THE ROLE OF INTELLECTUALS IN POLICY-MAKING IN THE POST-MAO CHINA: CASE OF LABOR CONTRACT LAW

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ABSTRACT

THE ROLE OF INTELLECTUALS IN POLICY-MAKING IN THE POST-MAO CHINA: CASE OF THE LABOR CONTRACT LAW

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This research aims to examine the role of Chinese intellectuals in policy-making through the case of Labor Contract Law. Chinese intellectuals have played an important role in shaping of the post-Mao China. The Chinese Communist Party (CCP) leadership have always benefited from their expertise in formulation and development of the reform policies. Also, the fact that the CCP still need intellectuals' support for ideological justification for its policies contributes to importance of intellectuals. In addition, intellectuals have affected the policy agenda-setting of the CCP leadership through their effects on the Chinese public opinion which has increasingly become influential since the 1990s. Furthermore, intellectual debates could function as a substitute for party politics in China's one-party system. These all jointly enhance the role of intellectuals in Chinese politics and make it a crucial subject to study. The case of this research, namely the Labor Contract Law, is selected not only for it received a high level of public attention, but also for it is closely related with one of the central matters of contemporary Chinese politics, i.e. economic development path and social justice.

This inquiry into the making of the Labor Contract Law lead the author to emphasize that tension and animosity between liberal intellectuals and the authoritarian state, on which the existing literature largely focuses, is just one aspect of the intellectual politics in China. In the context of re-configuration of

power and wealth due to the marketization, intellectuals' position in the society has dramatically changed and patterns of the Party-intellectual relation have diversified. Thus, it is argued in this research that by taking into account the emergent market with its ideological effects and as an institutional force that is linked to intellectuals through ties with the new economic elite inside or outside the Party, parameters of intellectuals politics in China can be more accurately understood.

Keywords: Chinese Intellectuals, Post-Mao China, Labor Contract Law

ÖZ

MAO-SONRASI ÇİN'DE ENTELEKTÜELLERİN POLİTİKA YAPIMINDAKİ ROLÜ: İŞ SÖZLEŞMESİ YASASI ÖRNEĞİ

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Bu çalışma, Çinli entelektüellerin politika yapımındaki rolünü, İş Sözleşmesi Yasası örneği üzerinden incelemeyi amaçlamaktadır. Çinli entelektüeller, Mao-sonrası Çin'in şekillenmesinde önemli bir rol oynamışlardır. Çin Komünist Partisi (ÇKP) liderliği, reform politikalarının formüle edilmesinde ve geliştirilmesinde onların uzmanlıklarından hep yararlanmıştır. Ayrıca ÇKP'nin politikalarını ideolojik olarak meşrulaştırmada hala entelektüellerin desteğine ihtiyaç duyması, onların öneminin artmasına katkı yapmaktadır. Buna ek olarak, entelektüeller 1990'lı yıllardan itibaren giderek etkili hale gelen Çin kamuoyu üzerindeki tesirleri aracılığıyla ÇKP liderliğinin politika gündeminin belirlenmesine etki etmektedirler. Dahası, Çin'in tek parti sisteminde entelektüel tartışmalar, parti siyasetini ikame etme işlevi görebilmektedir. Bütün bunlar müştereken entelektüellerin Çin siyasetindeki rolünü arttırmış ve bu rolü önemli bir çalışma konusu haline getirmiştir. Çalışmanın örnek olayı- İş Sözleşmesi Yasası- sadece yüksek düzeyde halk ilgisi çektiği için değil, ayrıca güncel Çin siyasetinin merkezi konularından biriyle- ekonomik kalkınma yolu ve sosyal adalet- yakından ilişkili olduğu için seçilmiştir.

İş Sözleşmesi Yasası'nın oluşturulmasına yönelik bu araştırma, yazarı, mevcut literatürün çoğunlukla odaklandığı liberal entelektüeller ve otoriter devlet arasındaki gerilim ve husumetin, Çin'deki entelektüel siyasetin sadece bir boyutu olduğunu vurgulamaya yöneltmektedir. Piyasalaşmadan kaynaklanan güç ve refahın rekonfigürasyonu bağlamında, entelektüellerin toplumdaki konumu önemli ölçüde değişmiş ve Parti-entelektüel ilişki örüntüleri çeşitlenmiştir. Bu yüzden, bu çalışmada, ortaya çıkan piyasanın ideolojik etkileriyle ve entelektüellerin Parti içinde ve dışındaki yeni ekonomik elitlerle olan ilişkiler yoluyla bağlantılı olduğu bir kurumsal güç/etki olarak dikkate alınmasıyla, Çin'deki entelektüel siyasetin parametrelerinin daha doğru anlaşılabileceği ileri sürülmektedir.

Anahtar Sözcükler: Çinli Entelektüeller, Mao-sonrası Çin, İş Sözleşmesi Yasası

Çocukluğumdan bu yana desteklerini her
daim hissettiğim sevgili ablalarıma,
Evrim'e, Funda'ya ve Ferda'ya

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LIST OF ABBREVIATIONS

Am-Cham	US Chamber of Commerce in Shanghai
ACFTU	All-China Federation of Trade Unions
BSESI	Beijing Economic and Social Sciences Institute
CASS	Chinese Academy of Social Sciences
CCP	Chinese Communist Party
CRS	Corporate Responsibility System
LCL	Labor Contract Law
MOLSS	Ministry of Labor and Social Security
NPC	National People's Congress
NPC SC	Standing Committee of National People's Congress
PRC	People's Republic of China
SASAC	State Assets Supervision and Administration Commission
SETC	State Economic and Trade Commission
SEZ	Special Economic Zone
SOE	State-Owned Enterprise
TVE	Township and Village Enterprise

CHAPTER 1

INTRODUCTION

Intellectuals, as holders of superior knowledge and masters of cultural values, are important actors within their societies. They are those who "preach, teach, and interpret the world" (Karl Mannheim quoted in Hao 2003:388). In the pre-modern societies, they were typically the philosopher, the priest, the specialist in law (Türk 2011:196). In the modern societies, the category of intellectual have experienced a structural transformation as a result of coming into existence of universities and popularization of higher education, and finally the emergent deeper division of labor in society. In this respect, there has been a transition by the 19th century from philosopher in Western societies and *literati* in Chinese society to intellectual in the modern sense (Hao 2003:377).

Intellectuals' significance has been prominent in Chinese society from the imperial era through 20th century and the contemporary era. Confucian *literati* or scholar-official, which is called *shi*, took an important responsibility in imperial times as adviser to governors and moral authorities for public. They, as scholar-officials, were responsible for promoting Confucian standards in operation of the government (Chow 2007:179). They were also responsible for the cultural production and the dissemination of Confucian values (Hao 2003:378). It is reported that Voltaire, in the eighteenth century, called China as *the kingdom of philosophers* (Beja 2003:8). As China's contact with the West increased since the 19th century, and subsequently it became clear for most Chinese elite that Chinese social order had severe problems, of which Confucianism is a fundamental part, their authorities weakened considerably by the turn of 20th century. These decades witnessed at the same time the gradual emergence of intellectuals in the modern sense in Chinese society as a result of combined effect of modernization in education and inflow of Western ideas into country (Cheek 2006b:411). The year 1905 constituted a special point in this break as the

old examination system was replaced with a modern curricula (Hao 2003:380). Modern Chinese intellectuals differed from the literati both in terms of skill and ideology. They saw Confucian culture as the principal cause of the underdevelopment of China. They inspired to draw on science and democracy of the West in their main task, i.e. the transforming China into a modern society (Chow 2007:180). As a reflection of their group identity different than that of the literati, they called themselves *zhifengshi*, a term emerged in the early twentieth century in the Chinese society (Hao 2003:382; Marinelli 2012:434).

On the other hand, there is an identifiable continuity between Confucian tradition and the modern intelligentsia. Modern intellectuals like the literati saw themselves as having a moral mission in leading China's modernization (Tang 2005:167). Chinese intelligentsia believed that they had a unique position in society for formulating "ideal blueprints for a new China" (Chow 2007:180; Beja 2003:23), because of their ability to understanding the "laws of history" (Tang 2005:167). From the early 20th century, they led strong ideational trends and national movements which were characterized by demands of national salvation, democracy, and human liberation. In line with those aims, they were willing to "speak to the public and for the public" (Marinelli 2012:435). The May Fourth Movement of 1919 symbolizes the appearance of the modern intelligentsia as a significant group, with the new ideology, i.e. national salvation and modernization (Marinelli 2012:435). The Communist movement, which took the power in 1949, was itself a movement led by intellectuals. Then the peculiarity of Chinese intellectuals should be underlined - they have been more concerned with their country and national affairs compared to intellectuals in the Western societies, a specific character of Chinese intellectuals which is called "worrying mentality" (Cheek 2012:154; Marinelli 2012:430). Thus, there remains a strong tradition of serving country as a self-assumed sense of mission from Confucian countries to the 20th century. Modern intellectuals, like their Confucian antecedents, see themselves as the moral and political vanguard of the society (He 2004:264-6). Despite the ideological divisions among themselves, modern Chinese intellectuals shared an overwhelming aim: to make China a

strong and wealthy country (Beja 2003:9; Chow 2007:180). Moreover, it can be said that Chinese intellectuals' relatively important role in national politics has to do with a more general trend in the developing world. It has been argued that intellectuals in the developing countries showed a greater willingness to political activism than intellectuals in the developed world, as an highly educated minority who are obsessed with modernization of their country and the idea of catching up with the developed West (Tang 2005:172).

The Maoist era was, however, an exception to this praxis of intellectuals. Related with the Maoist policy of keeping the field of ideas under the CCP's control, they were subject to suppression, censorship, and harassment. It is known that Mao had a particular negative attitude towards the "elitist academic" and "anti-empirical" style of intellectuals, in the sense that being away from the practical realities of life (Tang 2005:167). The pejorative label relegated to the intellectuals in the official discourse, i.e. the "stinking ninth category", which means the least respectable among groups in Chinese society, was indicative of this harassment against them (Chiang 1987:13; Gu and Goldman 2004:6). At the late Maoist era, intellectuals simply became atomized and social science researches, literature and art was under severe censorship (Beja 2003:10).

The reform period ended this silence of intellectuals and restored their prestigious position in the society. They regained their privileged status as advisers, experts and critics. It is the subject that this thesis will examine: various roles undertaken by intellectuals in Chinese politics, especially in policy-making, during the reform period that began in 1978. Different intellectual typologies in Chinese society in the reform era, the transformation of public intellectual sphere, contemporary intellectual currents, and finally China's changing political economy are all important aspects of any discussion about intellectuals' role in the post-Mao era. Indeed, Chapter 3 is devoted to elaboration of these topics in detail, here it seems useful to introducing these parameters of intellectuals politics in contemporary China and trying to make clear the meaning of some important concepts in order to frame the issue.

First of all, there is a challenging set of questions as regard to the definition of intellectual: What does the term intellectual refer to?; Should its definition be based on education or social functioning?; Should intellectual be taken as a normative category or not?; Among such kind of divides how does this thesis approach the category of intellectual and why?

For any empirical study on intellectuals, there is a need to make clear what the term intellectual refers to since it is an imprecise term. First of all, it should be addressed whether its definition is based on education or social functioning (Hao 2003:385-8). If the former is adopted, it points to a wider social category which is differentiated from the rest of the society by having a specialization on a particular kind of knowledge. Thus, it would include all of holder of a college degree. Such a category has become quite wide since the college education has become accessible in the course of 20th century. By this definition, teachers, engineers, lawyers and other urban professionals would be included in the category of intellectual. Alternatively, the intellectual can be defined according to social functioning. Then, in line with the changing definition of intellectual in China[1], it would include just the people "who engage in certain cultural or intellectual enterprises" (Gu 2004:23). Such a definition points to a narrower social category which is composed of scholars, literary writers, researcher and specialists, and the like. This thesis aims to examine intellectuals in this second group.

Another problem in defining the category of intellectual is about whether a normative definition is adopted. There is a strong tradition which argues that being intellectual is about above all being critical on social issues. Accordingly, intellectuals are seen, to quote Edward Said's famous phrase, those who dare to "speak truth to the power" (Türk 2011:197). Needless to say, this matter is one of the central questions of discussion over intellectual politics. This debate holds

[1] While high school diploma was accepted as sufficient to earn the title of intellectuals in the earlier decades, the standard raised to a higher educational degree in the reform era (Chow 2007:184). Gu crucially argues here that all those who have university degree are no longer categorized as intellectual in Chinese society due to the "further development of social differentiation" (Gu 2004:23).

its importance for this thesis as well, because, simply, it is an inquiry about the roles of intellectuals in Chinese politics. However, instead of considering intellectuals as a narrower group of critical intellectuals, this thesis, along with much of the empirical studies on Chinese intellectuals, does not start to study the praxis of intellectuals with such kind of separation. Henceforth, among these various kinds of divides about defining intellectual, this thesis implies by intellectual that "who engage in certain cultural intellectual enterprises" without regarding their attitude toward the power. On the practical level, the term refers to the people in a range from researchers in a government-funded think tank and scholars advising government about political issues to scholars and writers who publicly criticizes government on critical public issues.

To discuss intellectuals in Chinese context in the face of such analytical difficulties, both Western and Chinese scholarship on Chinese intellectuals provide a good base to be relied on. There is a wide literature on Chinese intellectuals' relations with the Party-state in the reform era. Now, the remainder of this section will make an introductory discussion, with references to this literature, on the evolution of the intellectuals' role in Chinese politics and policy process in the reform era and how to conceptualize these relations.

As said above, intellectuals re-appeared as an important social group in Chinese politics with the beginning of reform period under Deng Xiaoping in 1978. Deng was willing to benefit expertise of intellectuals in his aim of modernizing China's economy (Tang 2005:169). He also wanted to manipulate intellectuals in his fight against conservative faction of the CCP over discussions on the reform. Most intellectuals welcomed this due to their search for prestige, higher income, and fulfilling the mission of serving the country (Beja 2003:12-3). Different types of intellectuals established various kind of relations with the CCP leadership which were divided into two main camps as reformists and conservatives during lively intellectual life from 1978 to 1989, when the Tiananmen crackdown took place. In studies on intellectuals' role in this era, *establishment* and *non-establishment* are referred as two main categories of intellectuals. While the term establishment intellectuals implies those who held a

position within the institutions of the Party-state system, non-establishment refers to those "not working directly for the state and the Party" (Tang 2005:163). In other words, in this period, intellectuals' position within the Party-state system is regarded as the principal point of division.

During this era, non-establishment intellectuals could succeed in creating quasi-autonomous[2] public intellectual spaces like journals, newspapers, book series and even research organizations. They also significantly contributed to inflow of non-Marxist ideas into intellectual scene through their translations from the Western social sciences (Xin 1998:282-5). Establishment intellectuals also played at least two important roles in those years. First, they were the key in formulation and implementation of economic modernization policies (Hao 2003:112). Secondly, they were the leading figures of debates about the reforms between the reformist and the so-called conservative factions of the CCP. For example, some intellectuals who associated with Zhao Ziyang were trying to legitimize market reforms by generating quasi-Marxist arguments (Meisner 1999:488-9). Another important group was the critical wing of establishment intellectuals, whose attitude toward the Deng leadership was changed in time from supportive to challenging as a result of their disappointment with the Deng leadership's reluctance for political reforms (Hao 2004:105-110). One aspect of this lively era was the emergence of quasi-autonomous public intellectual spaces, which were somewhat out of the control of the Party. The other important was the ideological pluralization and appearance of liberal ideas as a rival discourse vis-à-vis the official Marxism-Leninism as a result of the inflow of Western ideas through translations of new social science and contemporary philosophical literatures, which included, for example, books of Martin Heidegger, Max Weber, Jean-Paul Sartre (Beja 2003:18).

[2] Quasi-autonomous because almost all intellectual organizations were somehow dependent upon the Party-state financially, and many need political protection of some CCP leaders to survive within the condition of low level of freedom of expression (see Xin 1998).

The Tiananmen crackdown brought about crucial changes about intellectuals' relations with the Party. Many intellectuals faced harsh repression. Some had to flee abroad and some were put into prison. The rest under a harsh authoritarian political atmosphere had any chance but being silent. The following years would witness dramatic transformation of Chinese society triggered by the marketization and opening up. The combined effect of all these meant a radically different environment for both intellectuals' place in the Chinese society and their relations with the Party-state system. The overall result was the disaggregation of traditional intelligentsia, a process which was reflected in the loss of both group identity and former intellectual ethos, above all sense of social and moral responsibility (Cheek 2006a:95; Gu and Goldman 2004:12). Their social functioning diversified in the changing societal context characterized with the prospering market and commercialization. Some chose to go into commerce as entrepreneurs and managers while some chose to become pure academics and specialists in government agencies or non-governmental research organizations with almost any attention to political affairs. One prominent process for policy-making was the incorporation of a significant portion of intellectuals into the government bureaucracy as specialists and technocrats in parallel with the government's effort to establishing a professionalized bureaucracy (Beja 2006:67). Thus, it can be said that the intellectual figure who are deeply involved in politics with a sense of social responsibility were no longer represented the majority of Chinese intellectuals in 1990s. It is widely argued that this is the Chinese experience of the universal decline of the intellectuals, which Western societies experienced in the 1960s and 1970s (Beja 2003:24; Marinelli 2012:439-40). One aspect of this transformation by the early 1990s has been the disestablishment of intellectual from the party-state (Marinelli 2012:429). The other has been the dissolution of the traditional intelligentsia in the sense loss of critical spirit and giving up the traditional sense of mission: " many reached the conclusion that the intelligentsia should stop dreaming of acting as demiurges of history and let society follow the laws of historical development" (Beja 2003:20).

Political reforms lost their appeal in the early 1990s due to the combined effect of domestic and international changes. The rise of neo-conservatism was the most important change in the field of ideas in the early 1990s. Since Tiananmen protests had directly targeted the CCP's rule, the CCP leadership now was taking an authoritarian attitude against the any demands for political reform. The ideological mainstream was to maintaining the political stability while accelerating market reforms (Fewsmith 2008:85). The frustration with the Tiananmen tragedy and disillusionment with the radical reform in the face of the dissolution of former Soviet Union further strengthened this ideology which gave primacy to stability over change. Also, changes in international environment resulted in a shift in intellectuals' posture towards the West. The perceived hostility of the US against China in the 1990s led many Chinese intellectuals into more supportive posture toward the Chinese government (Zheng 2004:164). The result of the rise of neo-conservatism, which included a nationalist aspect, for the intellectual scene was two-fold. It first of all resulted in the decreasing the appeal of political reform on the part of both public and intellectuals; and at the same time it shrank the legitimate boundaries of intellectual criticism. This framework, which might also be called "authoritarian developmentalism" (Zhang 2001:41), guided the leadership of the CCP since the early 1990s. Accordingly, it was the aim to secure legitimacy through high economic growth rates while repressing the demands for political reforms.

Only towards the late 1990s, a relative relaxation appeared towards the demands for political reform on the part of the leadership. That Jiang Zemin, then general secretary of the CCP, acknowledged, even in a vague manner, the need for political reforms in the Fifteenth Party Congress in 1997 is seen as a turning point for attitude towards the criticism from the perspective of political liberalism against the China's political regime (Goldman 2007:35). It is observed that, by the late 1990s, the CCP regime has become more tolerant of criticism compared to the early 1990s. This paved the way for the enhancement of popularity of liberalism (Ogden 2004:120).

The Party's capacity to control and monitoring over intellectuals' criticism was also affected by the structural transformation of public intellectual space in China. The *de facto* privatization of media sector in China (Akhavan-Majid 2004; Liu and McCormick 2011) and the emergence of the Internet as an alternative venue with millions of user for disseminating ideas have now provided the intellectuals with more channels to express their ideas (Lye 2007:27; Rawnsley 2008). The combined result of the Party's relaxation and the structural transformation of the public intellectual space have re-defined the parameters of intellectual politics in China at the turn of the century. In China's new public space, even though the CCP retains its efforts of monitoring, control, and censorship with its decreasing capacity to do these, intellectual autonomy and freedom has increased in a remarkable degree. Henceforth, it has become commonplace to see criticism against corrupting officials, rising inequality, and, even to less extent, lack of political rights in the media, academic journals, and on the Internet. On the other hand, it should be underlined that this relative relaxation does not institutionalize and is still subject to change depending on time and place (Gu and Goldman 2004:10). Furthermore, a strict censorship is still applied for some sensitive issues like dissident activities, trade unions, religion, ethnic minorities. Also, it is not permissible to challenge the CCP rule itself and to criticize the Party leaders by name (Ogden 2004:116). Therefore, Gu and Goldman (2004:11) say that this could only be seen as a "calculated liberalization" or "authoritarian pluralization".

Another crucial change in the Chinese society from the early 1990s has been the widening income disparities among social strata. Income polarization has reached at an alarming level in contemporary China, a process which became visible from the early the 1990s when China undertook radical market reforms such as a huge privatization wave and subsequent layoffs of millions of employees, dismantlement of lifetime employment, and commercialization of health and education services. At the current stage of this process, which Barry Naughton (2007:106) calls "reform with losers", there has emerged a very tiny but extremely wealthy elite and a middle class with a good purchasing power,

about 200 million, on the hand; and a very poor segment, about 200 million, which is composed of mainly poor peasants, rural migrant workers, and urban low-income and unemployed people on the other (Cheek 2006a:90). This process has brought about a public anger against social injustices (Fewsmith 2008:234-5; Wang 2008b:21) and citizen movements among the 'losers', mainly rural poor, migrant workers and laid-off workers (Goldman 2007:20-1; Lum 2006:6). Then, social justice has turned out to be a central matter of contemporary Chinese politics, which is accepted as well in the official discourse of the CCP. For instance, Hu Jintao, the president of PRC from 2003 to 2012, said in his speech at the 17th Party Congress in October 2007 that "there are still a considerable number of impoverished and low-income people in both urban and rural areas" (Bramall 2009:481).

Intellectual currents, or field of ideas, have been affected by this transformation as well. Beginning from the mid-1990s, increasing income gap, problems of migrant workers, decreasing social spending for healthcare, education and social security have been received constant criticisms by a group of intellectuals (Goldman 2007:29-30). This group is called the New Left, a label invented by the ideologically rival intellectuals since the label left is an infamous word associated with the nasty experiences of the past such as the Cultural Revolution (Fewsmith 2008:125). Even though group members have denied to identifying themselves as such, they are called the New Leftists inside China and by the Western scholarly literature.[3] Initially, this term is used to denote just a small group of intellectuals, whose leading figure were Wang Hui, Cui Zhiyuan, Wang Shaoguang, Gan Yang. In time, however, it seems that it was begun to be used in a way to refer to almost all leftists, partly as a result of its popularization, or in Hook's terms due to its becoming "a trend of like-minded people" (Hook 2007:3). Thus, it has become difficult to make analytical divisions between various sorts of leftisms in contemporary China and

[3] Wang Hui, one of the leading figures of the so-called New Left, said that he would prefer the term "critical intellectuals" instead (Hook 2007:3). Gan Yang indicates that the so-called New Left should be called "liberal left" (He Li 2010:5).

sometimes to figure out who is in the New Left or other variants of the left[4]. It is widely maintained that the so-called New Left is a grouping of concerns rather than a well-developed current of thought, and it is used for all popular leftists, social democrats, left-nationalists, and even Marxists. Without regarding the searching for proper labels, it can be argued that there is a strong current of thought in China which is critical of neoliberal nature of market reforms and neoclassical economics (Carter 2010). They are calling for more government regulation in economy in order to alleviate social inequalities and protect the poor (He Li 2010:4-5).

In China's current ideological environment, the most prominent divide is that of between liberals and the New Left (Fewsmith 2008:132). As pointed above, since it may not be clear sometimes what these terms refer to, it would be healthier to define the points of content in another way. Taking such an approach, the main debate in the intellectual scene between two lines of thinking can be defined as such: on the hand a quest for consolidation of market reforms, along with the accompanying rights of individual, to the degree that autonomy of market from the government or the Party is assured; and on the other hand, an opposing quest for a socially just order through government's enhanced capability in the economic sphere (Zhang 2001:52).

But after all these dramatic transformation of Chinese society, and most importantly disappearance of the traditional intelligentsia, who are those intellectuals that discuss public issues with a sense of moral and social responsibility? Actually, they constituted a tiny minority of intellectuals which stands apart the *detached professional* figure, who represents the majority of Chinese intellectuals in the post-Tiananmen China, with his/her courage to speak publicly over public issues. They are called *public intellectuals* in Chinese political jargon, who are from the ranks of both liberals and the New Left and act as public critics in line with their respective understandings of "free and just

[4]As will be shown in the following chapters, even it is the case that some scholars see one as New Leftist, while some other count him/her as 'ultra-leftist' or old-leftist. It can be seen as a manifestation of this ambiguity about the boundaries of the New Left.

society" (Chen 2004:9). They can be seen as the representatives of the traditional Chinese paradigm of "worrying mentality" (Marinelli 2012:430).

They constituted a tiny minority of Chinese intellectuals because, as said above, especially after the Tiananmen and in the course of marketization and commercialization, most Chinese intellectuals chose either to go into business or to become professionals and specialists within the government bureaucracy and non-governmental research organizations or to be pure academics with almost any attention to political issues. Suzanne Ogden offers a detailed categorization of intellectuals in China depending on their *status* within and *attitude* towards the Party-state system: the mouthpieces of the party-state; intellectuals in think tanks; pure academics who usually engage in apolitical research; public intellectuals; and finally dissident intellectuals (Ogden 2004:113). On the other hand, as many scholars contend, *status* lost its importance in determining one's *attitude* in the course of the dramatic transformation of Chinese society triggered by the move to market and accompanying institutional and ideological changes (Chow 2007:194).[5] Actually, evidence suggests that to adapt a classification based on *status* seems more problematic since status may not be so effective in determining the attitude of intellectuals due to the changing parameters of the Party-intellectual interaction in the post-1989 China: it has been the case that intellectuals within the establishment may willing to play a public role, or, conversely, there exists intellectuals within the non-governmental think tanks who cooperate with the government as specialist (Chow 2007:197). Timothy Cheek as well argues that "by the 1990s the old picture of China's intellectuals as fundamentally defined by their relationship to the party-state - whether as 'democratic dissidents' or 'establishment intellectuals'- no longer explained matters for Western or Chinese readers" (Cheek 2006b:406). For him, both the Party and intellectuals found themselves in a new world as a result of fundamental social changes in the reform era. While commercialization and professionalization appeared as two central trends around intellectuals, the

[5] This discussion on attitude and status draws from Chow Bing Ngeow's article (see Chow 2007).

Party-state was no longer monolithic as a result of its disaggregation (Cheek 2006b:406-7; Gu and Goldman 2004:6). Likewise, Maurizio Marinelli points to the "market-driven commercialization" as the two most important forces surrounding Chinese intellectuals along with the "interests of the party-state" (Marinelli 2012:426). Put it differently, pressure for specialization in an academic discipline and becoming expert in the marketized environment of knowledge has emerged as fundamental aspects of the world of Chinese intellectuals by the early 1990s (Marinelli 2012:429). Therefore, Chen Lichuan's simplified categorization seems more useful to adopt for an inquiry about intellectuals' role in policy-making since it is based on the *attitude rather than status*. Chen identifies two profiles of intellectual in the re-configured public sphere: *the professionals without public engagement*, and *the public intellectuals* who engage debates on public affairs in the mass media, the Internet and through other channels with a sense of social mission (Chen 2004:9).

At the turn of the century, thus, the ideological environment and public intellectual space has dramatically changed compared to the early 1990s. Rising income gap comes out as one of the most important problem of the country, and demand for political reforms still retains it prominence. Moreover, public opinion has gained more power over the CCP's policies. Citizen movements with increasing numbers and enlarging in scale, a more diverse and direct media and the Internet as new venues for circulating news, information and ideas have been the basic factors behind the increasing role of public opinion. In 2003, Hu Jintao and Wen Jiabao took over the leadership as the president and the prime minister of the People's Republic of China (PRC) respectively. They differed from the Jiang Zemin era in that they would pay more attention to the rising social inequality since they were willing to be seen as a "responsible government" in the face of growing social problems (Davies 2007). The Hu-Wen administration employed a combination of accommodation and suppression in the face of popular discontent (Shambaugh 2008:180). The approach of the Hu-Wen government is called "populist authoritarianism" (Cheek 2006a:109). This populist authoritarianism refers to a mode of governance that is resorting

repressive measures against the unsanctioned ways of protests, while taking some steps to increase public participation in policy process and improve social rights of disadvantaged segments of society (Cai 2008; Haiyan et al 2009:498).

The Hu-Wen administration also adopted a more consultative approach in policy-making, which resulted in growth of number of experts consulted, even from the rank of critical intellectuals (Fan 2006:717-9). All in all, a new environment for policy-making has been come into existence since those years. Intellectuals' role within this environment has increased in several ways. The aforementioned enhancement of intellectual autonomy and freedom combined with the new channels for expressing ideas other than the official media have provided them with increasing capacity to affect public opinion. As David Kelly argues, while "scholarly views have increasingly been echoed in social agitation literature appearing on the internet" (Kelly 2006:198), citizen movements have provided a powerful impetus for intellectuals to take a critical stance and speak more vocally (Kelly 2006:201).

Therefore, despite the dissolution of the traditional intelligentsia, Chinese intellectuals remain to be an important group in Chinese politics. One reason behind their remaining importance is the increasing importance of expertise and innovative ideas for the CCP in managing country competently and in formulating correct policies. The other one is the continuance of importance of ideology in securing the CCP's legitimacy. Cheek indicates that the Party still pays attention to ideological justification when introducing new policies (Cheek 2006b:403). As He Baogang argues, in contrast to the multi-party system, where legitimacy is gained through elections, China's current monopolistic political system needs ideological justification as the source of legitimacy (He 2004:267). Furthermore, in lack of opposition parties, "intellectual debate ... can become a surrogate for politics" (Leonard 2008). These all jointly make intellectuals important actors in Chinese politics. That is why the intellectuals' role in politics constitutes a crucial subject to study for the students of Chinese politics.

The Methodology and the Argument

This section explains the methodology of the thesis by dealing with the description of data collection method and sources, and the way in which argument is developed. The sections of the thesis over intellectuals in Chinese politics rest on the existing case studies that focusing on one or more aspects of intellectuals' actual praxis in China. They also draw from theoretical studies which aim to conceptualize the role and positioning of intellectuals. Having been familiar empirical knowledge about the practice of intellectual politics in the reform era and having reviewed the theoretical literature on the Chinese intellectual, this thesis tries to re-interpret the Chinese intellectuals' role in politics and more specifically policy-making through the case of Labor Contract Law. The making of the Labor Contract Law are tried to be understood through reviewing the relevant scholarly literature and a detailed examination of internet sources about the process and the intellectuals involved.

Thanks to the case selected, this re-interpretation has gained insights from the political economy perspective. Thus, in the later stages of the research, the political economy perspective has accompanied the research. The main contribution of this has turned out that intellectuals' attitude and institutional and ideological aspects of their participation in policy process is elaborated in the context of re-configuration of power and wealth in the post-Mao China (Zhang 2001:12). As a result, this inquiry about the making of the Labor Contract Law tends to emphasize that the tension between liberal intellectuals and the authoritarian state is just one aspect of the intellectual politics in China, which the existing literature largely focuses on (Zhao 2012:114). In the course of the emergence of a kind of capitalist economy in China, especially after 1992, a new economic elite has come into being, some elements of which overlap with the CCP elite. Chinese intellectuals are not immune to this process both ideologically and institutionally. Thus, it is argued here that their political attitude can be more accurately understood by taking into account the market with its ideological effects and as an institutional force that is linked to intellectuals through ties with the new economic elite.

This inquiry into the making of Labor Contract Law also has come up with the results supporting the proposition that public intellectual has become an important figure in China's policy process. China's transformed public sphere which is characterized by a more diverse and daring media and a cyberspace with millions of user combined with a critical shift in Chinese public against the vagaries of the market reforms since the late 1990s provide a proper context for this.

One important limitation of this research, however, is the non-use of sources in Chinese language. Another limitation of the research is that it could not be possible to make interviews with Chinese scholars and experts for the purpose of figuring out some details of the making of Labor Contract Law, which would greatly contribute to the research.

The Structure

The following chapter examines the economic transformation in China since the initiation of the market reforms in 1978. It presents an historical overview of this transformation, and then makes a discussion on the social justice in contemporary China. By this way, it aims to highlight the context of the CCP's policy agenda as regard to the social rights and growing income gap problem in the Hu-Wen administration.

Chapter 3 aims to inquire the patterns regarding intellectuals' role in policy-making in contemporary China. Its first section examines the evolutions of intellectuals and the public intellectual space in reform era, and tries to identify different intellectual typologies. The second section, then, turns to issue of policy-making and explores the roles of different types of intellectuals in both policy agenda-setting and policy formation- during which the details of the policy measures are debated.

Chapter 4 is an inquiry about the preparation of the Labor Contract Law and intellectuals' role in this process. It starts with a historical overview of labor policy and labor relations in the post-Mao China. Then, it moves into the legislation process of the LCL with a focus on participants and controversies.

Finally, it discusses the role of intellectuals both in agenda-setting and policy formation of the LCL.

CHAPTER 2

CHINA'S CHANGING POLITICAL ECONOMY: STATE, MARKET, AND SOCIETY IN THE POST-MAO CHINA

Introduction

China has experienced a great economic transformation since the reform process initiated in 1978. It is one of the most remarkable developments in the world economy in last decades, in the sense that it has brought about crucial changes to the production, trade and investment trends in the world economy. From 1978, China's economy has been transformed from a relatively isolated and centrally-planned socialist economy to a market economy that is highly integrated with the global economy. This transformation, which has covered more than three decades, means a dramatic change in state-society relations and social structure of Chinese society. It is these changes that this chapter aims to examine. This would serve to grasp the evolution of the reforms in Chinese economy from a historical perspective and general characteristics of Chinese economy at the current stage of its transformation. Also, it aims to highlight the economic-political context of the Hu-Wen administration's shift to a more balanced growth paradigm at the turn of the century, which is important to understand the case study of this research, i.e. the Labor Contract Law. Accordingly, it is designed with a special attention to uncover the changing nature of production relations, state's changing role in economy, and resultant change in social structure in the country.

The reform era is conventionally divided into two main phases which identifiably differs from each other in terms of objectives and extent: from 1978 to 1992; and from 1992 onwards[6]. The first phase began with the announcement of economic modernization as the primary goal of the CCP in the Third Plenum of 11th CCP Central Committee in 1978, which also envisioned the introduction of market mechanisms in Chinese economy. Deng Xiaoping's famous the Southern Tour Speech in 1992, in which he praised marketization and called for the advancement of market reforms, and the subsequent declaration of creating socialist market economy as a national aim by the 14th CCP Congress are accepted as the beginning of the second phase. While the former era characterizes with the dismantling of central planning and the gradual rise of market in the overall structure of economy, the latter era has witnessed a fundamental and comprehensive re-orientation of Chinese economy towards a market economy with a high degree of integration to the global economy. Even though it is possible to identify another sub-periods within these two periods, this chapter prefers relying on this rather simplified periodization in accordance with its aim of presenting a general overview. Alternatively, it pays attention to changing policy directions within these two periods in narrative.

The remainder of this chapter consists of two main sections. The first section looks to the period from 1978 to 1992 with a focus on changes in agriculture, industry, foreign trade and investment in order to highlight the overall changes in direction of the gradual emergence of market and opening up to the world. The second section examines the period beginning from 1992 during which Chinese economy has been fundamentally re-oriented as a market economy. In this section, after an overview of radical restructuring of legal and institutional framework for Chinese economy, a special attention is paid to the social consequences of market reforms and social justice issue, with which the subject of this thesis, i.e. Labor Contract Law, is closely related.

[6] However this chapter is designed to examine the period up until circa 2007 when the Labor Contract Law was adopted.

2.1. The First Phase of the Economic Reforms, 1978-1992: Dismantling the Central Planning and the Emergence and Gradual Rise of Market

In the late Mao era, China had significant economic and political problems. There was a political malaise and indifference to the Maoist ideals among a large portion of the Chinese society. It was clear that Maoism lost its prestige in late 1970s (Meisner 1999:424). The Chinese people were tired of political disturbances of the Mao era and looking for the economic improvement (Mantzopoulos and Shen 2011:38). The planned-economic system had also crucial problems. For instance, there was an overproduction of unwanted industrial outputs, while some basic consumer goods were not sufficient (Mantzopoulos and Shen 2011:12). There occurred a structural imbalance between industrial and agriculture sectors in favor of industry. Also, it was felt by the CCP leaders that China's economy remained behind on the world stage. Those circumstances made possible for the Deng leadership to make a wide-range reassessment of the Maoist direction and to initiate a framework for structural reforms in economy (Mantzopoulos and Shen 2011:20). To quote Meisner, Deng and his allies aimed to create "a post-Maoist order" (Meisner 1999:430). Crucial moment in this respect was the Chinese Communist Party's the Third Plenary Session of the 11th Central Committee where it was declared that the principal aim of the Party was no longer class struggle but economic modernization (Breslin 2007:47).

Thus, the year 1978 signaled the beginning of the initiation of economic reforms. The Deng leadership aimed to overcome the inefficiencies of centrally-planned economy by adopting measures in direction of economic decentralization and introduction of market mechanisms (Meisner 1999:451). Meisner crucially emphasizes in this respect that the CCP leaders did not prescribe a capitalist economy; they considered the mechanism of market as just a useful way to modernizing the socialist economy (Mesiner 1999:452).

Likewise, Barry Naughton maintains that the reformers initiated the reforms "without a blueprint" (Naughton 2007:86).[7] In that sense, the reforms were experimental, which was reflected in then famous official slogan- "crossing the river by groping for stones" (Breslin 2007:46; So 2006:52); and they would gradually widen in scope and deepen in extent. In this regard, comprehensive changes first took place in agriculture. The successful results in agriculture and in some plain experimentation in industry provided impetus for further market reforms in industrial sector, which gained pace after 1984. So claims that the Party leadership formulated "a clear blueprint for reforms" in 1984 (So 2006:52). Breslin (2007:47) and Mantzopoulos and Shen (2011.52-3) similarly argues that 1984 was a benchmark year for reforms, when the Third Plenum of the Twelfth CCP Congress adopted the 'Decision on the Reform of the Economic Structure' that defined the Chinese economy as a "socialist commodity economy" (Breslin 2007:47). Thus, the pace of reforms increased and their scope were widened since 1984.

2.1.1. Reform in Rural China: Decollectivization of Agriculture and the Creation of the Township and Village Enterprises

The agriculture, which had been structured on collective farming in Mao's China, had been a chronicle problem that while procurement prices were low, the procurement targets were high. This resulted in unsatisfying amount of grain production since the farmers were reluctant to produce more in this unfavorable bargain (Naughton 2007:88; So 2006:53). Considering this circumstance, the Deng leadership took some radical steps to change this bargain in 1978: procurement prices were raised (Saich 2011:70), while procurement targets were slightly reduced, and prices for over-procurement productions were increased (Naughton 2007:89). In line with the aim of enhancing the incentives for the farmers, the reformers gave the agricultural collectives more autonomy in management of their organization for the purpose of increasing output

[7] The CCP leadership divided on whether central planning or market-type reform should be given primacy (Meisner 1999:453). Even among advocates of market reforms, there were disagreement about the extent of market regulation and decentralization (Breslin 2007:46).

(Naughton 2007:89). Those years witnessed grassroots experimentation during which various ways of production organizations were invented by different collectives (Saich 2011:71). One common way that emerged during this experimentation was contracting of land by collective to household (Naughton 2007:89). In this mode of organization, farmers were responsible for a certain amount of procurement, and they were free to produce above procurement target to sell individually (So 2006:53). This implementation led to the emergence of family farming and abandonment of collective farming (Andreas 2008: 128). This contracting system, which was called the "Household Responsibility System", spread throughout China in the early 1980s with the help of its official endorsement in 1980 (Meisner 1999:461-2). 99 percent of rural household participated in the individual household farming up until 1984 (So 2006:53). Indeed, the contracting system resulted in a dramatic increase in agricultural production (Naughton 2007:89).

Another important change in the countryside was the creation of the Township and Village Enterprises (TVEs). They were enterprises which had been called the "commune and brigade enterprises" until 1984 (Wai Yip 2006:53). Since farmers became free to allocate their labors due to aforementioned contracting system, increasing number of farmers began to work in TVEs in their non-farming times. Importance of TVEs for the economic reforms also resulted from that they provided employment for surplus workers in the rural era. Breslin states that they provided employment for approximately 100 million people between 1984 and 1997 (Breslin 2007:48). Their share in GDP rose to 26 percent in 1996 from about 6 percent in 1978 (Naughton 2007:274).

Significance of TVEs for the Chinese economy was not limited to creation of millions of jobs for rural surplus workers. Even though they were included in public sector, they were organized as corporate enterprises (Breslin 2007:48-9; Meisner 1999:465). By this way, they accelerated the transformation of state owned enterprises by creating a competitive pressure over them (Naughton 2007:275). Thus, TVEs made a considerable contribution to rural

industrialization and strengthened trend toward marketization in Chinese economy up until their massive privatization since the mid 1990s.

All in all, it can be said that reforms in rural areas crowned with success; and, thus, they encouraged the leadership to advance reforms in urban industrial sector.

2.1.2. Reform in Urban Industry

In the industrial sector, ownership diversified in 1980s with the permission granted for setting up some sort of private enterprises. Individual ownership was legally accepted with a change dated 1980. However, the number of employee that an individual enterprise could hire limited to five people, which would then rise to 7 in 1988 (Breslin 2007:49). In 1984, it was allowed the leasing of small SOEs to collectives or individuals (Wai Yip 2006:55). At the CCP Thirteenth National Congress in 1987, the existence of private ownership was endorsed by the Party, and the state constitution was amended to admit the legal existence of the private sector with legal reforms in 1988 (Breslin 2008:50). With the increasing number of private enterprises, share of SOEs in the urban employment receded to 60 percent in 1993 from 75 percent in 1978, and their share in industrial output decreased to 43 percent from 78 percent (Breslin 2007:52). Naughton's calculations imply approximate percentages: SOEs' share in industrial output declined from %77 in 1978 to %33 in 1996 (Naughton 2007:300). In the face of emergent competitive pressures from new entrants, i.e. TVEs and foreign firms, state-sector managerial reforms were made in order to transform SOEs in line with the aims of improving their management capabilities and increasing incentives for them (Naughton 2007:95). The Contract Responsibility System (CRS) was adopted in 1987 so as to increase the fiscal autonomy of the SOEs. Under the CRS, the SOEs could have a greater autonomy over the use of their profit as they were taxed at contracted level of profit, and if they exceed the contractual level of profit they would be taxed at lower rate on their additional profit (Zheng 2004:111). Just as importantly, in 1986, it became binding for the SOEs to hire their new workers as fixed-term

contracted workers (Gu 2001:100). This was a crucial step in transformation of SOEs into corporate-type enterprises, a process which would gain pace by early 1990s. As a result, contractual employees would consist 25 percent of employees SOEs by 1993 (Leung 2012:3).

2.1.3. Foreign Trade and Investment

Another reform policy that affected the transformation of the industrial sector was the opening up to the foreign trade and investment. Actually, the underlying purpose of the Chinese leadership was to benefit from the foreign investments' advanced technology, investment capital, and managerial skills. Its policy for foreign investment as well was incremental and gradual. In 1979, the provinces of Guangdong and Fujian in the coastal region were opened first to foreign investment. In 1980, the cities Shenzhen, Zhuhai, Shantou and Xiamen were designated as Special Economic Zones (SEZs). The SEZs had greater autonomy from central government and applied more liberal policies to attract foreign capital. They mainly functioned as export-processing zones (Mantzopoulos and Shen 2011:57). In 1984, fourteen coastal cities more were open to foreign direct investments (FDIs) (Breslin 2007:85).

The legal framework regarding foreign capital was also changed fundamentally in 1980s. The PRC's Joint Venture Enterprise Law of 1979, the PRC's Foreign Capital Enterprise Law of 1986, the PRC's Chinese-Foreign Cooperative Enterprise Law of 1988 were the three basic law had designed the legal framework for the inflow of the foreign capital (Mantzopoulos and Shen 2011:60). The Joint Venture Enterprise Law permitted foreign firms to establish joint investments with Chinese partners for the first time in the history of the PRC (Guthrie 2006:42). Mantzopoulos and Shen, by looking over the directives regarding the implementation of the Law, show that Chinese leadership gave a special importance to the transfer of advance technology in case of joint ventures (Mantzopoulos and Shen 2011:60-1). Having witnessed the contributions of the foreign capital and technology, China's leaders decided to further encourage the inflow foreign investments with Foreign Capital Enterprise Law of 1986, which

is also called ‘the Wholly Foreign Owned Entreprise Law’. With the adoption of this Law, to establish wholly foreign-owned enterprises became possible (Breslin 2007:47). Even though number and share of foreign enterprises remained modest up until the early 1990s, they paved the way for crucial changes in Chinese economy. In addition to creating jobs and fueling the growth of the export sector, they energized the entrepreneurial spirit in China and transferred advance technologies into China (Guthrie 2006:65). Furthermore, they accelerated the pace of marketization by creating competitive pressures for domestic enterprises.

2.1.4. The Tiananmen and the Halt of Reforms

The years 1988 and 1989 witnessed a dramatic increase in inflation, which deteriorated living conditions of farmers and urban dwellers (Saich 2011:80-1). Enrichment of the Party officials and widespread corruption among them were fuelling further a public anger against the CCP leadership (Mesiner 1999:475-6; Beja 2006:60). There were also expectations for the political reform in some segments of the Chinese society, especially among intellectuals and college students, for political reform that had not been met by the CCP leadership. The resultant discontentment manifested itself in the Tiananmen demonstrations (Naughton 2007:98). Deng, as a leader who gave utmost importance to the political stability and order, harshly responded these demonstrations since he thought, along with more conservative CCP leaders, that the regime itself was being challenged in the Tiananmen demonstrations.

After this serious political crisis, the so-called conservatives in the Party leadership began to make a fierce opposition to the reformist direction started in 1978, especially to marketization and decentralization. The conservatives were saying that the planned economy should retain primacy and the market sector should just be supplementary (Fewsmith 2008:38). They also argued that the regime should attempt to rest more on Marxist ideology by criticizing Deng’s pragmatic vision (Fewsmith 2008:59). Under these pressures, Deng had to reassert his own authority, if he was determined to revive the economic reform.

Crucial in this respect, he could get support from the provinces for his aim of reviving the economic reforms. He also became successful in elevating Zhu Rongji, a reform-minded leader, to the position of vice-premier in 1991 (Fewsmith 2008:50-1). Finally, he could defeat conservatives and tackled their efforts to reverse the reform. Deng's famous Southern Tour Speech in 1992 symbolized his victory over conservatives. In this speech, he praised the market elements in the open areas and called for further economic reform (Breslin 2007:51). The Fourteenth Party Congress held in 1992 also confirmed the reformist line and announced the aim of creating "socialist market economy" (Fewsmith 2008:72). One year later, Chinese economy was redefined in the Party constitution as a "socialist market economy". Actually, such a development clearly gave the signal that role of market hereafter would enhance.

2.2. The Second Phase of the Economic Reforms, 1992 onwards: Creating a Market Economy with the State's Macro-economic Regulation

2.2.1. The Creation of a New Macro-economic Framework

The "socialist market economy" vision set the stage for institutional reforms for the early 1990s. In the period after 1992, Chinese economy has experienced a fundamental re-shaping in its macro economic framework in direction of a well-functioning market economy (Breslin 2007:40). Since 1993 the CCP leadership initiated an administrative and regulatory wave of change. Then since 1997, when Zhu Rongji became the premier, who had been the vice-premier from 1991, the pace of reforms accelerated with a clearer market vision. His strong commitment to market economy and effective entrepreneurship in the market-oriented bureaucratic reform are emphasized by many scholars (see for exp. Naughton 2007:100; Zheng 2004:83).[8] Also, it is widely argued that the death of Deng Xiaoping in 1997 and the eventual retreat of conservative resistance in the CCP bureaucracy by the mid 1990s considerably enhanced the power of Zhu Rongji and Jiang Zemin, then the president of the PRC, in Chinese elite politics.

[8] Naughton (2002:630-1) provides a good discussion about sources and reflections of Zhu Rongji's self-confidence and personalized style in decision-making.

Thus, the Fifteenth Party Congress, which convened on 12-18 September in 1997 which called for deepening economic reforms, reflected their more market-oriented vision (Saich 2011:90). Now, this section provides an overview of the legal-administrative changes and the emergent regulatory framework taking shape by the early 1990s as regard to fiscal system, banking and financial system, state enterprises, employment relations, and foreign trade and investment regime.

In case of the fiscal relations between central government and local governments, a general trend appeared in favor of re-centralization. The share of the central government in fiscal revenues increased vis-a-vis the local governments (Naughton 2007:103; Breslin 2007:64).

In the banking sector, the leadership adopted a policy to commercialize the state-owned banks in 1994. According to this, they would conduct lending decisions in commercial basis. Also, the independence of the People's Bank of China, the central bank of China, was strengthened in 1994 (Zheng 2004:121-122). Naughton indicates that banking reforms were related with the macro economic austerity aim (Naughton 2007:103), and that tightened lending standards led to closing up of some highly indebted SOEs in the mid-1990s (Naughton 2007:307).

Another aspect of the institutional restructuring was the changes in the SOEs. The Chinese leadership was willing to solve the inefficiency problem of the SOEs and collective enterprises by designing corporate-type governance for them. In the line with this purpose, the Company Law was adopted in 1993 in order to arrange a legal framework for this corporatization move (Naughton 2007:301; Zheng 2004:131). Zhu Rongji's SOE reform efforts was aiming to create huge state enterprises in key strategic sectors such as telecommunication, energy, banking, military industry, which took inspiration from Japanese *keiretsu* and South Korean *chaebols* (Breslin 2007:52-3). Small SOEs would be let choose one of the following options: merger, leasing, selling off, or even closing and bankruptcy (Zheng 2004:133; Hassard et al 2008:36). This policy

was announced for the first time in 1995 (Bramall 2009:476), and the Fifteenth CCP Congress that convened in 1997 reiterated it (Hassard et al 2008:36). This policy would create significant changes in the ownership composition of the Chinese industry and would result in lay off of around 50 million former state and public enterprises workers through early 2000s.

As a result of downsizing, restructuring and privatization by the mid-1990s, %40 of SOE workers and more than two thirds workers of collective enterprises lost their jobs (Naughton 2007:301). Andreas (2008:130) presents a clear figure showing dramatic decrease in shares of SOEs and collective and cooperative enterprises in total urban employment since the mid-1990s.

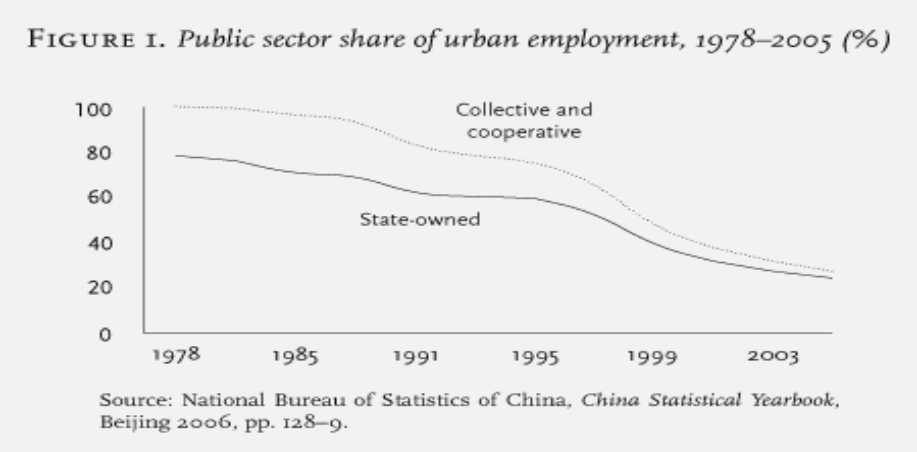

Figure 1: Public sector share of urban employment, 1978-2005 (%)
(Source: Andreas 2008:130)

Another feature of the second phase of reforms was the dramatic increase in foreign direct investments. The share of foreign-funded enterprises rose to 15.92 percent of gross industrial output in 1999, and their contributions to exports increased to over 50 percent in 2001 (So 2006:63). Following the China's WTO membership in 2001, some persistent restrictions over the foreign direct investments were gradually removed. This, in turn, increased the amount of foreign investment inflowing into China (Mantzopoulos and Shen 2011:69, at Table 4.1). The WTO membership was also significant in that it would bring restrictions on China's industrial policy since China will have to comply with

the liberal trade and production framework of the WTO. Thus, it would further enhance China's integration into global capitalism (Bramall 2009:476).

Chinese leaders also concentrated on reshape the terms of employment. Thus, the legal framework of employment relations has dramatically changed and lifelong employment is replaced by contractual employment in the second phase of economic reforms. The enactment of nationwide Labor Law in 1994 was crucial in this respect. It abolished the lifelong employment system and allowed employers firing employees due to economic reasons (Kinglun 2008:52). Furthermore, the Labor Law set the stage for restructuring and downsizing of state enterprises. Overall, it aimed to create a legal framework for creating a labor market in the prospering market economy.

There were also particular efforts to the state's role in the economy through the institutional reforms. Related to this goal, a special attention was paid to innovating new institutions and eliminating the old ones that were associated with the former central planning structure. Zhu Rongji set up the State Economic and Trade Commission (SETC) in 1993 as a central body in rebuilding the institutional structure of Chinese economy so as to make it compatible with the emerging market economy (Zheng 2004:96). However, he could not be so successful in implementing his reform plans until 1997 due to the resistance of conservative cadres in the bureaucracy. After 1997, when he became the premier, the institutional restructuring gained pace. The SETC was expanded through incorporation of some ministries and bureaus. By this way, it became the most powerful coordinating organ in China (Zheng 2008:104-5). He also made a crucial change in the symbol organ of the planned economy, i.e. the State Planning Commission. Its name was changed to State Development Planning Commission, and it was relegated to be a research institute (Zheng 2008:97). It would be included later into the National Development and Reform Commission, which replaced old planning institutions as the leading organization in macro-economic regulation in 2003 (Breslin 2007:70). The year 2003 also witnessed an important change in the management of SOEs with the

establishment of the State Assets Supervision and Administration Commission (SASAC) (Naughton 2007:303). The SASAC would be responsible for the "state's interests in SOEs as a shareholder rather than as direct owner" (Breslin 2007:71). These changes reflect the state's new role in economy as regulation, instead of planning, and strengthen the market-driven feature of state enterprises.

After all these changes, what has been emerging is an economy that is predominantly driven by market logic and market imperatives, in which state's role has receded to macro-economic regulation. As Wang Shaoguang states, the CCP's main objective has turned to the economic growth while attention to equality and welfare has decreased (Wang 2008b:18). The ownership structure of Chinese industry has diversified and an industrial structure has come about that "consists of large central government firms, hybrid local and foreign firms, and small-scale capitalism" (Naughton 2010:440). Doug Guthrie argues that "capitalism has arrived in China, and it has done so under the guise of gradual institutional reform under the communist mantle" (Guthrie 2006:72). In parallel to Guthrie's argument, many scholars, from various theoretical backgrounds, argue for considering Chinese economy as a version of capitalist economy. Andreas argues that Chinese economy is a capitalist economy because above all it rests on production relations which can be observed in any capitalist economy, and that "today the entire economy is oriented by capitalist imperatives" (Andreas 2008:134). One peculiarity in the Chinese economy, however, is that the state still retains considerable weight in ownership of industrial enterprises, i.e. the means of production. On the other hand, since state enterprises are organized as corporate entities and driven by the imperative of maximizing profit, the production relations in China basically do not differed from one in which ownership of enterprises hold by private entrepreneurs. Just as importantly, the state itself has built the market logic into economy (Rucki 2011:349) and created the market conditions for participation of private entrepreneurs in China (Breslin 2007:80). Naughton also agree that Chinese economy can be seen as "a variant of 'capitalism'" since profit maximization is the primary goal of all actors including SOEs (Naughton 2010:440). Chris

Bramall as well maintains that what the Chinese economy has been experiencing since 1996 is "a rapid transition to full-blown capitalist economy" (2009:469), despite the CCP leadership's "rhetorical commitment" to socialism (2009:491).

No matter how to call the emergent Chinese economy, it is clear that China's economic development path has created remarkable income inequality both among social groups and regions, while contributed to modernization of Chinese economy and resulted in a tremendous increase in country's GDP. The rural China has not benefited from the economic transformation as much as the urban areas. The deterioration of income level and living conditions of peasants has turned out another important social problem in contemporary China. As a result of decollectivization of agriculture, a surplus labor force emerged in rural China. Many of those (former) peasants had to seek jobs in urban enterprises by moving temporarily into cities. This floating population is facing wage discrimination and is not entitled with the right for social services provided by the local governments. Moreover, almost all Chinese society has become more nervous about their future due to the dismantling of the lifetime employment and social welfare services of the socialist era in healthcare, education, and housing. The following section aims to discuss in detail these changes in Chinese society.

2.2.2. Social Consequences of the Economic Reforms

As the reforms have moved forward by the early 1990s, they have resulted in changes both in the structure of Chinese society and state-society relations. As pointed out above, the corporatization and privatization of SOEs and collective enterprises has brought about problem of lay-off for millions of former state sector workers. Their number was estimated around 50 million by the early 2000s. According to UNDP report (UNDP 2005:40), between 1995 and 2003, number of employees declined to 66 million from 110 million and to 10 million from 31 million in state enterprises and in collective enterprises respectively.

Changes in rural economy that resulted from decollectivization of agriculture have created a surplus labor in agricultural population. This surplus population would seek to move into cities permanently or temporarily in order to find job.

Only a tiny minority could become permanent urban resident because of barriers erected by *hukou* system, or the household registration system, which entitle just registered residents of a city with access to education, healthcare, and social security (UNDP 2005:2). Many had to work as migrant workers, who spend a part of year in cities by working in low-wage jobs. They generally work in informal jobs without employment contract and social insurance. Furthermore, they are exposed to discrimination in benefiting health and education services provided by the local governments since they are not given urban resident status (Bramall 2009:479). The number of this floating population is estimated around 140 million in 2004 (UNDP 2005:41). The so-called low labor cost advantage of China owes its existence in part to those over-exploited workers. This discrimination against such a huge portion of population constitutes a great problem for the CCP leadership and its legitimacy.

The dismantling of the social service system associated with the agricultural collectives and state enterprises has brought certain problems in the access of Chinese citizens to health and education services. Health care services were commercialized gradually, a process reflected in increase of share of individual payment to around % 60 of total health expenses through the early 2000s (Wang 2008b:19). Comparing this percentage with that of other developing countries (%42.8), developed countries (%27), and least developed countries (% 40.7), Wang maintains that China's health care system has excessively commercialized (Wang 2008b:20)

The marketization process has paved the way for a social stratification which is characterized with a huge income polarization. Timothy Cheek portrays this stratification in clear terms. According to him, in contemporary China, there is a very tiny but extremely wealthy elite and a middle class with a good purchasing power about 200 million on the hand; and a very poor segment, about 200 million, which is composed of mainly migrant workers and urban unemployed people on the other (Cheek 2006a:90). Actually, China's Gini coefficient, a measure used for calculating income inequality, reflects this huge income inequality. China's Gini coefficient reached 0.45 in 2002 (UNDP 2005:30). This

shows the how much alarming is the income equality because it is accepted that Gini coefficient above 0.40 means a high-degree inequality. By this Gini coefficient, China located in 90th rank among 131 countries (UNDP 2005:2). According to government statistics, top 10 percent's share in total asset is above 40% while the bottom 10 percent has less than 2% (Fan 2006:713).

Another result of market and opening up reforms for Chinese social fabric is uneven regional development. Southern provinces in the Eastern region, along the coastal line of China, such as Jiangsu, Zhejiang, Fujian, and Guangdong have unevenly developed during the reform period (Fan 2006:713). Basically, since these provinces have attracted much of foreign direct investments and domestic private investments, income level and living standards are far ahead of those of provinces in the Western and Central regions. GDP per capita was 18,217 Yuan in the Eastern region in 2005, while those of the Western and Central were 7,215 and 9,481 respectively (Fan 2006:714). Income disparity between urban and rural areas has also dramatically grown, as shown in decreasing share of agriculture in national economy from 31 percent in 1979 to 12.6 percent in 2005 (Wang 2008b:25-6).

Widespread corruption among the CCP cadres is as prominent as the above-mentioned consequences of the reforms. It has triggered a popular disgust against the CCP cadres. As a survey conducted among Beijing residents shows corruption is one of most important problems together with excessive income inequality and unemployment (UNDP 2005:19).

In those circumstances, a sense of inequality became widespread among Chinese people, which is crucial for the legitimacy of the CCP. A survey dated 2002 implied that above fifty percent of respondents thought that the primary beneficiaries of reform were the Party and state cadres and entrepreneurs (Fewsmith 2008:234). Another survey conducted in 2002 revealed that around 80 percent of people conceived income distribution either "not so equitable" or "very inequitable" (UNDP 2005:17). Experts also are wary of increasing inequality in Chinese society. A survey carried out by CASS sociologist Lu

Jianhua, whose respondents were 100 experts, revealed that 45.9 percent believed "there was some possibility" for a comprehensive social crisis, and 11 percent believed "it was very likely" (Fewsmith 2008: 235).

2.2.3. Hu Jintao-Wen Jiabao Era: A Pragmatic Turn to Left?

As a result of joint effect of increased concern over rising inequalities in Chinese society and unrest especially among rural poor and workers in urban areas led the CCP leaders give more attention to social justice issue since the early 2000s. In 2003, Hu Jintao and Wen Jiabao became the president and the premier of the PRC respectively. The Hu-Wen administration would pay a special attention to reversing the widening inequalities and attempt to follow a socially-balanced growth. Their vision as regard to economic development path differs in this respect from that of Zhu Rongji- Jiang Zemin administration. Jiang Zemin is often associated with China's new economic elite. He proposed the "Three Represents" theory and could succeed in its inclusion into the Party Constitution in 2002.[9] According to the idea of "Three Represents", the CCP represents "the advanced productive social forces" along with the advanced culture and the interests of the overwhelming majority of the China's people (Fan 2006:716). On the practical level, "the advanced productive social forces" refers to private entrepreneurs and the idea of Three Represents serves to legitimize CCP membership of them (Saich 2011:94). Indeed, it serves to legitimization of what had been already happening, because the emergent segment of private entrepreneurs included also some CCP members. By using their political power, some Party members had become the owner of private enterprises during widespread privatization from the mid-1990s (Breslin 2007:76). By 2003, about one third of private entrepreneurs were Party member, most of whom were party member-turned-entrepreneur (Shambaugh 2008:114). As said, in contrast to the Jiang Zemin- Zhu Rongji administration, Hu Jintao

[9] However, this attempt of Jiang attracted criticism from some Party members and intellectuals (See Dickson 2004:152-3).

and Wen Jiabao would adopt a more populist vision in the face of increasing inequalities and public anger at the vagaries of market reforms.

Given these concerns, the slogan of "putting people first" and the idea of "harmonious socialist society" had been two important themes in discourses of Hu and Wen from the beginning of their leadership. These ideas became official policies at the Sixth Plenum of the 16th Party Congress in October 2006 (Saich 2011:98), and were included in the Eleventh Five-Year Plan, which covers the period from 2006-2010 (Fan 2006:717). On the practical level, these ideas point to reducing income inequality, improving access to healthcare and education for the rural poor and migrant workers, extension of the social security system, improving income level and welfare of rural residents (Saich 2011:98). Overall, with an emphasis on balance growth and equity, the Hu-Wen administration's vision differs from the growth-at-all-costs agenda of the Jiang era (Shambaugh 2008:118). Thus, redistribution gained prominence over growth in macroeconomic framework and more protective social policies were adopted in the Hu era.

Within this context, a group of new social polices was adopted in this era. In order to reduce the growing urban-rural income disparity, the Hu-Wen government introduced some social and fiscal policies favoring rural areas. The overall aim was to curb taxes taken from peasants and transferring more fiscal resource to agriculture. It was decided to abolish all agricultural taxes in 2006, and this was realized by 2008 (Wang 2008b:26; Naughton 2008:145). Another policy within the scope of new rural social policies was the extension of primary education in rural areas. In case of social security, the new Cooperative Health Care scheme was designed, which was planned to cover 80 percent of rural residents (Naughton 2008:145; Fan 2006:712).

Extending health care insurance for urban residents is another measure for enhancing welfare of Chinese citizens. The Hu-Wen administration committedly followed the policy of the Basic Medical Insurance System for Urban Employees which had been initiated in 1999. This System would cover 157

million employees in 2006 by showing a remarkable increase from 18 million in 1999 (Wang 2008b:32).

Moreover, The Northeast Revitalization Plan was initiated in 2004 in addition to the Western Development Program, which was introduced in 1999 (Naughton 2008:149). Basically, these efforts have led to increasing government fund for those regions to be utilized for investments in industry (Lai and Teng 2007:172).

The Hu-Wen leadership gave attention for the improvement of living and working conditions of workers in general and migrant workers in particular. The Employment Law (2007), Labor Dispute Mediation and Arbitration Law (2007) and Labor Contract Law were enacted for the amelioration of labor conditions in China. Also, the Chinese leadership took decisions to extent social security coverage for migrant workers, and facilitated education of migrant workers' children in cities they lived in (Zhao 2007:178).

Thus, the Hu-Wen leadership could succeed in moderating inequalities (Lai and Teng 2007:168). On the other hand, it would be wrong to say that Hu-Wen leadership was willing to reverse the market reforms and to change the trajectory of Chinese economy. Neither the content of the Eleventh Five-Year Plan nor Hu's and Wen's discourses confirm this. The Plan still stipulates the importance of market (Fan 2006:719). When responding to arising debates among the Party cadres and public about the meaning of the Hu-Wen leadership's economic policy, the leadership made statements that emphasize the importance of market and opening up at both the NPC meeting in 2006 and 17th Party Congress in 2007. Fewsmith presents quotations from Hu and Wen to underline this point. Hu emphasized in his speech at the NPC meeting in 2006 "the basic role of the market in the allocation of resources", and Wen stated that "we should unswervingly push forward the reform and opening up" (Fewsmith 2008:267-8). Hu once again reaffirmed reform and opening up in the report he delivered at the 17th Party Congress (Fewsmith 2008:282). Thus, it would be wrong to consider this shift in economic and social policy a break from market reforms. Naughton clearly expresses this point: "[This] 'left turn' is definitely not equivalent to a

rollback or halt in reform" (Naughton 2008:144). Then, it seems fair to argue that this shift is a pragmatic response to increasing social disparity by a government which is willing to be seen as "responsible government" in the eyes of Chinese citizens (Davies 2007).

CHAPTER 3

INTELLECTUALS AND POLICY-MAKING IN THE POST-MAO CHINA

Introduction

As discussed in the Introduction chapter, Chinese intellectuals have always been an important social group from imperial era to the 20th century. In the imperial China, intellectuals, or *literati*, served the governor as adviser and were supposed to act as the conscience of society, a tradition the roots of which trace to the Confucian culture. Modern intellectuals like the literati saw themselves as having a moral mission in making China a strong and wealthy country. Thus, there remains a strong tradition of serving country as a self-described sense of mission from Confucian countries to the 20th century. During the Maoist period, however, they were forced to be silent in connection with the CCP's strategy to control whole social life, including the intellectual scene. They were considered as a source of threat to CCP's monopoly in the field of ideas. With the initiation of reform and opening up policies since late 1970s, however, they began to play important role in Chinese politics. In the reform era, a public space, which is to some degree out of Party's control, has emerged. For intellectuals, this means new fresh channels for expressing their ideas. This is the case for both intellectuals within the establishment and those who are outside the establishment. All typologies of intellectuals, in a large spectrum from the establishment intellectuals to the politically independent intellectuals, now have far more freedom in expressing their ideas and in engaging political debates publicly. Furthermore, the Party now seeks to benefit from the knowledge and expertise of intellectuals in the face of the growing complexities of the increasingly marketized economy. Thus, intellectuals again have become crucial

actors both as critical public figures and advisers in the post-Mao era. They can influence the Party's policy agenda through their publicly criticisms and they can play a crucial role in shaping of policy measures through their consultancy in the policy formation process during which the detailed content of the policy is determined. The central purpose of this chapter is to make a comprehensive examination of the various ways in which intellectuals affect the policy making in contemporary China.

To understand intellectuals' role in policy-making, it seems useful to have a glance to the ever-changing environment of the Party-intellectual interaction and the changing political landscape since late 1970s. The first section of this chapter is devoted to this task. Beginning with an historical overview of the Party-intellectual interaction since 1978, especially focusing on the period after 1989, this section aims to come up with the different typologies of intellectuals in contemporary China in terms of their *attitudes* vis-à-vis the Party-state. The second section, against this backdrop, examines the patterns as to intellectuals' influence in the policy-making process. It divides policy-making into two stages as policy agenda-setting and policy formation and focuses on intellectuals' role in those processes.

However before concentrating on the chapter's main subject mentioned above, it is necessary to clarify the use of the term 'public space' or 'public sphere', which are used interchangeably here. Instead of a normative and value-laden[10] use of the term, this study adopts a definition compatible with the empirical aims of the study. Accordingly, it refers to a social realm where information and ideas on public issues are circulated as accessible to a wide audience (Liu and McCormick 2011:115). On the practical level, it refers to a wide range of avenues/channels for intellectual to express ideas from

[10] The original Habermasian concept of the public sphere assumes some ideal conditions like openness and reasoned debate (Liu and McCormick 2011:112; Gu and Goldman 2004:9). Timothy Cheek goes one more step further about striking difference between Habermas' model of public sphere and the Chinese reality and argues that "the Party in China is civil society" (Cheek 2012:157).

newspapers, academic journals, TV programmes and websites to research institutes and so on.

3.1. Intellectuals, Public Space and the State in the Reform era

In the late Mao era, China was experiencing significant economic problems and the Party's relations with Chinese people terribly deteriorated. Meisner points to the political malaise and cynicism among the population (Meisner 1999:424). Hua Guofeng, the chairman of the CCP after Mao's death, presided over some policy changes in order to improve the Party-society relations. During his term, the strict control over the artists and scholars was relaxed as can be observed in the re-appearance of banned plays, operas, and films and the growing number of journals and periodicals (Meisner 1999:428). Even some critical evaluations of the excesses of the Cultural Revolution appeared in the official press (Beja 2006:55).

As known, however, a radical reorientation of China would be initiated by Deng Xiaoping since 1978 with the aim of creating a post-Maoist order. Considering the legitimacy crisis in the late Mao era, Deng could find a broad base of political support among both ordinary citizens and political elites. Despised party cadres, silenced intellectuals, millions of urban youth that sent to countryside, ordinary citizens who suffered from the radical policies can be counted as some important among them (Meisner 1999:432). Even there were young democratic activists at the time that hold political meetings in Beijing streets who demanded the ouster of Maoists and denounced the injustices of the Maoist period (Mesiner 1999:434). In those favorable conditions for change, the Deng leadership initiated some steps to build a post Maoist order. To this end, Deng took some steps like the rehabilitation of intellectuals and political-prisoners and the replacement of 'leftists' in the bureaucracy with his protégés. More importantly, the Third Plenum of the Party's Eleventh Central Committee announced that the primary aim of the party was the economic modernization, not class struggle (Breslin 2007:47). Later, in 1981, with the "Resolution on Certain Questions in the History of Our Party since the Founding of the People's

Republic of China", Mao's 'leftist' errors were officially criticized (Mesiner 1999:444). In his fought against the Maoism and Maoists, Deng wanted to give legitimacy to intellectuals in order to undermine the influence of Maoist ideology and cadres.

However, the relations between intellectuals who favored the political reform and the Deng leadership would not be so easy. Above all, since even the legitimacy of the Party rule may be challenged in the course of political reforms, Deng at times would take a more cautious and authoritarian style in approaching the intellectual groups and their demands. The Four Cardinal Principles, which were announced in 1979, aimed to adopt some limitations on political debates. The Four Cardinal Principles, namely the socialist path, the people's democratic dictatorship, the leadership of the CCP, and the Marxist-Leninist-Maoist thought were not allowed to be questioned (Beja 2006:55). Furthermore, the so-called conservatives cadres in the high-ranking of the Party could be successful in challenging the pro-reformist groups outside and inside the Party during the rounds of "anti-spiritual pollution campaign" and "anti-bourgeois liberalization campaign", which took place in 1983 and 1986 respectively (Chow 2007:205). Thus, the Party's stance toward intellectuals during 1978-1989 would be in a continuous tension; and it would take different forms from suppression and control to co-optation and consultancy. To quote Meisner, periods of relative intellectual and political liberalization and periods of suppression followed each other in cyclical manner during the 1980s (Meisner 1999:486). The following section goes through the details about the activities of different intellectual groups and their relations with the Party in the 1980s.

3.1.1. From 1978 to 1989: the Emergence of Quasi-Autonomous Public Space and the Ideological Pluralization

By the time that Tiananmen crackdown took place in 1989, and the quasi-autonomous spaces for intellectuals emerged. Significantly important, several different intellectual currents became apparent apart from the official Marxism-Leninism. Among them, liberal values of the May Fourth era like science, modernization, and democracy held a special importance.

The reform program of Deng meant to the restructuring of the state-society relationship which brought together a significant debate in the ideological field. Therefore, the role of intellectuals, both as critic and adviser, would gain paramount importance during these years. Intellectuals, who had been forced to be silent in the Mao era, were now willing to have freedom of expression and autonomous spaces for their intellectual activities (Xin 1998:275). Apart from this, they were also motivated by the search of social prestige.

Even if these statements aim to describe the Party-intellectual interaction in general in the early years of reform period, they ignore the divisions among intellectuals in terms of both their ideological-political preferences and positioning vis-à-vis the government or the Party. The CCP under Deng itself was not monolithic as well, it was "a divided leadership" (Beja 2006:56). The Party summit divided into two groups as reformers and conservatives according to their stands as regard to the reforms. Even ideational differences among reformers could at times play important role in shaping of the intellectual scene, as can be observed in the differences between Huo Yaobang, Zhao Ziyang and Deng Xiaoping about the political reform. Thus, it is better to look into the activities of different intellectual groups and their interactions with the Party in the 1980s, or with the terms of Goldman and Gu, to "the different relational patterns of intellectuals to the Leninist Party-state" (Gu and Goldman 2004:6).

In the 1980s, intellectual groups differentiated in their relations with the Party-state. Gu Xin divides them into four groups from an institutional perspective: state-generated and establishment; society-originated and establishment; autonomous from the state; confrontational with the state (Xin 1998:278). Zhidong Hao too divides them into four groups: independent critical intellectuals; organic critical intellectuals; organic orthodox intellectuals; bourgeosified and professionalized intellectuals (Hao 2003:96-117). These different labels have to do with their theoretical model on how to conceptualize the intellectual-party interaction. Even if this paper draw insights from their explanations regarding the description of different intellectual groups, it seems not useful for us to follow such strict definitions of groups considering the aim

of this chapter, i.e. a general overview of the Party-intellectual relations in the 1980s. According to their positions and attitudes vis-à-vis the Party in this era, intellectuals might be divided into three groups as such: the research groups that helped the reformist leaders in developing the new reformist policies and that were directly patronized by these leaders (1); critical intellectuals within the establishment (2); independent and largely independent intellectuals outside the establishment (3). No doubt, the intellectuals did not consist of these three groups, however, it appears that these were the most influential categories of intellectuals that played an important role in shaping the field of ideas in the 1980s. Now it is useful to have a closer look into these three groups' activities and their effect in Chinese politics and intellectual field during the 1980s.

Before analyzing their roles and effects in politics, it should be noted that these intellectuals categorized above shaped under different formations. They came to the fore such as research groups, or editorial committees of book series and to non-official research institutions and the like (Xin 1998:278).

i. **Research Groups** patronized by the reformist leaders: Reformist faction in the CCP was willing to form research groups outside the state bureaucracy to formulate policy recommendations for reforms. By this way, the reformist leaders aimed at bypassing the conservative bureaucracy which constituted a challenge to the market reforms (Xin 1998:281). Also, the reformist leaders needed technical expertise in the course of building a modern economy (Wang 2008:65-6). The Development Group, which was supported by Deng Xiaoping and Zhao Ziyang, is a case in point. The Development Group would be efficient in the formulation and spreading over of the Household Responsibility System (Xin 1998:282). The number of this kind of research groups, which came to be named "Zhao Ziyang's think tanks", would increase dramatically since 1985 with Zhao Ziyang's efforts. Zhidong Hao says that they played "an important part in the formation, development, and propagation of new, reformist rural as well as urban policies" (Hao 2003:112). In a similar fashion, some intellectuals who associated with Zhao Ziyang and Deng Xiaoping attempted to generate

quasi-Marxist arguments to legitimize the Party's market policies during the 1980s (Meisner 1999:488-9).

On the other hand, the CCP leadership adopted a more authoritarian stance following the 1986 pro-democracy demonstrations. This authoritarian stance was consolidated in the face of the signs of popular dissatisfaction in the years ahead, which manifested themselves as workers strikes and peasant unrest that was fired by the deteriorated economic conditions in those years (Mesiner 1999:493). Indeed, as Beja argues, the relative relaxation and the "experimentation in the political realm" until late 1980s owed its existence to social stability brought about by successful market reforms (Beja 2006:60). In parallel to decline in social stability, the political atmosphere characterized with a relative freedom began to disappear. New ideological inventions by the intellectuals associated with Zhao Ziyang accompanied this escalating authoritarian mode. These intellectuals, who later would be called the "new authoritarians", argued for a strong state capable of implementing the economic modernization program. They thought that since the political reform may damage the China's economic modernization it should be postponed (Meisner 1999:493-4). This authoritarian vision would be a crucial factor in pushing the liberal-minded intellectuals into a confrontational manner vis-à-vis the government on the eve of Tiananmen events.

ii. **Critical wing of organic intellectuals**: There were some intellectuals within the establishment who sought for political reform within the boundaries of the regime without directly challenging it. Accordingly, Ding names intellectuals in this orientation as "independent-minded official intellectuals" (Ding 1994:52). They already positioned within the establishment or inside the institutions of the Party-state system. These intellectuals, who were sympathetic of the idea of a new interpretation of Marxism and socialism, believed in Deng leadership and its efforts to modernize China by the mid-1980s. Wang Roushui, a high-level party cadre and the deputy editor of People's Daily until 1984, is a good case in point. He criticized the some aspects of Chinese socialism by drawing on humanist variant of Marxism (Hao 2003:103). However, they would

be attacked by the "campaigns against bourgeois liberalization" that initiated by the conservative wing of the Party, and their relations with the Party would became more problematic, even sometimes confrontational, in the years ahead. Following the suppression of student demonstrations in 1986 and the ouster of Hu Yaobang from the party general secretary, they started to question more seriously the willingness of Deng leadership for reform (Hao 2003:108). Facing with the repressive measures, their relations with the Party would eventually turn into a confrontational manner. In 1989, three petitions were signed by some intellectuals, including Wang Roushui, through which the release of political prisoners and the political reforms including the basic rights of citizens were demanded (Hao 2003:110). Lastly, it should be noted that they have a great effect in Chinese politics in 1980s. For example, the World Economic Herald, a weekly newspaper led by this critical wing of organic intellectuals, reached nearly 300,000 subscribers by 1989 (Ding 1993:62).

iii. **Largely Independent and Independent Intellectuals**: In addition, there were also intellectual groups which positioned largely outside the system (Hao 2003:100). For instance, the editorial committee of "Towards the Future" book series and the International Academy of Chinese Culture were the most influential among them.

The book series entitled "Towards the Future" came into existence by the efforts of the independent intellectuals (Xin 1998:282-3). Reflecting the pluralization of intellectual currents and the decline of orthodox Marxism, these book series contained the translations from Max Weber, Robert Merton etc. Thus, the book series had a critical importance as they gave the way for the influx of Western ideas into Chinese political debates. Actually this group, like other largely independent ones, used to take the advantage of personnel connection with high-ranking party officials in order to be established and also to survive in the face of the conservative campaigns, or against any possible crackdown. The influence of these book series was great with 74 books that thousands of copies of each one were printed within one year (Xin 1998:284). Another influential intellectual group in this manner was the editorial committee

of book series entitled “Culture: China and the World”. They translated books of many Western thinkers including Martin Heidegger, Jean-Paul Sartre, Michel Focualt, Jacques Derrida (Hao 2003:101; Xu 2004:193).

The Culture Academy and its efforts to reinvigorate the Confucianism should also be mentioned about, since it represented a strike example of the pluralization in the ideological field. This group included well-known intellectuals who were critical of the official Marxist-Leninist ideology (Hao 2003:100). It conveyed seminars, symposia, and courses on the traditional Chinese culture during the 1980s. It was a non-official academy whose aim was “to expand and propagate the Chinese cultural tradition and to promote modernization of Chinese traditional culture” (Xin 1998:291-2).

In addition to these groups, Gu Xin pays much attention to the emergence of institutions that were independent from the state in the 1980s, which were called *minban* (Xin 1998:286). Even if these non-official institutes somehow were dependent upon the state organization and supervision, intervention by the Party to the minbans was a rare phenomenon. The CCP itself encouraged the establishment of minban kind of research institutes in order to benefit from their scientific researches. The first and the most influential among them was the Beijing Economic and Social Sciences Institute (BSESI), whose members were veteran democratic activists who participated in previous democratic movements in the late 1970s (Goldman 1999:299). What is crucial about the institutional form of the BSESI was its total financial autonomy. Chen Ziming, the leader of the BSESI, chose to finance its activities by going into business (Xin 1998:288). Although BSESI members had been keen on playing the role of adviser in the establishment, the suspicions about their identities and goals on the part of the Party, which resulted from their previous democratic activities, did not allow such a cooperation to be happened (Xin 1998:289; Goldman 1999:291). Then, the BSESI would work in an independent manner. The most important contribution of the BSESI to the intellectual sphere was the significant effect of the Economic Weekly that the it took over in 1988 (Xin 1998:290), which

became a forum for discussions on topics within a wide "range from Confucianism to the May Fourth" (Goldman 1999:299).

When concluding the overview of the period from the Mao's death until the Tiananmen crackdown, here it may be underlined the main features of intellectual scene of the period. Chinese intellectuals tried to create an autonomous sphere behind the Party control during the 1980s. Indeed, they succeeded in creating semi-autonomous organizations, partly thanks to the protection of reformist leaders (Beja 2006:59). In this sense, a public sphere where alternative opinions, even to a limited extent, could circulate as opposed to the monopolistic public sphere of the Mao era, could emerge (Liu and McCormick 2011:117). The prevalent intellectual discourse in the 1980s was liberal and pro-democracy in essence. It drew from the liberal tradition in Marxism and Western liberalism, and called for building a more democratic and liberal order with a humanist perspective (Fewsmith 2008:8). However, it should be underlined that after the Tiananmen crackdown both the intellectual trends and the Party-intellectual relations would enter a new period which includes considerable changes.

3.1.2. Changing Political Landscape since the Tiananmen

In the aftermath of the Tiananmen crackdown, the CCP leadership adopted harsh repressive measures against the intellectuals in the liberal orientation. Some of them were put into prison and some fled abroad. Those who remained in China and out of prison had to accommodate their intellectual stance within the new legitimate boundaries imposed by the Party. Put it simply, the Party was not any longer tolerant of criticisms which directly challenge the China's political regime and the CCP rule. In other words, the relatively free intellectual atmosphere of the 1980s disappeared in the years following 1989. Also, beginning from the early 1990s, the Chinese political environment dramatically changed due to the variety of domestic and international political factors. One of the results of this change is that liberalism, the most prestigious intellectual current in 1980s, lost its position as the common faith of intellectuals, and new

intellectual currents began to appear in the intellectual field. The decreasing appeal of liberalism in the intellectual scene –in the form of willingness towards political reform- only partly can be explained by the suppression. This was also a clear consequence of a change in minds. Political atmosphere of China in 1990s increased the appeal of some other ideologies, and once liberal-oriented intellectuals fragmented into various ideological stances (Gong Yang 2004). Among them neo-conservatism, nationalism, the New Left are the most influential ones. This section will scrutinize the rise of the new intellectual currents within the context of political debates in order to have an idea about the changing political landscape in China.

Tiananmen demonstrations, which directly targeted the CCP rule, proved for Beijing that the regime should severely constrain legitimate boundaries of the political criticism in order to maintain stability. In addition, the dissolution of the Soviet Union provided the CCP leadership with further impetus for a tighter control of the politics. The Chinese political elite were really anxious about the stability and maintenance of the CCP rule (Goldman 2007:26). The Deng leadership also was accused by the conservative wing of the Party for paving the way for bourgeois liberalization and public disturbance through its marketization and opening-up policies. In those conditions, he was struggling for consolidating both his leadership and the regime's stability itself (Fewsmith 2008:35-40). He could be successful in defeating the conservatives in the ideological debate over the direction of reform- whether marketization and opening up to be continued. In 1992 Southern Tour speech, which was considered as the manifestation of his victory over the conservatives, he maintained that China would move forward in the way of marketization and opening up. Deng combined this with an authoritarian stance against the liberal demands of democracy and political reform. Now, the regime's motto was that "stability overrules everything else" (Beja 2006:62). Democracy and political reforms were no longer on the agenda. The regime's overall policy could be summarized as such: acceleration of market reforms under an authoritarian political regime (Fewsmith 2008:85).

This line of political thought, which was labeled as neo-conservatism in the Chinese politics, would gain a considerable support from the intellectuals. This partly can be explained with re-evaluation of the liberalism of the 1980s by those intellectuals. That is to say, the decreasing appeal of liberalism in the 1990s not only results from the political suppression, but also from changes in mind. It is possible to say that two main trends can explain the decreasing appeal of liberalism in the 1990s: criticism of the political radicalism in the face of disastrous examples of Soviet and Eastern European experience and the demythification of the West together with the increasing nationalist sentiment throughout the Chinese society (Zheng 2004:163-5).

Actually, the collapse of the Soviet Union made significant impact upon Chinese politics in the early 1990s and paved the way for the rise of neo-conservatism. How to avoid such a collapse was the most important issue in the mind of the CCP leadership in those years (Hao 2003:121). Neo-conservatism, basically, argued for a strong central government in order to advance reforms and set up a well-working market economy (Fewsmith 2008:85). It contends that the political reform and democracy should come after the consolidation of market reforms. In other words, it gives priority to stability and order over democratic reform.

As said, another aspect of the decreasing appeal of liberalism is related with the changing West image on the part of Chinese intellectuals. The West had been seen as the ideal source of inspiration for political ideas and scientific progress during 1980s, which, for example, found a radical expression in "River Elegy", a popular TV series (Mesiner 1999:494). However, the 1990s witnessed the demythification of West. A growing interaction with the Western countries and becoming more familiar with the problems in the Western countries changed the idealized West image. More importantly, the perceived hostile attitude of the Western countries toward China contributed to the demythification of the West. These developments inevitably had impacts over intelluctuals as the idea that the Western thought is not appropriate for China showed itself in the intellectual debates. This idea was reflected more clearly in studies of the Neo-Confucian

intellectuals who argued that China should rest on the Confucian ideals rather than the immorality and individualism of the Western capitalism (Hao 2003:161). All in all, as Zheng (2004:164) says, now intellectual were more suspicious about the universal application of liberal ideals.

Another reason behind the diminishing appeal of liberalism in the 1990s is the new international environment which invigorated the nationalism in China. Anti-American feelings became powerful in China in the 1990s, partly due to American triumphalism. The anti-Americanism resulted from the hostile attitude of America towards China such as blocking China's bid to host the 2000 Olympics in 1993, opposition to China's participation to the WTO, its policies concerning Taiwan and Tibet issues and the like (Goldman 2007:26; Fewsmith 2008:160). One survey dated 1997 showed that 87.1 percent of respondents saw the US as the country 'the least friendly' to China (Fewsmith 2008:161). The US' allegedly accidental bombing of China's embassy in Belgrade in 1999 created a strong nationalist anger towards the US (He Li 2010:5). In this environment, a strong popular nationalism emerged in the Chinese political context. The Chinese government's relation with this popular nationalism has been tense. Even though the CCP leadership itself is willing to endorse some form of patriotism and presents itself as the defender of national pride (Cheek 2007:118; Murphy 2008:16), this strong nationalist anger is not compatible with its global vision. Put it simply, the Chinese government is willing to engage with international society and to be a respected member of international organizations. This strong and reactive popular nationalism may hamper the pursuit of this end. To exemplify this unease relation between the CCP and the popular nationalism, it may be noted that some nationalist intellectuals criticize the Chinese government being naïve and soft in its attitude towards the US (Fewsmith 2008:162). This kind of nationalism is dangerous for the CCP in two ways. Firstly, it may become a source of idea that undermines the legitimacy of the CCP leadership. Secondly, it would not be easy for China to engage with the international society in case it adopted a more nationalist stance in its international relations as the popular nationalism demands.

Therefore, it can be said that in the early 1990s the political climate turned to a conservative mode and nationalist thought and sentiments rapidly gained strength in China. The Chinese intelligentsia was not immune from this trend. In this nationalist and conservative climate, the liberalism lost its influence among intellectuals that it had enjoyed in 1980s. Nevertheless, despite the wave of decline in liberal thought, that is not to say that liberalism completely disappeared in the Chinese intellectual arena. In contemporary China, liberal ideas are still alive on the main currents of thought among the Chinese intellectuals. To the late 1990s, liberalism re-appeared as an important intellectual trend. Ogden says that since 1998 liberalism re-gained its prestige and it has become a proud to be seen as liberal in Chinese intellectual scene (Ogden 2004:120). This is partly related with the fact that Jiang Zemin pointed to the need for political reform in his report to the Fifteenth National Congress which was held in September 1997. Liberal intellectuals regarded this as a vague support to the their call for political reforms (Goldman 2007:35) Goldman mentions about a wave of articles by the influential intellectuals published in 1998 which called for political reforms. These intellectuals included those who worked within the establishment like Yu Keping, Wang Huning, Liu Junning, Li Shenzhi in addition to the veteran liberal-activist intellectuals like Li Rui. For example, Yu Keping was the director of the Institute of Contemporary Marxism under the Central Bureau of Translation, Wang Huning was an adviser of Jiang Zemin, Li Shenzhi was the head of American Studies at CASS until 1999. Even those articles varied in their demands they all agreed on the necessity of a political system based on checks and balance, in which rule of law reign and freedom of expression and association is guaranteed (Goldman 2009:671-681). Thus, to repeat, since the late 1990s liberal ideas have gained prominence in intellectual scene and now there is a wide support for the liberal ideas among Chinese intelligentsia. It is said that most of the list of "Top Fifty Public Intellectuals", which was published by Southern Weekly in 2004, was dominated by intellectuals with a liberal vision (Goldman 2009:662). Gloria Davies notes that liberals basically divide into two subgroups: some argue for

the necessity of economic liberalization while some others call for political democracy together with economic liberalization. Their common ground is a belief in market as the best mechanism for well-being of the country (Davies 2007). Even though these themes do not attract wide attention from the general population (Murphy 2008:10), it represents one of two major schools of thought with the New Left in contemporary China (He Li 2010:2).

The New Left is a heterogeneous group, and it can be seen a grouping of concerns rather than a well-defined school of thought. In contemporary China, the term New Left refers to a wide range of people from social democrats, nationalists, left- nationalists to even neo-Maoists (Li Minqi 2008). In general terms, the New Left intellectuals are critical of neoliberalism and neoclassical economics, and they insist on the state intervention to market economy in favor of disadvantaged segments of society and argue for more social spending for the poor, better work conditions for migrant workers (Murphy 2008:6; Goldman 2007:30). To put it differently, the core idea of the New Left is a socially just economic development against the emerging Chinese neoliberalism. Chen (2004:3) says that the emergence of the New Left on the intellectual scene may be traced to the publication of Wang Shaoguang's article in 1991. The article, which entitled "Founding a powerful democratic country", criticized the laissez-faire liberalism and argues for the necessity of the regulation of market and the promotion of economic and political democracy for a better-managed reform process. The term neo-leftism appeared for the first time in 1994 in the Beijing and Hong Kong presses. To the late 1990s, it became an identifiable intellectual current which challenged the current direction of the reform and called for an alternative reform path (Chen 2004:4).

Actually, as shown with help of survey results in Chapter 2, a sense of inequality became widespread among Chinese people and experts by the late 1990s. As the social problems resulted from the market reforms have become apparent, the influence of the New Leftists on the Chinese general public has increased, and it become a "trend of like-minded people" in contemporary China (Hook 2007:3).

Concluding this sub-section it may be said that the economic development path and the remaining suppression of political rights are the most salient issues in contemporary Chinese politics, and the New Left and the liberalism represents two main currents of thought. Liberals basically argue that China needs the advancement of market reforms to tackle its economic and social problems by establishing a more efficient economic structure. They also contend that China should make political reforms in order to establish a political system that is based on the rule of law and respects the rights of individuals from the property rights to the freedom of expression. The New Left, on the other hand, contends that China's current social and economic problems have resulted from the neoliberal market reforms. To deal with these problems properly, according to the New Leftist vision, China should adopt an economic development model in which the state plays an important role to lead the economy into a socially-balanced way. They argue that social justice and political democracy can only rest on such an order, not on one that having shaped by the significant influence of the global capital and the emerging domestic capitalist class.

3.1.3. Intellectuals after 1989: The Disaggregation of the Traditional Intelligentsia and the Newly Emergent Intellectual Typologies

The Tiananmen crackdown and subsequent suppression of intellectuals combined with new social and political conditions shaped by the market reforms brought about crucial changes to intellectuals' role in society and their relations with the Party-state. The most important was that intellectuals' commitment to struggle for the political reforms and democracy in 1980s significantly diminished in post-1989 era. Strictly speaking, there occurred a loss of critical spirit for most of intellectuals, and the intellectual-party relationship turned to a less confrontational manner. A set of factor were responsible for this change in the motivations and the telos of intellectuals. Among them the rising cost of political activism, commercialization of society and culture, professionalization and specialization, the successful co-optation by the Party were key ones. However, not all the Chinese intellectuals have taken this route, and a small number of intellectuals have continued to publicly criticize the party-line even in

politically sensitive areas. Furthermore, commercialization and opening up, at the same time, have contributed to the enlargement of public intellectual spaces, a process which is reflected in the emergence of non-governmental intellectual organizations, a more diverse media, a cyberspace with millions of user etc.

Therefore, the broadest phenomenon in the intellectual scene in the post-1989 has been the disaggregation of intellectuals, i.e. the "engaged and concerned" intellectual figure of the 1980s is no longer represent the most the Chinese intellectuals (Cheek 2006a:95). They have started to diverge in terms of political role and social functioning which they wish to play. In terms of political attitude, it may be specified two profiles of intellectual in the re-configured public sphere: *the professionals without public engagement*, and *the public intellectuals* who engage debates on public affairs in the mass media, the Internet and through other channels with a sense of social mission. Chen Lichuan (2004:9) points to the different typologies of intellectual in a clear way:

> *It has to be admitted that in China at the moment, two profiles of intellectuals can be drawn, those who wish to play a genuine role in the conception of a free and just society- they can be found just as much in the camp of the liberals as in that of the neo-leftists- and those who, for one reason or another, play a part in reinforcing the power in place. The former, currently called "public intellectuals", frequently asset themselves in the defence of the civil rights of a population that has been misled; the latter, rarely engaged in intellectual debates or public affairs, are for the most part identified with the pragmatic elite within the system.*

Indeed, even though it is possible to make a more comprehensive and accurate classification of Chinese intellectuals in post-Tiananmen era[11], this categorization provides us with a useful analytical tool to grasp the key difference among intellectuals in terms of political attitude and the different relational patterns of the Party-intellectual interaction in policy-making process. Because it focuses on intellectuals who are relevant for policy process, i.e.

[11] Susanne Ogden, for example, offers such a comprehensive fivefold classification based on position vis-a-vis the Party-state: the mouthpieces of the party-state; intellectuals in think tanks; pure academics who usually engage in apolitical research; public intellectuals; and finally dissident intellectuals (Chow 2007:195). We do not rest on such a classification since the in terms of attitude in policy process the picture is rather simplistic. The first and the second groups serve as adviser and advocate and have a *direct* effect on decision makers. The fourth and the last groups seek to affect decision-makers *indirectly* through the public effect they create. And, the third group is totally irrelevant in policy process.

excludes irrelevant ones like literary intellectuals. Also, this classification, which takes *attitude* as the principal criteria for classification, seems more useful to capture the complexities of intellectual-party interaction. Because, as discussed in the Introduction chapter, to adapt a classification based on *status* seems more problematic since status may not be so influential in determining the attitude of intellectuals due to the changing environment of the Party-intellectual interaction in post-1989 China.

3.1.3.1. The Loss of Critical Spirit: Commercialization, Professionalization, and the Party Co-optation

As noted above, the years ahead 1989 witnessed intelligentsia's re-evaluation of its social role. Facing the prosecution or being compelled to flee abroad, intellectuals started to question their political activism and the sense of responsibility- struggling for political reform (Beja 2003:22-3).[12] That is to say, the intelligentsia was facing a serious dilemma as to its past willingness to struggling for political reform. To put it Beja's terms, "many reached the conclusion that the intelligentsia should stop dreaming of acting as demiurges of history and let society follow the laws of historical development" (Beja 2003:20).

Intellectuals' the self-assumed role as the conscience of society was also challenged by the new values of the emerging market society in the 1990s. It is said that with the commercialization of culture and the emergent new urban consumer culture, the intellectuals became marginalized, and the values they used to represent began to be less esteemed on the part of the society (Fewsmith 2008:114-6). With the changing basis of legitimacy, the ideology's role also declined. In the new order, the legitimacy is based on the economic growth rather than the ideology. Thus, the position of critical intellectuals eroded in the new somewhat de-ideologized public culture. It is the time for pop stars and the like to be public 'heroes', not for critical intellectuals (He 2004:270-1).

[12] According to Xu (2004:194), such a re-evaluation would be experienced due to the "intellectual foment of the late 1980s", even without a political suppression like Tiananmen. Tiananmen crackdown just resulted in a "premature hibernation".

Henceforth, this new commercialized culture combined with the risk of suppression led many intellectuals to question their past activism, and their critical spirit eroded to some degree (Gu and Goldman 2004:12). Thus, the 1990s witnessed the intellectuals' search for new meanings and new roles. Actually, while ending some of the venues once they had, the emerging market society in 1990s provided new social roles for intellectuals, but ones in a bitter contrast to those of the 1980s.

Some chose to "plunge into sea of commerce" so as to have a share in the opportunities offered by prospering market economy as entrepreneurs, managers, or consultants (Beja 2003:22). In 1995, 27.7 percent of entrepreneurs were former intellectuals- those who had education over high-school level (Hao 2003:124). The emerging commercialized culture industry as well created new venues especially for cultural intellectuals to be employed. It is interesting to note that a nation-wide survey dated 2008 revealed that the stage and screen actors were seen by Chinese people among the chief beneficiaries of reform together with the state cadres (Fewsmith 2009:2-3).

For some others, it was a good choice to become specialists or technocrats within various government agencies who are consulted in the formulation of new reform policies. These intellectuals joined the official research institutes within the government structures like the ministries and the government-operated think tanks (Fewsmith 2008:17). Actually, the CCP was increasingly willing to benefit from the intellectuals to shape reform policies better. The technocratic governance as a model of policy-making rose during 1990s in China. Zhu Xufeng indicates that the "notion of 'governance by experts' is now widely accepted" in China (Zhu 2006:10). To this end, the CCP has established a wide expert system affiliated to the government and it could be successful in co-opting the intellectuals to this system (Beja 2006:67). Cheek says that the vast majority of Chinese intellectuals prefer "working within the system" in the post-Tiananmen era (Cheek 2006a:94). To be a specialist within this expert-inside system become a good choice for ones who sought social prestige and high income. By this way, these intellectuals voluntarily accepted the technocratic

role assigned by the Party (Beja 2006:69). Those who adapt the needs of professionalism like specializing in a research field would be welcomed by the Party since there is now a much more need to expertise in the face of increasing complexities of marketized and globalized China (He 2004:271). The Party has reached a considerable success in co-opting intellectuals through 'carrots' like higher salaries, better housing, access to travel abroad and by granting more publishing freedom (CECC 2005:5) Indeed, this tendency of intellectuals to be advisor to, or expert bureaucrat in, the government is in line with the Chinese intellectual's tradition of serving the rulers (He 2004:268). In brief, China has established a wide expert system affiliated to the government and professionalized its bureaucracy for the purpose of economic modernization. Hence, experts become important figures in policy-making process in China. Many intellectuals have opted for working as expert within the bureaucracy and the government-affiliated research institutes or think tanks since the early 1990s.

To sum up, the main trend in the intellectual field the in the post-1989 era has been the disaggregation or differentiation of intellectuals as a group which struggles for political reform in the 1980s and the marginalization of the figure of critical intellectual in Chinese society. Nor the Chinese society blended with new values brought about by marketization and commercialization considers the intellectuals as public heroes; neither intellectuals no longer so enthusiastic about playing the role of public critic as they did in the 1980s (Fewsmith 2008:9, 117-120). The vast majority of intellectuals gave up the struggle for democratic ideals and accepted to not to challenge the regime. Actually, the new China offers a variety of opportunities for these intellectuals. Some chose to become specialist within the academic establishment of the party, while some opted for to plunge into sea of commerce.

On the other hand, a small number of intellectual, who are called *public intellectuals*, still openly express their criticism on public issues with a sense of social responsibility. They became important figures in China's public intellectual sphere in contemporary China. The common features observed in the public intellectuals are as follows: being a professional knowledge worker such

as scholar, journalist, or freelance writer; engaging with debates on public affairs; having a strong sense of moral responsibility (CEG 2012). The manner in which they criticize the Party varies from confrontational to mildly opposing.

The interaction of the latter group with the Party, i.e. the professionals without public engagement, has already been reviewed and their role in the policy process also will be touched upon under the policy-making section, now the following section is going to look at another aspect of intellectual-party relations in the post-1992 era: the newly emerging public intellectual spaces and the rising influence of public intellectuals.

3.1.3.2. The Structural Transformation of China's Public Sphere and the New Channels for Public Intellectuals

The very same process of marketization and opening-up to the world has brought an appropriate atmosphere for the enlargement of public intellectual space in post-1992 China. The prospering market creates new means of making live for intellectuals. They can work as freelancers without participating to the establishment, or can find alternative income sources in the market other than intellectual sector. The expanding market economy also contributes to the intellectual freedom since the intellectuals within the establishment may take the risk of criticizing the Party easier than before due to the emergence of alternative employment opportunities. Furthermore, last two decades have witnessed the emergence of new channels for disseminating knowledge and ideas like a more diverse and daring media and the Internet. As a result, the Party's control over activities of intellectuals has inevitably eroded to some extent. To put it in Goldman's words, "China's move to a market economy and to the outside world loosened political and ideological controls that unleashed a proliferation of ideas and activities outside the scope of party control" (Goldman 2009:659). This process reflected itself in the increasing number of non-governmental organizations, a more diverse and daring media, a cyber space with millions of users etc. Within this environment, the category of public intellectuals and their affect on China's public opinion become more visible (He 2004:271). The ways in which they make influence on public opinion can be better understand within

the context of re-configuration of public intellectual sphere from the early 1990s. Therefore, now it is useful to examine in detail the emergence of new public spaces and the changing parameters of the Party-intellectual interaction since then.

Chinese intellectuals have begun to find more resources to establish partially or fully non-governmental organizations in the period after 1992 (Gu and Goldman 2004:9). The forms that these organizations take vary from research institutes, consulting firms, educational agents to journals and book series (Gu 2004:21). Their numbers and role and effect have gathered pace since the 1990s. Here, it may be touched upon some examples in order to take some snapshots from the changing public sphere by the 1990s. Among these organizational forms, the influence of the research institutes/ think tanks on policy-making is far remarkable than the others since they have an interest in public policy. Many think tanks, which are run by private funding, have been established in China since early 1990s such as Unirule Institute of Economic led by Mao Yushi and the China Center for Economic led by Justin Yifu Lin (Zhu 2009:339). Actually, the Chinese think tank system is so complicated that it can be difficult to determine the position of think tanks, i.e. where they stand in the spectrum from official to non-official. Thus, before moving into the opportunities they provide for the public intellectuals, it seems necessary to touch upon the features of this think tank system.

The basic criteria for classification of think tanks is their administrative and financial autonomy vis-à-vis the government. Accordingly, they are classified as official think tanks, semi-official think tanks, and non-official think tanks. The same criteria can be applied for the Chinese think tanks, even if the Chinese context holds some unique conditions. The main feature that makes Chinese context somehow unique is that all organizations, including non-official ones, have to be affiliated to the government structure in one or another way (Zhu 2009:337). Nevertheless, the existence of non-official thinks tank as a separate category is not under question, considering the fact that there are some think tanks that mainly funded by intellectual entrepreneurs and have very loose ties

with the government. These think tanks are important in that their members may act as public intellectuals who criticize government policies in mass media because of their greater autonomy vis-à-vis the government (Zhu 2006:9). Naughton says that independent think tanks offer good platforms for public intellectuals who seek to "wield influence by addressing the public, rather than just policy makers" (Naughton 2002: 629-630).

The semi-official research organizations/think tanks as well provide platforms for public intellectuals to voice their criticism against government policies. These think tanks differ from the research organizations within the government structure with their relative administrative and financial autonomy (Zhu 2009:338). These think tanks are mainly funded by the government, and have stronger ties with government than non-official think tanks. Yet they can enjoy a higher degree autonomy than the official thinks tanks as they can accept private and foreign funds and undertake research tasks, for example, from the international organizations (Zhu 2006:5). The Chinese Academy of Social Sciences, and the Development Research Center of the State Council are the most influential and huge of this kind of think tanks, and research institutes based at universities are the most common ones. These think tanks host many public intellectuals. Ogden indicates that many of the leading public intellectuals are included in this group- those who work within the Party's academic establishment while acting as critics (Ogden 2004:116). This more critical attitude partly results from the fact that they are no longer so much worried about losing their jobs within the Party-state system since the prospering market economy has created plenty of employment opportunities for intellectuals (Ogden 2004:118; Tanner 2002:562). Regardless of the exact reason, it is the fact that members of these organizations, as individually or institutionally, can publicly criticize the government policies. For example, the Development Research Center of the State Council published a report criticizing China's health policy reform by pointing to continuing marketization as the main source of the problems in the medical services (Zhu 2009:338). Another interesting example is Hu Angang and the think tank he leads, namely the National

Conditions Research Group at Qinhua University. Fewsmith says that Hu took the attention of Deng Xiaoping with his book entitled "Survival and Development" in early 1990s. But he has sought a public role rather than becoming merely adviser and "frequently playing the role of public intellectual, trying persuade large audiences rather than just a handful of policy-makers" (Fewsmith 2003:159).

Another crucial change in intellectual public sphere is the emergence of more diverse and daring media. This media has enhanced the influence of the critical intellectuals on public opinion. The state initiated a commercialization policy in the media and cut significantly the subsidies for media organs. A ruling in 1992 announced that all media organs would be financially self-sufficient (Akhavan-Majid 2004:558). Liang Heng, then vice director of General Administration of Press and Publishing, straightforwardly expressed this aim: "… we should regard newspapers as commodities and newspaper organizations as enterprises, both of which are regulated by the rules of the market, and we should marketize the management of newspapers" (Liu and McCormick 2011:107). Financial self-reliance were accomplished almost for all media units by 1998 (Liu and McCormick 2011:107). This has increased the operational freedom of broadcasting stations and newspapers. Also *de facto* private newspapers have proliferated with the initiative of Chinese entrepreneurs (Akhavan-Majid 2004:557). Overall, the scale of Chinese media industry has dramatically expanded and its operational autonomy has increased remarkably (Liu and McCormick 2011:107). Thus, what is emerging is a more diverse media over which the Party's control power lessen, and in which a wide range of ideas circulates (Liu and McCormick 2011:111) Wang maintains that Chinese public, in recent years, has become more concerned about issues like agriculture, the countryside, farmers, migrant workers, the ecological environment, public health, health insurance, inequality. This change in public agenda largely results from the media's extensive coverage of them (Wang 2008a:76).

Internet as well has brought about significant changes in the public-intellectual interactions. It provides a new outlet for the dissemination of

publications and ideas which the Party would not tolerate to be appeared in traditional media. In addition to providing new outlets for critical intellectuals, it also simply means a dramatic increase in the audience of criticism of public intellectuals, from the thousands reader of printed critical journals to millions of Internet users (Kelly 2006:197). It offers many opportunities for intellectuals to publish their critical articles and voice their criticism like blogs, web sites, e-mail groups, and contacting with international news agencies. The number of Internet users in China reached a considerable level- 137 million in 2007- and continues to increase at a high rate (Lye 2007:27). Thus, the Internet has turned to an important arena for the dissemination of forbidden information; and cyberspace discussions have begun to contribute to development of public consciousness (Zheng and Guoguang 2005:522). Despite the Party's systematic effort to control and censor the Internet, it has become a useful and effective arena for public intellectuals to express their critical views (Rawnsley 2008:131). Since freedom of expression through other channels is fairly limited in China, the Internet offers a crucial opportunity to participate in politics and criticize government policies. A cross-country poll confirms this. About 60 percent of Chinese internet user think that they can have more say about government policies by using the Internet, while this rate is just around 20 percent in all the US, Japan, and South Korea (Zheng and Guaoguang 2005:525).

Thus, it is possible to mention about the structural transformation of public intellectual sphere in China since the early 1990s. On the one hand, the critical spirit eroded to a significant extent, and the ranks of critical intellectuals have narrowed compared to the 1980s; on the other hand the intellectual autonomy from the Party-state has increased in this transformed public sphere. In the new public intellectual sphere, the public intellectuals have become an identifiable phenomenon in China's intellectual scene. In 2004, People Magazine Weekly published a list of China's 50 top public intellectuals. In following days, the hard-line Liberation Daily published an article that attacked the concept of public intellectual by arguing that intellectuals are belonged to the working class

and work under the leadership of the Party. This article was also published later by the Party's mouthpiece, the People's Daily (CECC 2005:25). Those intellectuals and their publicly criticisms are seen as a crucial problem by the Party leadership. To quote Cheek, publicly critical intellectuals are an "anathema to the Party management" since they are too unpredictable (Cheek 2010).

Even in critical issues like corrupt officials, rising inequality, problems resulted from the authoritarian regime in the country and lack of rule of law, the public intellectuals could criticize current Party policies in the mass media, popular books, academic journals, and on the Internet. This relaxation in the intellectual scene, however, has not institutionalized. As Gu and Goldman (2004:10) say, the autonomy and freedom that the intellectuals enjoy changes across time and locality. The Party retains a strong control and monitoring over the intellectuals' criticism, especially in politically sensitive issues like dissident activities, trade unions, religion, ethnic minorities etc. (Gu 2004:34). Also, it is important to note that intellectuals should avoid from directly criticizing the top party leaders by name and challenging the CCP rule (Ogden 2004:116).[13] Nevertheless, the enlargement of public intellectual spaces and the enhancement of freedom of speech in post-1992 era are out of the question. The public intellectuals do express their views through various channels, and it no longer seems possible to force them to be totally silent. In this respect, the Liu Junning case may be pointed to. He was purged from CASS since he had criticized Jiang Zemin but not jailed and completely silenced. He works as a free-lance writer and continues publishing his works on his personal website (CECC 2005:24)

With the emergent plurality of information sources, the Party can no longer manipulate the public opinion as much as it did during the heavily authoritarian decades. And this public opinion, which is partly shaped out of Party's control, can affect the Party's policy agenda. Within this context, public intellectuals can make significant influence on the both policy makers and public opinion. They

[13] An attempt in 1998 to establish an oppositional party, namely the China Democracy Party, was harshly cracked down by the CCP. The members of the CDP were convicted to long prison sentences (Wright 2004:158-165).

can *directly* or *indirectly* affect the policy-making process. In some cases, they could lead to bring some issues to the Party's agenda as a result the effect they generate on the public opinion through their criticisms in mass media and on the Internet. In some other cases, they are picked up as advisers in policy drafting process if they have attracted the attention of the Party leadership with their critical but useful ideas. The ways in which intellectuals, including public intellectuals, affect the policy-making process will be examined in detail in the following section.

3.2. Intellectuals and Policy-making: Identifiying Patterns

As noted in the introduction of this chapter, the basic question of the chapter in examining intellectuals' role in policy-making is that how and in which ways intellectuals affect the decision-makers. Intellectuals' influence over the decision-makers can be divided into two basic ways: directly and indirectly. Directly in the sense that they participate into policy-making as advisors; and indirectly in the sense that they force the decision-makers to deal with a particular issue through their influence on public opinion. Accordingly, their effects on different moments of policy process in this section will be tried to be identified. It is possible to divide policy making into two main sub-processes: policy agenda-setting and policy formation during which the detailed content of the policy decision is determined. The first thing to affect policy process is to create an effect about which issue will be on the agenda of decision-makers. Thus, this section should examine first that the process through which an issue come to the attention of the decision-makers, and that to what extent can intellectuals affect this process in contemporary China. Then, once the issue included into the policy agenda, it should be examined that how the details of a particular policy are shaped, and the role of intellectuals in shaping of the policy's formation. Indeed, in the policy formation stage, intellectuals' role is more direct and thus more visible. Now, the remainder of this chapter is going to look at firstly the types of agenda-setting, and later to the general features of the

policy formation process in contemporary China in order to identify the patterns as regard to intellectuals' effect on policy-making.

3.2.1. Policy Agenda-Setting Process

For an issue to be handled by the decision-makers first it should enter the policy agenda. In this sense, policy agenda-setting is the first stage of policy making (Ma and Lin 2012:98). For this reason and for having a decisive effect on the final version of policy outcome, it is argued that policy agenda-setting is a very crucial stage in policy process. In contemporary China, different types of intellectuals, classified according to their *attitude* within the Party-state system, are able to affect the policy agenda-setting in various ways.

One way for classification of policy agenda-setting is to classify them according to the initiator of the agenda (Yapeng and Cheng 2011:158). Such a classification focuses on whether societal actors or the government initiate the agenda. For a more detailed classification, the degree of public involvement can be used as the other criteria together with the initiator of the agenda. Using such a classification, Howlett and Ramesh derive a model about agenda-setting that is comprised of four types as can be seen in the Table 1.

Table 1 Model of Agenda Setting by Policy Type

Initiator of the Debate	**Nature of Public Involvement**	**Nature of Public Involvement**
	High	Low
Society	Outside initiation	Inside initiation
Government	Consolidation	Mobilization

(Source: Quoted from Howlett and M.Ramesh in Yapeng and Cheng 2011:159)

Wang Shaoguang proposes a more sophisticated classification for the Chinese practice, which consist of six-patterns of policy agenda-setting, by adding a third category to the ranks of policy initiators, namely advisers. His study offers us a

good example to discuss intellectuals' role in agenda-setting in contemporary China since it is a pioneering study and an important contribution to studies on policy process in contemporary China, even though it is criticized in some respect.[14] The remainder of this section is a summary of and a discussion over the Wang's classification on policy agenda-setting in China.

Table 2 Models of the Policy Agenda Setting in China

Degree of Public Participation	**Initiator of Agenda**		
	Decision Makers	Advisers	Citizens
Low	I. Closed Door	II.Inside Access	V.Outside Access
High	II.Mobilization	IV.Reach-Out	VI.Popular Pressure

(Source: Wang 2008a:60)

Wang argues that in parallel to the increasing influence of policy experts and media and ordinary citizens, the use of closed door and the mobilization model has become very rare in contemporary China, which were the most common ways of the policy agenda-setting during the Mao era (Wang 2008a:81). During the reform era, the inside access model has been institutionalized as *a normal practice* (Ma and Lin 2012:99; Wang 2008a:81). The reach-out, the outside access, and the popular pressure models are also relatively new patterns that emerged during the reform era (Ma and Lin 2012:99). Wang pays a special importance to the popular pressure model among them as a rising model in recent years, while indicating the reach-out and the outside access models are occasionally used. Then it is useful to look to how each model works with a focus on intellectuals' role in them, beginning with the two most common models.

[14] Ma and Lin (2012:99), after indicating that it is a pioneering study, point to a common criticism on his study, that it overstates the public involvement while neglecting the role of interest groups.

The use of **"**the inside access model" has increased from the beginning of the reform era, and it has become *a normal practice of agenda-setting*. In this model, the issue is promoted by the "official brain trusts that is close to the core of power" (Wang 2008a:63). They do not prefer getting attention of public due to the fear about a potential public opposition against their proposal (Wang 2008a:63). The increasing use of this model results from the fact that the CCP leadership need more expert knowledge in the face of the increasingly complex economic life and increasing engagement with the global affairs (Wang 2008a:66). Thus the influence of the experts within the close circle of the leadership has increased on the decision-making. Experts from both the official and semi-official, and rarely from the non-official think tanks, now can make influence on the highest decision-makers through channels like 'briefings', 'reference materials' etc. which are circulated within a very small circle of the top party leaders (Wang 2008a:67). As said earlier, that inside-access model has been institutionalized to the extent that it becomes normal a practice of policy agenda-setting. Reflecting this fact, Zhu Xufeng indicates that the "notion of 'governance by experts' is now widely accepted" in China (Zhu 2006:10). Then, in line with the technocratic logic, the Chinese governments tend to tackle many policy issues within the small policy circles of experts (Beja 2006:63). In brief, it has become a usual trend in contemporary China that intellectuals can act as policy entrepreneurs.

The Hu-Wen administration especially pays attention to the participation and consultancy of the policy researchers and experts as can be observed from their emphasis on scientific decision-making (Cai 2008:2). They initiated the "forty-one workshops" during which philosophers, natural scientists, social scientists, and legal scholars give lectures to the CCP Politburo about both practical policy issues and theoretical and ideological issues (Wang 2008a:67; Lu 2007:2).

In "the popular pressure model", a group of citizens initiate an issue to be publicly debated. In order to be able to get the issue on the policy-making agenda, they seek to attract the attention of the general public to the issue. For this reason, this model of agenda-setting take place in a longer span of time.

During that longer time period, new actors like media, intellectuals, and the "general public" along with the initiators of the issue may participate to the debates on the issue, during which the issue may be re-framed. Then, "researchers often find it hard to ascertain exactly how popular pressure ultimately shapes agenda-setting" (Wang 2008a:71). Regardless of the initiator of the issue, the issue should enter first the public agenda so that the public opinion can exert pressure to force the decision makers to deal with it. No doubt, intellectuals have a considerable influence in shaping of this public opinion. An example is the Eleventh Five-Year Plan, which paid a special attention to widening inequalities. It is argued that content of the Plan reflected critical public discourse about rising inequalities. It is also interesting that some intellectual who are critical of the CCP leadership's economic policies were included in the preparation of the Plan (Fan 2006:718).

Wang says that the prominence of popular pressure model has grown since the late 1990s. He contends that the critical atmosphere among Chinese public, in part, explains the rise of popular pressure model. By the late 1990s, increasing number of Chinese people has become critical of some aspects of the Party policies due to the social and environmental problems resulted from the market reforms such as the environmental pollution at alarming level, the widening income gaps among both regions and social groups, unaffordable education as well as medical services and the like. The other aspect of the rise of this model is about the new channels for Chinese citizens to affect policy agenda. Actually these channels are the ones what have been pointed above when explaining the structural transformation of public intellectual space from the early 1990s, i.e. the dramatic increase in the number of non-governmental organizations, a more diverse and daring media, and the Internet as an alternative channel for dissemination of information and ideas. Wang adds the "stakeholder consciousness" to these factors. This term implies the growing awareness of different interest groups about their interest as the Chinese society becomes highly diversified in terms of interests. Now, different interest groups are more

willing to exert pressure on policy making in line with their interests. (Wang 2008a:72-3).

Actually, that CCP leadership's re-evaluation of reform path and its efforts to re-orienting it with a more emphasis on social equality since the early 2000s may be seen itself as an example of the popular pressure model. As showed earlier, some survey results, which conducted in early 2000s, show that an important portion of Chinese people became critical of certain social results of market reforms, especially the widening gap between the rich and the poor. Actually, this has been a constant component of criticisms of the New Left intellectuals by the late 1990s. In this context, the Hu-Wen leadership appears adopting some concerns of the New Left such as rural poorness, migrant workers, uneven regional development etc. (Fewsmith 2005; He Li 2010:19). Wang Hui provides us with a concrete example about such kind of influence on the CCP leadership: "In 1999 Dushu, [a left leaning journal in China], printed a piece about the *sannong* ("three rural") problem [referring to agriculture, farmers and the countryside]. At that time, the government did not even admit that the three rural problems existed, but two years later it was on the agenda of the NPC." (Hook 2007:5). Kelly as well says that the scholarly views on *sannong* have increasingly been echoed in social agitation discourse on the Internet (Kelly 2006:198). This influence of scholarly criticism on the public opinion must have led the government to put the issue on the policy agenda.

In "the reach-out model", the policy advisers of the government publicize their policy proposal. It is a rarely-resorted way by policy advisers, which is used in case they are faced with an opposition from within the Party leadership. Thus, they prefer forcing the leadership to act in accordance with their proposals through their anticipated effect on public opinion (Wang 2008a:67-68). The members of the China's Medical System Reform Study Group, which was sponsored by the Development Research Center under the State Council, adopted such an approach in 2005 by publicly criticizing China's market-oriented medical reform. As Wang said, they prepared a report that criticizes China's medical reform since it made harder for the disadvantaged sections of

the society to access medical services. As it was published in an internal journal, this criticism did not have much importance initially. However, then, Ge Yanfeng, a member of the group, revealed the critical conclusions of the report during an interview by news media, and Liu Xinming, the director of the Policy and Law Department of the Ministry of Health, criticized the marketization of China's medical sector. These remarks took a wide attention among the media and the public. During the debates, the opinion that the government should guarantee basic health service to all citizens got the upper hand. This played a part in the government's new initiatives which were designed for the purpose of improving the citizen's access to the basic medical services (Wang 2008a:68-69).

Another occasionally-used policy agenda-setting type is "the outside access model". In such cases, a citizen or a group of citizen as agenda initiators, including intellectuals and persons with higher social status, offers proposals about the public issues through usually in the of form letters or petitions. Wang say that the most of these suggestions even do not reach to the top leaders, i.e. put into trash before. However, even seldom there are examples of this kind of agenda-setting in recent years (Wang 2008a:69). A case in point is that several economists sent a letter to the leadership through which they called for investigation about shady privatization cases. Their complaint was taken into account by the State Security Regulatory Commission. The Commission found some wrongdoings in those privatization processes, and punished some persons involved (He Li 2010:12).

Policy proposal by scholars through articles also can be seen as a form of outside access. Fewsmith indicates that there is an obvious effort to take attention of the decision makers through publications (Fewsmith 2008:14). The policy proposal by Wang Shaogang and Hu Angang through a report written in 1993 is a case in point. Their aim was to take attention of Zhu Rongji and to influence the state policy on the recentralization of tax revenues (Fewsmith 2008:141). In the report, they pointed to the weakening capacity of the state due to the decentralization in tax revenues and contended that this might undermine

the future of reforms. Their proposal in that respect was the recentralization of fiscal system to increase the state's capacity in managing the transition to market economy (He Li 2010:7). He Li (2010:18) says that this proposal contributed to the decision taken in 1994, which increased the percentage of the central government's share in tax revenue.

As already seen, intellectuals can affect the policy agenda-setting in various ways. The policy experts or technocrats within the government bureaucracy and the official research institutes, as well as scholars from the universities who have informal ties with the Party leadership can usually have an effect on the policy agenda-setting. Some intellectuals seek to take attention of the decision-makers via letters or articles in which they present their policy proposals. A group of intellectuals try to influence the policy agenda *indirectly* through their effect on the public opinion. Such an attitude is adopted by people both from the establishment institutions and the non-governmental institutions. Indeed, the public intellectuals, who engage in debates over public affairs in the mass media and on the Internet, generally seek to have an influence on the policy agenda-setting by this way. All in all, either as policy entrepreneurs or public critics, intellectuals have become important figures in policy agenda-setting in contemporary China.

3.2.2. Policy Formation Process

Once the issue entered on the agenda of the decision-makers, a new process begins during which details of the policy measures are discussed. Actually this process covers the period from the drafting of the policy measures to the approval by the legislative body, i.e. the National People's Congress. Even though the content of policy measures, to some extent, has already been determined during the agenda-setting process, they are still subject to change in the second stage of policy-making. Apart from the CCP's central leadership and the agenda-initiators, various policy actors like the legislative body, the CCP members, bureaucratic bodies, experts, ordinary citizens, interest groups and the like may participate to the process of formation of the detailed content of policy

decision. Indeed, the policy process, and the legislation process in particular, has become more open to the participation of experts in the Hu-Wen leadership's term (Fan 2006:717-9). The same has been the case for the public participation, partly as a result of effect of increasing right consciousness in Chinese society. This also has resulted from the official promotion of public participation in the name of accountability and correctness (Cai 2008:1-2; Fan 2006:717-9). Premier Wen Jiabao put this aim clearly:

> *We need to improve the policy-making process by integrating public participation, expert evaluation and government decision-making to ensure that our policies are scientific and correct. We need to speed up the formation and improvement of systems for making collective decisions on major issues, for soliciting opinions from experts, for keeping public informed and holding public hearing for accountability in policy-making (Cai 2007:2).*

The institutionalization of legislative hearings is crucial in this respect. Legislative hearing is a process during which opinions from the public are solicited. This might be done in the form of discussion meeting, seminar or hearing, and at both local and national level. It was legally recognized as a part of legislation system in 2000. Since then, it has been conducted more often in local level while the national-level hearing remains seldom. The first national-level hearing was held for the draft form of Revision of Individual Income Tax Law of the People's Republic of China in 2005 (Cai 2008:3). Generally speaking, legislative hearings attracted wide attention from citizens and urged them to participate to legislation. And, the legislative hearing for the draft of the Labor Contract Law in 2006, which is the case study of this paper, attracted unprecedented attention from the citizens (Cai 2008:6).

Another recent trend in the legislation process is the participation of lobbying groups. Especially foreign-owned enterprises are willing to lobby Chinese authorities from ministries to committees conducting decision-making. They actively attempted to shape the content of the Labor Contract Law during its drafting process (Cai 2008:5-6).

This more vivid process of drafting in recent years, which has resulted from the increasing efforts of both the general public and various interest groups to influence the final outcome of policy process, has added new dimension to the

role of intellectuals in policy-making. Some independent intellectuals may participate to debate over the policy issue at hand and may affect the policy process. This is exactly what Gong Xiantian, a New Left scholar[15], did during debates over Property Law which had been put on the legislative agenda in 2004. He published an essay on the Internet which contended that the Property Law violated the China's Constitution by promising equal status to private ownership with state ownership. This essay took the attention of the decision-makers and initiated a nationwide discussion. Then Wu Bangguo, the chairman of the NPC, called him to discuss his views. This law, which had been planned to be enacted in 2005, was only approved in 2007 with two years postponement due to debates aroused from the publicly objections of Gong Xiantian (He Li 2010:13-14). He also could be successful in shaping of the final version of the Law since it was "amended to improve protection for public property and a clause stating the law must not contradict the constitution" (Hook 2007:5). Thus, it can be said that may say that an intellectual may affect the content of the law in the drafting stage through his influence on public opinion and/or through his direct advisory to the decision makers.

Actually case of this research, i.e. the making of the Labor Contract Law, is one of the best cases which demonstrate the recent changes and developments in policy formation since it was subject to a vivid drafting process during which public participation and involvement of interest groups were very high. Also, it witnessed a publicly debate on the content of the Law between rival groups of intellectuals who involved in the drafting process. In that sense, it offers a good opportunity to examine the role of intellectuals in the policy-making within the changing context of policy process.

[15] In contrast to He Li, Freeman III and Wen (2011:2-3) consider Gong Xiantian as "ultra-leftists", which they differ from the New Left. Actually, as pointed to in the Introduction chapter of this thesis, there is vagueness in academic literature about what the term New Left refers to (See page10-11).

Conclusion

The traditional intellectual figure as the conscience of the society, today, does not represent the most of Chinese intellectuals. The fate of intellectuals has diversified especially after the Tiananmen crackdown. Some chose to plunge into sea of commerce as entrepreneur, manager, and consultant etc. so as to benefit from the opportunities of the prospering market economy. Some chose to become policy expert with any or little attention to public affairs. A small group of intellectuals, who are called public intellectuals, continue to act as public figures by engaging the debates over the public affairs and criticizing the Party policies publicly. In contemporary China, policy experts and public intellectuals constitute the two main groups or intellectual typologies which have an important role in policy-making in different ways.

Expert knowledge has gained a considerable importance in China since the initiation of market reforms as the county crucially needs expertise in modernizing its economy in line with contemporary global trends. China has professionalized its bureaucracy and established a wide expert system within the government structure. It has become a good choice to be expert within the government structure for those who seek for high income and social prestige. Thus, many intellectuals have been co-opted by the Party into the official expert system. Intellectuals in this group now have become one of the principle actors in policy agenda-setting and the policy formation together with the decision-makers. Some intellectuals outside the government structure, who are generally scholars at universities, are also able to enjoy the same influence on policy process due to their personal ties with the top leaders.

The process of marketization and opening-up to the world, at the same time, has paved the way for the enlargement of public intellectual space in post-1992 China, a process which is reflected in the increasing number of non-governmental think tanks, the emergence of more diverse and daring media, and the Internet itself. In addition, intellectuals are now less worried about losing their job since the prospering market economy has created plenty of employment

opportunities for intellectuals. These factors have increased the freedom of speech and have facilitated the publicly criticisms of the Party policies by intellectuals. In this context, some intellectuals who are called public intellectuals, both from the ranks of liberals and new leftists, seek to influence the Party policies through the effect that they create on public opinion. Indeed, the public mood has become quite appropriate for such an effect of left-leaning intellectuals, because an important portion of Chinese citizens has become more suspicious about the market reforms since the early 2000s. Thus, the public intellectuals have emerged as an influential group in China's policy process in recent years because of their effect on public opinion.

CHAPTER 4

THE ROLE OF INTELLECTUALS IN POLICY-MAKING IN THE POST-MAO ERA: CASE OF LABOR CONTRACT LAW

This chapter consists of three sections. The first section provides an overview of the transformation of labor relations in the reform era in order to highlight the societal context within which the LCL was designed. The second section examines the processes of drafting and legislation of the LCL by focusing on controversies over the content of the draft LCL. The final section discusses the role of intellectuals during the period from the drafting to the passage of the Law in the light of transformation of the public intellectual sphere and China's changing political landscape.

4.1. Making Sense of the Labor Contract Law: Evolution of Labor Policy in the Reform Era

Labor relations in China have dramatically changed during its reform period beginning late 1970s. During the Maoist period, workers in urban enterprises had a lifetime job within his *danwei* (work unit) which also provided social services like housing, health care, retirement pensions and the like for its members, a system which is called "iron rice bowl" (Cheek 2006a:82; Hassard et al 2008:32-3). Since the initiation of economic reforms, *danwei* system and lifetime employment have been gradually dismantled. In rural areas, agricultural collectives were also dissolved in the early years of reform era (So 2006:53; Naughton 2007:89). Today, Chinese laborers seek to find job in China's liberalized labor market where lifetime employment is replaced with a contractual kind of employment relationship. This section provides an overview of the transformation of labor relations and labor policy in China up until the enactment of the Labor Contract Law (LCL) in 2007.

The unemployment rate was relatively high in late 1970s since the campaign under which urban youth was sent to the countryside was ended in 1975. As a result, around twenty million young people returned to cities without a job. Facing with this high unemployment rate, China's leaders adopted a variety of policies in the early years of reform era. One policy measure was to compel state enterprises to hire this surplus labor. Another policy was to allow people to establish small private business (Gu 2001:95-7; Kinglun 2008:46-7).

In the early 1980s, employment relations in China were also affected by the reforms of SOEs. These enterprises were overstaffed and suffered from a low productivity, and most of them needed state subsidies to survive (Kinglun 2008:47). Furthermore, newly established foreign invested enterprises (FIEs), which were allowed to be flexibly decide on hiring and firing of workers, constituted a competitive pressure for these SOEs (Gu 2001:97). Thriving TVEs, whose structure resembled to corporate governance, as well created a competitive pressure for SOEs (Naughton 2007:271-75). Within this context, Chinese leadership sought to reform SOEs in order to make them more efficient and competitive. In terms of labor policy, contractual employment was introduced in some piloted cities in the early 1980s, but just for new employees, and replaced the lifetime employment which was seen as one of the main reason behind SOE inefficiency (Kinglun 2008:47). The year 1986 marked a turning point with regulations to extending contractual employment relations to all SOEs in country. According to 1986 regulations, SOEs had to hire their new workers as fixed-term contracted workers (Gu 2001:100). It could be considered the first crucial step in transformation of SOEs into modern enterprises, a process which would gain pace by early 1990s. Consequently, contractual employees consisted 25 percent of employees SOEs by 1993 (Leung 2012:3).

The 1980s also witnessed a remarkable change in ownership composition in China's industry with increasing number of domestic private enterprises and foreign-invested enterprises. This trend would gain pace with the acceleration of marketization and opening up through the 1992 decision of *building socialist market economy*, which was announced *"*as the ultimate objective of economic

reform" by the 14th CCP Congress (Kinglun 2008:51). This diversification of ownership in industry created a further impetus for revisions in labor policy in order to regulate the increasingly complicated labor relations in the Chinese economy. More importantly, the CCP leadership now had a blueprint- creating a market economy and restructuring the whole institutional and legal framework of Chinese economy accordingly. As a part of this grand plan, the CCP leadership was determined to nationwide dissemination of contractual employment relations (Gu 2001:102).

To this end, a nationwide Labor Law was enacted in 1994. It would establish a unified legal framework for labor relations which had been regulated by various confusing regulations issued so far (Leung 2012:3) One of the basic aims of the Labor Law was to regulate private enterprises where abusive working conditions were common, a problem which could threaten social stability (Kinglun 2008:51). The Chinese government was willing to address regulation of private sector which was witnessing a challenging labor unrest. The other aim was to change legal framework of employment relations in SOEs in order to increase their managerial autonomy (Gallagher and Dong 2011:39). Actually, the CCP leadership had already taken some measures for corporatization of SOEs and dismantling of *danwei* system and lifetime employment since 1993. Also, downsizing and privatization of SOEs were on the agenda of China's decision-makers.

Reflecting these dual aims, the Labor Law contained some protecting aspects, on the one hand, such as eight-hour work day and forty-four hour workweek, restrictions on dismissing workers, minimum wage and, social insurance for retirement, illness, and unemployment (Gallagher and Dong 2011:40-41). On the other, it abolished the lifelong employment system and allowed firing due to economic reasons (Kinglun 2008:52; Leung 2012:4). Thus, contract-based employment became binding for the employers in establishing employment relationship with employees. This led to widespread dissemination of short-term contracts, and by this way dramatically decreased the employment security of Chinese workers (Gallagher and Dong 2011:39-40).

1994 Labor Law also established a three-tier mechanism for labor dispute resolution. First option is the factory mediation by labor dispute mediation committee in the enterprise. In the second stage, case may go to local labor arbitration committees, which is overseen by local labor bureaus. And finally, if these mechanisms fail to solve the dispute, case may go to local court litigation (Gallagher and Dong 2011:42; Kinglun 2008:54).

Even though 1994 Labor Law was designed to serve both increasing protection of workers in private enterprises and injecting flexibility for labor relations in SOEs and urban collective enterprises, protection of workers' rights had been usually problematic under 1994 Labor Law. First of all, non-compliance on the part of employers and regional government has not been rare (Li 2008:1096). One basic problem in this regard is that labor supervision bureaus may not enthusiastic about the enforcement of the Law, which are funded by regional governments. It has often been the case that regional governments are not determined to implement measures prescribed by the Law so as to not harm investment environment in their regions (Li 2008:1102). More importantly, the local government could also involve in business (Lee 2004:9). Kinglun when elaborating on this crucially points to "the structural relationship between foreign and domestic capital and the local state" (Kinglun 2008:55). In addition to their dependent nature, the local labor bureaus are insufficient in number and understaffed (Gallagher and Dong 2011:42). A similar problem exists in local courts' attitude toward enforcement of the Law, whose autonomy vis-à-vis the local government is debatable (Lee 2004:9). Furthermore, the mere legal trade union, the All-China Federation of Trade Unions (ACFTU), is severely restricted to protect workers' rights. First of all, at the local level, trade union organizations are under the authority of the local party and government. Secondly, the Trade Union Law 2001 limits the role of the ACFTU as representative of workers' interests by stipulating that the ACFTU "take economic development as the central task" (Gallagher and Dong 2011:41).

Under this poor implementation and enforcement of the Law, a key problem in labor relations under 1994 Labor Law has been that many workers lack a

written employment contract since employers in private sector are unwilling to sign contracts with their employees. Migrant workers predominantly have no employment contract, whose number is estimated around 160 million in 2006 (Leung 2012:7). According to a survey conducted in forty cities in 2004, just 12.5 percent of migrant workers had signed a labor contract (Leung 2012:7). Workers' disadvantageous position in the condition of over-supply of labor in China's labor market forces them to accept working without contract (Kinglun 2008:55).

Social insurance benefits are not accessible for many workers as their employers are reluctant to pay social insurance premiums (Kinglun 2008:54).There was widespread employment insecurity since employees tend to sign employment contracts for very short-term. Kinglun (2008:54) indicates that sixty percent of all employment contracts are for less than three years. These labor relations that are characterized with a widespread violation of basic rights of employees have paved the way for grievances on the part of workers. Wage arrears, unpaid overtime work, lack of social insurance, and non-payment of severance compensation, have emerged as extensive problems of Chinese workers.

This labor discontentment is reflected in huge numbers of arbitrated labor disputes. Number of arbitrated labor disputes increased to 447,000 in 2006 from 33,000 in 1995 (Gallagher and Dong 2011:43). Workers also frequently resort to strikes, stoppages, sit-down demonstrations, protests outside government offices and various *unsanctioned* ways of protest (Gray 2010:461). In the coastal provinces, migrant workers often resort to strikes (Kinglun 2008:54). The year 2002 witnessed one of the most important waves of protests in Northeast cities of Liaoyang, Daqing, and Fushun from March through May with the participation of thousands of workers from many factories (Goldman 2007:58). These protest waves are seen as the largest social protest movement since 1989 (Kinglun 2008:54). According to the official statistics, there occurred 74,000 mass incidents in 2004 with participation of 3.8 million peasants and workers. The number of mass incidents was 10,000 in 1994 in which 730,000 people

involve (Gray 2010:460-1). In those unfavorable working conditions, some migrant workers chose not to move into cities to work, and consequently a remarkable labor shortage has appeared in coastal regions since 2003 (Kinglun 2008:57).

Then, at the turn of the century, the Chinese leaders felt that they should pay more attention to the labor problem in the face of labor protests whose not just number was exponentially rising but also scale was enlarging. For example, a white paper titled "Labor and Social Security in China", published by the Information Office of the State Council in April 2002, maintained that "the major goals of China's labor and social security efforts at the beginning of the new century are promoting employment, protecting employees' rights and interests, coordinating labor relations, raising people's incomes and improving social security" (Karindi 2008:6). However, more serious efforts came after 2003, when the Hu-Wen administration took over the leadership. The Hu-Wen administration would show a strong commitment to address the problems of disadvantaged segments of society. In the realm of labor policy, the Hu-Wen leadership aimed at improving living and working conditions of migrant workers with policy packages adopted in 2003 and 2006 (Leung 2012:8; Kinglun 2008:58). More importantly, the Employment Law (2007), the Labor Dispute Mediation and Arbitration Law (2007) and Labor Contract Law were enacted for the amelioration of labor conditions in the country (Karindi 2008:2). Among them the Labor Contract Law introduces most substantive and comprehensive changes in China's labor legislation since 1994 Labor Law.

The Labor Contract Law, as Li subtly put, "addresses issues left open by the Labor Law and deals with well-known abusive labor practices" (Li 2008:1110). First of all, it increases the deterrence of the non-use of labor contract for employers. The LCL requires that the employer should conclude a written labor contract with worker within one month after the working of laborer starts. If this is not the case, the Law stipulates that the employer has to pay the laborer double wages for the period until contract is signed (Haiyan et al 2009:490). It also has an article heralding that if the employer does not sign a written labor

contract within one year after the day the laborer begins working, the employer is considered to have signed open-term contract with the employee (Li 2008:1111).

Secondly, it sets out limitation for short-term contracts and promotes long-term employment. One of the most controversial features of the Labor Contract Law is its provisions for mandatory open-term contract. It mandates that the employer has to sign open-term contract with the employee under three circumstances: if the employee has worked for the firm for at least ten consecutive years; if the employee has just ten years or less for the retirement; if the firm has already signed two consecutive contracts with the employee (Leung 2012:8; Haiyan et al 2009:490). The Labor Contract Law also proposes a measure to require employees to pay severance upon the expiration of employment contract in case it is the employer that decide to not renew the contract (Li 2008:1114).

The LCL also includes a measure against the abusive use of the probation period, labor subcontracting, and part-time work (Li 2008:1118; Gallagher and Dong 2011:54). Just as importantly, as Kinglun (2008:59) notes, the LCL is "operation-oriented" in contrast to the Labor Law which is criticized as being vague and ineffective in resolving labor disputes (Hiayan et al 2009:486). All in all, the Labor Contract Law provides employees with more protection vis-à-vis the employers, and deals with employment insecurity and various problems of employees.

The Labor Contract Law took a wide media and public attention during its drafting and passage processes. During one-month public comment process, the draft of the Law was received over 191,000 public comments. Foreign business and labor groups and international media also showed a considerable interest for the draft law. In this sense, it is interesting to examine this process that began in 2004 and lasted until the passage of the Law in June 2007 to understand some changing aspects of state-society relations and the transformation of public sphere in contemporary China. Intellectuals were also crucial actors as

participants of draft process and as opinion leaders during public debates on the Law. The following section deals with this process, namely the progression of legislation, various participants and their perspectives, and topics of controversy.

4.2. The Legislation of Labor Contract Law: Process, Participants, Controversies

The work on the Labor Contract Law started in 2004 with drafting studies in the Ministry of Labor and Social Security (MOLSS). In 2005, draft prepared in the MOLSS was passed to the State Council. In this stage, the MOLSS, the ACFTU, and members of the legislative drafting committee of the State Council were the principal participants, and academic and professional experts were included for consultancy (Gallagher and Dong 2011:46). This draft was submitted to the Standing Committee of National People's Congress[16] (NPC SC) in December 2005 and released for one-month public comment in March 2006 (Lauffs 2007). Later the draft was reviewed two times in December 2006 and the late April 2007. Finally, the final version of the Labor Contract Law was enacted in June 2007. During drafting process, various groups tried to influence the content of the Law in accordance with their interests. Not only domestic actors like the various government agencies, the ACFTU, scholars and policy experts, and general public but also international business and labor groups engaged in efforts to influence the legislation of the Labor Contract Law. During this process, the draft law was subject to many revisions in response to the demands of various interest groups. The following examines the evolution of legislation process and controversial issues with a focus on voices of different interest groups.

In the process of drafting, the key issue had been to what extend the Law should be protective of employee. To quote Gallagher and Dong (2011:50), it was a debate over "balance social protection with labor market flexibility". There were two basic lines of arguments on this issue: *single protection* and *double protection* arguments. The former called for a law that would prioritize

[16] It is a body of NPC which exercises power on behalf of NPC when the NPC is not in session (Josephs 2009:377).

the protection of workers vis-à-vis employers since they are in a disadvantageous bargaining position due to the massive labor surplus in the country; while the latter argued for the necessity of equal protection of both sides, i.e. both of employee and employer (Li 2008:1108). The successive drafts would move along from one side to the other during this process in response to the pressures of different interest groups. The first draft prepared in the MOLSS in 2005 was less protective for workers than the second draft that was publicized in March 2006 (Gallagher and Dong 2011:56). One reason behind this shift in the second draft was the successful negotiation of the ACFTU. The other was the intervention of the research group in favor of protection of workers, which was responsible for drafting the LCL and led by Chang Kai (Karindi 2008:7).

There were two main academic groups that participated to this stage of drafting, namely labor scholars from the Institute of Labor Relations of Renmin University led by Chang Kai, and labor law professors at the East China University of Politics and Law led by Dong Baohua (Gallagher and Dong 2011:46). While Dong Baohua was the chief consultant of the expert group for labor contract legislation under the State Council, Chang Kai was the head of the research group for drafting LCL under the Legislative Office of the State Council (Karindi 2008:7). Indeed, it is reported that the 'single protection vs. double protection' debate emerged in this stage between Chang Kai and Dong Baohua. The group led by Chang Kai sought to change the initial draft toward more protection for employees while Dong Baohua's group insisted on the necessity of a balance between protection of employees and efficiency of firms (China Labour Bulletin 2006). Karindi (2008:7) and Jospehs (2009:381) crucially indicate that the NPC SC also divided on how much the Law should be protective.[17] This debate between Chang Kai and Dong Baohua would continue

[17] Actually, this reflects the phenomenon what is called the disaggregation of the Party in the Introduction chapter. It is possible to identify few points of division among the CCP elite and intellectuals such as the political reform and China's place in international order. However among them, divide on economic development path is more prominent. Zhang defines conflicting perspectives on economic development path as such: on the hand a quest for consolidation of market reforms, and on the other hand an opposing quest for a socially just order through government's enhanced capability in the economic sphere (Zhang 2001:52).

in media and academic conferences after the draft was publicized for deliberation in March 2006. Since next section will examines this debate in detail, the remainder of this section will go through the progression of legislation.

As said, the draft law received public comments at an unprecedented level with approximately 191,000 comments as in the forms of massages and letters sent to the NPC. 65 percent of comments came from ordinary people or trade union members. Several factors lay behind this high participation. One of them was ACFTU's successful negotiation in the drafting committees (Gallagher and Dong 2011:46) and its organized "war of defence" during the one-month public comment from March to April 2006 (Dong 2008a). It should be noted that not only Chinese public showed an exciting interest in the legislation of the LCL, but also foreign business associations tried hard to influence the final outcome of the legislation, such as European Chamber of Commerce in China, US Chamber of Commerce in Shanghai (Am-Cham), the US-China Business Council, the Shanghai Association of Human Resources Management in Multinational Companies. They either sent letters to the NPC or prepared lengthy commentaries on the draft law (Gallagher and Dong 2011: 47-8). In general, they were arguing that the draft law was proposing too strict regulations which would undermine the investment environment in China (Batson and Mei 2007). For instance, Am-Cham said that the draft would weaken the competitiveness of Chinese enterprises and adversely affect the Chinese economy (Gallagher, Song and Huong 2010:16). As Karindi (2008:3) reports, the Shanghai Association of Human Resources Management in Multinational Companies went one step further and said that "if this kind of law is going to be implemented, we will withdraw our investments". International labor groups like the Global Labor Strategies and the Workers Rights Consortium as well participated to debates on the draft law through their commentaries for the purpose of challenging the influence of foreign business groups (Gallagher and Dong 2011:50).

After several months of deliberation, a new version of the draft was submitted to NPC SC in December 2006, which had been changed as a response to the

deliberations. The differences in the third draft from the previous draft reflected some demands of business groups. In addition to the foreign business groups' public statements to raise opposition to some protective aspects of the Second draft, SOE managers, domestic entrepreneurs, and foreign business groups as well pursued informal lobbying and politicking (Gallagher and Dong 2011:51). After this draft, the NPC SC reviewed the third draft in late April 2007 without publicizing the changes made, and eventually the final version of the LCL passed in the NPC SC on June 29, 2007, and scheduled to become effective from 1 January 2008 (Josephs 2009:379). In general, in the subsequent drafts, there emerged some shifts toward less protection of workers compared to the March 2006 draft. The role of the ACFTU was reduced on setting out the workplace rules. Also, some restrictions on labor subcontracting and layoffs were weakened in subsequent drafts (Gallagher and Dong 2011:54-5). To judge overall the evolution of drafts, on the other hand, it is said that the final version is nevertheless more protective of workers than the first draft issued in the MOLSS in 2005 (Kuang 2009).

Table 3 Shifts in terms of Protection Degree in Successive Drafts of the LCL[18]

Succesive Versions of the LCL	**How much protective?**	**Factors behind the shift**
The **first draft,** prepared by the MOLSS in 2005	the least protective	(any shift, the first draft)
The **second draft,** which was released for one-month public comment in March 2006.	More protective than the first draft	Successful negotiation of the ACFTU; intervention of expert group led by Chang Kai
The **final version** of the LCL that was enacted in June 2007.	Less protective than the second draft but more protective than the first draft	concerns of foreign business associations;informal lobbying and politicking of SOE managers.

[18] Other two drafts, which were reviewed by NPC SC in December 2006 and April 2007 without being made public, are not included in this table since their contents are not known. (see Josephs 2009:379)

As said, several months since March 2006, when the draft was publicized, witnessed a wide public debate and a media furor. Actually, this was a reflection of China's changing public sphere in which public participation is becoming more visible. Intellectuals played an important role during these months as opinion leaders. Next section will have a look to the role of intellectuals in the making of Labor Contract Law from agenda setting to the legislation

4.3. From Agenda-setting to Legislation: The Role of Intellectuals

Then, how much and in which ways did intellectuals affect both the agenda setting of the government with regard to labor issue, and the legislation of LCL? Indeed, even though there is a difficulty in finding out how labor legislation entered the policy agenda with all details of the process since policy process is not transparent in China, it seems that a critical public mood about rising social inequalities and workers' situation in particular, and labor protests, whose number is increasing and scale is widening, forced government to address the violations of laborers' rights and abusive working conditions. This social context combined with the government's concern to be seen "as a responsible government" lay behind the government's decision of preparing more socially-protective labor laws and regulations (Davies 2007). The Hu-Wen government was also willing to enhance the institutional capacity of state in order to deal with growing social problems of Chinese society. The aim was to promote the legal sphere and channeling the search for rights into the legal sphere, since otherwise social unrest and search for rights could challenge the CCP rule (Haiyan et al 2009:498). The empowerment of legal framework as regard to labor issue has to do with this objective as well. Adoption of more protective laws for labor relations should also be related with aims of decreasing China's dependence on foreign demand and increasing domestic demand within the context promotion of a new growth model by the government in recent years (Wang Yong 2008:27). However this factor seems less decisive than the promotion of the legal sphere for search of rights and quelling the labor unrest.

It is stressed by many observers that an important portion of the Chinese society became suspicious about socially disruptive aspects of the market reforms since the late 1990s as reflected by huge increase in the number of "public order disturbances". Furthermore, workers' protests against abusive working conditions, non-payment of wages and pensions, and wage arrears were increasing in numbers and widening in scale by late 1990s. One of the most important waves of protests took place in Northeast cities of Liaoyang, Daqing, and Fushun from March through May in 2002 with the participation of thousands of workers from many factories (Goldman 2007:58). Goldman maintains that these protests "were the most sustained and largest self-organized workers demonstrations in post-1949 China" (Goldman 2007:59). Southern coastal provinces as well were witnessing thousands of worker protest in a year. They were protesting mainly unpaid wage and pensions, and government corruption (Lum 2006:6). This wave of protests and their reflections on the public opinion played a part in the re-orientation of China's development path toward a more socially-balanced manner, a process which has gained pace since the Hu administration took over the leadership in 2003. The Hu-Wen administration was willing to "present itself as a responsible government" (Davies 2007) and quelling the social unrest. To this end, they opted for a pragmatic turn to more protective social polices without changing the direction of market reforms (Naughton 2008:152-3).

A group of critical intellectuals, so-called New Leftists along with other left-leaning intellectuals, also made contribution to the *formation of a public discourse* in favor of social justice.[19] Their influence in the Chinese intellectual scene became apparent in late 1990s, and gradually has increased to the extent that the New Left has become a "trend of like-minded people" (Hook 2007:3). Since the late 1990s, those intellectuals began to have more chance to disseminate their ideas because of emerging of a more diverse and daring media and of a cyberspace with millions of user. Some books published by the New

[19] However, despite this support in debates intellectual scene, as Lee says (2004:10-11), intellectuals generally refrain from establishing organic ties with worker movements.

Leftists could stand in among best-selling books in China (Freeman III and Wen 2011:2). In order to exemplify the New Leftist intellectuals' effect on public opinion, it would be useful to point to the 'Larry Lang case'. Larry Lang is an economist whose ideas are associated with the New Left, even though he does not identify himself as such (Freeman III and Wen 2011:3, at footnote 6). In September 2004, he harshly criticized the corruption of SOEs, and blamed a SOE manager being manipulated the management of buyout of a SOE. Then, several New Left economists participated to the debate by signing a statement supporting Lang, and some others sent a letter to the leadership through which they requested investigation of buyout of these SOEs (Fewsmith 2008:263; He Li 2010:12). Some mainstream economists joined the debate and challenged Lang and fellow New Leftists by insisting on the benefits of privatization (He Li 2010:13). The debate attracted the attention of Chinese public. In these publicly discussions, "the overwhelming majority of Internet opinions support the neo-leftists headed by Lang" (China Daily 2005). In December 2004, the State Council issued new regulations for the buyout of SOEs. Fewsmith (2008:264) says that this debate was indicative of the shift in public opinion to the left since the turn of the century. It also shows increasing importance of public opinion in Chinese politics and intellectuals' enhanced ability to influence it.

It should be underlined crucially that there is reciprocal interaction between public and left-leaning intellectuals. While public discontent and citizen movements provided powerful impetus for intellectuals to take a critical stance and speak more vocally (Kelly 2006:201), the left-leaning intellectuals could be successful in "capturing the public mood and setting the tone" of debates over economic development paradigm (He 2008:i). Therefore, given the critical public mood, these intellectuals contributed to the formation of a critical public discourse over the 'growth-at-all-costs' paradigm and to the articulation of this discourse in the media and on the Internet. Labor relations have been an important part of debate over social justice since it locates at a crossroad of many social problems such as unemployment, urban poorness, and migrant

workers. Wang Shaoguang expresses clearly this influence of intellectuals on policy process through their effect on public opinion:

> *Intellectuals play a large role in influencing public opinion and thus influencing public policy. All public changes in recent years were basically preceded by shifts in public opinion. Take the migrant worker issue, the "three rural issues" [san nong- agriculture, peasents, and rural areas], and health care reform. In all cases, the issues first took off on the Internet before being picked up by the print media and even television. From there each made its way onto the public agenda and became a policy issue and ultimately public policy. (Murphy 2008:4)*

Legislation process as well witnessed a debate between contending intellectual groups, represented by Chang Kai and Dong Baohua. Since the final version of the LCL set high labor standards and includes crucial protections for employees like restrictions on short-term contracts, deterring articles against non-use of contracts (Gallagher and Dong 2011:56), it is generally accepted that supporters of 'single protection' could be successful in defining the spirit of the Law. Drawing on evidence about the drafting process, which is pointed out above, this research tends to argue that Chang Kai had a role in this result in addition to the ACFTU's efforts. Basically, Chang Kai and the group he led did two critical interventions. First, they had played a part in making changes in the initial draft in favor of more protection during studies on the Second draft, which was issued in December 2005 and released in March 2006 (Dong 2008b). Second, Chang Kai tried to create a public influence through media channels and academic conferences after the government began soliciting public comments on the March 2006 draft.

Thus, it will be argued here that Chang Kai's attitude constitutes an example for *public intellectual* attitude. First of all, he approached the LCL not in a technical manner but with a sense of social responsibility. For example, he argued for a more protective law by pointing out that labor relations should not be left to the market and that the law should be designed in a way to protect weaker side - laborers- on the market (Karindi 2008:7). He publicly said that "China's recent economic growth and success has been at the expense of its workers" (Gallagher and Dong 2011:45). In other words, he opposed to neoliberal trend in Chinese economy and argued for more government control

over labor relations on the grounds that market without government regulation would be abusive and exploitative for workers (Gallagher and Dong 2011:49). And, he actively propagated a more protective LCL through TV programs and interviews. In this sense, he played an opinion leader role during the deliberation period. This might have contributed to energizing the already-existing social pressure for more protection.

Dong Baohua, as he himself said in elsewhere (Dong 2008a), could not be influential as much as Chang Kai on the content of the LCL, partly as a result og the fact that the LCL "was formulated under intense societal pressure" (Kuang 2009). His approach to the LCL differed from that of Chang in that he considered this issue in a technical manner. He indicates that "I just tried to evaluate this law from the perspective of a labor law professor" (Dong 2008a) when explaining why he favored a 'balanced' protection for both workers and employers. He maintained that March 2006 draft set too high standards in favor of employee and argued for less government intervention to the labor markets (Gallagher and Dong 2011:49). In terms of ideology, it can be argued that his arguments resemble to that of those who want China to advance and consolidate market reforms. This can be induced from his references in discussions on the LCL drafts to international standards on labor contracts and optimizing human resources (Kuang 2009), and from his concern that "it would be difficult for internationally practiced human resources management principles (e.g., based on employee performance evaluation methods and systems) to be synchronized with the draft law" (China Labour Bulletin 2006). On Dong Baohua's attitude, his relations with private companies should have an impact. As noted in the web page of the law firm that is headed by himself, he is legal adviser to many multinational companies including General Motors, Carrefour, and Pepsi Food (Baohua Law Firm 2013).

CHAPTHER 5

CONCLUSION

The first thing that should be said about consequences of economic reforms and opening to the world is the diversification of the People's Republic of China: Society has diversified and stratified; and the ideological sphere or field of ideas as well has diversified. This diversification has come about as a result of new patterns as regard to relations between state, market, and society. The CCP, the architect of China's radical transformation during last three decades, now has to deal with multiple tasks in this diversified and complex society in order to contest its legitimacy and to retain its power. The central concern of the CCP in the reform era is to addressing somehow several and contesting demands of various social actors of the diversified Chinese society in accordance with its claim to be sole legitimate representative of the Chinese nation. The CCP's attitude has been a dynamic mixture of suppression and accommodation of various demands (Shambaugh 2008:180). In Perry's terms, the CCP's needs "curb[ing] and channel[ing] potentially threatening social forces" in order to survive (Perry 2007:9). Indeed, as Shambaugh (2008:174) argues, the CCP has been "adaptable and resilient enough to survive" so far, an argument with which many China scholars agree.

While contributing to modernization of Chinese economy and resulted in a tremendous increase in country's GDP, market reforms have created its own winners and losers. Social stratification in the course of marketization has brought about a class structure that is increasingly becoming similar to class divisions in a capitalist society. Private entrepreneurs, high party cadres, and a middle-class, which mostly includes urban professionals, have turned out as primary beneficiaries of the economic reforms. And, urban working class, the rural poor, rural migrant workers have emerged as most disadvantaged segments

in contemporary Chinese society. Urban laborers suffer from lay-offs, abusive working conditions, and low wages. Migrant workers, in addition to worse working conditions than those of urban resident workers, face with discrimination in access to social services in cities where they temporarily live. Arbitrary fees and land grabbing by local governments have emerged as widespread sources of complaints for Chinese peasants. All in all, after about its thirty years, the market reforms have reconfigured power and wealth in Chinese society.

The CCP has looked for incorporation of the newly emergent entrepreneurial elite and co-optation of intellectuals, or "professional and technical elites" (Dickson 2004:146), so as to alleviate the risk of being challenged by these rising groups. Bruce Dickson maintains that the Party gives a special attention to establishing link with new elites or to "the modernizing sectors of society" (Dickson 2004:145-6). Jiang Zemin's idea of "Three Represents" and its inclusion into the CCP constitution in 2002 can be seen as an attempt in that vein. According to the idea of "Three Represents", the Party should also represent the *advanced productive forces* (i.e. private entrepreneurs) and *advanced modern culture* (i.e. intellectuals) in addition to the interests of the vast majority of the people. It can be said, therefore, the CCP has sought to adjust its ideology and structure in line with the changes in society. (Cheek 2006a:111-2; Shambaugh 2008:111-2). And, it is argued that the relationship between the newly emerging business people and the Party has turned to a cooperative manner. By 2003, 30 percent of entrepreneurs were party member. Some in this 30 percent were Party member-turned-entrepreneur, while some were recruited ones (Dickson 2004:147). At the local level, there is more close cooperation, and sometimes even parallelism of interests, between entrepreneurs and the Party officials (Kinglun 2008:55; Lee 2004:9). Likewise, Lai (2007:24) indicates that while business people have an influence over public policy through their powerful NGOs and memberships in the National People's

Congress and the Chinese People's Consultative Conference[20], some segments of society like workers and farmers even are not entitled to establish such organizations through which they express their interests. Indeed, these are concrete examples of the re-configuration of power and wealth in Chinese society.[21]

The CCP also has to address demands of the losers of economic reforms, which mainly consist of poor peasants, laid-off workers, and migrant workers. These groups have often resort to demonstrations and various sorts of protests, which are called 'mass incidents' in the official jargon, especially since late 1990s. Apart from the popular unrest among those segments of Chinese society, a dramatic rise in inequalities among social groups has created sense of social injustice and anger within a wider portion of Chinese society. On this field, the CCP leadership has adopted policies which are mixture of suppression and improving social rights and income level of those disadvantaged sectors of society. Since the turn of the century, the CCP leadership began to pay more attention to deal with the inequality issue. Especially, the Hu-Wen leadership initiated comprehensive changes in the field of social and economic policies so as to moderating widening inequalities and quelling social unrest under the banner of "socialist harmonious society" policy.

As already said, the CCP constantly has had to seek to adapt itself in accordance with the plenty of challenges, or potential challenges, to retain its legitimacy and ruling capacity. In addition to the abovementioned ideological innovations, or adaptations, and socio-economic policies, the Party has introduced new mechanisms to increase public participation in policy process in the Hu-Wen era. As the leaders of the PRC since 2003, Hu and Wen clearly pointed to the need for increasing public participation in policy-making, as reflected by their emphasis on governance with rule of law and scientific

[20] An organization serves to the CCP's cooperation and consultation with poeple outside the Party. Around 60 % of its members are non-CCP members, and its weigh in consultation is report to be rising (Shambaugh 2008:137-8).

[21] This conceptualization heavily draws on the insight provided by Xudong Zhang (see Zhang 2001:12).

development concept. Extension of legislative hearings, which was initiated in early 2000s, is a crucial step for enhancing public participation in policy process through soliciting opinion from Chinese citizens during legislation of important laws. Similarly, the Hu-Wen leadership gave importance to consultation with experts, including critical ones, in the name of formulating more correct and scientific policies (Cai 2008:1-2; Fan 2006:717-9).

Another strategic step in reinforcing the Party's governing capacity is to increase the degree of protection and improve the efficiency of legal framework for the protection of rights of disadvantaged segments of society. Actually, the Labor Contract Law is a good example for this kind of effort in improving legal framework, which is closely related to livelihood of millions of poor citizens.

Therefore, it is widely argued that the Hu-Wen government adopted a more populist approach in governing the country through enhancing participation and showing a commitment to the protection of disadvantaged segments of society. On the other hand, this shift in Hu-Wen government is not a dramatic break from the Party's continuous vision in the reform era as regard to the state-society relations. The central priority is still to secure the monopoly of the CCP's power; and new emphases and policies are designed to enhance the legitimacy and empower the ruling capacity of the Party in the face of increasing demands of society. Given this, some scholars propose conceptualizing the Hu-Wen administration's approach as "populist authoritarianism". For Cheek (2006a:109), populist authoritarianism refers to an approach "under which the CCP has found ways to strengthen its governing capacity while avoiding democratization". To exemplify this approach, while the CCP has not allowed workers to establish independent labor unions, it has attempted to channel laborers' grievances to legal sphere from unsanctioned ways of protest in order to quell labor unrest by improving legal framework for rights of laborers.

Field of ideas is not immune to those changes in Chinese society. Although all intellectuals accept the existence of these problems they differ on how to solve them. For the sake of simplification, the central division among

intellectuals on socio-economic problems of China can be defined as such: liberals argue that corruption, government's high degree involvement in economy are the basic causes behind these problems, the left-leaning intellectuals do argue that enhanced government intervention in economy in favor of low strata of Chinese society could serve the solution of those problems.

In the intellectual scene, especially after 1992, one of the most challenging trends for the CCP is the erosion of its controlling power over minds in the face of diversification and pluralization of venues for both expressing ideas and getting information. In the existence of a more diverse and daring media and the Internet, it is no longer possible to totally suppressing the ideas criticizing the Party's policies. The CCP's response, in this regard, is a mixture of suppression and relaxation or with what is called "calculated liberalization" (Gu and Goldman 2004:11). Even though freedom of expression is still far away from being institutionalized and the Party still often resorts to censorship, criticism against corrupting officials, lack of political rights, mounting inequalities, and demands for good governance could appear in media and on the Internet.

It is the point of this thesis that the Labor Contract Law and intellectuals' role in its policy process should be elaborated in this wider context, which holds influence from the changing political economy, namely the reconfiguration of wealth and power in Chinese society; the Party's concern for effective governance in a authoritarian political system; ideological dispute among intellectuals on China's economic development path; and finally the parameters of intellectual politics. Having already touched upon the first three of them, here it may be looked to the last one, i.e. parameters of intellectual politics in the reform China.

The traditional intellectual figure as the conscience of the society, today, does not represent the most of Chinese intellectuals. The fate of intellectuals has diversified especially after the Tiananmen crackdown. Some chose to plunge into sea of commerce as entrepreneur, manager, and consultant etc. to benefit from the opportunities of the prospering market economy. Some chose to

become policy expert with any or little attention to public affairs. A small group of intellectuals, who are called public intellectuals, continue to act as public figures by engaging the debates over the public affairs and criticizing the Party policies. In contemporary China, policy experts, or technocrats, and public intellectuals have emerged as the two main groups or intellectual typologies which could influence policy-making in different ways.

Expert knowledge has gained a considerable importance in China since the initiation of market reforms as the county crucially needs expertise in modernizing its economy in line with contemporary global trends. The PRC has professionalized its bureaucracy and established a wide expert system within the government structure. It has become a good choice to be expert within the government structure for those who seek for high income and social prestige. Thus, many intellectuals have been co-opted by the Party into the official expert system. Intellectuals in this group now have become one of the principle actors in policy agenda-setting and the policy formation together with the decision-makers. Some intellectuals outside the government structure, who are generally scholars at universities, are also able to enjoy the same influence on policy process due to their personal ties with the top leaders.

The very same process of marketization and opening-up to the world, at the same time, has paved the way for the enlargement of public intellectual space in post-1992 China, a process which is reflected in the increasing number of non-governmental think tanks, the emergence of more diverse and daring media, and the Internet itself. In this transformed public intellectual sphere, a new typology of intellectual who are called *public intellectuals*, which engages debates over public affairs with a sense of social responsibility, has gained prominence. These critical intellectuals, from the ranks of both liberals and leftists, often seek to affect the Party policies through their influence on public opinion.

This inquiry into the making of Labor Contract Law confirms the proposition that public intellectual has become an important figure in China's policy process. Public intellectuals, especially left-leaning intellectuals, could be

successful in "capturing the public mood and setting the tone of political debates" (He 2008:i). They have contributed to the formation of a public discourse that is critical of vagaries of market reforms. It can be said that, by this way, they could affect the agenda-setting of the CCP that has been making some social reforms in the direction of more social protection, including new regulations on labor relations, especially since 2003. This paper, also, based on observations on Chang Kai's, one of two leading intellectuals participated to drafting studies of the LCL, performance during legislation process, tends to argue that public intellectuals can play a role of opinion leader over the policy issue on the agenda, especially if it is fundamental one like the LCL. China's transformed public sphere which is characterized by a more diverse and daring media and a cyberspace with millions of user provides a proper context for this.

Dong Baohua's, the other leading intellectual involved in drafting studies of the LCL, attitude has also something to say about intellectuals' evolving roles in contemporary Chinese politics. His approach to the LCL differed from that of Chang in that he considered this issue in a technical manner. He indicates that "[he] just tried to evaluate this law from the perspective of a labor law professor" (Dong 2008a) when explaining why he favored a 'balanced' protection for both workers and employers. He maintained that the March 2006 draft set too high standards in favor of employee and argued for less government intervention to the labor markets (Gallagher and Dong 2011:49). Ideologically, his arguments resemble to the arguments of those who call for advancement and consolidation of market reforms. This can be observed in his references to international standards on labor contracts and to optimizing human resources in discussions over the LCL drafts (Kuang 2009). An investigation of his network with business world and a critical examination of his retrospective article series about the drafting process of the LCL suggest that his attitude could not be properly understood by ignoring his favoring of the consolidation of market relations, which Chinese and foreign entrepreneurs are concerned about. Then, this thesis argues for paying more attention to the role of market, and ideological and institutional effects of the market on the intellectuals' social positioning and

political attitude. This is especially needed, as Yuezhi Zhao argues (2012:114), since the existing literature on Chinese intellectuals' role in politics largely focuses on the contestation between liberal intellectuals and the authoritarian state, which is actually just one aspect of intellectual politics in China where a complex interaction of the Party-state, market and society is redefining all national politics.

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APPENDICES

Appendix A: Tez Fotokopisi İzin Formu

ENSTİTÜ

Fen Bilimleri Enstitüsü [ ]

Sosyal Bilimler Enstitüsü [X]

Uygulamalı Matematik Enstitüsü [ ]

Enformatik Enstitüsü [ ]

Deniz Bilimleri Enstitüsü [ ]

YAZARIN

Soyadı : Tekdal
Adı : Veysel
Bölümü : Uluslararası İlişkiler

TEZİN ADI (İngilizce) : The Role of Intellectuals in the post-Mao China: Case of Labor Contract Law

TEZİN TÜRÜ : Yüksek Lisans [X] Doktora [ ]

1. Tezimin tamamından kaynak gösterilmek şartıyla fotokopi alınabilir. [ ]

2. Tezimin içindekiler sayfası, özet, indeks sayfalarından ve/veya bir bölümünden kaynak gösterilmek şartıyla fotokopi alınabilir. [X]

3. Tezimden bir bir (1) yıl süreyle fotokopi alınamaz. [ ]

TEZİN KÜTÜPHANEYE TESLİM TARİHİ: