

# Introduction

Since the beginning of the 19th century Chinese society has been subject to a number of momentous transformations. It has experienced imperial aggrandisement, state collapse, imperial occupation, political revolutions, transformations in its class structure, and integration into global markets. Important as each of these has been in Chinese history and in determining the shape of contemporary society, their salience has been matched by the current effort of the authorities to engineer an unprecedented social and economic transformation since 1978. China's economic reform and opening up without loss of control raise fundamentally important issues for social scientists. The specific social and economic challenges during the transitional process – changes in economic endowment, ideological foundation, and social (re)distribution – provide a key opportunity for social scientists to re-examine theories of social change and regime domination. For instance, in Huntington's discussion of modernisation and political order, he argued that a mismatch between social modernisation and institutional modernisation tends to produce social frustration and political instability (Huntington 2006). China's 'reform and opening up' process strongly stimulated economic growth and social modernisation, and gave rise to an increasing demand for public participation. This transformation in the market, recalling Polanyi's description of 'great transformation' (Polanyi and MacIver 1944), incurred an accelerated commodification of human capital, natural resources and other non-market values, such as social practices, family functions, and so on.

However, the corresponding political institutions did not provide adequate channels for public participation. As shown in Figure I.1, the rapid development of the Chinese economy<sup>1</sup> is in sharp contrast to the generally static nature of its political institutions.<sup>2</sup> In addition to the gross increase in size of the economy, the economic structure has also changed; more diverse ownership of economic entities has emerged and contributes to the economic growth.

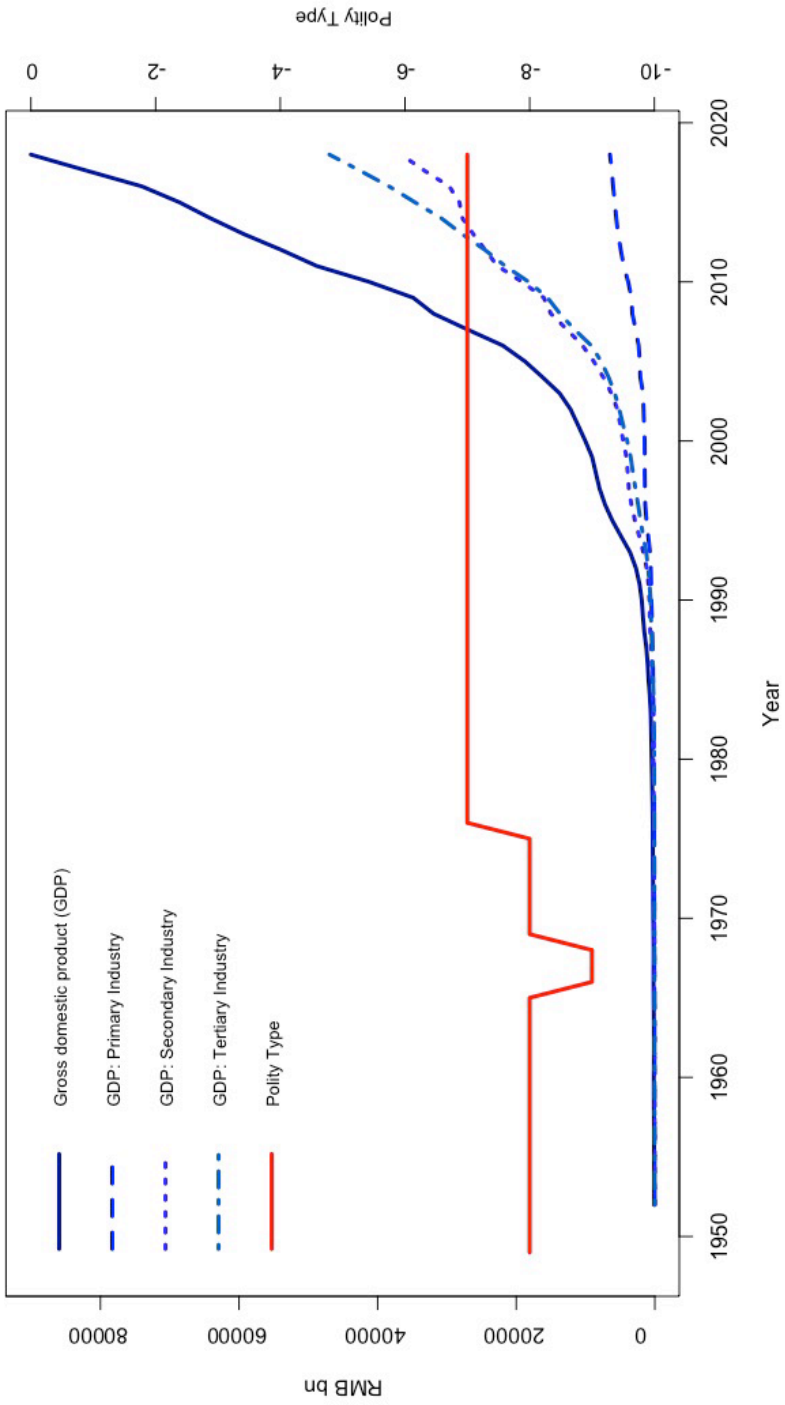
---

## How to cite this book chapter:

Wang, Yan. 2022. *Pension Policy and Governmentality in China: Manufacturing Public Compliance*. London: LSE Press, pp. 1–8.

DOI: <https://doi.org/10.31389/lsepress.ppc.a>. License: CC BY

Figure I.1: Levels of economic development and the type of polity in China, 1950–2020



For instance, until 2015, civilian-run enterprises contributed more than 60% of GDP, provided around 80% of urban jobs, and attracted 70% (or more) of the rural migrant labour force (Bank 2017). Moreover, as indicated in Figure I.2 (and in more detail in Appendix Figure A.1), the modernisation of China's economy and society took place together and very rapidly, in a time-scale that had previously taken Western countries centuries to achieve. Its socio-economic modernisation can be judged not only from its rapid urbanisation process, involving large numbers of international and domestic migrant workers, but also its rising level of education and spread of literacy, which may have led to changes in public consciousness.

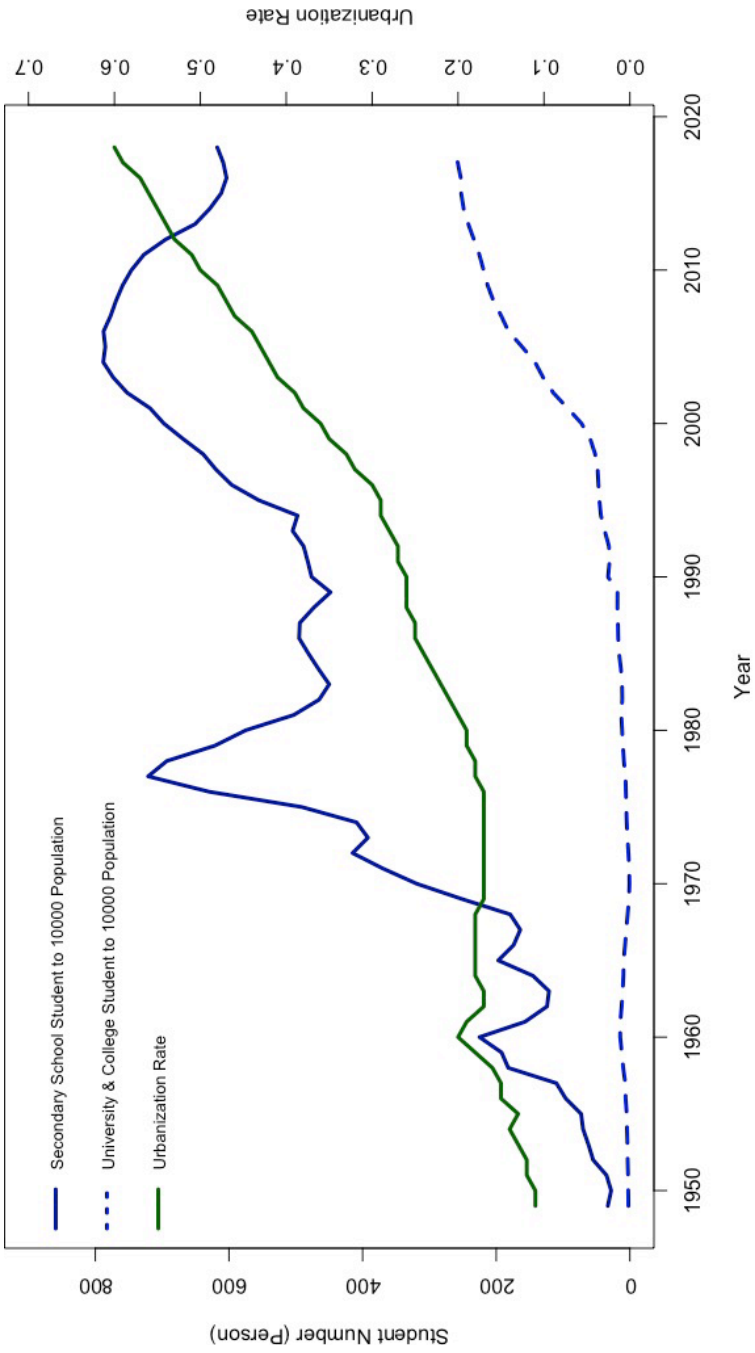
Thus, applying Huntington's formula to China's transition would predict identity erosion, inequality, and corruption, among other typical issues of socio-economic transformation, tending to disrupt society and lead to political instability. Barrington Moore's comparative study contains similar concerns drawn from the lessons of China's rural revolution. If 'something happens to threaten and destroy the daily routine' of most people, there may be a 'revolution from below' (Moore 1966, p. 204).

However, fundamental disruption has not occurred, even after the turbulence that occurred around 1989. More importantly, far from acting defensively to preserve the social relations and 'red' ideologies that originally gave it power, from the very beginning the Chinese Communist Party (CCP) has in fact led the social and economic transformation that could have been expected to directly challenge its authority. In other words, the central authority actively took the opportunity to secure the benefits of modernisation as brought by the social and economic reform, while also absorbing the risks brought by the trade-off between the opportunities and challenges of dramatic transformation. This study is inspired by the surprising degree of change in the Chinese social and economic transformation, and the fact that this drastic transformation has continued now for 40 years without rousing the radical challenges that might have subverted the authorities' rule. China's case brings up intriguing questions: how does the state maintain compliance from the governed in periods of rapid social and economic transformation? And how has the logic of its governmentality changed along with its priorities?

Building on the Weberian and Gramscian traditions of state theory that emphasise the importance of public consent, this book enriches the theoretical discussion by highlighting the role of the population in state governmentality, focusing on how the issue of 'dealing with the people' was handled so as to maintain authoritarian state rule. Empirically, I examine the case of the multi-wave reforms of pensions in China during its post-1978 period, deciphering a two-way story of statecraft in authoritarian regimes and the room that may be made for cognitional counter-conducts from the public.

My account differs from many books on the topic of social welfare in China, which either focus on the descriptive details of changes in policies,

Figure 1.2: Education and urbanisation development in China, 1950-2020



prioritising the institutional setting of the politics, or take a more simplistic approach by treating welfare policy as purely a ‘tool of surveillance and repression’ (e.g. Huang 2020; Meng 2018; Pan 2020). This book looks at the government’s major social policy reforms in a more nuanced and dynamic way, and pays attention to the potential interaction between the state’s policy designs and public reactions. Some other works on authoritarian resilience use China as the empirical case (e.g. Bernstein 2013; Gries 2004; Mattingly 2019; Nathan 2003; Yan 2017). I tend to treat China’s statecraft as a comprehensive, sophisticated design rather than as a set of static and isolated skills. More importantly, by focusing on the interaction between state and individual as a typical power relation where the state needs to maintain its authority and expects compliance from the governed, my work highlights a two-way story between the state and individuals. I consider the ways that the state works to manufacture the public’s compliance and the constraints these imply for the effectiveness of the state’s governance and reproduction of legitimacy. I also explore the ways that individuals can find room for counter-movement and how the existence of possible counter-conduct in turn shapes the state’s choices and the rationale of governmentality.

Chapter 1 begins the discussion with two questions. Theoretically, why does governmentality matter for tracing the question of legitimation and ruling of the modern state? And, practically, what conditions in China’s case bring challenges to state governance and existing explanatory schemas? I also present a brief analytical paradigm of my project, which seeks to holistically integrate both consent-oriented statecraft and coercion-based statecraft. It highlights the strategic selection of strategies based on the state’s particular character, objectives, and constraints.

The substantial logic of whom to govern and how to govern can be revealed by the design of governmental programmes, the specific ways in which social problems are defined and divisions or distinctions within the population are established. In Chapter 2 I identify the state governmentality revealed by the trajectory of the pension reforms in China, with its stress on differentiated benefit allocation. Segmented resource allocation within China’s pension reform trend has favoured the core elites, while also distributing limited fiscal capacity to the pensions of social groups that cost least per person. The general strategy of differentiation was systematically based on the existing division on the lines of political status, while also taking advantage of changes in the bargaining power of different social groups during the social and economic reforms period.

Given that the pension reforms outlined in Chapter 2 show that a new differentiation system is being entrenched, how did the Chinese state frame and justify its pension policies and, through them, underpin and develop the wider legitimacy of the state itself? In other words, what kind of knowledge about pension benefits was produced and promoted by the state when it tried to persuade the public to accept the reform? Chapter 3 uses quantitative text analysis to show the persuasive strategies used in official discourse to try to shape public

opinion and expectations. The state sought to reconstruct public knowledge and expectations of the redistribution of pension benefits, and the allocation of welfare responsibility between the state and individuals, by focusing chiefly on the reiteration of the principles of ‘contribution and rewards’ and ‘rights and obligations.’ Individuals’ personal lives are now socialised and initiated within a broader pensions system with multiple components, rather than the previous reliance on unit-based and localised systems. The state sought to reconstruct subjectivity among persons who are directly or indirectly involved in the production process, who were encouraged to see themselves as self-motivated, self-regulated, and self-sufficient in building up pension provision.

If the state has the multiple capacities for manipulating policy design and promoting social policy reform as appears above, are these strategies effective in changing the public’s attitudes? In Chapter 4 I use causal inference and investigate the effect of the government’s strategies of combining experimentation and propaganda in a specific pension reform in China. The results demonstrate that in the short term the Chinese government’s experimentation efforts can generate a significant change in people’s attitudes and build a certain consensus that favours pension reform, while official newspapers’ words of praise about the government’s generosity and achievements increase people’s political support. However, the disjunction of the policy content and propaganda content can actually backfire on levels of institutional trust in the long term. People are capable of identifying the potential inconsistency in how policy details work out and the propaganda. If the state (in a broad sense) is seen to ‘go back on its word’, this might lead to a loss of public confidence.

So, despite the Chinese state’s well-designed statecraft in shaping public opinion and expectations, there are risks for the authorities of falsified public compliance from the people. Going beyond the pension reforms and moving back to the broader issue of legitimation and governmentality, Chapter 5 investigates the complexity of individuals’ political attitudes in China. It uses a combination of participant observation and in-depth interviews to demonstrate the way that individuals disentangle their public behaviours from their private attitudes. The evidence shows that falsified compliance does exist among the Chinese population regarding the current authorities and certain public issues, but it is a mixture of intentional falsification and cognitive dissonance, rather than a simply coerced falsification. Moreover, individuals’ political opinions present a smooth transformation between the public face and the private face. The interactions between people’s personal experience and the existing cultural, historical, and educational factors that have socialised their ideas deeply shape the presentation of manufactured compliance.

My overall theoretical paradigm is constructed by integrating two important theoretical approaches in investigating state politics for dealing with the population – governmentality and public compliance. Using pension reforms in China as the empirical case, I demonstrate the interactive relationship of

governmentality being the means and population compliance being the outcome. The final chapter of the book revisits the key research questions that built upon the two concepts, cross-referencing the evidence drawn from each empirical chapter, and then integrating them moving beyond that to some comparative considerations. China's case is (almost) unique in many dimensions (not least the state's population size), but it is also comparable to social welfare reforms in many other countries. Despite having different political institutions and state capacities, other governments in rapidly developing (if 'flawed') liberal democracies use some comparable reform rationale and tactics to try to manage their population and manufacture compliance (within resource and information constraints). I conclude with a brief discussion of pension provision and welfare reforms in some East Europe and Latin America countries, and suggest how China's case helps in understanding their state–society relationships.

### Notes

This book is based on the author's doctoral thesis: <http://etheses.lse.ac.uk/4111/>

- <sup>1</sup> Economic data source: CEIC data (<https://www.ceicdata.com/en>).
- <sup>2</sup> Polity data series: the 'Polity score' captures this regime authority spectrum on a 21-point scale ranging from –10 (hereditary monarchy) to +10 (consolidated democracy). The Polity scores can also be converted into regime categories in a suggested three-part categorisation of 'autocracies' (–10 to –6), 'anocracies' (–5 to +5 plus three special values: –66, –77 and –88), and 'democracies' (+6 to +10) <https://perma.cc/DGR9-P62Y>.

### References

- Bank, C. M. (2017). *China Minsheng Bank Report*.
- Bernstein, T. P. (2013). 'Resilience and collapse in China and the Soviet Union.' *Why Communism Did Not Collapse: Understanding Authoritarian Regime Resilience in Asia and Europe*, 40–63.
- Gries, P. H. (2004). *China's New Nationalism: Pride, Politics, and Diplomacy*. University of California Press.
- Huang, X. (2020). *Social Protection under Authoritarianism: Health Politics and Policy in China*. Oxford University Press. <https://doi.org/10.1093%2Foso%2F9780190073640.001.0001>
- Huntington, S. P. (2006). *Political Order in Changing Societies*. Yale University Press.
- Mattingly, Daniel C. (2019). *The Art of Political Control in China*. Cambridge University Press.

- Meng, K. (2018). *China's Pension Reforms: Political Institutions, Skill Formation and Pension Policy in China*. Routledge. <https://doi.org/10.4324%2F9781351061667>
- Moore, B. (1966). *Social Origins of Democracy and Dictatorship*. USA: Beacon.
- Nathan, A. (2003). 'China's changing of the guard: Authoritarian resilience.' *Journal of Democracy*, vol. 14, issue 1, 6–17. <https://doi.org/10.1353/jod.2003.0019>
- Pan, J. (2020). *Welfare for Autocrats: How Social Assistance in China Cares for Its Rulers*. USA: Oxford University Press. <https://doi.org/10.1093%2Foso%2F9780190087425.001.0001>
- Polanyi, K.; and MacIver, R. M. (1944). *The Great Transformation*. USA: Beacon.
- Yan, X. (2017). *How Is China Maintain Stable? Observation and Thoughts from Fieldwork [Zhongguo Heyi Wending: Laizi Tianye de Guancha yu Sikao]*. Hong Kong: Joint Publishing.