in the late 1990s alone.¹⁹ In China, registered organizations increased from approximately 5,000 to 500,000 since 1990, and unregistered organizations far exceed these reported numbers. Although the scale and group resources of this explosion of civil society activity in nondemocracies trail behind those of industrialized democracies, this is truly a global associational revolution.

The associational revolution is widely hailed as a transformative force in domestic and international politics, as many scholars credit a vibrant civil society with positive economic and political

¹⁶ *Foundation Growth and Giving Estimates*, Foundation Center, 2011: available at <http://foundationcenter.org/gainknowledge/research/nationaltrends.html>.

¹⁷ *Foundation Giving Trends: Current Outlook*, Foundation Center, 2011: <http://foundationcenter.org/gainknowledge/research/nationaltrends.html>.

¹⁸ Margaret Keck and Kathryn Sikkink, *Activists beyond Borders: Advocacy Networks in International Politics* (Ithaca, NY: Cornell University Press, 1998).

¹⁹ Salamon, *Global Civil Society*.

outcomes such as the overthrow of dictators, greater participation in democratic politics, economic development, and increased social trust.²⁰ President Bill Clinton describes the political power of the global associational revolution in the following way: “We have, as private citizens, because of the rise of democracy, the rise of the Internet, and the rise of the NGO in the developing as well as the developed world, we have more power as private citizens to do public good than at any time in world history.”²¹ Dominant liberal theories of civil society contend that associational activity influences these outcomes by encouraging citizen participation and is thus a prerequisite for democratization. For example, Alexis de Tocqueville argued that voluntary associations in the United States served to articulate the interests of broader society while serving as a check on the tyranny of government power.²² In order for associations to limit government power, it is thought that these groups must be autonomous or independent from the state.²³ Thus, liberal theories of civil society depict an autonomous and oppositional relationship between associations and the state.²⁴ In an authoritarian context, liberal theories of civil society depict a state-society relationship predicated on conflict as the regime attempts to incorporate civil society into the state apparatus and represses any groups that resist. In short, in authoritarian

²⁰ Robert Putnam, *Making Democracy Work* (Princeton, NJ: Princeton University Press, 1993); A. Hadenius and F. Uggla, “Making Civil Society Work, Promoting Democratic Development: What Can States and Donors Do?” *World Development* 24, no. 10, 1996, 1621–1639; Deepa Narayan and Lant Pritchett, “Cents and Sociability: Household Income and Social Capital in Rural Tanzania,” World Bank Working Paper, May 1997: http://econ.worldbank.org/external/default/main?pagePK=64165259&theSitePK=475520&piPK=64165421&menuPK=64166093&entityID=000009265_3971023104038

²¹ William Jefferson Clinton, “Finding Our Collective Voice,” *InterAction Annual Forum*, April 12, 2006: http://www.kaiserhealthnews.org/health_cast/uploaded_files/041206_interaction_clinton_transcript.pdf

²² Alexis de Tocqueville, *Democracy in America* (New York: Harper & Row, 1969). Originally published in 1835.

²³ Jürgen Habermas, *The Structural Transformation of the Public Sphere* (Cambridge, MA: MIT Press, 1989).

²⁴ Jürgen Habermas, “Three Normative Models of Democracy,” *Constellations* 1, 1994: 1–10.

regimes, we should not observe independent civil society, only organizations acting as societal arms of the state.

Although this liberal approach to civil society dominates both the academic and policy discourses, many debates exist over which types of groups belong in this category and how to define civil society.²⁵ These debates center on the role of public participation and autonomy from the state, and they question the distinction made by liberal theorists that groups included in this category have voluntary membership and independence from the government. For example, groups with non-voluntary members or state employees would be excluded. Many scholars question this definition, especially the autonomy criterion, and ask how much and what kind of autonomy from the state are necessary for civil society to achieve political participation, economic development, and increased social trust.²⁶ As Gordon White, Jude A. Howell, and Shang Xiaoyuan argue, “in brief, the extent to which a specific social organization embodies the defining qualities of ‘civil society’ – autonomy, separation and voluntariness – is a question of degree rather than either/or.”²⁷ In fact, despite liberal theorists’ claims that civil society in democracies is autonomous from the state, Lester Salamon’s Nonprofit Sector Project finds that Western European groups on average receive approximately 56 percent of their funding from the government or public sector, whereas groups in the post-communist states of Eastern/Central Europe receive 33 percent, and those in newer democracies in Latin America receive approximately 15 percent of funding from

²⁵ Larry Diamond, “Rethinking Civil Society: Toward Democratic Consolidation,” *Journal of Democracy* 5, July 1994; Michael W. Foley and Bob Edwards, “The Paradox of Civil Society,” *Journal of Democracy* 7, 1996: 38–52; Antonio Gramsci, *Letters from Prison*, Raymond Rosenthal, translator, and Frank Rosengarten, editor (New York: Columbia University Press, 1994).

²⁶ Neera Chandhoke, “A Critique of the Notion of Civil Society as the ‘Third Sphere,’” in *Does Civil Society Matter? Governance in Contemporary India*, Rajesh Tandon and Ranjita Mohanty, eds. (New Delhi: Sage Publications India Ltd, 2003), pp. 27–58.

²⁷ Gordon White, Jude A. Howell, and Shang Xiaoyuan, *In Search of Civil Society: Market Reform and Social Change in Contemporary China* (Oxford, UK: Clarendon Press, 1996).

the state.²⁸ Therefore, as far as measuring autonomy using funding sources, civil society groups in democracies actually have a closer relationship to the state than do those in new democracies.

In light of these debates, I use the conventional definition of civil society as social groups with voluntary memberships but use the term “operational autonomy” in place of the dichotomous term “autonomy.” Operational autonomy is simply an organization’s freedom to formulate and pursue a self-determined agenda without undue external pressure.²⁹ This definition incorporates a focus on group goals and allows a continuum of autonomy, which more accurately describes civil society experience. Although the conventional definition of civil society is limited, the term itself is useful for analytical purposes because it identifies a sphere of civic activity and allows for comparisons over time and across states. Focusing on a sphere of activity helps distinguish between the types of groups, in that each sphere operates under a different logic. A political or market logic dictates competition over achieving private goods, whereas a civic logic dictates action to secure public services or policies for a perceived common good. Thus, maintaining the conventional term of civil society but focusing more on operational autonomy allows scholars to research this relationship in a less dichotomous fashion to observe gradual changes in group autonomy.

CHANGING STATE–CIVIL SOCIETY RELATIONSHIPS: POLICY LEARNING UNDER AUTHORITARIANISM

Many China scholars argue that the relationship between the local state and civil society is still corporatism, meaning that groups do not have autonomy from the state but instead function as a subordinate appendage to the bureaucracy using shared financial

²⁸ The Johns Hopkins Comparative Nonprofit Sector Project, 1995: <http://ccss.jhu.edu/>.

²⁹ Shaoguang Wang, “Money and Autonomy: Patterns of Civil Society Finance and Their Implications,” *Studies in Comparative International Development* 40, no. 4, 2006: 3–29.

and human resources.³⁰ However, since the mid-2000s, several scholars have identified variation in the level of autonomy from the state.³¹ If, as I find, the relationship shifts from predominantly corporatism in the 1990s to CA in the 2000s, what accounts for this change? In order to explain it, I draw on the social learning–policy transfer literature, which focuses on policy transfer and lesson drawing as processes whereby knowledge about policies, administrative arrangements, or institutions is used across time or space in the development of policies, administrative arrangements, and institutions elsewhere.³² Simply put, local officials learned about the benefits and dangers of civil society through direct and vicarious (observation) experiences and as a result acted to change the existing relationships to maximize the benefits while minimizing the dangers. This change occurred informally through an increasing number of public–private partnerships and formally through regulatory change.

As Richard Rose points out, a policy maker is not a theorist but a social engineer seeking knowledge instrumentally.³³ Policy makers do not have the time or the knowledge to be maximizers, continuously seeking an ideal policy, and instead act as “satisficers.”³⁴ This means that when the policy routine is disrupted because policy makers can no longer operate on the “assumption that what was satisfactory before is still satisfactory,” they seek to change existing policy just enough to dispel this dissatisfaction by using policy ideas that are easily accessible.³⁵ Dissatisfaction

³⁰ Kenneth W. Foster, “Embedded within State Agencies: Business Associations in Yantai,” *The China Journal*, no. 47, January 2002: 41–65.

³¹ Yiyi Lu, “The Autonomy of Chinese NGOs: A New Perspective,” *China: An International Journal* 5, no. 2, 2007: 173–203; Shaogang Wang, “Money and Autonomy: Patterns of Civil Society Finance and Their Implications,” *Studies in Comparative International Development* 40, 2006: 3–29.

³² Diane Stone, “Learning Lessons, Policy Transfer and the International Diffusion of Policy Ideas,” *Centre for the Study of Globalisation and Regionalisation*, 2000: 2.

³³ Richard Rose, “What Is Lesson-Drawing?” *Journal of Public Policy* 11, no. 1, 1991: 5.

³⁴ Herbert A. Simon, “Rational Decision Making in Business Organizations,” *American Economic Review* 69, no. 4, 1979: 493–513.

³⁵ Rose, “What Is Lesson-Drawing?” 11.

with a policy originates in a number of ways but is basically a disconnect between the policy's intended and actual outcomes. This disconnect can be caused by uncertainty in the minds of policy makers over goals or results, changes in the policy environment itself, or the simple accretion of unintended consequences. For example, Mark Blyth finds that delegitimation of existing economic institutions created uncertainty in the minds of policy makers during a period of crisis in the United States that motivated a shift from Keynesian policies to monetarist ones.³⁶

In China, I find that this dissatisfaction or sense of policy failure stems from local governments' changing responsibility over the provision of public goods and services. Beginning in the 1980s, the central government decentralized fiscal policy to local government by transferring to local governments primary responsibility for the provision of public goods, such as education, health care, infrastructure, and social security programs such as unemployment insurance. However, local governments do not possess the necessary fiscal autonomy to meet these unfunded mandates. The central government restricts the ability to tax local populations and to secure bonds or loans through fiscal budget laws, so local governments cannot issue debt and run fiscal deficits. Nevertheless, with the demands on local governments increasing while fiscal transfers from the central government remain low, most provinces operate a budget deficit, tax illegally, or borrow using special financial vehicles to fund social programs through extra-budgetary revenue.³⁷ The experience of decentralization in China has led to the creation of unfunded mandates and high levels of local debt.³⁸ In fact, Victor Shih estimates that local

³⁶ Mark Blyth, *Great Transformations: Economic Ideas and Institutional Change in the Twentieth Century* (Cambridge, UK: Cambridge University Press, 2002).

³⁷ David D. Li, "Large Domestic Non-Intermediated Investments and Government Liabilities – Challenges Facing China's Financial Sector Reform," World Bank Working Paper, 2006: accessed on March 2008. Christine Wong, "Budget Reform in China," *OECD Journal on Budgeting*, 2007: 33–56.

³⁸ Mark W. Frazier, *Socialist Insecurity: Pensions and the Politics of Uneven Development in China* (Ithaca, NY: Cornell University Press, 2010); Hongbin Cai and Daniel Treisman, "State Corroding Federalism," *Journal of Public Economics*, October 2002.

governments were at least 10.7 trillion yuan (\$1.68 trillion) in debt by the end of 2009, almost a quarter of which was backed by land.³⁹ At this level, the size of local debt is roughly one-third of China's 2009 GDP and 70 percent of its foreign-exchange reserves. In addition to high (and illegal) debt levels, local officials increasingly viewed this model of service delivery as a failure in that it did not deliver the desired development outcomes, leading to regional disparities in public services.⁴⁰

Policy failure was important to local officials not only because of the inability to provide necessary services but also because promotion depended on public goods provision. The Target Management Responsibility System (*gangwei mubiao guanli zerenzhi* 岗位目标管理责任制) prioritizes economic targets such as public goods provision to evaluate cadre performance and determine promotions and raises.⁴¹ Officials' dissatisfaction with the service delivery system and competition for promotion created the motivation or "space" for innovation and local policy change, at the level of both formal regulations and informal interactions.

As the policy learning literature highlights, two possible causal mechanisms for behavioral change exist, namely a shift in interests and a process of rational learning.⁴² According to the interest-based argument, a change in local officials' interests forces a change in behavior toward civil society organizations. For

³⁹ Victor Shih, "China's 8,000 Credit Risks," *Asian Wall Street Journal*, February 8, 2010.

⁴⁰ Loraine West and Christine Wong, "Fiscal Decentralization and Growing Regional Disparities in Rural China: Some Evidence in the Provision of Social Services," *Oxford Review of Economic Policy* 11, 1995: 70–84.

⁴¹ Susan Whiting, *Power and Wealth in Rural China: The Political Economy of Institutional Change* (Cambridge, UK: Cambridge University Press, 2001); Pierre Landry, "The Political Management of Mayors in Post-Deng China," *The Copenhagen Journal of Asian Studies* 17, 2003.

⁴² Peter Hall, "Policy Paradigms, Social Learning, and the State: The Case of Economic Policy Making in Britain," *Comparative Politics* 25, no. 3, 1993; David Dolowitz and David Marsh, "Who Learns What from Whom? A Review of the Policy Transfer Literature," *Political Studies* 44, 1996: 343–357; Frank Dobbin, Beth Simmons, and Geoffrey Garrett, "The Global Diffusion of Public Policies: Social Construction, Coercion, Competition, or Learning?" *Annual Review of Sociology* 33, 2007: 449–472.

example, in China, the changing political economy of decreasing local government capacity to provide the public goods and services necessary for promotion creates new interests on the part of local officials. This argument predicts that poorer provinces should have more collaborative relationships with civil society, so that group resources can be used to help local cadres win promotion. However, I find that this predicted relationship only holds in two of the four cases examined in the following chapters. Thus, the interest-based argument helps establish the political economy in which policy decisions are made but does not determine the decision itself. Officials face many policy options in poor provinces, so why choose to collaborate with civil society organizations instead of applying to the central government for more revenue transfers, for example?

Instead, I argue that a process of rational learning motivates this shift in officials' relationships with civil society. As Peter Hall explains, learning occurs when individuals assimilate new information, including that based on past experience, and apply it to subsequent actions.⁴³ Therefore, policy learning is a deliberate attempt on the part of government officials to adjust the goals or techniques of policy in response to past experience and new information, and policy changes as the result of such a process. The failure of existing service delivery policies to provide public goods, which to a large extent determine promotions for local officials, motivates officials to search for new policies, but why did they choose to encourage the formation of a more independent civil society? In this section, I examine the causal mechanisms behind this change, namely policy learning through initial experience with an emerging civil society and by observing similar state-society models in other provinces and countries. I contend that a process of rational learning caused a shift in officials' relationships with civil society groups from a corporatist to a consultative authoritarianism one.

Learning occurs when new evidence changes beliefs either directly from one's own experiences or vicariously from the

⁴³ Hall, "Policy Paradigms, Social Learning, and the State," 278.

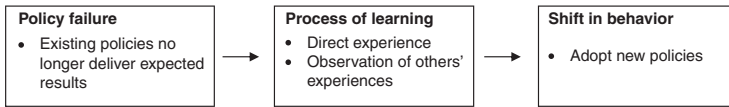


FIGURE I. I. Rational Learning Process

experiences of others. As information accumulates, some beliefs are discarded and others reinforced, but the more consistent the evidence, the more likely policy makers will converge on a narrow range of interpretations.⁴⁴ Thus, the emphasis in learning theories is on cognition and the redefinition of interests on the basis of new knowledge that affects the fundamental beliefs and ideas behind policy approaches.⁴⁵ As illustrated in Figure I. I, this new information comes from policy makers' experiences or from observation of policy experiments elsewhere.

First, policy makers learn about solutions to policy failures through observing the experience of other policy makers struggling with a similar situation.⁴⁶ As these policy makers are satisficers without enough time or resources to independently evaluate all possible policy experiments occurring around the world, they often use cognitive shortcuts in which some sources of learning are more important than others, such as similar countries or highly successful outcomes. For example, research on how countries formulate and implement national pension privatization programs shows a process of social learning from regional neighbors.⁴⁷ In this case, policy makers view policy experiments in neighboring countries as more likely to also work in their country because of similar attributes. As the diffusion of neoliberalism illustrates, outcomes that are viewed as highly successful also serve as prominent sources of learning, regardless of perceived "fit" of the origin

⁴⁴ Dobbin et al., "The Global Diffusion of Public Policies," 460.

⁴⁵ Hall, "Policy Paradigms, Social Learning, and the State."

⁴⁶ Barbara Levitt and James G. March, "Organizational Learning," *Annual Review of Sociology* 14, 1988: 319–340.

⁴⁷ Sarah Brooks, "Interdependent and Domestic Foundations of Policy Change: The Diffusion of Pension Privatization around the World," *International Studies Quarterly* 49, no. 2, 2005: 273–294.

country.⁴⁸ Observations of other policy experiments therefore serve as a source of learning.

Second, policy makers' direct experience plays a key role in this learning process. As Richard Rose notes, in policy-making circles, experience has a unique status as a justification of effectiveness reflecting concerns with feasibility.⁴⁹ Policy makers use past and present experiences to inform ideas of policy change in response to the failure of existing policies – what has worked in the past and what is currently viewed as effective.⁵⁰ A number of actors are important in this learning process, as either those learning or those providing lessons, including central and local government officials, technical staff at government agencies, civil society groups and INGOs, and intergovernmental organizations.

As I find in China, civil society plays an important role in this learning process through direct interaction with local officials on projects as well as providing information about models or policies used in other places. For example, INGOs, one of the main actors in the policy learning process, influence global public policy through the ability to spread ideas and information on an international level.⁵¹ Many disciplines study how information is transmitted and find that this primarily happens in networks. For example, scholars studying epistemic communities – knowledge-based networks of individuals with policy-relevant knowledge based on common professional beliefs and common policy concerns operating at state, national, and international levels – argue that the intensity of interaction over shared concerns allows for

⁴⁸ Beth A. Simmons, Frank Dobbin, and Geoffrey Garrett, "Introduction: The International Diffusion of Liberalism," *International Organization* 60, 2006: 781–810.

⁴⁹ Rose, "What Is Lesson-Drawing?"

⁵⁰ Hall, "Policy Paradigms, Social Learning, and the State"; George E. Peterson, *Decentralization in Latin America: Learning through Experience* (Washington DC: World Bank, 1997).

⁵¹ Dolowitz and Marsh, "Who Learns What from Whom? 11; Norton Wheeler, *The Role of American NGOs in China's Modernization: Invited Influence* (Abingdon, Oxon; New York: Routledge, 2013).

lesson drawing.⁵² Much of this scholarship has focused on the spread of environmental policies through transnational networks of scientists, NGOs, activists, and domestic policy makers.

Even though non-state actors, such as international and domestic civil societies, cannot bring about policy change without governments instituting new policies, they can transmit information through networks of technical specialists and officials. Diane Stone contends that whereas policy transfer primarily involves bureaucrats and politicians, non-state actors may provide a “soft” transfer of broad policy ideas influencing public opinion and policy agendas, with officials providing a “hard” transfer of policy practices and instruments involving formal decision making.⁵³ These non-state policy entrepreneurs help transfer the intellectual foundation supporting policies, such as the rhetoric, language, and scholarly discourse necessary to give substance and legitimacy to policies.⁵⁴ Specifically, policy entrepreneurs participate in learning by policy makers through acting as resources for expert and technical information, advocating policy ideas and transmitting information about others’ experiences, spreading ideas and information through bureaucratic and advocacy networks across borders, and identifying problems and tying them to best practices. Civil society groups identify problems and link them to policy solutions by “judging, evaluating, synthesising and weeding out ‘useful’ or ‘valid’ research and analysis from among the cacophonous welter of information pressed upon public bodies by NGOs, corporations, lobbyists and others.”⁵⁵ This information-politics role, facilitated by the linkage of many domestic civil society groups into transnational advocacy coalitions, creates an important channel for these groups to

⁵² Peter Haas and Ernst Haas, “Learning to Learn: Improving International Governance,” *Global Governance* 1, no. 3, 1995: 255–285; Ernst B. Haas, *When Knowledge Is Power: Three Models of Change in International Organizations* (Berkeley: University of California Press, 1991).

⁵³ Stone, “Learning Lessons”; Diane Stone, “Non-Governmental Policy Transfer: The Strategies of Independent Policy Institutes,” *Governance* 13, no. 1, 2000: 45–70.

⁵⁴ Dolowitz and Marsh, “Who Learns What from Whom?” 345.

⁵⁵ Stone, “Learning Lessons,” 22.

participate in public policy, especially in an authoritarian state that does not have many channels for public participation.⁵⁶

As explained in more detail in the following chapter, I find that the failure of service delivery policies and competition for promotion motivated local officials in China to search for new policies, including partnering with civil society, to bridge the resource gap and develop innovative policies. As a senior official in the Ministry of Civil Affairs explained, “The government cannot totally manage health, culture, social welfare and education. In the future China will have a big society and a small government. Social organizations will play a big role.”⁵⁷ According to interviewed local officials, pressure to provide public goods motivated initial collaborations with civil society because officials could access international funding and resources to further promotion goals and increase welfare in the local community, and if the collaboration appeared to lead to unrest, they could simply shut down the whole project.⁵⁸ These partnerships, or direct learning experiences, were also facilitated by an increase in international funding sources for civil society.

Beginning in the early 1990s, international funding agencies and INGOs began to work in China, often explicitly excluding local governments and funding grassroots groups.⁵⁹ The World Bank and other international funding agencies, such as the Ford Foundation, wanted to fund development through more bottom-up initiatives.⁶⁰ This international environment created

⁵⁶ Keck and Sikkink, *Activists beyond Borders*.

⁵⁷ Jude Howell, “Prospects for NGOs in China,” *Development in Practice* 5, February 1995: 10.

⁵⁸ More than 100 author interviews conducted with academics, officials, and civil society leaders in Beijing, Yunnan, Jiangsu, and Sichuan provinces between 2006 and 2010.

⁵⁹ Jessica Mathews, “Power Shift: The Rise of Global Civil Society,” *Foreign Affairs* 76, January/February 1997; Lester Salamon and Helmut K. Anheier, *The Emerging Not-For-Profit Sector: An Overview* (Manchester, UK; New York: Manchester University Press, 1996).

⁶⁰ Bishwapriya Sanyal, “Cooperative Autonomy: The Dialectic of State-NGOs Relationship in Developing Countries,” *International Institute for Labour Studies* 100, 1994: 1–72.

rising capacity among domestic groups to help bridge the resource gap and solve welfare provision problems through access to international funding and innovative service models. As one group member explained, “my organization’s role is service delivery – providing services that the government cannot provide. While government investment in health is increasing, the majority goes to the cities with 80 percent of the funding serving 20 percent of the population.”⁶¹ To take advantage of this new funding stream, local officials partnered with existing groups or supported the creation of new groups. In fact, as one official explained, partnering with these groups opened up a new line of finance with little risk unlike common extra-budgetary channels such as increasing fees and taxes or selling land, both of which create social protest.⁶² These partnerships allowed local officials to directly experience the benefits of a fairly autonomous civil society and over time helped change the local state–civil society relationship from corporatism to CA.

In my analysis of policy learning in China, I find that both domestic and international civil society groups play a role by (1) transmitting information and policy preferences through the experiences of partnering officials and (2) sharing best practices observed in other provinces/countries through epistemic communities. These two main mechanisms of personal experience and vicarious experience (observation) create a process of learning that ultimately changes officials’ original ideas of the appropriate relationship between an authoritarian state and independent civil society from a corporatist to the more independent one in the CA model. As I discuss in greater detail in the following four chapters, I find that different relationships between the local state and civil society develop in the 1990s in the four provinces selected for this analysis – Beijing, Yunnan, Sichuan, and Jiangsu – ranging from traditional corporatism to a new model of consultative

⁶¹ Author interview with founder of health care association, Simao, Yunnan, February 8, 2007.

⁶² Author interview with retired health bureau cadre (卫生局), Yunnan, May 6, 2007.

authoritarianism. These varying relationships reflect divergent ideas on the part of local officials engaged in learning about the appropriate role of these emergent groups in modern Chinese society. During this period, officials' learning is based on the following four primary observations and experiences: (1) the observed success of Western state-society models in mitigating social unrest (2) the observed role of civil society overthrowing authoritarian regimes in the color revolutions (3) positive direct experiences with some development groups, and (4) negative direct experiences with some environmental and human rights organizations. The observation of the role played by civil society in promoting social stability and welfare in Western states and positive experiences with many international and grassroots development groups led local officials to adapt regulations to encourage the formation and activity of civil society. However, the observation of civil society mobilizing citizens in the color revolutions and experiences with environmental and human rights groups using similar mobilization tactics encouraged local officials to develop an expanded toolbox of control tactics. These two competing lessons motivated local officials to construct a new state-civil society model that sought to maximize the benefits of civil society while mitigating the dangers.

Consultative authoritarianism first developed in Yunnan and then Beijing because of the early presence of civil society groups, and it then spread to other provinces such as Jiangsu and Sichuan as officials there observed the success of this model. In the two cases in which a consultative authoritarianism relationship first developed, local officials in Yunnan and Beijing partnered with civil society groups to deliver public goods as a strategy to meet unfunded mandates imposed by the central government. However, in Jiangsu and Sichuan, local officials initially either incorporated or repressed groups in response to initial negative experiences with existing groups and observations of similar experiences in the color revolutions and only later moved toward a CA model after observing its success and having more positive experiences with local groups. An important facet of the learning process is that it is not unidirectional.

Both lessons that support civil society and those that do not exist, and policy makers must base new policies on both sources of learning, leading to variation across provinces initially. However, civil society groups possess agency in this learning process by helping government officials meet goals, thus providing positive direct experiences, or by sharing examples of successful public-private partnerships from other places. For example, through collaboration with civil society groups after the Sichuan earthquake in 2008, local officials learned more about the beneficial role that these groups might play in mobilizing resources and helping the local state more effectively meet goals that ultimately changed the existing relationship.⁶³ Despite the initial divergence in relationships with an emerging civil society in the 1990s, I find growing convergence on a consultative authoritarianism model of local state–civil society relations across these four provinces and the rest of the country since the mid-2000s. This new CA model simultaneously allowed for the rise of an autonomous civil society and increasing use of nuanced tools of state control over society.

METHODOLOGY AND FINDINGS

The liberal theory of state–civil society relationships predicts state incorporation of groups and suppression of those that cannot be incorporated in authoritarian regimes. However, I contend that there is more variation in these relationships in China, and that the dominant type of relationship shifts from corporatism in the 1990s to consultative authoritarianism in the 2000s. China is an important case for this analysis simply because it is the hardest case. The Chinese leadership has not politically liberalized toward a hybrid regime as many authoritarian regimes have, but it continues to suppress most political participation by society. For example, in 2009, Chinese courts sentenced a professor at Beijing

⁶³ Jessica C. Teets, “Post-Earthquake Relief and Reconstruction Efforts: The Emergence of Civil Society in China?” *The China Quarterly* 198, June 2009: 330–347.

Normal University, Liu Xiaobo, to 10 years in prison for attempted subversion for his participation in the Charter 08 movement, which was calling for greater freedom of expression, protection of human rights, and political participation, for which he later won a Nobel Peace Prize. If we see changing relationships with civil society in China, which should adhere most closely to the oppositional relationship depicted by liberal theory, then this provides strong evidence of policy learning. Interestingly, this might indicate the possibility of a gradual process of political reform, at least with regard to public participation in policy making, without a democratic revolution.

To analyze changing local state–civil society relationships, the dependent variable, I utilize the characteristic that distinguishes consultative authoritarianism from corporatism – operational autonomy. As the consultative authoritarianism model posits an operationally autonomous civil society interacting with the government as a regulator and project partner versus a direct supervisor, I use the following three regulatory outcomes to indicate the presence of a consultative authoritarianism model: changes in registration requirements, sources of funding, and the development of a system of positive and negative incentives to guide group actions. These changes demonstrate the shift from corporatism to a consultative authoritarianism model by showing the emergence of an indirect versus direct relationship with the state. As I discuss in the following four chapters, I find that the four provinces all change regulations to relax registration requirements, create grant competitions to fund independent group projects, and develop an incentive structure to influence group activity at different points throughout the 2000s.

In the interests of clarity and methodological rigor, it is also necessary to define which state–civil society relationships are not examples of consultative authoritarianism. Corporatism, or those relationships in which civil society groups do not have operational autonomy, is not a CA model. If groups following all relevant national laws are unable to hire and fire, unable to secure different sources of funding including international sources, and unable to design and run projects without constant supervision from local officials, they are not operating within CA model. If the

government represses all groups indiscriminately and does not allow for the formation of autonomous civil society organizations, this also is not a CA model.

To support my argument of policy learning as the explanatory variable causing this changing local state–civil society relationships in China, I use a process-tracing methodology in four municipal/provincial cases – Beijing, Jiangsu, Sichuan, and Yunnan. As Alexander George and Andrew Bennett argue, a comparative case study methodology is particularly effective for exploring aspects of complex causality, such as policy learning.⁶⁴ I selected these four cases using the two independent, or explanatory, variables outlined in the policy learning literature: measures indicating shifting officials' interests and opportunities for learning. First, these four cases vary in levels of local government revenue, which serves as a proxy for the interest-based explanation of changing behavior on the part of local officials. This argument would predict that officials' relationships with civil society vary as a result of the need for resources to provide social welfare, and thus wealthy provinces such as Beijing and Jiangsu should retain the corporatism model of the 1990s, and poor provinces such as Yunnan and Sichuan should develop the new consultative authoritarianism model. As seen in Figure I.2, Yunnan is the poorest province in this comparison, followed by Sichuan to its north. Beijing is the wealthiest, followed by Jiangsu province to its south. Regarding debt, Sichuan and Yunnan are most indebted, followed by Jiangsu and then Beijing. If the interest-based argument is correct, Yunnan and Sichuan should adopt the CA model, not Jiangsu and Beijing.

However, I find that this prediction only holds for Jiangsu and Yunnan, but not for Beijing and Sichuan. Clearly, the ability of groups to assist in service delivery is important in motivating a learning process but not in determining relationship outcomes.

Second, all of these cases have high numbers of registered civil society groups as a proxy measure for learning opportunities.

⁶⁴ Alexander George and Andrew Bennett, *Case Studies and Theory Development in the Social Sciences* (Cambridge, MA: MIT Press, 2005), p. 10.

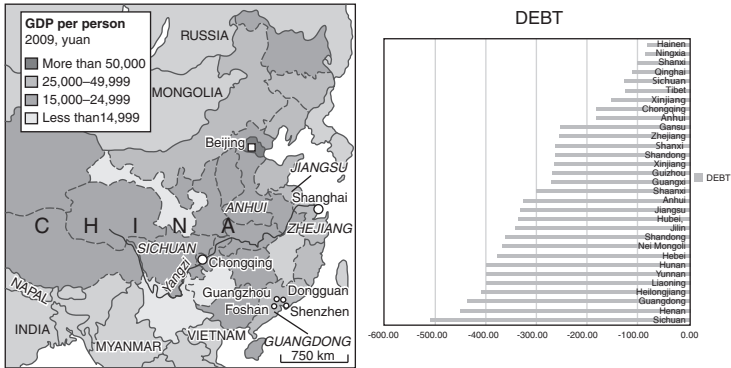


FIGURE 1.2. Provincial Income and Debt Levels in China

Selecting cases with more registered groups was vital to this analysis as provinces without active groups would present little opportunity for officials to learn through personal experience. By examining change over time in these four cases, I demonstrate the causal influence of learning on local state–civil society relationships. However, learning is a difficult thing to observe in that it occurs over (sometimes) a long period of time and is complex, often depending on many factors to result in a lesson learned. To present evidence of learning, I trace officials' self-professed accounts of changing ideas and subsequent policy shifts throughout the 1990s and 2000s through more than 150 interviews. I conducted these interviews in all four provinces between 2006 and 2011 and focused on local government officials, grassroots group leaders, and INGO project managers. Although I did not narrow my analysis to a specific issue area, such as the environment, I attempted to create reliability tests by triangulating my interviews. For example, when interviewing a local government official in the Poverty Alleviation Bureau about his experiences with civil society in his province, I also interviewed the domestic and international poverty alleviation groups to corroborate his account of the relationship. Additionally, I supported my interview evidence with published accounts of policy changes and discussions with Chinese colleagues also conducting research

on civil society in China to provide confirmation of officials' interview statements.⁶⁵

In these interviews, I asked questions about this process of learning and the key mechanisms of experience and observation. These questions focused on direct experiences local officials had with civil society groups as well as any observations they had made about relationships with these groups in other provinces or countries. As illustrated in Figures I.3 and I.4 comparing the four cases, I found that Yunnan and Beijing adopted the CA model first, followed by Sichuan and Jiangsu. Figures I.3 and I.4 map each province's position first in the 1990s and then again in the 2000s to illustrate changes in relative positions on the two characteristics of the CA model – increasing numbers of autonomous groups and state controls.⁶⁶

Figure I.3 shows how Yunnan officials allowed for fairly unfettered growth of civil society, whereas Jiangsu most tightly tried to control the emergence of these groups. However, Figure I.4 shows growing convergence by the 2000s on this model of consultative authoritarianism, in that all four of the provinces moved closer to one another in allowing the emergence of more operationally autonomous groups and adopting a set of indirect controls over these groups. This convergence means that whereas Jiangsu has moved away from its corporatist framework, Yunnan has adopted more restrictions on groups to meet in the middle at the CA model, which allows for autonomous civil society but requires more indirect state controls.

This comparative case study methodology enables an analysis of the causes of this observed relationship change in the four

⁶⁵ Discussions with colleagues at Beijing University's Civil Society Research Center (北大公民社会研究中心), Renmin University's Research Center on Nonprofit Organizations (中国人民大学非营利组织研究所), and Tsinghua University's NGO Research Center (清华非政府管理 (NGO) 研究所) took place several times between 2006 and 2011.

⁶⁶ Note that "autonomy" is measured as operational autonomy and identified through interviews with others in the civil society community as well as the author's assessment, and state controls are measured both through formal regulations on registration and funding and informal interactions such as "having tea."

Legend of Change

Province	Groups	Controls
Beijing	↑	↓
Yunnan	↓	↑
Sichuan	↑	↓
Jiangsu	↑	↓

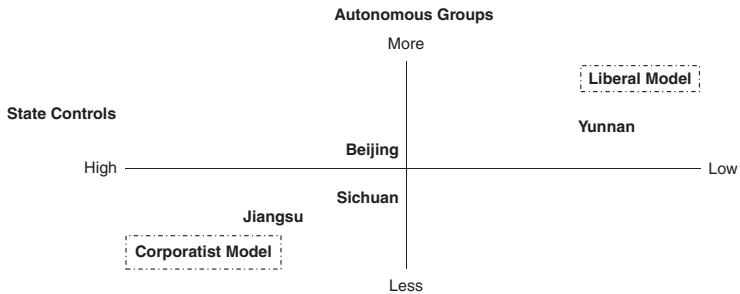


FIGURE 1.3. Local State–Civil Society Relationship Models in the 1990s

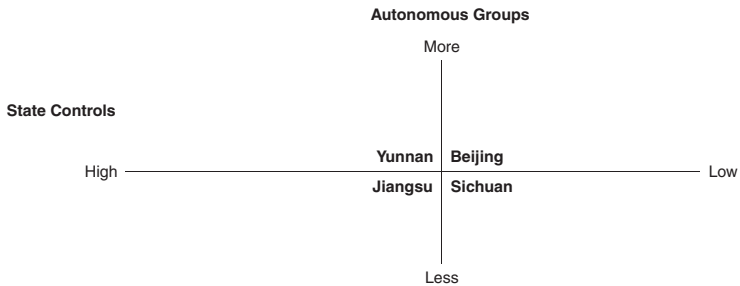


FIGURE 1.4. Local State–Civil Society Relationship Models in the 2000s

selected provinces; however, how generalizable are these findings to the rest of China? The cases used in this analysis include two poorer Western provinces and two richer Eastern provinces/municipalities, which would account for regional or revenue-driven bias. Beijing is also the capital city, which might increase

the number of civil society organizations seeking to advocate policy change to the central leadership; however, social stability pressures might also increase the riskiness of partnering with these groups for local officials. In line with this logic, we should expect that Beijing would be a hard case for observing relationship change, and the fact that I find Beijing adopting a CA model strengthens the reliability of my overall findings. Although variation in local state–civil society relationships across provinces still exists, most other provinces shifted to a consultative authoritarianism model by the late 2000s. In fact, several provinces and municipalities have made regulatory changes similar to those in the four cases in this analysis, such as Chongqing, Shenzhen, Guangdong, and Shanghai; at the national level, the Ministry of Civil Affairs is drafting new policies regulating the registration and activities of civil society expected to be issued by the end of 2014. This evidence of changing relationships supports the contention that this new CA model is beginning to replace the former corporatist one across China.

In the rest of this book, I first analyze the policy failures in social service delivery and influx of civil society in China that initiated learning by local officials. Next, I trace local officials' learning process in the two provinces that first developed this CA model, Yunnan and Beijing, in Chapter 2. In Chapter 3, I conduct the same analysis for Sichuan and Jiangsu and in Chapter 4 examine the important role played by civil society in officials' learning process, focusing on group strategies rather than those of local officials used to help create the CA model. Finally, I conclude with an examination of how this CA model has begun to diffuse to other authoritarian states in a process of authoritarian learning or policy diffusion. A similar learning process as found in China is occurring in other authoritarian regimes and creating a new hybrid state–civil society model.

In fact, scholars who study international policy diffusion find that the occurrences of policy transfer have increased.⁶⁷ Public policy now takes place in a globalized world system with rapid

⁶⁷ Dolowitz and Marsh, "Who Learns What from Whom?"

information flows, as well as in national political systems. Thus, if policy makers are searching for policy solutions, they are increasingly able to look for new policy solutions abroad. As Dolowitz and Marsh argue, this is much easier because of the growth in all forms of communication, politicians and civil servants from different countries meet more frequently, and international policy entrepreneurs “sell” policies around the world.⁶⁸

One of the largest international policy diffusions has been the worldwide spread of economic and political liberalism in the late twentieth century. Simmons, Dobbin, and Garrett contend that free market-oriented economic reforms such as macroeconomic stabilization, liberalization of foreign economic policies, privatization, and deregulation took root in many parts of the world at the same time as a “third wave” of democratization and liberal constitutionalism.⁶⁹ What accounts for this liberal policy diffusion consisting of capitalism and democracy? International policy diffusion scholars argue that national policy choices are interdependent, meaning that governments adopt new policies not in isolation but in response to what counterparts in other countries are doing.⁷⁰ I examine this process of policy transfer across authoritarian regimes during the late 2000s and find that a wave of “illiberalization” is also occurring to mirror the wave of liberalization that the previously mentioned authors discuss.

Authoritarian states encounter a similar circumstance as Chinese officials whereby civil society is seen as beneficial in some ways and dangerous in others. As President Putin warned President Hu at a 2005 Shanghai Cooperation Organization meeting, “If you don’t get a grip on them [NGOs], you too will have a color revolution!”⁷¹ As leaders of nations such as Venezuela and Russia meet in person

⁶⁸ Ibid.

⁶⁹ Simmons et al., “Introduction.”

⁷⁰ Colin Bennett, “What Is Policy Convergence and What Causes It?” *British Journal of Political Science* 21, 1992: 215–233; David Strang and Chang Kil Lee, “The International Diffusion of Public-Sector Downsizing: Network Emulation and Theory-Driven Learning.” *International Organization* 60, no. 4, 2006: 883–909.

⁷¹ David Shambaugh, *China’s Communist Party: Atrophy and Adaptation* (Berkeley: University of California Press, 2008).

and observe events in one another's countries, they learn about ways of interacting with civil society. For example, Hugo Chávez encouraged the growth of government-funded civil society organizations through "Bolivarian Circles" to advocate for the welfare of the poor and disenfranchised in the 1990s.⁷² Chávez's administration incorporated new civil society actors into a corporatist system; however, the existing grassroots groups maintained a relatively autonomous relationship with state agencies as a strategy to access resources in a system without many resources outside of the state bureaucracy. Although these groups are viewed as beneficial for development, the government is attempting to change regulations to restrict funding, especially foreign sources of funding, to suspect civil society groups in response to the idea of a potential color revolution in Venezuela. Venezuela also exhibits a hybrid civil society, with both government-organized and grassroots groups simultaneously operating, and a mix of negative and positive incentives to encourage (or force) groups to follow government signals.

In this way, the consultative authoritarianism model has diffused into other nondemocracies where domestic experiences have supported these lessons. Even though this learning might be partial or poorly implemented, I find evidence of policy sharing between China and many other nondemocracies. This consultative authoritarianism model is viewed as a way to achieve better governance under conditions of authoritarianism, rather than needing to democratize as advocated by Western nations and IGOs such as the World Bank, and thus it has significant implications for understanding the role of civil society inside of authoritarian regimes.

THE SIGNIFICANCE OF THIS RESEARCH: BETTER GOVERNANCE UNDER AUTHORITARIANISM

Support for the liberal oppositional model of state–civil society relations is most clearly illustrated through the practice of some

⁷² María Pilar García-Guadilla, "Civil Society: Institutionalization, Fragmentation, Autonomy," in *Venezuelan Politics in the Chávez Era*, Steve Ellner, ed. (Boulder, CO: Lynne Rienner Publishers, 2003), p. 190.

states and agencies of providing international aid to associations operating in authoritarian or hybrid regimes for the promotion of democracy. Since the end of the Cold War, democracy promotion has been an explicit doctrine of U.S. foreign policy, with funding for democracy programs increasing by more than 500 percent between 1990 and 2003.⁷³ According to this model, an autonomous civil society confronts the authoritarian state and causes democratization through overthrow of the existing regime. For example, in the 2004 Orange Revolution in Ukraine, civil society groups helped mobilize and coordinate protests against the state, ultimately bringing the democratic opposition candidate Viktor Yushchenko to power.⁷⁴

However, although the democratic potential of the global associational revolution provokes much excitement in policy and academic circles, the outcomes to which these groups contribute are often unclear and contradictory.⁷⁵ Although civil society may play a facilitating role in democratization, many empirical studies find little support for a determining role.⁷⁶ For example, several analysts note that the color revolution in Ukraine was led by political parties and a spontaneous public outpouring of support rather than a coordinated campaign by existing civil society groups, attributing more of a contributing role to these groups.⁷⁷ Moreover, research on the consolidation of new democracies finds that civil society can also help facilitate a reverse wave of

⁷³ Steven E. Finkel, Aníbal Pérez-Liñán, and Mitchell A. Seligson, "The Effects of U.S. Foreign Assistance on Democracy Building, 1990–2003," *World Politics* 59, 2007: 404–440.

⁷⁴ Serhiy Kudelia, "Revolutionary Bargain: The Unmaking of Ukraine's Autocracy through Pacting," *Journal of Communist Studies and Transition Politics* 23, 2007: 77–100.

⁷⁵ J.A. Booth and P.B. Richard, "Civil Society, Political Capital, and Democratization in Central America," *Journal of Politics* 60, 1998: 780–800; Stephen Knack, "Does Foreign Aid Promote Democracy?" *International Studies Quarterly*, 48, 2004: 251–266.

⁷⁶ Jason Brownlee, *Authoritarianism in an Age of Democratization* (Cambridge, UK: Cambridge University Press, 2007).

⁷⁷ Taras Kuzio, "The Opposition's Road to Success," *Journal of Democracy* 16, 2005: 117–130.

democratization, as seen in some countries in Latin America.⁷⁸ Thus, civil society contributes to a variety of potential outcomes, sometimes confronting and sometimes collaborating with an authoritarian state. In short, much more variation exists in the relationship between state and associations than allowed for in current liberal civil society theories.

Whereas some of the euphoria over the democratic potential of civil society is justified, as seen in the fall of communism in countries such as Poland, basing foreign policy and academic theory on an oppositional model of civil society and the authoritarian state is dangerous. The primary danger, in addition to simple inaccuracy, is that as these groups fail to live up to their democratic potential or policy makers and funding agencies question their legitimacy as independent civil society actors and either stop funding vital projects or attempt to dictate projects from abroad, which obviates the benefits of local civil society participation. Second, as I argue throughout this book, this idea of civil society held by funding agencies, such as USAID, generates distrust between nondemocratic states and associations, leading to the creation of an oppositional relationship that might not have been present before. In this way, advocating a liberal view of state–civil society relationships in authoritarian states creates a self-fulfilling prophesy that might destroy the chance of other potential relationship models, such as the CA model.

In fact, this hybrid CA model that developed in China in the mid-2000s illustrates the variation in authoritarian state–civil society relationships, especially in response to officials' experience with these groups over time. This new model resulted from learning by policy makers from both personal experiences with civil society groups emerging in China in the 1990s, such as Greenpeace, and by observing international experiences with civil society, such as the color revolutions and the Western regulatory-state model.

⁷⁸ Samuel Huntington, *Political Order in Changing Societies* (New Haven, CT: Yale University Press, 1968); Carew Boulding, "NGOs and Political Participation in Weak Democracies: Sub-national Evidence on Protest and Voter Turnout from Bolivia," *Journal of Politics*, 72, no. 2 2010: 456–468.

Through this process, local officials learned that civil society could offer many benefits in service delivery, development, and policy innovation; however, these groups also presented a danger to authoritarian regimes because of their ability to mobilize citizens and transmit information independent of the state.⁷⁹ As officials learned about civil society, they developed a new model seeking to maximize the benefits while minimizing the dangers represented by these groups. The development of this new model of consultative authoritarianism transforms how scholars understand both the role of civil society and institutional change in authoritarian regimes. First, CA fundamentally changes the nature of policy making in China by expanding the definition of who is a policy maker to include non-state actors such as civil society. In China, as in most authoritarian regimes, policy making is a nontransparent and insular process. Allowing the participation of civil society organizations alters the process of policy making to create more transparency and social feedback. These changes create mechanisms for durable authoritarianism through a flow of information heretofore restricted by the institutional structure of authoritarian institutions. Second, the causal role of learning in catalyzing institutional change in state-society relations highlights a vital role for civil society in authoritarian regimes. As I find, these groups facilitate a learning process both within and across regimes.

In the following chapters, I examine the creation of the CA model in China. Conventional models of authoritarian state-civil society relations are often understood as either repression or incorporation; this model instead depicts a more pluralistic and nuanced relationship, whereby selected groups possess channels for limited participation in the policy process. By increasing transparency and pluralism in the policy making process, civil society improves governance and contributes

⁷⁹ Ivan Krastev, "Democracy's 'Doubles,'" *Journal of Democracy* 17, April 2006: 52–62; Larry Diamond, "Authoritarian Learning: Lessons from the Colored Revolutions," *The Brown Journal of World Affairs* 12, Summer/Fall 2005.

to improved welfare outcomes in China. This has important implications for the world's poor, many of whom live under authoritarian rule. However, the diffusion of this model across China is not a democratizing trend but rather a method for achieving better governance under the conditions of authoritarian rule.