The Gift Economy and State Power in China

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The state apparatus in China today has taken upon itself almost total responsibility for administering the social and economic domain. The welfare and control of the population, the organization of production, planning all social activities, and the distribution of the means of subsistence have become primary concerns of organs of the state. The types of power relationships and their social and symbolic expressions, which have crystallized around the distribution and circulation of desirables in such a political economy, are the subject of the present study. The study will also examine how certain counter-techniques of power deviate from the larger strategy of power exercised through the state socialist political economy, forming pockets of intransigence from within.

The dissemination of state power in the political economy of state socialism in China conforms in many ways to what Michel Foucault has called bio-power (1980), a specifically modern mode of power characterized by the ever "increasing organization of population and welfare for the sake of increased force and productivity" (Dreyfus and Rabinow 1983:7–8). Bio-power stems from a way of thinking and acting that Foucault dubs governmentality: forms of power "which [have] as [their] target population, as [their] principal form of knowledge political economy, and as [their] essential technical means apparatuses of security" (emphasis added) (Foucault 1979a:20). The over-all strategy of bio-power is carried out in two ways: techniques of discipline, the technologies of power that distribute bodies in space and promote or restrict...
their movements and actions, their development and reproduction; and techniques of normalization that exert their power by the construction of a unilateral discourse of right and wrong, by measuring and regulating conduct according to uniform and universalistic standards, and by defining fixed identities and persons on the basis of this particular discourse.¹

Foucault's thesis of a modern regime of power that is imminent in, constitutive of, and coextensive with society instead of exterior to it, as in an earlier, monarchical mode of power (1980:92–95), is extremely compelling. Yet, there are two areas in which the notion of bio-power could be further developed. First, when this novel way of conceptualizing of power is applied to the case of modern socialist China, much of its formulation is found to be lacking in institutional specificity. Most people would agree that the contours of power in a capitalist welfare state economy are different from those in a state socialist economy. Since Foucault was looking at the genealogy of power only in the modern capitalist West, the question of the specific historical relationship and linkages between bio-power and the Chinese political-economic structure and social institutions needs to be addressed.

Second, although Foucault was fully aware that there is no such thing as a perfect totalization of power, and that "freedom" and recalcitrance are the conditions for the exercise of power (1983:221, 211), in his empirical works he did not elaborate on the ways that power orders are riven with internal contradictions. While the power techniques operating through the structures of a state distributive apparatus have assumed dominance, they have not completely displaced other techniques of power that continue to operate on the margins and in the interstices of state power as an "immense reserve" of alternative tactical possibilities (de Certeau 1984:48–49; 1986:188). These other maneuvers of influence enjoy no formally recognized status, nor are they articulated by the dominant discourse. In given situations the very different principles and forms of their operations may subtly challenge dominant power techniques and constitute an oppositional force. The present study will attempt to address the two problems of institutional specificity and the limits of power strategies, while applying Foucault's general insights to socialist Chinese society.

In viewing the contemporary political and cultural economy of China, three distinct modes of exchange, or domains of power techniques, may be discerned: (1) the state redistributive economy, (2) the gift economy, and (3) a resurgent petty-commodity economy.² Each mode follows its own rules and

¹ See Michel Foucault (1979b), for his most extensive description of some disciplinary and normalizing microtechniques of power developed in the eighteenth-century European institutions of prisons, factories, and schools.

² See Hill Gates (1986) for what she calls the petty capitalist mode of production (I prefer the term petty commodity mode of production to distinguish it from the particular cultural and historical features of Western capitalism) and its articulation with the state, or the tributary mode.
logic of operation, its own corpus of etiquette and good form in social relations; produces its own system of valuation and rates of exchange; and represents a unique style of the tactics and strategies of domination. Though representing distinct tactical styles, these modes are not mutually exclusive in the sense of representing separate institutions or functions (political, economic, religious, etcetera) of the social structure; rather, their techniques traverse institutions and are intertwined within them. Furthermore, the practices of each mode of exchange can be seen as reactions to the practices of the other two modes, so that the junctures of their boundaries are marked by sparks of power. This essay will be concerned mainly with the first two modes of exchange, and also with practices found in urban rather than rural Chinese society.

Note that a tripartite scheme is proposed for the cultural economy of power in Chinese socialist society rather than a dual economy scheme made up of the official (or first) economy and the shadow (or second) economy (Grossman 1977, 1982; Galasi 1985), or of the formal and informal sectors (Sampson 1985). There is a tendency in the writings on the second economy of Eastern European and Soviet societies to conflate the dynamics of the gift economy and the commodity economy. Both involve practices and discourse oppositional to the power techniques operating through the state redistributive mode of exchange, but in China (and perhaps in other socialist societies, too), their tactics of power follow distinctly different logics and genealogical trajectories. These differences between gift and commodity economies that are overlooked by the idea of a second economy will be explored in section II.

I. THE TECHNIQUES OF POWER IN STATE REDISTRIBUTIVE ECONOMY

State socialism in China started out with the central aim of redistributing material wealth, services, and opportunities in an equitable, planned, and coordinated fashion after the Chinese people's torturous experience with war, impoverishment, and corruption. In this sense there was nothing cynical about the intent of the revolutionaries and the strategists of the Chinese socialist state economy. What happened as these intentions and programs were translated into new social institutions and practices is a sobering illustration of production, in late-imperial Chinese society. Both modes are native to Chinese culture and society and had been evolving for centuries when the West introduced its own brand of capitalist market economy, mainly along the eastern seaboard. Given the renascence of the petty-commodity economy in socialist China of the 1980s, in the context of a state redistributive economy that shares some features with the traditional tributary mode of production, her research is especially pertinent.

This tripartite scheme was inspired by the work of economic historian and anthropologist Karl Polanyi, who outlined three modes of economic integration for world historical economies ranging from primitive to peasant to socialist and capitalist: reciprocity, redistribution, and market exchange (1957). For Polanyi, these modes are not evolutionary, but often coexist and interact within one social formation.

See Xue Muqiao (1981), for an exposition of the aims and virtues of state socialist economy.
tion that even resistance and revolution are not outside of power. Power has the uncanny ability to adopt new forms even while it is being resisted. In the process of constructing a unified, and in principle egalitarian, distribution system for the population, the state redistributive economy also provided an institutional framework whereby new technologies of control came to be exerted over the population. Except for periods of mass mobilization, these new techniques are much more gentle and subtle than those of the military-police terror and the exploitation by landlords and capitalists that they replaced. Through the relationships between distributor and recipient, which ostensibly carry out merely distribution functions, the state redistributive apparatus has been transformed from within. The infiltration of the state redistributive apparatus by new techniques of discipline and normalization means that the apparatus has come to adopt extra-economic functions, not only in the political sphere, but also in social and cultural ones.

The rationale for the state redistributive economy is that the centralized state can best determine social needs and distribute in an equitable fashion according to objective needs. However, experience has shown that needs seldom present themselves objectively, but emerge only through a system of interpretation derived from the larger social and political discourse. The values and elements of this discourse may recognize some needs but remain blind to others. The discourse may prioritize and legitimate certain needs, and when needs are in excess of the means to fulfill them, it may construct criteria (such as temporal criteria: first-come-first-served; moral-political criteria: past good or bad conduct; family or class background; or social criteria: prestige, status, occupation, etcetera) for assigning certain individuals and groups with special rights to the satisfaction of needs. It is precisely this interpretive space opened up by the state redistributive economy that the new techniques of power have colonized, and from which they exert power that affects the larger social body.

The point is not that the structure of a state redistributive economy creates these power techniques and a market economy does not, but that the redistributive economy promotes certain types of power techniques not common in the market economy or employs them in a different manner. It sets the

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5 In a survey of housing conditions in two Hungarian cities, Ivan Szelenyi (1983) has shown that, contrary to everyone's assumptions that socialist allocation of housing favors the most needy, it was the middle class (bureaucrats, intellectuals, professionals, clerical workers) rather than the working class who got the newest and best state-subsidized housing. His explanation is that socialist urban inequalities are not inherited from the capitalist past, but "arise logically from the socialist system of production and distribution" (1983:4). The inequalities produced by administrative allocation are not due to mismanagement or official corruption, but to the socialist logic that scarce services like housing should go to rewarding those with the most essential jobs for the country.

6 For example, the formal rationality of market economies tend to harbor techniques that extract the optimum efficiency and utility from bodies through the minute segmentation of time and through the exercise and training of bodies (the coordination and control of gestures and
conditions for coordinating techniques from diverse origins and histories, and furthers their systematization. At the same time, many techniques are shared by different socioeconomic structures and discursive formations, so that one can speak of the modern forms of power and knowledge.\textsuperscript{7}

How does distribution according to need come to be carried out by resorting to microtechniques of power? Take, as a case in point, the following “List of Conditions for the Allocation of Housing,” which was drawn up by a state-owned Beijing factory that I visited.\textsuperscript{8} This particular factory had just finished constructing a new apartment building for its own workers and staff and so drew up a list of logical criteria for awarding each apartment, with a point system that would help determine who among the applicants were the most needy. The list, in its original order, follows:

1. Those who have more than twenty years service in this factory, and who have made great contributions to the factory (10 points).
2. Those old cadres who participated in the Revolution before the establishment of the country [The Peoples’ Republic] (10 points).
3. Intellectuals and scientific-technical personnel (10 points).
4. Those who have obtained a “Certificate of Intention to Have Only One Child” (dusheng zinu zheng) (10 points).
5. Those who have been chosen municipal model workers (10 points).
6. Spouses who both work in this factory, and have no other source of housing (10 points).
7. Those with three generations under one roof (10 points).
8. Those with existing housing to exchange for this one (10 points).
9. Those whose living space is less than five square meters per person (20 points).
10. Those waiting for housing to consummate their legal marriage (male age twenty-eight, female age twenty-five) who have already obtained their marriage licenses at least one year ago) (20 points).
11. Those with a spouse currently serving in the armed forces (5 points).
12. Those who are male workers or staff at this factory (5 points).

It can be easily shown that in this list, the conception of neediness is intertwined with the normative categories of the “deserving.” It appears that only Conditions 6–9 deal with material concern for cramped living space, while embedded in all the rest are subtle techniques of normalization. Condi-

\textsuperscript{7} For a discussion of how biopolitical strategies in socialist society represents an extension of power mechanisms already present in traditional Chinese culture, as well as a new departure into modernity, see Yang (1988).
\textsuperscript{8} I was an exchange student at Beijing University during 1981–83. Field work among residents of Beijing from various walks of life was conducted more extensively in the second year, and during three months of a return trip during 1984–85.
tion 1 leaves a lot of room for interpretation, as contributions to the factory may refer to those who made technical innovations that have improved factory production, but may equally refer to those who have consistently shown loyalty to the factory leadership or who have been political activists in recent social or political campaigns promulgated by the Communist Party center. Conditions 2, 3, and 11 reward on the basis of currently exalted class-status groups and not on the basis of actual living conditions of specific persons and families. The ostensible aim of Condition 3 is to redress past discrimination suffered by intellectuals, but it also continues the tradition of imposing a common and single will and set of values, which, when workers were the exalted social category instead, created the current situation. This tradition exercises what can be called temporal power effects, that is to say, the subsuming of situational needs to a power that determines universal needs according to its own time scheme. The requirement of a “Certificate of Intention to Have Only One Child” in Condition 4 makes sure that only those who abide by state population policy can obtain state or, in this case, enterprise housing. Condition 10 standardizes marriage throughout the land, demarcating a difference between male and female, imposing a norm that the male spouse is to be older than the female, encouraging young people to get married not before and not after a certain age. Thus, power is also the regulation of the growth, reproduction, and sexual practices of the population. The fifth criterion, of model worker, signifies not only the favoring of hard-working, obedient workers who speak correctly and display the proper attitudes, but also those who do not have abnormal habits, family lives, and pursuits, for those presenting anomalous behaviours would not easily be awarded public recognition as model workers. Finally, the age-old gender effects of power wherein men are accorded diverse conditions for domination are again reinforced.

Having illustrated how normative techniques can creep into a distribution allegedly according to need with an example at the microlevel, I will proceed to a quick survey of various power techniques that operate throughout the state redistributive economy in China, first in their disciplinary forms, and then in their normative forms.

The investment of space with power follows from the regulation of population movements. The enclosure and partitioning of the population in the urban economy of power is achieved through three interrelated distribution systems: the distribution of “household registration” (hukou), the allocation of labor and the rationing of basic foodstuffs. The system of household registration requires that every person must be registered with local authorities at birth and, in order to move permanently or temporarily to another location, must apply to the authorities. It was started in 1959 in order to deal with problems caused by the inability of cities to absorb the massive influx of rural popula-
This system provides not only for the recording and accounting of each citizen as an additional resource of the state, but also for the fixing of particular geographic, economic, social, and cultural sites for the lives of each individual. The effect is to impose a rigid order on the random movements of the population, to segregate the population into clear-cut urban and rural classes and cultures, and even at times to reconstitute families and kin networks, as when husbands and wives, parents and children, kin and neighbors are separated for countless years by household registration restrictions.

Before 1979, virtually all urban jobs were assigned through the state distributive system, and individual energies were channeled only into a set of predetermined functional tasks and work sites. There was little room for variation and difference in the employment of energies, talents, and inclinations. Although recent urban reforms have allowed for individual enterprises, still the state allocation of labor remains the dominant form of employment.

The corollary of the labor-allocation system is the work-unit (gongzuo danwei) system. Derived perhaps from military organization, the work-unit system assigns individuals into total institutions (factories, offices, hospitals, schools, stores) that oversee functions of production and reproduction, social welfare, indoctrination, and surveillance. Through a whole army of well-meaning personnel (Party sermonizers, Party moral-political activists and evaluators, labor union directors, Women’s Federation representatives, Youth League leaders, and others) who staff every work unit, the normative and political administration of the material and spiritual welfare of its members is achieved. The disciplinary power that assigns labor to work units and supervises the labor process there also makes possible the operation of normalizing techniques. For example, taking out a loan from labor-union funds, having a family dispute resolved through the labor union of one’s work unit, applying to join the Party, and applying to marry, to give birth, or to divorce are all things that must be done through the work unit, and thus are all occasions for the exercise of normative power. The disciplinary and normative functions of the work unit are illustrated by a student who applied to my university for graduate study in the United States, but could send neither college transcript nor Test of English as Foreign Language (TOEFL) examination scores. The reason was that after college graduation, she refused what she thought was a bad state job

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10 For more details on the work-unit system, see Whyte and Parish (1984:25–26) and Henderson and Cohen (1984). Also see Yang (1989) on how a collective factory work unit illustrates the tensions between civil society and the state.

11 These positions can be seen as the Chinese counterparts to the normalizing and disciplinary roles of social workers, psychologists, doctors, and psychiatrists that Foucault discusses.
assignment and has been making a living on her own without attachment to any work unit. As a result, her former "unit," the university, has put a five-year delay on release of her transcripts, and she cannot get permission to take the TOEFL because a recommendation from one's current work unit is required just to apply to take the test.

Disciplinary techniques are also found in the universal rationing of basic foodstuffs for urban residents. All individuals and families are subject to a system of state determination of needs that sets down just how much each person should consume based on assigned social categories such as office worker, student, athlete, manual worker, etcetera. Rationing also aids in the control of population movement because not only must one establish household residence in a new place in order to migrate there, one must also establish one's "grain-and-oil relationship" (liangyou guanxi), that is, get permission to receive one's basic food rations there.

In the systematic regulation of marriage, childbirth, and divorce lies another realm where disciplinary techniques have proliferated. Not only is marriage before the age of twenty-two for males and age twenty for females forbidden (in actual urban practice, the permissible marriage age is three to four years older), but the need to get married, and to do so before the age of thirty, is also encouraged by virtue of this need being established as a norm and common expectation. Those who remain single at a late age become the objects of the state's paternal concern and the discursive power of society's pity. Divorce is also mediated by the disciplines of the state redistributive economy. Permission to divorce is granted or withheld, first, on the basis of a thorough investigation into the nature of the couple's relationship (involving the collusion of work-unit leaders, neighbors, relatives, children, etcetera) to determine that the bonds of affection are truly shattered (ganqing polie). Second, state permission to divorce is linked to whether divorce rates in the population are rising or falling, as indicated by state statistics, and is also affected by the state's concern with how much divorce the moral fiber of the society can tolerate.

Finally, childbirth and the fertility of the population have also fallen into the strategic relations of power. Population control in China cannot be thought of according to a simple "natural-growth and state-response" model in which state power is exterior to demographic growth and only responds to situations created independently of it. The investment of population size and fertility with state power did not start with the one-child policy of 1979, but was

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12 See the document, "Provisional Measures Governing Grain-rationing in Cities and Towns," issued by the State Council in 1955, in H. Yuan Tien (1973: Appendix K, 372-78). Since 1986, only grain and oil are still rationed by coupons; previously rationed foods such as sugar, cloth, soybean products, meat, and eggs have been taken off the list. Rationing for these items has been replaced by higher prices, and a system of state "supplements for nonstaple foods" (fushi butie), are distributed, in the form of money, by work units or street committees.
prefigured in the 1950s when the state promoted large families as a revolutionary duty to build up the population and strength of the new socialist order. Government bans on sterilization and induced abortions, and a state distribution system that allocated grain, housing space, and living subsidies according to the number of persons in a family, encouraged population growth in the early 1950s (Liu and Song 1981:58). Another indication that population size and fertility are not "natural" processes, but intricately tied to the changing logic of the state, is found in the fact that in the 1950s, 1960s, and early 1970s, arguments by population theorist Ma Yinchu for a reduction in the already alarming population growth were branded a reactionary return to Malthusianism, which was considered an apologist doctrine for capitalism in nineteenth-century Europe (Ma 1979; Liu and Song 1981:62). In other words, the one-child policy of 1979 was not only a response to threatening objective demographic conditions but also a result of a changing logic of state power that produced a different set of disciplinary measures in an already ongoing power complex of state and population.

Through the one-child policy the searching gaze of power expands its field of vision: Doctors, nurses, and representatives of planned-birth committees, labor unions, and women's federations participate in the monitoring of women's bodies, their menstrual cycles, their sexual conduct, their use of contraception, and their relationships with husbands, parents, and in-laws. In the process, what is controlled is not merely the size of the population, but also the body of the mother, and the sexual, reproductive, and familial practices of the population. The fact that the state redistributive economy also controls the access to "child nutrition supplements" (yinger baojian buzhu), to nursery care, as well as the mother's wages and bonuses, etcetera, facilitates the spread of these techniques of control.

Besides the reign of the disciplines, the state distributive economy is also densely threaded with strategies of normalizing classification, surveillance, and judgment. After the Revolution, the redistribution of wealth was aided by a vast grid of social classification imposed on the whole society. In urban society, people were assigned to class-status categories on the basis of their economic status before the Revolution and the status of their birth, such as worker, peddler, or capitalist. They were also divided up into occupational categories in the new society, such as cadre, worker, peasant, soldier, or intellectual. Other classifications that carve up the population and have been used as a basis for segregating one portion from another are the division between Party members and the masses; the Five Bad Categories (huaiwulei)

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13 During the 1950s through the early 1970s in China, it was thought that Malthus's grim thesis that population expands geometrically while food production grows only arithmetically was a convenient way of shifting the blame for the impoverishment of the working classes away from capitalist and state exploitation (Ma 1980:5).
of landlords, rich peasants, counterrevolutionaries, bad elements, and rightists; and the Five Red Categories (*hongwulei*) of workers, peasants, cadres, revolutionary martyrs, and revolutionary intellectuals. Though originally inspired by the economic class analysis of Marx, these categories are in no way purely for the purposes of descriptive economics, but have come to play crucial political and normative roles. In the new discursive formation of power, each class-status category embodies a different amount of prestige, privilege, rights, virtues, and trust. To fall into one category is to be totally suffused with that particular class nature, to be assigned an identity stamped by the moral-political judgments levied on that class, and to be rewarded, avoided, or punished according to that class. This technique of normative classification and identity has infiltrated and at times inundated the conduct of the state redistributive economy. In recent years class-status classification has fallen from the strategic dominance it enjoyed during the Cultural Revolution, but its subtle influences can still be detected at work underground.

There are also techniques that work vertically to break up the social body into a hierarchy of ranks, offices, positions, occupations, and to establish chains of superior-subordinate relations. They draw the lines of confrontation within the state redistributive economy between the powers of distribution and the desire for access, between the state and the population, and between officials and the people. At the microlevel, vertical techniques are played out in the domination of the official over the applicant, of office clerks and shop clerks over the supplicants before them, of suppliers over buyers, and so forth. Office and rank in the distributive structure are transformed into the locus of the concentrated operation of disciplinary and normalizing power.

Normalizing techniques can also be found in the routine public rituals for the expression of moral-political rectitude: political-study sessions, criticism and self-criticism sessions, and struggle sessions. But these are crude forms of power that have often been easily subverted by countertechniques in which participants (interrogators and targets alike) play out games of posturing and charade. More effective perhaps are other techniques that promote rectitude, such as the interrelated techniques of individualization and surveillance. The system of individual dossiers (*dangan*) that follow each urban resident (whether cadre or masses, Party or non-Party, etcetera) throughout his or her lifetime exerts normalizing effects. Kept under lock and key in the work unit, dossiers record all awards and disciplinary actions (*chufen*) received by an

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14 I adopt Jean-François Billeter’s term *class status* for the Chinese term *jieji chengfen*. In his excellent analysis of this technique of power, he writes, “‘Theoretically the status system was justified because it was seen as derived from Marxist class analysis, which was reputed to be scientific and objective. Actually, it originated from the determination to organize social relationships according to a rational and controllable order—a determination which no doubt must be interpreted both as the resurgence of a very ancient Chinese tradition and as a specifically contemporary phenomenon’” (1985:136).
individual, and the evaluations and comments of peers and superiors. They
serve to monitor the moral-political development of each person and to im-
pose on each a stamp of an individual nature by maintaining the irreversibility
of each person’s past. The surveillance of individuals is accomplished not
only by superiors, but also by inciting co-workers, neighbors, and (especially
during the Cultural Revolution) friends and family members to reveal the true
natures of their peers. Thus mutual surveillance breaks down horizontal bonds
to increase the individualization of the society, and the creation of individuals
through dossiers, labor allocation, household registration, classification, and
so forth expands the possibilities of surveillance.

As a mode of exchange, the state redistributive economy is not merely the
dispensing of the means of subsistence in exchange for productive labor.
Techniques of power operating in the exchange process ensure that the depen-
dence of the population resulting from the need to receive in this manner is put
to good use. The social body must repay by making itself available to be
reshaped and put into order by a new mode of power. Yet, in the total field of
power relations, the domain of this mode of power made up of disciplinary
and normalizing techniques combined with a state redistributive economy is
not exhaustive. Like weeds surviving in the cracks of a larger edifice, coun-
ter-techniques and oppositional practices have multiplied and cross-fertilized
to form a stubborn strain of resistance in the shelter of another mode of
exchange, that of the Chinese gift economy.

II. COUNTERTECHNIQUES IN THE GIFT ECONOMY

Observers of contemporary socialist Chinese society who have either resided
at length in China or interviewed Mainland Chinese in depth have invariably
noted the curious importance of the realm of personal relationships and social
exchange in that society (Frolic 1980; Chan and Unger 1982; Butterfield
1982; Chiao 1982; Solinger 1983; Sun 1983; Anagnost 1986; Walder 1986).
This collection of practices is what I have termed the Chinese gift economy,
or the art of guanxi. Guanxi (pronounced “guan-shi”) literally means social
relationship or social connection. Since the ethnographic details of the work-
ings of the gift economy have been given elsewhere (Yang 1986), I will not
here launch into an extensive description of the ethics and etiquette of its
operation. Suffice it to say that the gift economy consists of the personal
exchange and circulation of gifts, favors, and banquets, and that the art in
guanxi exchange lies in the skillful mobilization of moral and cultural imper-
atives such as obligation and reciprocity in pursuit of both diffuse social ends
and calculated instrumental ends.

According to most accounts given to me, the art of guanxi started to spread
in practice about two to three years into the Cultural Revolution.15 By the

15 It is interesting to speculate that the discourse and practice of guanxi arose at this time as a
time I first arrived in China in 1981, it seemed that Chinese society was giving vent to a noisy and proliferating discourse of guanxi. So important and problematic does the gift economy seem to be for contemporary Chinese society and culture that there is both an official discourse and a popular discourse of guanxi, which feed upon and fuel each other. Official discourse concentrates on how people use the art of guanxi to engage in official corruption that is detrimental to the good of the whole society, on how private and individual interests are furthered at the cost of playing havoc with a system of fair and equitable state distribution. A corpus of practices often labeled *crooked winds* (*waifeng*) is well documented and excoriated in the official Chinese press: the use of public position for private gain, nepotism, patronage, factional favoritism, bribery, the exchange of special privileges (*tequan*) of office among officials, and so forth.

The popular discourse of guanxi also participates in denouncing the art of guanxi in this manner, but at the same time it also gives new interpretations to the official denunciations. Embodied in the popular discourse is the contradiction of condemnation of guanxi on the one hand, and admiration and even approbation on the other. There is a pleasure derived in recounting tales of the exploits and small victories of guanxi in everyday life. Incited by examples of ingenious practices of guanxi, popular discourse plants the suggestion that if others are doing it, one should not be left out. And so in popular discourse are derived lessons in the tactics of the gift economy. Perhaps more important, the popular discourse superimposes onto the official one a respect and affirmation of the alternative relational ethics of the gift economy: the ethics of obligation, reciprocity, and mutual aid, and the responsibilities of friendship and kinship.

By feeding off the official discourse and twisting it for other ends, the popular discourse illustrates how official corruption and popular practices of guanxi are related. Both are, in a sense, produced by the redistributive economy, which relies on a bureaucracy of state distributors to dispense livelihood and discipline. On the one hand, some officials take advantage of the system to promote their own class-status positions. On the underside of personal official power, however, dwells a repertory of the tactics of guanxi for the population. Not only does it challenge official power, the gift economy also subverts the dominant mode of economy. In other words, prefigured in the redistributive economy are the seeds and possibilities of challenges to its power. The gift economy did not arise in a vacuum, nor is it a totally independent mode of exchange lying completely outside of state distribution. Rather, social response to the deep penetration of state power into everyday life and the politicization of social relationships during the Cultural Revolution. The first two years of the Cultural Revolution saw the triumph of a single discourse of power, until tiny cracks started to appear in this monolithic edifice in the form of a furtive gift economy.
it poaches on the territory of another mode of exchange, seeking the right occasions to strike and divert resources to its own method of circulation. In the process, it alters and weakens in a piecemeal fashion the structural principles and smooth operation of state power.

Here Michel de Certeau’s distinction between strategies and tactics is pertinent (1984:xix, 35–39). Strategies are the manipulation of power relations that result from the isolation of a subject with a delimited place of its own. This subject exerts will and power from its own place or base of operations over the place of its objectified environment. Whether in the form of an army, a scientific institution, or a state, this subject engages in strategies to establish and maintain its territory independent of changing circumstances; it tries to conquer time by grasping space. Strategies want to locate and categorize each particular element in a proper place, to systematically organize, control, and predict all types of movement. In contrast, tactics neither enjoy a proper place nor a distinct and recognized discourse of their own; they are the art of the weak and must operate in the very place already marked out and claimed by strategies. They are furtive and calculated actions which can only rely on timely occasions that have slipped by the organizing power of strategies. Caught up in discrete instances of struggle, tactics have neither an encompassing vision of the whole nor a unified program for its activities. It appears that the gift economy represents very much the tactics rather than the strategies of power, operating on the underside of the space carved out by state redistributive power. What follows is an attempt to make more explicit how mere tactics of the gift economy can bring about oppositional effects on the dominant mode of power.

It was Marx who pointed out that commodities have a two-fold nature, that of use value and the “mysterious” and “transcendent” character of exchange value. Use value appears straightforwardly as the value arising from the material utility of a product. However, “the first step made by an object of utility towards acquiring exchange-value is when it forms a non-use-value for its owner,” that is, when it gains for its owner another utility, a “utility for the purposes of exchange” (Marx 1906:99–100). Exchange value can be realized only when commodities are exchanged, for it is through relations of equivalence between commodities in circulation that exchange value is produced in the form of money for the owners. Just as commodities have two different kinds of values, so do gifts, in addition to their use value, possess a symbolic value which, like Marx’s exchange value, derives from or can be realized only in the process of their exchange or circulation.

Marx writes in Capital: “Commodities come into the world in the shape of use-values, articles, or goods, such as iron, linen, corn, &c. This is their plain, homely, bodily form. They are, however, commodities, only because they are something twofold, both objects of utility, and, at the same time, depositories of value. They manifest themselves therefore as commodities, or have the form of commodities, only in so far as they have two forms, a physical or natural form, and a value form (1906:54–55).
Anthropologists have long discerned the symbolic value of gifts: "The point is that there is much more in the exchange itself than in the things exchanged" (Lévi-Strauss 1969:59). Bronislaw Malinowski rejected the utilitarian fallacy that construed kula exchange as one of necessities for material life, seeing it instead as an important organizational principle of Trobriand society, establishing rank, affirming the bonds of kinship and relationships in law (1961:166–67). The exaggerated generosity and wastefulness in Northwest American Indian potlatches were displays of wealth and the symbolic struggles for prestige, while gift giving in general promotes social solidarity (Mauss 1967). Gifts also promote peace and can be viewed as the original social contract (Sahlins 1972:169). While the immediate goal of the art of guanxi is to acquire some material utility, it exerts a subversive effect on the microtechniques of administrative power. This is an extremely salient effect, in the context of socialist Chinese society.

How does the gift economy produce this effect? We must look at the minute mechanisms that are activated in each instance of guanxi transaction. Since the oppositional practices of the art of guanxi are embedded in culture and rich in symbolism, it seems appropriate to resort to a cultural and symbolic analysis developed by anthropology to look at the anatomies of cultures—those patterns of practices mediated by the construction of meaning—to elucidate these mechanisms of the gift economy.

In order to bring out the symbolic dimension of gifts, their symbolic qualities were likened to the material exchange value hidden in commodities that Marx uncovered. Now, in delineating the mechanisms through which the gift economy furtively operates within the space of the state redistributive economy, the need arises to recognize a fundamental distinction between the non-use values of gifts and of commodities. The gift, unlike the commodity, is inalienable from its owner (Gregory 1982:18–19, 24). Since possession of a gift is contingent upon repayment, a recipient does not have full rights of ownership over the gift. These rights are subject to the obligations owed by recipient to donor. In gift exchange there is no subject-object dichotomy comparable to the owner-property relation in commodity transaction (Strathern 1983). The lack of a disjunction between person and thing in gift exchange means that donor, gift, and recipient share a common symbolic substance, a linkage made possible through the medium of the gift. According to Mauss, gift exchange creates spiritual bonds between "things which are to some extent parts of persons, and persons and groups that behave in some measure as if they were things" (1967:10–11). The gift is thus never totally alienated from the donor since he or she still has a hold on the gift in the form of a moral right to something in exchange for the gift. In contrast, commodity exchange establishes objective quantitative relationships between the objects transacted, and not personal qualitative relationships between the subjects, as in gift exchange (Gregory 1982:41). Therefore, it is in this very space of
personal relationship established by the gift that the art of guanxi unleashes its countertechniques of power.

The symbolic mechanisms that produce the oppositional effects of the gift economy can be viewed at two levels: the personal level and the systemic level. The personal level comprises the concrete instances of each guanxi transaction where microstruggles and acts of what Pierre Bourdieu has called symbolic violence (1977) take place in personal interaction. The systemic level represents the cumulative power effects of all acts of guanxi exchange that pose an abstract and general challenge to the dominant means of power. Proceeding with the anatomy of the microphysics of power at the personal level, I have constructed five movements or processes of tactical engagement found in each enactment of the art of guanxi. These are (1) transformation, (2) incorporation, (3) moral subordination or status antagonism, (4) appropriation or possession, and (5) conversion.

These five mechanisms of symbolic violence in the gift economy hinge upon a Chinese cultural construction of personhood that is in many ways different from the construction of the autonomous individual dominant in the West. That the individual is an "indivisible, 'elementary' man, both a biological being and a thinking subject [who] incarnates the whole of mankind [and] is the measure of all things" is a unique element of modern Western ideology and with roots in Christianity has been shown by scholars of comparative culture such as Louis Dumont (1970:9). In surveying the category of the person cross-culturally, Mauss also concluded, "Those who have made of the human person a complete entity, independent of all others save God, are rare" (1985:14).

Rather than creating discrete and unified ontological categories of persons each having the same equality of rights, it appears that the Chinese subscribe to a relational construction of persons. That is to say, the autonomy and rights of persons and the sense of personal identity are based on differential moral and social statuses and the moral claims and judgments of others. Chinese personhood and personal identity are not given in the abstract as something intrinsic to and fixed in human nature, but are constantly being created, altered, and dismantled in particular social relationships. Furthermore, the boundaries of personhood are permeable and can easily be enlarged to encompass a scope beyond that of the biological individual. As a result, Chinese culture presents a frequent lack of clear-cut boundaries between self and other. As one Western-educated Chinese scholar has noted, "In Chinese culture, the 'dyadic' relationship where 'there is a me inside of you; and there is a you inside of me' is something that approximates a 'cultural law.' It can be played out with many possibilities" (Sun 1983:137). One of these possibilities is the art of guanxi, which has appropriated this cultural construction of persons as the basis of its operations and plays out its ramifications to the fullest.
The first movement to be examined in a guanxi transaction, the transformation, occurs during the preparation for a guanxi overture. Guanxi exchange cannot take place without first establishing a basis of “familiarity” in the relationship between two parties. At this stage, the logic of guanxi tactics is expressed in the attempt to transform the other into the familiar, to bridge the gap between the outside and the inside.

The insider/outsider dichotomy is an important feature of Chinese cultural ideology. When my uncle from a small and remote town in southern China visited me in Beijing, I took him to Beihai Park and to lunch in a restaurant there. From the restaurant service personnel we met with more than the usual curt treatment. At the counter for buying beer, the woman eyed the somewhat shabby clothes of my uncle and impatiently denied that they sold any beer. Only when I insisted, and pointed to the cases of beer on which she was resting one foot, did she open a bottle for us, unabashed by the fact that her lie was evident for all to see. My uncle’s explanation for the treatment we received that day was that they knew we were “people from outside” (waidiren), that is, not Beijing natives, and that was how people treat outsiders. Some everyday expressions also manifest this dichotomy: “Do not take me for an outsider” (bu yao jianwai) is employed when someone wishes to be treated as part of the family, privy to confidences, and not subject to formalities that have the effect of distancing a person. The differential treatment of kin and nonkin, friend and stranger, fellow Chinese and foreigner is expressed in the saying, “Distinguish between the inside and the outside” (nei wai you bie). This cultural dichotomy can even be politicized, as when a citizen is accused of leaking information to a foreign country (li tong waiguo). Not only are outsiders not to be trusted, they are also under no obligation to help a person. Therefore, in the art of guanxi the pull of obligation must be introduced or strengthened by encompassing the outside within an expanding sphere of the inside.

The categories of inside and outside are also couched in food metaphors. A “familiar person,” one with whom guanxi exchange can take place more easily, is also a “cooked person,” while its opposite, the “stranger,” is an “uncooked or raw person,” according to the literal meanings of the words shouren and shengren. In addition, shouren can also be rendered literally a “ripe person,” one who is “developed” or “mature,” as in chengshou, while shengren is also literally the “unripe person,” connoting the sense of “newborn,” as in xinsheng. Bridging the gap between the inside and the outside in order to make guanxi exchange possible is accomplished by a transformation of the “raw” into the “cooked,” in a sense preparing the other to make him palatable or ready for guanxi overtures. Likewise, the “unripe” must pass through the transformative process of time or length of personal contact to attain “ripeness,” that is, maturity or familiarity.

In the art of guanxi, this transformation occurs in the process of appealing
to shared identities between persons—hence the emphasis on ‘‘shared’’ (tong) qualities and experiences that shape the identities of classmates (tongxue), fellow townspeople (or persons from the same county or province) (tongxiang), colleagues (tongshi), as well as kinfolk and those in the teacher-student and master-apprentice relationships, etcetera. Familiarity, then, is born of the fusion of personal identities. And shared identities establish the basis for the obligation and compulsion to share one’s wealth and to help with one’s labor.

Where these relationships of familiarity are already well established and the parties involved are quite close, such as in relationships of kinship and friendship, transformation is not very important and can be dispensed with because identities are already fused. Tactics of transformation are found most often in situations where two persons are not already bound within a common sphere of familiarity, and therefore need to play up some objective link in identities. Between strangers, transformation of identities is often achieved through a third party or an intermediary who is a mutual acquaintance. “You worked in the same office as Ye? Oh, he and I were elementary school classmates. We haven’t seen each other for years, but we used to play together.” No matter how tenuous the social connection asserted, identities have been slightly realigned around a common link, and the relationship now begins to assume a different light. The intermediary acts as a connector cable, so to speak, infusing a common current of identity into the two persons and draws them within a single circle of insideness. Mutual obligation may thus be activated because, to share a basis of identity or familiarity, one should be prepared to share oneself with the other, to put oneself at his or her disposal, to do for the other what one would do for oneself, since the other has assumed an extension of oneself.

In the second mechanism of guanxi, the incorporation, what occurs is more than the conceptual rearrangement of identities of persons—it is the symbolic breaking down of boundaries between persons. Gift-giving serves to incorporate within the recipient a part of the donor’s person, thus reducing the barrier of otherness between donor and recipient. When one receives a gift, banquet, or favor, one shares not only an identity with the donor in terms of native place of origin, kinship tie, or same school or workplace, but one also shares the donor’s personal substance, since the gift embodies the donor’s labor and wealth.

Heart is a central symbol for person or self in Chinese culture. Whereas in the Enlightenment West, the mind is the key to the self (‘‘I think, therefore I am’’), in the Chinese context, the heart and its feelings signify the person. Even such a modern Western invention as psychology, which examines the

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17 See also Bruce Jacobs’s discussion of shared identities in guanxi relationships for local politics in rural Taiwan (1979).
individual mind, is translated as “the study of the principles of the heart” (xinlixue). When a gift is given, it is often accompanied by the phrase, Zhe liwu shi wode yidian xinyi “This gift is a small token of my regard.” The word for “regard,” xinyi, means literally “sentiments” or “spirit of the heart.” Since heart represents person, the gift is really a token of the person of the donor. Personal efforts and labor are also called “heart and blood” (xinxue); therefore, when these are given in the form of gifts, favors, or banquets, they signify a transfer or incorporation of personal substance in another. And the term “heart and liver” (xingan) can designate either personal conscience or a beloved daughter or son, who are extensions of one’s own substance. That is why, between close friends, family members, and kin, obligations need not be activated by giving gifts, nor are debts carefully accounted (bu jijiao), because there is already a sharing of hearts or a fusing of persons in these relationships.

How does gift giving represent incorporation of personal substance? As noted above, gifts are not alienable from persons in exchange, and there is no subject-object dichotomy in gift exchange as in the owner-property relation in commodity transaction (Strathern 1983). The lack of a disjunction between person and thing in gift exchange means that the gift remains symbolically attached to and identified with the person of the donor, and thus the gift becomes a medium for introducing the personal substance of its donor into the person of the recipient. Incorporation, then, represents a tactical incursion into the recipient’s personal space from where he or she can be manipulated from inside, which is what happens in the next symbolic stage of the art of guanxi.

The third stage, the movement of status antagonism, is played out in the struggle for “face” (mianzi) and moral superiority between donor and recipient.18 Face is especially important in Chinese culture because it is not only a matter of prestige, but an emblem for personal identity, for the autonomy and integrity of personhood. A face intact is a source of a sense of well-being, self-respect (zizun xin), and security. Face and identity are linked because, whereas Western identity tends to depend on conformity to abstract norms and group categories, Chinese identity depends more on internalizing the approbation of others in the context of particular relationships. Threats to one’s face constitute threats to one’s identity, which in Chinese culture is constructed relationally by internalizing the judgment of others in oneself. And a reduced or fragmented face poses a disadvantage in a person’s position and leverage in social interaction. That is to say, the Chinese relational construction of personhood represented by the importance of face provides the mechanism for the art of guanxi to constrain the actions of a gift recipient.

18 See the discussion by Hu Hsien-chin of two different kinds of Chinese face: the face based on appeals to universalist ethics (lian) and the face based on situational morals and the vying for prestige (mianzi) (1944).
The language is rich in portraying the things that can happen to face. Besides “wanting face” (yao mianzi), “losing face” (diou mianzi), and “having face” (you mianzi), one can also “borrow face” (jie mianzi), “give face” (gei mianzi), “increase face” (zengjia mianzi), “contest face” (zheng mianzi), “save face” (liou mianzi), and compare face, as in the phrase “his face is greater than others” (tade mianzi bi bieren da). The larger one’s face, the more prestige and security one possesses, and therefore, the more self-determination one enjoys in social transactions. By losing or giving away part of one’s substance in guanxi exchange, one paradoxically gains or increases one’s face. Conversely, the size of one’s face is inversely related to the amount, with which one receives of another’s substance in the art of guanxi.

This inverse relation between giving and gaining is illustrated by an example given me by an informant named Wang of what is meant by “giving him some face.” “I don’t really want to waste my money and buy something from an individual-enterpriser friend named Lao Chen, but another friend says, ‘Think a bit on Lao Chen’s behalf, give him some face.’ So I buy something from that Lao Chen.” I asked Wang if that meant that he ended up short (chi kui) in the transaction. “Yes, that’s exactly the point. Lao Chen gains face while I end up short (chi kui).” The moral of the story is that Wang’s material loss results in Lao Chen’s symbolic gain, which, in the mind of Wang, overrides Lao Chen’s material benefits from the sale. Wang does not gain face himself unless Lao Chen knows that Wang really did not want to buy his merchandise.

By a similar logic, one sacrifices the material wealth and labor that go into incorporating oneself in the other with a gift, banquet, or favor, but what one gains is an important moral (and at the same time, material) advantage over the recipient of one’s generosity. The effect of incorporating one’s substance in the other is that one can in turn take the other’s face and add it to one’s own. In other words, the donor becomes the moral and symbolic superior of the recipient and can thus subject the latter to his or her will. The creation of this asymmetrical microrelationship is a crucial step in the mechanisms of the gift economy. It obtains regardless of the status of the two participants in the larger society, but this microantagonism of status within the art of guanxi takes on special significance when the recipient has a higher status in society than the donor. This is perhaps why the higher the social status of guests, the more generosity and motions of banquet etiquette and hospitality (heaping of food on plates, exhortations to drink, etcetera) are unleashed on the guests to subdue them, and why it is usually the case that those who give are lower in social status and influence than those who receive. Through this tactical movement of moral subordination in the art of guanxi, donors are able to bring about a symbolic reversal of the larger social hierarchy, a reversal with material consequences.
The fourth stage is centered in the recipient of the gift. For the recipient, incorporating another's substance is to be appropriated or possessed by the other in oneself. Having lost face to the donor, the recipient becomes subject to the internalized will of the other, and, being delegated to a subordinate moral position, she is beholden to and dependent on the person of the donor. Since her face has been taken away and part of her person is occupied by another's substance, the person of the recipient is reduced in stature. This is experienced as a softening of her will, as indicated by this saying:

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\begin{align*}
\text{Chi ren zui ruan; } & \quad \text{Eating from others,} \\
& \quad \text{one's mouth becomes soft;} \\
\text{Na ren shou duan. } & \quad \text{Taking from others,} \\
& \quad \text{one's hand becomes short.}
\end{align*}
\]

The saying has been explained to me in the following way: After one has eaten of other's food, one's mouth finds it difficult to harden and purse up to refuse the other's request for help or to say bad things about the other. When one takes a gift from someone, the hand grows short, and so cannot reach out to push that person away when he or she needs help. Nor can the shortened hand easily reach out to hit or make trouble for the other. Thus, for face, mouth, and hand, accepting a gift is not so much a gain as a loss or reduction of stature and control. It follows that indebtedness is couched in terms of a state of loss, a loss of wholeness of person and independence. To restore one's face, identity, and self-respect, the debt must be repaid, either to regain the balance of relationships or to create a new asymmetry by giving back more than was first given.

Finally, the fifth step in the anatomy of the operation of the gift economy is that of the conversion of one kind of value into another, and then into a third. Conversion of values takes place when the recipient repays the debt he or she owes in order to compensate for the loss sustained in the acceptance of the gift. Repayment may take either a material object form such as a gift of hard-to-acquire medicines, train tickets, and the like; or a personal labor form, such as making furniture, or, more important, helping one's donor to “accomplish a task” (banshi). One could use, for example, one's position to locate and persuade the right official to grant a request, or write a note to a subordinate in the office, requesting that the donor's son be given a job in the desired department. Personal wealth and labor may also be combined to give a banquet as a gesture of thanks for help rendered. It must be emphasized that the gift economy is so called because the structure and logic of its operation are distinct from those of the state redistributive economy and the fledgling petty-commodity economy. A purely economistic approach derived from a capitalist milieu cannot adequately explicate the workings of the gift economy, nor can it distinguish between guanxi or gift transactions and such things as bribe, barter, and private market exchange.
The distinctiveness of the gift economy is revealed in the step of conversion. The conversion of values in the gift economy follows a more complex structure than either barter or simple commodity exchange. Barter is a mere direct and immediate exchange of use values: product A for product B. Commodity exchange involves an extra intervening step of conversion to money as an objective medium of exchange. Take Marx’s example in Capital of the weaver who must sell the linen he weaves in order to purchase a family Bible (1906:116–28). First the universal value of socially necessary labor time (exchange value) is translated from its commodity form to its money form in sale. Thus the linen’s use value is converted into exchange value. Then the money form is in turn converted into another commodity form in the purchase. In other words, the exchange value of linen is reconverted into the use value of the Bible through a crucial detour of labor’s money form. The common and universal value underlying all of the items involved—the weaver’s labor, the linen, the money, the Bible, and the labor of making the Bible—is that of exchange value. Commodity exchange represents the circulation of different forms of this value until the chain of circulation is broken by consumption adopting the use value of an item. In this scheme the relative status of persons and the quality of social relationships are rendered secondary concerns by the leveling process generated by money-price equivalences.

In guanxi exchange, however, the range of basic items circulated is much wider, and they cannot be measured by a single objective value. Their equivalences are not systematized or universalized, but remain context- and person-specific. The forms of value that can be converted and circulated are as follows:

*Gift capital.* This category of exchange items can include gifts proper (cigarettes and alcoholic drinks (yan jiu), cakes and fruit, watches, television sets, etcetera); banquets or more modest dinners; and the whole variety of favors, especially of bureaucratic permissions and privileges. Gift capital is composed of two subcategories: material capital (wealth and money that come from state or collective wages and, in some cases, from private earnings in the petty market economy that is spent on the gift) and body capital (the labor energy and time expended in buying or making a gift or banquet, or in performing a favor).

19 The thinking here owes much to Pierre Bourdieu’s _Outline of a Theory of Practice_, in which he criticizes both the narrow economistic approach that sees only the cash-nexus and individual economic interest (in the restricted sense) in noncapitalist exchange, and the “naively idyllic representations of ‘pre-capitalist’ societies” that deny they give play to any economic calculation. Rather, in understanding exchange in noncapitalist societies, Bourdieu prefers an approach that recognizes economic calculation in the pursuit of material and symbolic goods, at the same time that it does not impose a distinction between economic and symbolic capital, a distinction alien to these economies. “The only way in which such [an approach] can apprehend the undifferentiatedness of economic and symbolic capital is in the form of their perfect interconvertibility.” That is to say, noncapitalist economies entail the pursuit of both economic (material) and symbolic interest, where symbolic interest is not merely gratuitous, but essential because of the importance of the conversion of one kind of capital into another (1977:176–78).
Symbolic capital or interest. Symbolic interest accrues when a social investment or the incorporation of personal substance yields such benefits as the loss or reduction of face; an unbalanced state of indebtedness, gratitude, or obligation on the part of the guanxi target; or a moral advantage and superior symbolic status for the donor.

Office capital. The capital of office refers to the social capital provided by occupying positions and ranks that give special access to desirable products and opportunities unavailable otherwise. Office capital in China is especially found accompanying such official statuses as those of household-registration official, municipal housing-bureau official, work-unit personnel department head, hospital leader, and so forth. This capital can also refer to the broader sense of office that is outside of the formal government organs, but that directly controls some desirable, such as those offices of shop clerk, driver, nurse, or pharmacist, etcetera.

Political capital: In the native system of categories, political capital (zhengzhi ziben) is the asset a person enjoys from being (1) a Party member, (2) born with a good (that is, low class) family background, or (3) a powerful official. These assets provide not only some material privileges, but also political security (especially in the event of a political campaign) and further upward mobility. I have chosen to install office capital as a separate category to emphasize the difference between political and social capital. In the post-Cultural Revolution period, the conversion power of political capital has diminished, but it still remains a viable value in circulation within the gift economy.

Whereas commodities must be converted into the money form in order to eventually realize a desired use value, the art of guanxi aims at building up symbolic capital because that is the key to conversion into usable gift capital. In the state distributive economy often it is office and sometimes political capital, instead of money, that are crucial intervening variables of access to desirables. The symbolic capital generated by the art of guanxi is the crucial bridge that unlocks the path to office and/or political capital, and then allows the ultimate conversion of material and body capital, through several steps, to the desired end. Gifts invested with wealth and labor are converted into the symbolic capital of face, gratitude, indebtedness, or obligation. Symbolic capital can then be translated into office and political capital when, say, an official in charge of dispensing desirables grants the request of the donor and waives considerations of the donor’s bad class background or other political fault. Finally, the desirable object may be obtained through bestowal or purchase. Thus ends the analysis of the anatomy of the art of guanxi at the personal level.

At this point, the reasons why the Chinese gift economy cannot be confused with bribery, barter, black market, and commodity economy, and thrown together with them into a catch-all bag of the second economy become evident. The second economy in state socialist society has been defined in many ways by scholars of Eastern Europe: Its activities are for private gain or are considered illegal by the state (Grossman 1977); they are outside of state plans (O’Hearn 1980); or the second economy is a subordinate but complementary counterpart of the first economy, distinguished from the first economy by
budgetary constraints that decree survival on the basis of profitability (Galasi 1985). The assertion that the second economy serves a function as ‘‘a partial substitute for the missing market mechanism’’ that avoids the ‘‘rigidity, delays, inefficiency, disequilibria, and inconsistencies’’ (Grossman 1982:101) of the command economy is better applied to commodity economy than what I have described as the gift economy. Even an anthropologist of Eastern Europe subsumed what appears to be the gift economy under the rubric of the second economy. In Steven Sampson’s schema, there are three categories of activities that compose the second economy: (1) the parallel economy—legal activities outside of planned economy such as private farm plots, (2) the underground economy—illegal activities such as theft of state property, black marketing, graft, and bribery, and (3) the hidden economy—undocumented activities like family labor, exchange of goods and favors among kin, friends, and neighbors, and gift giving (1983). Classifying gift-giving under the second economy does highlight its economic role, but it also overlooks differences between various types of relationships. Perhaps the confusion of the gift with the profit-oriented second economy arises from concentrating only on the purely economic categories and functional outcomes of exchange. An examination of the microdynamics of power in gift relations argues for a conception of the gift economy as a sphere of practices having very different operations than those of the second economy.

First, unlike the commodity economy, the art of guanxi does not entail a disjunction between subject and object, or between the ‘‘law of persons’’ and the ‘‘law of things’’ (Gluckman 1965:49). In other words, the exchange of gifts is inextricably tied in with the identities of the transactors and their relative statuses (defined both at the level of gift exchange and at the level of larger social categories), as well as with the nature of the mutual obligations that inform their relationship. The exchange of things is not only governed by the material values of the things or their supply and demand, but also by the quality of the personal relationship between transactors. Since gifts are parts of persons, they do not become totally independent of donors, and recipients never become their total owners, because recipients are still bound by obligations to the donors. In the gift economy, there is no distinction between the transaction of material utilities and the discharging of obligations in social relationships such as those of friendship, kinship, and superior-subordinate.

By contrast, in bribery, barter, black market, and legal market economy, transactions are not embedded in social relationships other than that dictated by the purely economic one at hand. Hence, such transactions can take place between any strangers and are generally discrete rather than continuous. While in gift giving, the return of a favor is structurally uncertain, in commodity transactions, payment assures the rendering of service. This argument that gift and second economy are qualitatively different is supported by Joseph Berliner’s distinction between blat and bribery in the Soviet Union. In
blat, there is a “personal basis for expecting a proposal to be listened to,” while bribery is conceived of as a relationship linked only by material interest and characterized by direct and immediate payment (1957:191). In the Chinese cultural discourse, there is on the one hand often a fine line between the art of guanxi and bribery (xinghui); but on the other hand the two are still conceptually distinguished by such things as cultural judgments of the level of instrumentalism, the form and art of gift giving (gifts or money, ordinary gifts or expensive gifts, temporal lengths of familiarity and repayment, and so forth), and whether the effects are considered ethical or unethical (whether it is an official using office for self-gain or merely an ordinary person seeking legitimate solutions to problems).

The Chinese gift economy cannot be confused with the commodity features of the second economy for a second reason. Traditional Chinese society also had a developed petty-commodity economy that included both barter and money transactions (Gates 1986). Although with socialism the society saw a temporary eclipse of this commodity tradition, the art of guanxi is still embedded in a set of discourses and practices that self-consciously defines itself against the elements of impersonal money and direct buying and selling in this tradition. The decorum and rules of etiquette of the art of guanxi stress the importance of the length and quality of personal relationships, of dealing with those who are “inside,” and the inappropriateness of immediate repayment and precise accounting of gift and return equivalences. This is reminiscent of an account of village life in the 1920s in which the local villagers, when desiring to trade with their immediate neighbors, felt obligated to walk outside the village to a market in order to engage in the bargaining. They did not trade on each other’s doorstep, but in the market, because there they could shed their kinship and neighborhood ties of obligation and etiquette, and instead adopt the status of strangers that is more appropriate to impersonal trading and haggling (Fei 1949:80–81).

For the gift economy in socialist society, the style and manner in which exchange is carried out is also not merely gratuitous, but constitutive of a mode of exchange based on principles of operation very different from those of the commodity economy. As one Hungarian observes about the gift economy in his society, “An outside observer would only see the choreography: friendly conversation, polished manners, courteous behaviour. In fact, these are not mere formalities, but the essence” (Kenedi 1981:79).

A third feature of the art of guanxi that distinguishes it from the other forms

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20 See also Morton Fried (1953:102–135) for a description of the importance of personal qualitative relationships (ganqing) [Kan-ch’ing, Fried’s romanization] in prerevolutionary China.
21 Malinowski also noted that Trobriand Islanders made a clear distinction between the gift economy of the kula exchange, which precluded any ungraceful haggling, and the practice of barter (gimwali), in which the value equivalence of two objects is thoroughly and explicitly calculated in the bargaining process (1961:95–96).
of exchange is the centrality of symbolic interest or capital in the conversion of values. In the gift economy, a relationship is not simply a transparent medium for the exchange of use values or economic-exchange values; it also entails the transaction of a component as crucial as the thing given: symbolic capital in the form of face, moral advantage, social debt, obligation, and reciprocity. Guanxi exchange makes possible the production of symbolic capital either as a means or an end in itself, as in the desire for social and political security. Possession of symbolic capital compensates for the lack of material, office, or political capital, and is often more effective and easily convertible than money when engaging a state redistributive economy.

All this concern to distinguish the Chinese gift economy from what has been written about the second economy is not to deny the economic and instrumental aspects of the gift economy, but to argue that it cannot easily be encapsulated by definitions of economic exchange or gift giving that are derived from a Western market-society context. In the West, a capitalist market society, “gift-exchange—in which persons and things, interest and disinterest are merged—has been fractured, leaving gifts opposed to exchange, persons opposed to things and interest to disinterest. The ideology of a disinterested gift emerges in parallel with an ideology of a purely interested exchange” (Parry 1986:458). In other words, a society where the market and the pursuit of individual economic interest are dominant easily results in either a certain romanticization of gift giving as pure and disinterested, a refuge from the inexorable motivations of the market, or the dismissal of the form and principles of decorum of gift giving as merely mystifying rationalizations for an underlying market transaction. So, in perceiving instrumentalism in the gift economy in modern societies, the tendency is often to equate it with what is readily understandable in economic and market terms, and to construct mutually exclusive categories of pure gift and economically interested gift. My argument is that in the context of a state redistributive economy, market relations are embedded in the gift instead of vice versa, and the art of guanxi embodies the features of the primitive nonmarket gift explicated by Mauss: a combination of both interest and disinterest, both voluntary and constrained. However, whereas the primitive gift can be seen as a form of social contract in societies where there is no state to impose social order, the Chinese art of guanxi can be cast in a different role. Since it operates in a context where the state redistributive economy is already dominant, and particular forms of power have crystallized around the state, the Chinese gift enacts principles of oppositional power.

III. CONCLUSION

Writing on the ruses of popular culture that furtively play within the space of the capitalist and consumerist production of power (such as television programs), de Certeau has explored how elements of popular culture can
reappropriate these motifs of domination (1984). Users and consumers of the products of a capitalist culture-industry can escape domination by putting such products to creative uses and subjecting them to meanings not originally intended, in the same way that people who rent an apartment can reappropriate an alien space and make it their home (1984:xxi). In a similar manner, the art of guanxi redistributes what the state economy has already distributed, according to the people’s own interpretations of need and the advantages of horizontal social relationships.

That which distributes has a tendency to ask for compliance in return. For all its discourse of fair and equitable distribution and guaranteed security, the state distributive economy is also a one-sided system of state generosity that creates a one-sided dependency on the part of the population it administers. Techniques of bio-power avail themselves of the opportunities provided by its particular conditions of exchange to normalize and discipline the social body. State distribution is carried out through such categories of exchange as the individual, class, needs, shortages, rank and prestige, morality, and so forth. These are not objectively given in the world, but are actively constituted by a certain mode of power and interpreted through its frame of reference. The gift economy reconstructs these categories in ways that deflect and wreak some havoc on the operations of bio-power.

One way the gift economy reconstructs the categories of bio-power is by substituting a discourse of relational ethics for the dominant discourse of universalistic ethics that pervades the state redistributive mode of exchange. The gift economy stresses a contextual and expandable circle of social relationships and commitments rather than fixed class-status categories or loyalties to abstract and universal notions of the state, the country, the Party, and a particular political-economic system. The social relationships and obligations of the gift economy are immediate and revisable, contingent upon personal circumstances and specific power situations. With relational ethics relative insider/outside concerns are foregrounded, while normative concerns and moral-political criteria for exchange and distribution are overshadowed. This is anathema to the discourse of universalistic ethics in which the units of loyalties are fixed and therefore not subject to reconstruction, and in which they are to be uniformly applied, regardless of contingent situations and particular relationships.

At the systemic level, the gift economy carves out a sphere of oppositional tactics against techniques of normalization and discipline. This is shown in the fact that the art of guanxi is practiced not only in conditions of economic scarcity, but can be detected in every realm where state power tries to extend and systematize its control over the population. The sites of struggle between the two approaches to distribution are found in the contested realms of population movement, biological reproduction, health and welfare, marriage and divorce, labor assignments, promotion in office and access to political author-
ity, definition of social needs in both consumption and production, supply and marketing relationships between units of production such as factories, classification of the population into class identities, and so forth.

The gift economy harbors another sort of oppositional tactic at the systemic level. Its bonds of obligation and indebtedness effect a subversion of the disciplinary techniques of individualization, as well as the spatializing power of the distribution, enclosure, and partitioning of the population. Guanxi can be used to elude partially the constitution of individuals and individual needs by state power. This is accomplished when the relational ethics of guanxi are introduced into the administration of the household registration system, the rationing system, the labor-allocation system, the work-unit system, the social-welfare system, and the dossier surveillance system. Guanxi practice in these areas also helps corrode the edifice of spatializing power that seeks to control population movements and the conditions of reproduction and growth. Furthermore, the situational time scheme of the art of guanxi (long-term symbolic investment, payment upon need) also provides a challenge to the workings of a temporal power that subjects needs to its own timing.

Status antagonism, a component mechanism in the art of guanxi, can in given situations dismantle the construction of official and universal hierarchy and rank. In the dominant scenario, where it is usually people of lower status who feel obliged to give gifts, gift giving creates a microcosmic world in which hierarchical relations are to a certain extent reversed. Donors become the moral superiors of recipients, who owe favors to donors. Symbolic capital compensates for the lack of material, office, or political capital. Thus face and the morality of reciprocity, obligation, and indebtedness become in a sense the ammunition of the weak. This mobilization of the forces of gift morality effects a subtle displacement of the abstract principles of bureaucratic hierarchy and defuses their potency by diversifying the state economy’s principle of classification and distribution by rank.

By pointing out the subversive effects of guanxi practices, I do not mean to cast them in the light of an heroic and organized stance of defiant and uncompromising resistance. Indeed, many are the examples where techniques of bio-power and governmentality have incorporated tactics of the gift economy to bolster their strength. Where gift giving is obligatory and merely serves to confirm official hierarchy, where it takes the form of a tribute made to office rather than a social investment, where the gift economy leaves the basic structures of the state redistributive economy intact by seeking permission to acquire or do something through the established specialized offices, or where the gift economy accepts the need to convert symbolic capital into the right office capital, then it cannot be termed a form of active resistance. It is an oppositional economy in itself rather than for itself. That is why I have preferred the word subversion over resistance. This choice avoids a totalizing representation of the art of guanxi that would reduce it to a single function of
resistance determined by historical necessity. To bring out the subversive aspects of the gift economy is to show the ample arsenal at its disposal for exerting some measure of control over the conditions of the dominant form of power embedded in the state redistributive mode of exchange. Rather than being merely official corruption bolstering official power, the tactics and ethics of the gift provide, at the same time, a challenge to the principle of state distribution and limits to the extension of bio-power.

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