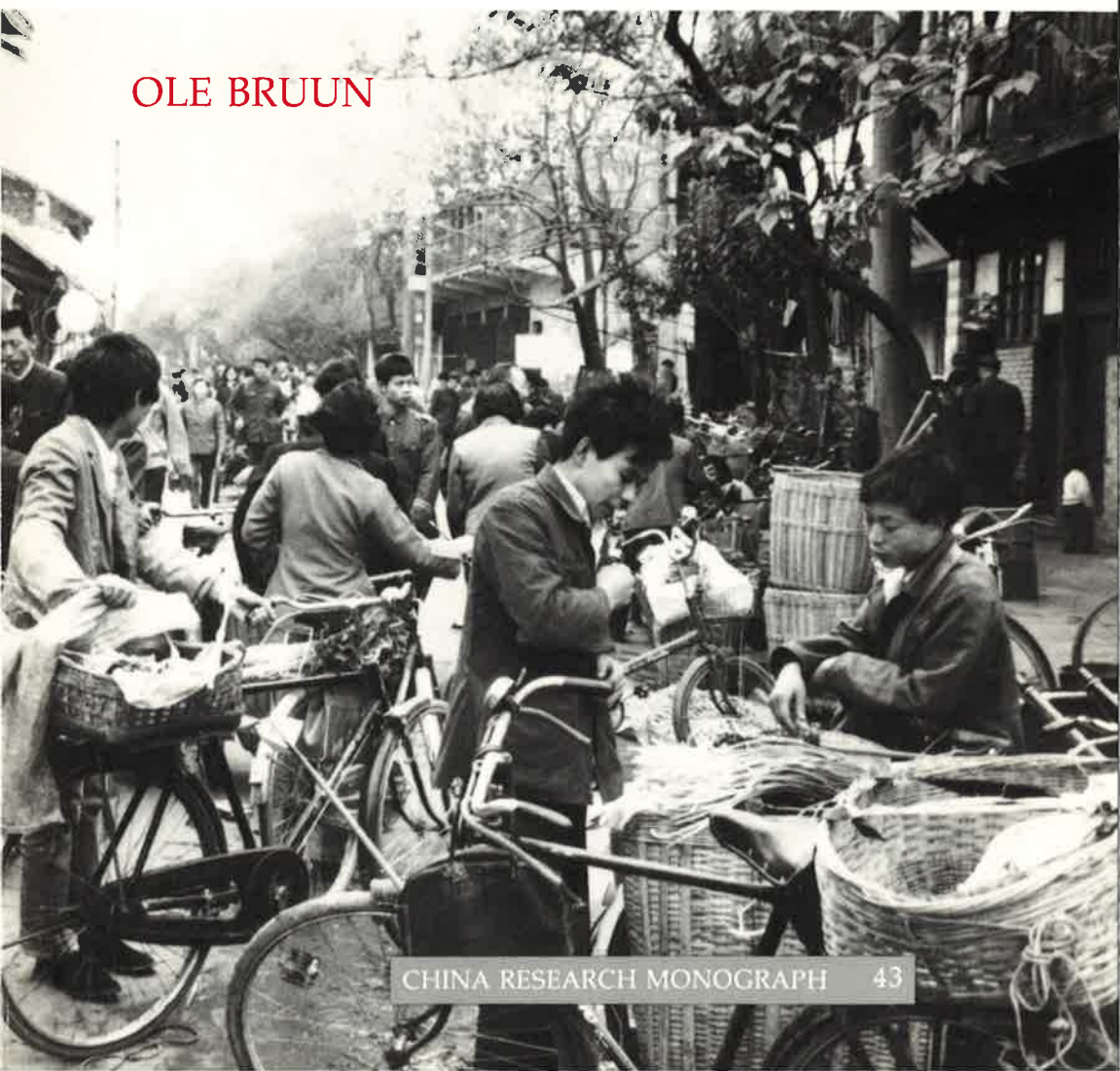


Business and Bureaucracy in a Chinese City

An Ethnography of
Private Business Households
in Contemporary China

OLE BRUUN





INSTITUTE OF EAST ASIAN STUDIES
UNIVERSITY OF CALIFORNIA • BERKELEY
CENTER FOR CHINESE STUDIES

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The data were collected during three months of fieldwork in the spring of 1987 and another three months in the autumn of 1987. A series of follow-up interviews was conducted in May 1988 and an additional three months of fieldwork in the spring of 1989, specifically aimed at interviewing the young people in the area. In 1991 the overall situation was investigated. Thanks are due to the Sichuanese authorities for issuing all pertinent permits for accomplishing this fieldwork.

The practical arrangements for fieldwork in Chengdu — interviewing owners and employees of private businesses as well as officials responsible for controlling the individual economy, meeting with Chinese scholars, and investigating all possible sources of information — were made in cooperation with the Sichuan Academy of Social Science, which also provided excellent assistance in conducting the interviews. In addition, a number of people from the University of Sichuan, also in the provincial capital of Chengdu, have

helped out and provided inspiration in certain stages or aspects of the research.

I would like to extend very special thanks to my Chinese assistants Liu Jinshi, Zhang Xiangrong, and Chen Beimin for their painstaking work and tolerant attitude toward the many arduous tasks involved in our research.

Note

Transliteration: Chinese *pinyin* romanization is used throughout, except when such disturbs the reading of names and concepts for which other spellings have been established in Western languages. Quotations are kept in their original form. Quotes of local speech and proverbs are shown in the common language, *kouyu*.

Names: All personal names have been changed to protect the identities of the local people and other interviewees.

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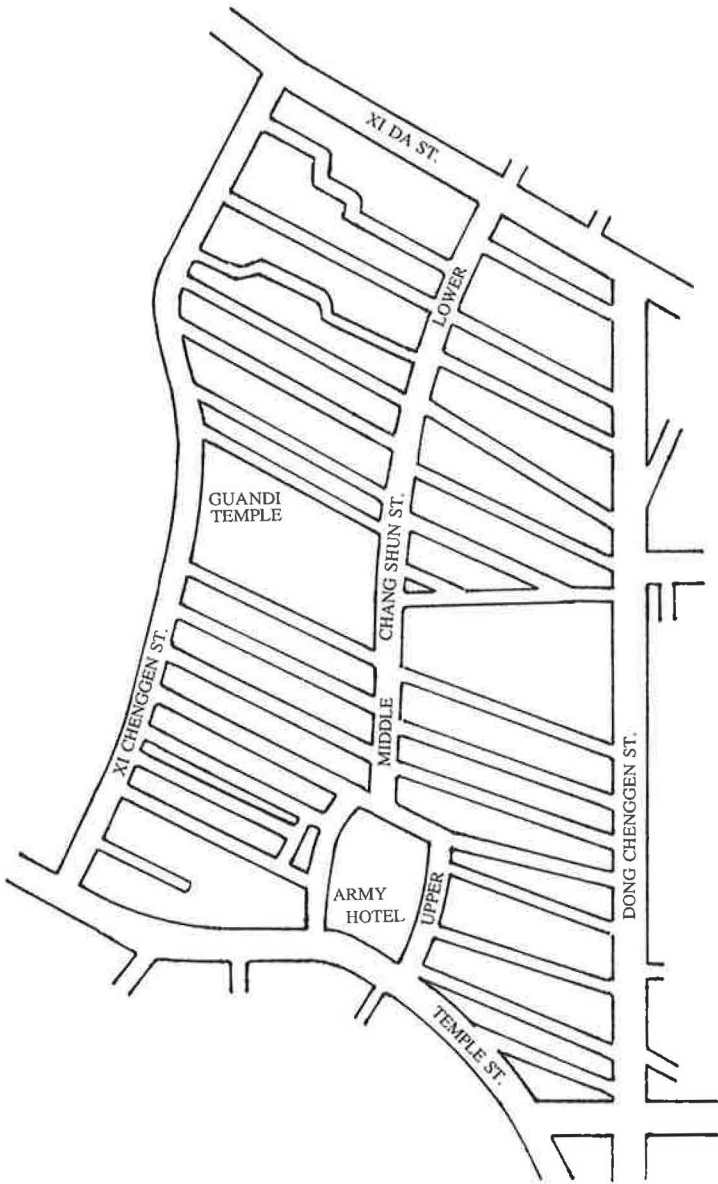


FIGURE 1. Bin Shen Area. The map shows the entire area of the former walled Manchu city (*shaocheng*), of which only the lower half (below the Guandi Temple) belongs to Bin Shen (*Bin shen xiaqu*).

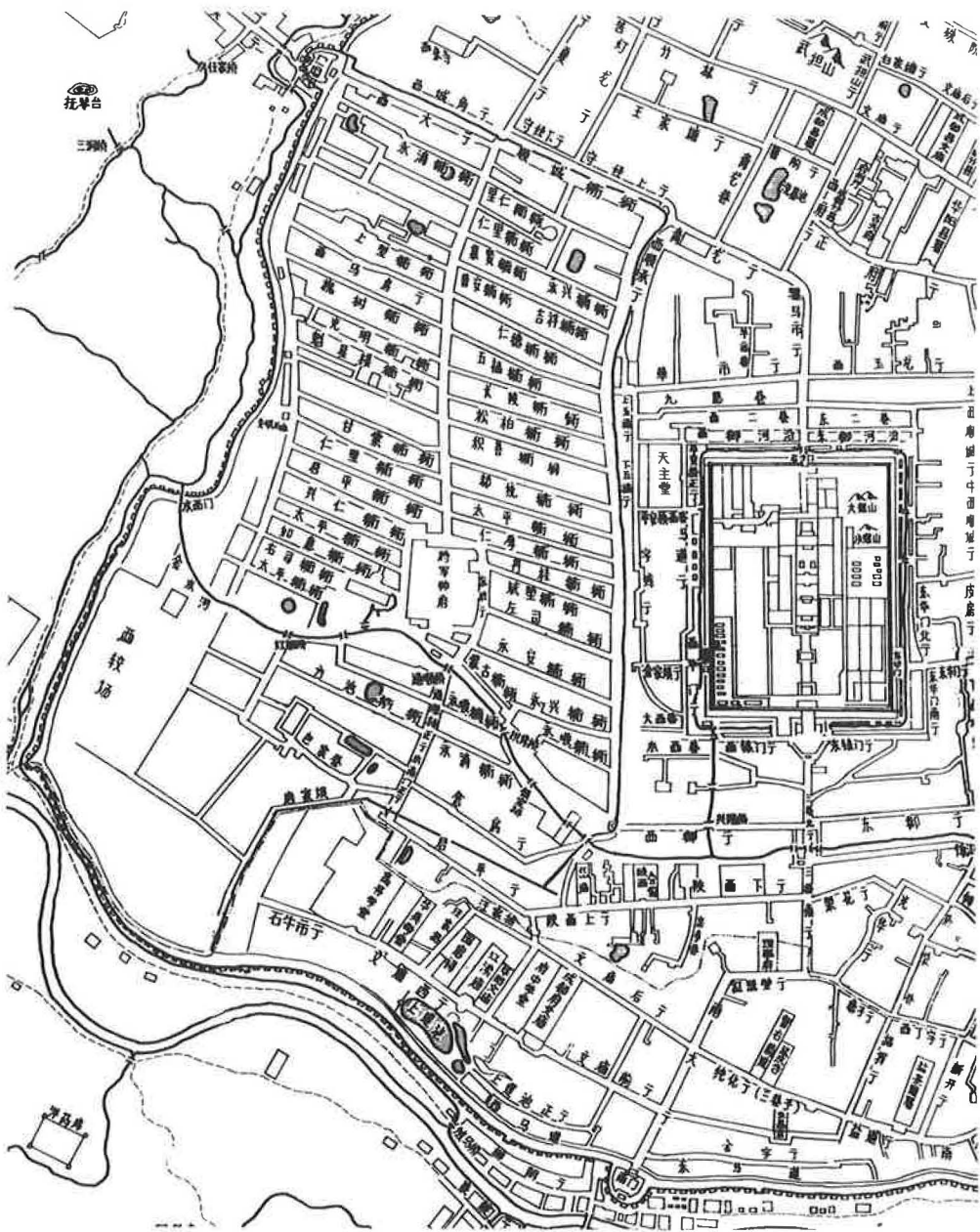


FIGURE 2. Map of Chengdu from the thirtieth year of Emperor Guangxu's rule (1905), showing the palace and the Manchu quarters.

CHAPTER ONE

Methodology and Fieldwork

This is an account of the people, their private businesses, and their relationship with bureaucracy in a small neighborhood within a contemporary Chinese urban area. The study follows a community of private business households (*geti hu*) in Chengdu, Sichuan, the People's Republic of China, during the five-year period 1987–91. The fieldwork area coincides with the smallest unit of urban administration (*xiaqu*) and comprises about 270 businesses, some thousands of ordinary households, a free market, and various bureaus of public authorities. Though limited in size, the area is fairly representative for the private business environment in a large number of contemporary Chinese cities.

The study deals with a new aspect of modern Chinese society. With the Open Door Policy and economic reforms after 1978, private business was allowed to rise and become a vital social and economic factor. Such business was, however, already known to a vast number of urban Chinese households, for whom it was their primary economic activity up until the Liberation in 1949 and even for a number of years after until the new regime branded them the tails of capitalism and destroyed their businesses. The study is exploratory in its approach: it employs anthropological methods to the study of private business, placing it firmly in the social context of Chinese household organization, local community interaction, and state ideology. While portraying a contemporary Chinese urban community, the study deals with some fundamental Chinese values and ideologies as expressed in the fieldwork area.

Why business? In the first decade of the Open Door Policy, Chinese society was thrown into a surge of modernization with unprecedented force. To leave the social security and dignity of state employment in China during this phase of reform was generally an irreversible act.

CHAPTER TWO

Chang Shun Street and Market Area

Chang Shun Street lies on the western outskirts of the Chengdu City area. It opens onto Temple Street, which is the continuation of the huge People's West Boulevard, and from there runs fairly straight north. It is narrow and unimpressive, lined with old wooden houses mostly of pre-Liberation origin or, as far as their inhabitants can recall, constructed right after Liberation. Although seemingly insignificant, Chang Shun Street is well known to shoppers as it contains one of Chengdu's newly reopened free markets¹ and, in addition, countless private businesses. They are placed side by side in every possible house or stall that can provide even the minimal facilities, generally simply shelter and electric power for lighting — and an occasional television set. The street bustles with activity from dawn to dusk, the free market being the main attraction, while the remaining businesses draw their customers from the constant flow of people making their way on foot or bicycle down the street. Always crowded with people of a great variety of professions and purposes, Chang Shun Street in many ways represents Chengdu as a city or any premodern street in a Chinese urban area. Farmers on tricycles carrying huge loads of vegetables, poultry, or sides of pork for the market zigzag their way up the street to the persistent but largely ineffectual ringing of their bells. Traveling salespeople with large baskets suspended from bamboo carrier poles contribute with their boisterous calls to the noisy and busy atmosphere of the street. Unceasingly, there are people on their way to and from work, children playing under the supervision of grandparents, schoolchildren walking arm in arm, and a few jobless adolescents strolling along just to pass time. Chang Shun Street has it all.

Chang Shun,² meaning "long smooth," is divided into Upper, Middle, and Lower Street and stretches almost a kilometer in length.

CHAPTER THREE

Enterprising Households

In Bin Shen the presence of public authorities is not instantly visible. As any urban Chinese locality, however, Bin Shen has all the institutions of a complex society — as well as specific ones. All households are integrated into a network of organizations representing local as well as central government bodies: Public Security, Industrial and Commercial Administration Bureau, Tax Administration, and Public Health clinics are all present in the area. Street and Neighborhood Committees are in charge of well-defined numbers of households in cooperation with the Party organization, which has representatives in all public institutions.

China's individual sector is formally organized under the nationwide Industrial and Commercial Administration Bureau (ICB),¹ a body directly controlled by central government. The ICB in principle is in charge of all affairs of private business as regards the issue of permits, registration, supervision of businesses, and advice on management. As the agency that implements the policy of the central government in this field, the ICB is also responsible for preparing statistical material and otherwise reporting back to the central government on all matters concerning the individual sector. The ICB has a series of departments operating at the provincial and municipal levels. Within the municipality, it has a network of district and local offices; the latter are responsible for a neighborhood comprising a number of streets, according to the density of businesses.

The local offices of the ICB organize managers of individual businesses into the Self-employed Laborers Association,² which in turn is divided into branches of businesses within the local area. The association holds regular (usually monthly) meetings, in which ICB representatives and association voluntary assistants inform about state

CHAPTER FOUR

The Cultural Economics of Labor

The incorporation of economic activities into kinship organization is indeed the Chinese tradition, shaping the countless numbers of small businesses and handicrafts that dominated production up until the Revolution in 1949.¹ Since then, in the process of industrialization, which involved deliberate attempts to restructure society as well as the minds of individuals, state and family became units of clashing interests. If the aims of the Chinese state were to modernize and synchronize, family strategy could be seen as countering by preserving established values and retreating from public life. Rooted in a firm organization, the Chinese family survived decades of political campaigns and social unrest by withdrawing and confining itself to being merely a unit of social organization. The Chinese family, however, needed merely the signal of legalization contained in the political reforms to revive as an economic unit and eventually gain new vitality and substance from private business.

If animosity toward public authorities prevails, then the conflict is centered on basic ideologies. While for decades central power has propagated the termination of obsolete values and has denounced previous ideologies as the legacy of feudalism, the population of commoners, effectively segregated from political power, naturally incorporate more pragmatic calculations in their struggle for social and material survival. Moreover, in the actual practice of distributing roles in society, futuristic state propaganda has little impact. A focal point of antagonism is over the distribution of labor.

CHAPTER FIVE

The Continuity of Bureaucratic Power

Our first encounter with representatives of local bureaucracy was with employees from the ICB office. Apart from Ms. Yang, who had introduced us to the first shopkeepers, we had little contact with the office for several months. Mr. Long, however, the head of the local office, was anxious to meet me, the foreigner. So I was invited for a banquet in Mr. Wang's restaurant. Turning it into an excursion, the entire ICB staff arrived in their fine blue uniforms, which they wear only at very special occasions. Also present was Mr. Wang himself and his neighbor Fu, the baker, whose previous conflict with the ICB had apparently been settled. Mr. Long was the jolly senior officer, who with great relish utilized any opportunity to turn meetings and other events into banquets, preferably in Mr. Wang's place. Equipped with liberal ICB funds, the whole office indulged in these special occasions. Compared to the rather basic meals customary to most state employees, such a banquet is a real treat. So many and lavish are the dishes that the big round table is not big enough; dishes are placed on top of each other in several layers. Meat, fish, and poultry are the all-important dishes, with lesser plates of vegetables and bowls of soup. With several Sichuan specialties among the ordinary dishes, these events are almost orgiastic excesses. Dishes are passed around or portions placed in bowls faster than anyone can possibly keep pace with. Rice is brought in only toward the end of the banquet in case anybody still has an empty corner in his stomach. Plenty of beer and *baijiu* (strong alcohol) come with the food. Through endless *ganbei* (empty cup) rituals we were initiated into the local drinking habits — and presumably, the custom of *guanxi*-making. At least such events had repercussions for the rest of the day and into the next. Particularly demanding were the endless notions and sayings about foreigners' drinking habits and Long's experiments with their

The Young in Business

Doctor Zhong complains about his teenage daughter when we pay him a short visit one afternoon. Customers arrive unceasingly in the tiny shop, and some leave again because the wait is too long. The daughter, who Zhong had hoped would study medicine to become his successor in the clinic, is still sleeping upstairs. She is badly needed to measure out medicine and assist, which she often does in her spare time. But she is becoming increasingly unwilling to spend her time in the shop. And according to Zhong, that goes for studying and attending classes too: "They had a party again last night; it's the only thing they really care about now. All her classmates gather to dance somewhere here in the neighborhood. They say that they are only celebrating birthdays, and of course you cannot forbid that. But there are fifty students in her class, so every week it is someone's birthday. They stage it Saturday!"

Zhong's daughter is one of the countless teenagers to whom studying seems more and more a waste of time. In her own words: "There is no reason to study at my age. It is hard work, and even if you pass the exams, you cannot use it for anything. There are no jobs for us from our school when we graduate, and going to university is almost impossible. Many of my classmates want to leave school now to do private business. They want to make money quickly to buy nice clothes and things."¹

Many more her age in the street are in the same situation. Ms. Luo, who runs the small grocery shop across the street, tells a similar story about her daughter, who is now fifteen: "We would like her to go to university, but she doesn't bother. She just wants to enjoy herself, drink Pepsi, smoke expensive cigarettes, and make herself pretty in front of the mirror. So she just wants to make money." And the daughter has good reasons for leaving school. No one from her

CHAPTER SEVEN

A New Cycle of Business

June 4, 1989, was already long gone when I returned to Bin Shen in 1991 after almost two years' absence.¹ While Chinese student organizations abroad, together with the Western media, had cried out their message never to forget June 4, now termed *liu si* (6/4), to place it firmly within Chinese history, parallel to *wu si* (5/4; May 4, 1919), few Bin Sheners now mentioned the happenings. Even the term *liu si* itself was not immediately understood by most people asked about the events. The revolutionary spirit and fearful events of those few weeks had only added a new layer to the sediment of historical experience. Moreover, my inquiries about the impact of June 4 on Bin Shen were met with a mixture of bewilderment and irritation: of what interest was that to me or to anybody now? The involvement of a large number of Bin Sheners was nevertheless a fact, although Bin Shen itself had not been affected directly by the demonstrations and turmoil that was nothing short of an uprising. I knew from private correspondence that fighting had been fierce in Chengdu: thousands had taken to the streets, and mobs had attacked a number of official buildings. By interviewing the usual groups in Bin Shen, I could establish a picture of which groups had participated.

Party authorities, however, had not forgotten their near overthrow. When June 4 approached, the municipal government organized a street carnival in the downtown area with compulsory processions from large state units; the carnival was clearly a preventive measure, running for several days before and after the anniversary. The stairs in front of the Mao statue overlooking the People's South Boulevard, where students spontaneously met two years earlier to express their protest, had been covered entirely with an abundance of heavy cases of green grass.

Little had changed in the physical appearance of Chang Shun

CHAPTER EIGHT

The Dialectics of Household Strategies

You know, it is the social system that causes the problems, not the people. Leaders are people who press themselves forward, placing themselves on top of structures built by the people — like Li Peng and Zhou Enlai, they were not the leaders that were promoted. But too few take responsibility. No one dares to stand out, that's why it is so easy for them. Everybody just follows their families or groups or the lines that are laid out for them [businessman, off the record].

This chapter analyzes household strategies in regard to business and bureaucracy in the local community. The point of departure will be the identification and classification of some basic contradictions crucial to the formation of household strategies. Relations of both potential and actual conflict obviously exist in local society; but while some clearly manifest themselves in the clashing interests of various strata, households, and individuals at a given time, others may become apparent only after we clarify their wider structural setting — that is, place local society within the context of the Chinese state. Thus, from the basic conflicts in Bin Shen some structural oppositions will be derived, and some reflections on them will be molded into a hypothesis concerning the essential conditions shaping household ideology and action.

In the following analysis the criteria are maintained that the structural oppositions established are not merely constructions of the Western intellectual milieu or just of the anthropologist, but at least in colloquial terms, permit recognition in local society. They must expose, or be part of, the current discussions on the state of economic and political affairs and on modernization in Bin Shen as in other similar Chinese communities and thereby contribute to the ongoing

CHAPTER NINE

Conclusion

As I mentioned in chapter one, over the course of my fieldwork the local people gradually became good friends and eventually felt free to request that I grant them the favor of speaking for them in return for their openness and hospitality. Although this scholarly study does not permit such taking sides politically with the individual households, it is still hoped that the account of their situation — under the sway of a monolithic state, exploited by a corrupt bureaucracy, and amid a society in ceaseless turbulence — will in itself serve their cause.

It has been the aim of the present study to contribute to empirical accounts of contemporary Chinese society, accounts sorely needed in the social sciences. An anthropological approach to local society was followed — that is, local society was viewed through its basic institutions. Although the study is based on direct contact with the people of the fieldwork area during long periods and often intimate relationships and making use of observation, interviews, dinners, banquets, ordinary visits, and just being in the area, it was never possible to reside in the neighborhood. The anthropologist's calling upon the residents, rather than both parties being in equal position to call spontaneously, naturally hampered leisurely communion. Still, the freedom enjoyed during the research was extensive and somehow unexpected. The study is one of citydwellers, carried out by a citydweller.

To avoid the anthropological "village syndrome," it was found imperative to involve institutions representing wider society. Thus the present work differs markedly from field accounts depicting Chinese villages as totalities or accounts based on interviews with groups of emigrants from a specific rural area. Although an empirical study of

Notes

Authorities present in Bin Shen area:

Industrial and Commercial Administration Bureau (Gong Shang Ju)
Self-employed Laborers Association (Geti Laodongzhe Xiehui)
Street Committee (Jiedao Banshi Cu)
Neighborhood Committee (Jumin Weiyuan Hui)
Tax Bureau (Shuiwu Suo)
Police Station (Gongan Ju)
Public Security Local Office (Paichu Suo)

Notes to Chapter One

1. This is not to exclude any other type of fieldwork aiming at a thorough investigation of the household's affairs — for instance, the "guerrilla interviewing" among small businesspeople outlined by Thomas Gold (1989a). Even systematic interviewing of households may be conducted within a homogeneous selection of neighborhoods or villages, with one or two picked in each place. However, in the delicate balance between bureaucratic authority and private enterprise the local society often adopt creative solutions or develop original substructures that neither is prone to reveal.
2. When this was later revealed to me, it brought to my mind an old book by a British consul to China, who in the 1880s found that a sedan chair was a sine qua non when visiting public authorities: Hosie 1890.
3. See Bruun 1988. This report also includes statistical material on the interviewed household businesses in Bin Shen and discusses development issues related to private business.
4. According to *Chengdu wanbao*, 22 March 1989.

Notes to Chapter Two

1. The free markets were opened all over China as a result of the Open Door Policy and economic reforms after 1979. Chengdu city has

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