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UNIVERSITY OF KENT

**THE USE OF GUANXI IN EVERYDAY LIFE: THE
CASE OF SCHOOL SELECTION IN CHINA**

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Abstract

This research focuses on the use of guanxi (Chinese personal connections) in everyday urban life: in particular, how and why people develop their bonding, bridging and linking social capital in their guanxi networks. While much existing research focuses on the roles of bonding, bridging and linking social capital in different contexts, little is known about the process of developing and using these three types of social capitals in Chinese society. Although Kwang Kwo Hwang, Yunxiang Yan, and Xianqun Chang have distinguished different types of guanxi related to closeness, how these are related to social capital remains unknown. The study presented here aims to fill this gap in the research.

Data of this research was drawn from two ethnographic studies of school place allocation in two Chinese cities during 2012-2013. The research finds that ritual is vital in guanxi practice, and it has more significant impact in moderate guanxi than close and distant guanxi. When la guanxi, people tend to apply Confucian li to show more Confucian ren in order to gain the same level of ren treatment in return from others. Thus, guanxi capital is mostly gained by ritual investment due to the influence of Confucianism. Based on this finding, the research proposes a new concept, described as “ritual capital”, which refers to a part of an individual’s cultural capital, fostered and maintained through practice of proper ritual.

Keywords: guanxi, social capital, ritual, Confucianism, China, schools

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Chapter 1. Introduction

The purpose of this chapter is to explain the problem of using guanxi for school places and the institutional background of this guanxi phenomenon, including China's political and legal system, the educational policies in China, and education situation in the two research cities.

The chapter is divided into three sections. The first section illustrates the problem of using guanxi for school selection in China. The second explains the institutional system in China. The final section discusses China's educational policies, including the school education situation in the two research cities.

It is argued that showing the background of institutional and educational background in China will help to understand the cause of guanxi phenomenon. Furthermore, the education background of the two researched cities will help the reader understand the reason why school places become scarce resources, and why research into this phenomenon is essential.

1.1. The problem of using guanxi for school places

1.1.1 Key schools and school selection fees

According to the Compulsory Education Law of the People's Republic of China

promulgated in 1986, which attempts to guarantee school-age children the right to receive education, all children who have reached the age of six have to enrol in school and receive compulsory education for nine years, regardless of sex, nationality or race. Article 10 of the law states clearly that “The state shall not charge tuition for students receiving compulsory education”. The nine-year-long compulsory education covers six years of primary school and three years of junior high school (Ministry of Education n.d.).

However, in many cities of China, local government established key schools and charge school selection fees or “voluntary” donations, which has attracted much condemnation by the media. Many parents are required to pay surprisingly high school-selection fees to key schools or experimental schools (or other high quality public schools) if they desire a better quality of education for their children. People who could not afford to pay have to accept lower-quality education, which provides poorer school facilities, less experienced teachers, and a lower chance of going on to a good university (Tam 2009). There are at least two excuses that schools use to charge school selection fees. First, fees are charged to students who do not pass the school entrance exams. In order to implement the nine-year compulsory education policy, public junior high schools are not allowed to set up any entrance exams. However, some key schools illegally set up entrance exams to select students with better exam results, which is an infringement on the rights of poor students (Cai 2005). Secondly,

students come from other areas, district or cities. For example, the children of city-going peasants have either been rejected outside the doors of middle and primary city schools, or been obliged to pay huge amounts of school selection fees that actually deviate from the principle and policy of making nine-year compulsory education universal. Because of the fierce demand for admittance to a top high school, top schools will admit students with below par grades, or those who do not live in the right city district, if the family pays extra money (Cai 2005) .

The extra money, sometimes called “school selection fees”, which can amount to tens of thousands of yuan, is paid to select a good school. It is a heavy burden for some middle-income families, not to mention those with low incomes or the unemployed. Besides a first-class faculty and facilities, a top primary school offers a better chance to students of getting admitted to secondary schools that yield bumper crops of graduates who are accepted by the best colleges every year. This appeals to parents, who fear their children will be left behind in an education system that hinges on a series of competitive examinations to propel successful candidates into the best schools and jobs (Bai 2013).

Many consider it to be morally wrong for public primary schools to market their places to taxpayers. Yet the decades-long education practice that favours a handful of key schools with more funding and other advantages has fuelled the rush. The gap

between the elite schools and the rest is widening, with the elite schools growing bigger and stronger thanks to the extra income (Bai 2013). Without major changes to the uneven distribution of educational resources and the rigorous selection system based on examinations, parents are more likely to dismiss the idea of letting their children study in any public school just because it is close to their home (Bai 2013).

The unbalanced development of compulsory education may “favour” many local governments, because it could help generate extra revenue from school-selection fees and reduce their financial input into education. Many public media outlets in China report that schools’ arbitrary charges are derived from the poor financial input of local governments (Sina news 2005, Xiong 2011). China’s public spending on education accounted for around two to three per cent of proportion of Gross National Product (GNP) from 1992 to 2001, and around three to four per cent of GNP from 2002 to 2012: far below the world average of 4.9 per cent (Xu 2006; People.cn 2014).

China’s governmental investment in education strongly tilts towards higher education, which causes a shortage of funds for basic education (Xu 2006). Furthermore, China’s investment in basic education funding places the main burden of funding for compulsory education on county and township government finances. The central and provincial levels provide only a small amount of subsidy. This means that the development of basic education in China is closely linked with the local level of economic development, leading to the uneven development of education (Xu 2006).

In addition, the educational funds are shrunk by serious corruption. Thus, schools are heavily dependent on so-called “school selection fees”, “voluntary donations”, or “sponsorship fees”.

“Voluntary donations” are a good excuse for schools to charge extra fees to parents, thereby circumventing the law. In Guangdong province, an audit of the accounts of 66 primary and secondary schools from 2002 to 2003 showed that the schools collected as much as 753 million yuan from parents in recruitment fees - 54 per cent of the schools’ income (Minhua 2005). Schools are allowed to collect the fees as a supplement to their normal tuition fees, but half of the fees collected must be handed over to the local government to help local education financial support (Minhua 2005). In addition, the education departments can save some funds by exchanging resources with other government departments (Xiong 2011). That may involve *guanxi* practice (using personal connections) between the education department and other government departments.

The common interests of the local education department, schools and agencies have turned the school selection fees into a chronic disease. Despite the government's crackdown on the illegal practice of charging school selection fees, the trend has grown. For example, in 2004, the Beijing government claimed that school selection fees cannot exceed 30,000 yuan. However, in 2011, school selection fees in some key

Beijing primary schools were reported to be as high as 250,000 yuan (Xiong 2011), reaching half a million yuan in 2013 (Bai 2013).

The phenomenon of charging school selection fees mirrors social inequality, and parents are desperate to choose “premier” schools for their children because education is a ticket to social mobility and opens the door to a higher social class (Li 2011). Wu (2013) argues that this is in fact a “bottom up” movement, in that parents want to pay extra money to send their children to good schools. Middle-class parents exploit their cultural, economic and social capital for their children’s admission into choice schools. Payments such as choice fees, donations, prize-winning certificates and awards, as well as the use of guanxi (personal connections), result in Chinese school choice appearing as a parent-driven movement (Wu 2013) .

1.1.2. Parents using guanxi for key school places

The process of admission either to experimental schools or common public schools is not only a matter of school selection fees or “donations”, but also involves enormous guanxi practice (using connections) and even corruption. For example, a school is allowed to enrol 1,500 students but, in practice, they take in only 1,000 through public examinations. The remaining 500 are reserved for students with lower scores whose parents are willing to pay selection fees or so-called donations. However, students whose exam score is lower than that of the 500 students also can gain entrance to the

school if their parents have guanxi (personal connections) with the headmaster or relevant officials (Bai 2013).

Many parents use their relationships, or guanxi, to gain their children admission to a better school than that for which they qualified, which contravenes school recruitment policy. Thus, corruption cases always arise during the school admissions process. A report in New York Times in 1991 revealed that a senior government official attempted to get his grandson into one of Beijing's best elementary schools. First, he arranged for a friend who lived near the school to claim that she was the boy's aunt, and that the child was living in her home, within the school district. But this was not enough. The principal figured that the official could use his guanxi, and power, to get a van assigned to the school, so he asked for one in exchange (Kristof 1991). In China, changing job, or moving from one apartment to another, might require guanxi and bribes worth several months' salary (Kristof 1991). To help one's child enter a top school if the child had failed in the competitive entrance examination, one usually has to ask for help from friends, relatives and colleagues (using their guanxi) and spend a large sum on "gifts".

Since the demand for places in key schools is far greater than the number of vacancies, parents argue that the real problem is not about having enough money to donate, but rather finding a school headteacher willing to accept the "school-choosing fee", as it

is commonly known; and guanxi plays a vital role in this (Bai 2013). Connections or guanxi with school headteachers is a valuable form of social capital for parents. They can also plead with people in positions of authority to speak for their children, and they will pay significantly less if their patrons have enough influence (Bai 2013). However, headteachers seem to resent such interference, and some go into hiding during the recruitment season (Bai 2013). It seems that getting a school place in China is always associated with guanxi, power and money.

Parents' guanxi is vital for children's education and finding a good job, and there emerges a popular newly-coined phrase in China, "pin die", which can be translated as competing through "daddy's and family's influence" (Qu 2014). There is nothing new about using connections to move ahead, but it is highly developed in a society where a fundamental dynamic is renqing (norms or sense of indebtedness) and guanxi. From kindergartens to high schools, when it comes to Teacher's Day on September 10, parents, both rich and poor, do something very nice for the teacher so that he or she will give special attention to their child. This is another example of "pin die" (Qu 2014).

The use of money and/or guanxi to obtain entrance for students into certain types of schools at the primary, junior high, and senior high levels is one of the distinguishing characteristics of the "diploma disease" backwash effect in China (Simon 2000).

The use of money and/or guanxi for access to education has become a defining characteristic of Chinese education today.

Although guanxi is reported in many newspapers and media outlets, none of them reveal any details of the process of guanxi practice. How and why do people use guanxi? This question has motivated the empirical research here, which focuses on school selection issues. However, before examining this question, it is necessary to review the background of China's institutional system .

1.2. China's institutional system

1.2.1. Political system

The People's Republic of China (PRC) operates in a framework of what is effectively a one-party socialist republic, although eight other political parties coexist. State power within PRC is exercised through the Communist Party of China, the Central People's Government, and their provincial and local counterparts. China's formal political structures - the military, the State, the National People's Congress, as well as a consultative body known as the China People's Political Consultative Conference and China's eight political parties - are all loyal to the Communist Party (The National People's Congress n.d., Lawrence and Martin 2013). Under the dual leadership system, each local bureau or office is under the equal authority of the local leader and

the leader of the corresponding office, bureau or ministry at the next level (The National People's Congress n.d.). For example, voters elect the People's Congress members at a county level. These county-level People's Congresses have the responsibilities of overseeing the local government, and electing members to the Provincial (or Municipal, in the case of independent municipalities) People's Congress. The Provincial People's Congress in turn elects members to the National People's Congress, which meets each year in March in Beijing (The National People's Congress n.d.). The ruling Communist Party committee at each level plays a large role in the selection of appropriate candidates for election to the local congress and to the higher levels.

The Chinese Communist Party considers China to be in the initial stages of socialism. Socialist ideology continues to matter in China, with the Communist Party facing vocal criticism from its left flank each time it moves even further away from its Marxist roots (Lawrence and Martin 2013).

There is no doubt that the Chinese political elite is becoming better educated, more technically competent, and more diverse in background. But there is less certainty as to whether these changes are making policy-making more rational or responsive to societal pressures (Harding 1994). Although other political actors play a role in influencing policy debates, including the media, big business, research institutes,

university academics, associations, and grassroots non-governmental organisations, society is still considered as “rule of man” with poor democracy (Lawrence and Martin 2013). Features of the Chinese political system also include the role of meritocracy as a form of legitimisation for one-party rule; the distorting influence of bureaucratic rank; factionalism; corruption; and weak rule of law (Lawrence and Martin 2013).

Reforms in judiciary and governance to stamp out corruption and abuse of power are considered to be long overdue in China (Lowe 2013). Historically speaking, officials do not see laws as rights but rather as rules that are thrust upon them, to be obeyed without question. It was the wise judges who interpreted the laws that were praised in literature and folklore, rather than the law itself. This is because the laws were made for and by the ruling elite, so the person who interpreted them was the one wielding power (Lowe 2013). That is why China is widely considered by the Western media to be subject to the “rule of man”.

1.2.2. Legal system

For most of its history, China’s legal system has been based on the Confucian philosophy of social control through moral education, as well as the Legalist emphasis on codified law and criminal sanction (Bodde and Morris 1973). Following the Revolution of 1911, the Republic of China adopted a largely Western-style legal code.

The establishment of the People's Republic of China in 1949 brought with it a Soviet-influenced system of socialist law (Bodde and Morris 1973). Law in the People's Republic of China is currently undergoing gradual reform, as many elements inside and outside the country emphasise the need to strengthen the rule of law, and international trade and globalisation spur transformations in various areas of Chinese domestic law (Li 2000).

One of the most commonly used phrases in contemporary China, by legal scholars and politicians alike, is *fa zhi*, which can be translated into English as "rule of law"; but it has often been claimed that Chinese leaders mean "rule by law", which means the instrumental use of laws to facilitate social control and to impose punishment as understood in the Legalist tradition (Li 2000). The rule of law is regarded by some as presupposing political or economic structures of liberal democracy, human rights and other ideal socio-legal orders (Chen 1992, pp 48-56). However, the central government had originally preferred the expression "strengthening the law/legal system" to "the rule of law". It was thought that the latter might give a controversial connotation of the instrumentality, while the former conveyed a straightforward meaning of strengthening the law and institutions. "Strengthening the law" meant reform of legislation and enforcement of laws. Some scholars believe that given China's non-democratic political system and practice, it is at best regarded as a country of rule by law, with law used by the state as an instrument for social control

(Chen 1992, pp 40-46) .

A further problem that has been identified with the Chinese legal system today is the ineffective implementation of laws. This is encapsulated in the Chinese saying “shang you zheng ce, xia you dui ce”: “The authority issues policies, the locality always has their counter measures to surround them”. To take education as an example: entrance exams are prohibited, but there are many other ways to jockey for access to the best schools. School selection fees have disappeared in name, but parents make “voluntary donations; Mathematics Olympiad stopped but “Hope Cup”(a national Mathematics examination) takes its place; “key classes” are prohibited but “innovative classes” keep cropping up; no make-up classes on holidays while classes are still made-up, but in a separate location; teachers are not allowed to conduct paid tutoring, but they swap classes and teach; no full-time test prep classes while entire classes change locations (Martinsen 2009). It seems that all the counter-measures are catering to market demand. Balanced development in compulsory education is no longer the norm, due to the insufficiency of law and policy implementation.

In 2009, Chinese Premier Wen Jiabao gave a commitment in the government work report at the annual session of the National People’s Congress (NPC) to stop school selection fees and call for fairness in education. Wen stated that the government would tighten regulations on enrolment and tuition fee collection from all kinds of

schools and strengthen management and supervision of the schools' finances. In 2010, the Ministry of Education vowed to eradicate school selection. In 2011, the Beijing municipal education commission issued a regulation banning all arbitrary charges, including school selection fees and "sponsorship fees", for enrolment in primary schools and pre-schools (Li 2011). However, despite the government's crackdown on the illegal practice of charging school selection fees, the trend has grown (Xiong 2011). School selection fees have soared along with commodity prices. In Beijing, the fees have risen from about 7,000 yuan in the 1990s to 250,000 yuan in 2011 (Li 2011, Xiong 2011). As noted above, in 2013 it was reported that some key schools demand half a million yuan (Bai 2013).

Some of the local governments want to make changes. For example, primary or middle schools in Zhejiang province will not be allowed to charge school selection fees (Lottery life in China 2012). Instead, spare places will be allocated in the form of a lottery. The lottery policy aims to stop unlawful charges by compulsory education, but people still doubt that the government of Zhejiang province can actually stop the selection fees, since many other governments in China cannot make the change (Lottery life in China 2012). Due to such tensions between national policy and local practice, national law and policy cannot be fully implemented in local level, which affects the process of educational reform.

1.2.3. Corruption

China suffers from widespread corruption since reform and opening up. In 2013, China was ranked 80th out of 178 countries in Transparency International's Corruption Perceptions Index: perceived as more corrupt than most developed countries (Transparency n.d.). Means of corruption include graft, bribery, embezzlement, backdoor deals, nepotism, patronage, and statistical falsification (Lü 2000, p10). Cadre corruption in post-1949 China lies in the “organisational involution” of the ruling party, including the Chinese Communist Party's policies, institutions, norms, and failure to adapt to a changing environment in the post-Mao era (Lü 2000, p 229). Exacerbated by the market liberalisation reforms initiated by Deng Xiaoping, and in common with other socialist economies that have gone through monumental transition, such as those in post-Soviet Eastern Europe and Central Asia, post-Mao China has experienced unprecedented levels of corruption (Yan 2004, p2).

Surveys carried out in mainland China since the late 1980s have shown that corruption is among the top concerns of the general public. Corruption undermines the legitimacy of the CCP (Chinese Communist Party), adds to economic inequality, undermines the environment, and fuels social unrest (Pei 2007). Although the CCP have carried out so many anti-corruption campaigns, corruption has not slowed down as a result of greater economic freedom, but instead has grown more entrenched and severe in its character and scope. Business deals often involve participation in

corruption (Xuecun 2012). In popular perception, there are more dishonest CCP officials than honest ones: a reversal of the views held in the first decade of reform in the 1980s (Yan 2004, p2). China specialist Minxin Pei argues that failure to contain widespread corruption is among the most serious threats to China's future economic and political stability (Pei 2007). Bribery, kickbacks, theft, and misspending of public funds costs at least three percent of GDP (Pei 2007).

Official corruption is among the populace's greatest gripes against the regime. One folk saying vividly illustrates how the public sees the issue: "If the Party executes every official for corruption, it will overdo a little; but if the Party executes every other official for corruption, it cannot go wrong" (Yan Sun 2004, p2). In contemporary China, bribe-taking has become so entrenched that one party secretary in a poor county received repeated death threats for rejecting over 600,000 Renminbi in bribes during his tenure. A rare online opinion poll in 2010 by the *People's Daily* newspaper found that 91 per cent of respondents believe all rich families in China have political backgrounds (Anderlini 2010).

There are strong links between institutional decline and rising corruption. Corruption results from the Party-State's inability to maintain a disciplined and effective administrative corps (Lü 2000, p252). Weak state institutions are blamed for worsening corruption in reform-era China. The Chinese reform-era state has also been

an enabling factor, since state agencies have been granted regulatory power without institutional constraints, allowing them to tap into new opportunities to seek profits from the rapid growth in businesses and the economy. This takes place at both the departmental and individual levels (Lü 2000, p 252). Corruption here is part of the dilemma faced by any reforming socialist state, where the state needs to play an active role in creating and regulating markets, while at the same time its own intervention places extra burdens on administrative budgets (Lü 2000, p 254).

1.2.4. Guanxi

Guanxi is roughly translated as “personal connection , relationship, or network”, the use of which is a central feature of Chinese society (Yang 1994; Gold, Guthrie and Wank 2002). China today is a place where outcomes are often determined by two co-existing, sometimes contradictory, systems: modern adapted versions of traditional Chinese guanxi mechanisms (based on the rule of man) and international legal norms (predicated on the rule of law) (Lane and Hoffmann 2013). Because reforms are not complete, individuals and companies in China cannot rely on investing solely in legal mechanisms to determine outcomes, so they continue their traditional ways of investing time and resources in guanxi network mechanisms (Lane and Hoffmann 2013). Guanxi networks have been relied upon as a mechanism for organisational governance when legal and institutional mechanisms fail to determine outcomes in a reliable manner. The trust that accrues through mutual guanxi and the network it

suggests is similar to the old-fashioned gentlemen trust and relationships that have moulded Western societies over the centuries (Lane and John 2013). Since system trust in China is still at a lower level, described by Fukuyama (1995) as a “low trust society”, people are more reliant on guanxi to ensure personal trust.

The phenomenon of using guanxi is pervasive and embedded in every aspect of Chinese social life, and it is reported on both by domestic and international media. A total of 673 documents found on the China Daily website published between 2003 and 2014 mention guanxi. On average, then, guanxi has been mentioned at least once a week by China Daily in the past 11 years. In a Hong Kong newspaper, Southern China Morning Post, 206 documents have been found to mention guanxi from 2004-2014. Foreign media such as BBC and CNN also have some reports on guanxi.

Guanxi contacts begin with personal relationships founded on trust and the prospect for mutual benefit between individuals (Lane and Hoffmann 2013). It seems that the pervasive corruption in China is always associated with guanxi, although the use of guanxi and its practice (short for “guanxi practice”) are not entirely corruption activities. Perhaps as a result of social pressures, a bias has developed in most discussions, which present guanxi as a negative activity linked inextricably with corrupt practices; however, using guanxi and corruption are not necessarily so linked (Lane and Hoffmann 2013). When used for legal purposes which do not infringe on

public interests, the use of guanxi can be an extremely useful way for members of a relationship network to take care of their legitimate personal or business affairs, and is therefore better seen as a function of an individual's social capital. Guanxi practice only becomes corrupt when the exchange or transaction taking place within a guanxi network involves corrupt activities, or where one or more of the relationship parties in a guanxi network operate outside of the law (Lane and Hoffmann 2013). However, since corruption is so severe now in China, many guanxi practices involve corruption and are frequently blamed by people and the media .

It is argued that China's present political system leads to a loose legal system, in which corruption and guanxi practice have grown, spread quickly, and reached an historic peak. It is therefore understandable that guanxi practice and corruption also take place in the education system.

1.3 China's Education system

1.3.1. Stage

Education in China is a state-run system of public education run by the Ministry of Education. The government funds nine-year compulsory education, which includes six years of primary education, starting at age six or seven, and three years of junior secondary education (middle school) for the ages 12-15 (see Table 1.1). Some

provinces may have five years of primary school and four years of middle school.

After middle school, there are three years of high school, which then completes the secondary education (Ministry of Education 1996b, Sina news 2014).

Table 1.1. Educational stages in China

Typical Age	Education	Levels	Compulsory
18-22	University or college	Varies	No
15-17	Senior high school (middle school) or Vocational school	Grades 10-12	No
12-14	Junior middle school	Grades 7-9	Yes
6-11	Primary school	Grades 1-6	Yes

Although the government has authority over the education system, the Chinese Communist Party has played a role in managing education since 1949. The party established broad education policies and, under Deng Xiaoping, tied improvements in the quality of education to its modernisation plan. The party also monitored the government's implementation of its policies at the local level and within educational institutions through its party committees. Party members within educational institutions, who often have a leading management role, are responsible for steering their schools in the direction mandated by party policy (Sina news 2014).

Under the Law on Nine-Year Compulsory Education, primary schools were to be tuition-free and reasonably located for the convenience of children attending them: students would attend primary schools in their neighbourhoods or villages. Parents

paid a small fee per term for books and other expenses such as transportation, food, and heating. Previously, fees were not considered a deterrent to attendance. Under the education reform, students from poor families received stipends; and state enterprises, institutions, and other sectors of society were encouraged to establish their own schools (Ministry of Education n.d., Sina news 2014).

Junior secondary education is more commonly known as (junior) middle school education, and consists the last three years of nine years compulsory education from grades seven to nine. Senior secondary education often refers to three years of high school (or senior middle school) education, from grades 10 to 12. Normally, students who have finished six years of primary education will continue three more years of academic study in middle schools, as regulated by the compulsory education law. This, however, is not compulsory for senior secondary education, where junior graduates may choose to continue a three-year academic education in academic high schools, which will eventually lead to university, or to switch to a vocational course in vocational high schools (Ministry of Education 1996a).

1.3.2. Compulsory education law

The Law on Nine-Year Compulsory Education, which took effect on July 1, 1986, established requirements and deadlines for attaining universal education tailored to local conditions and guaranteed school-age children the right to receive at least nine

years of education. People's congresses at various local levels were, within certain guidelines and according to local conditions, to decide the steps, methods, and deadlines for implementing nine-year compulsory education in accordance with the guidelines formulated by the central authorities (Ministry of Education n.d.).

Provincial-level authorities were to develop plans, enact decrees and rules, distribute funds to counties, and administer directly a few key secondary schools. County authorities were to distribute funds to each township government, which were to make up for any deficiencies. County authorities were to supervise education and teaching and manage their own senior middle schools, teachers' schools, teachers' in-service training schools, agricultural vocational schools, and exemplary primary and junior middle schools. The remaining schools were to be managed separately by the county and township authorities. Moreover, it is illegal for any organisation or individual to employ young people before they have completed their nine years of schooling (Ministry of Education 1992).

The nine-year system is called "Nine Years - One Policy". This usually refers to the educational integration of the elementary school and the middle school. After graduating from the elementary school, graduates can directly enter into the junior middle school. The grades in schools which implement the nine-year system are usually called Grade 1, Grade 2, and so on until Grade 9 (Ministry of Education 1992,

Sina news 2014).

There are three main features of the nine-year system. The first is continuity. After graduating from primary school, graduates can directly enter into junior middle school without any entrance examination. The second feature is the principle of proximity: students enter into their nearby school, instead of having a middle school entrance examination. The final feature is unitary: schools practice unified management in school administration, teaching and education (Ministry of Education n.d.).

Even though the Education Law states that proportionate funds should be allotted to all sections of schools during the nine-year compulsory education period, few local governments actually do so (Xiong 2011). Tuition-free primary education is, despite compulsory education laws, still a target rather than a realised goal in some parts of China. How local governments implement the compulsory education law remains unknown.

1.3.3. Education policies and examinations systems

The pragmatist leadership, under Deng Xiaoping, recognised that to meet the goals of modernisation it was necessary to develop science, technology, and intellectual resources and to raise the population's education level. Deng Xiaoping's far-ranging educational reform policy, which involved all levels of the education system, aimed to

narrow the gap between China and other developing countries. Modernising education was critical to modernising China. The goals of reform were to enhance and universalise elementary and junior middle school education; to increase the number of schools and qualified teachers; and to develop vocational and technical education. A uniform standard for curricula, textbooks, examinations, and teacher qualifications was established, and considerable autonomy and variations in and among the autonomous regions, provinces, and special municipalities were allowed .

However, Chinese education is dominated by entrance examinations and qualifications, and the education system as a whole exhibits many signs of “diploma disease”(Zoninsein 2008). The formal way of entering a senior high school or university in China is by passing a set of entrance examinations and being selected on the basis of the grades received (Zhang 1994, Zoninsein 2008). China’s annual National Higher Education Entrance Examination (gao kao) is the major focus of a Chinese student’s experience. One test determines where students will attend college. Attending a good college will lead to gaining a good job (Zhang1994, Zoninsein 2008). Students will try to pass the gao kao (National College Entrance Examination), which seems to be the only way for them to have a prosperous future.

Generally speaking, Chinese, Mathematics and English are considered as three main subjects, as these will definitely be examined in gao kao. Given the intensity of

competition for limited university places, most high schools are evaluated by their academic performance in gao kao by parents and students. Although there are a lot of drawbacks to the the gao kao, it is a clear-cut system that aims to avoid corruption and ensure fairness(Zhang 1994). Therefore, China's education system is examination-oriented and places a heavy emphasis on rote learning. Leadership skills, interpersonal skills, physical education, and problem solving are things that Chinese schools simply often ignore (Zhang 1994).

Another important examination is zhong kao, the Senior High School Entrance Examination, which is held annually in China to distinguish junior graduates. Unlike junior high schools, which are not allowed to host their own entrance examinations, senior high schools recruit their students by zhong kao and charge for tuition, which is regarded as legal practice. Students will go through an application system where they may choose the high schools at which they wish to study order of preference before the high schools set out their entrance requirements. Once this is completed, the high schools will announce their requirements based on this information and the places they will offer in that year.

However, there are other official rules of admission for certain top high schools. If students perform less well in zhong kao, but their scores are close to the requirement standard of a top school, they could still study in that school if they can afford fees

(News163 2013). Because of this flexible extended recruitment process, there is more competition, which may involve guanxi practice and corruption (163.com 2013).

1.3.4. Unbalanced development

Because educational resources were scarce, in 1978 the Ministry of Education began to implement its “Proposal for Making Some Key Primary and Middle Schools”.

Since then, key schools - usually those with records of past educational accomplishments - were given priority in the assignment of teachers, equipment, and funds. They also were allowed to recruit the best students for special training to compete for admission to top schools at the next level (Key School Policy, n.d.).

Efforts had begun to develop the key school from a preparatory school into a vehicle for diffusing improved curricula, materials, and teaching practices to local schools.

However, the appropriateness of a key school’s role in the nine-year basic education plan was questioned, because key schools favoured urban areas and the children of more affluent and better-educated parents (Key School Policy, n.d; News163 2013).

In recent years, some cities in China abolished the key junior-middle school system to ensure “an overall level of education.” Yet despite the effort to abolish the Key Schools system, the practice still exists today under other names, and education inequality is still being widely criticised by some government officials, scholars, and media (Key School Policy n.d., 163.com 2013).

It is reported that in many provinces and cities of China, key schools supported by local government have now become “super schools” (News163 2013). First, the schools are super large. A recent news report listed many super-large middle schools in many provinces like Jiangsu, Anfei, Jiangxi, and Henan: student numbers are between 10,000 and 20,000. One of the schools in Henan province has more than 20,000 students, including its branch schools: this is bigger than many universities in China (163.com 2013).

Local government and key schools use legal loopholes to charge expensive tuition and school selection fees. A key school might charge several thousand yuan, or even a few hundred thousand yuan, for a place. Key schools use their excellent performance in zhong kao and gao kao as bait to attract parents. In some cities, “non-recruited students” not only have to pay about 100 thousand yuan in entry fees, but also have to pay around 2,000 yuan in tuition fees every year (163.com 2013).

Since super schools charge expensive tuition and have a lot of money, they can always expand their scale. Some super schools are becoming super enterprises, building branch schools, chain schools, and even international schools charge high tuition. One year of tuition costs more than four years of tuition in a university (163.com 2013).

The reasons behind the super school phenomenon include the following. First, local

government officials see college enrolment rate as achievements in their official careers. If the headmaster cannot do a good job in a college entrance examination, he/or will be dismissed; and the whole of society takes college enrolment rates as the only criterion by which to rank a school. Second, local government can reduce their financial inputs into education, since key schools can make money and develop by themselves. Third, behind this phenomenon, there is huge interest chain with corruption, guanxi and the abuse of public funds (163.com 2013).

There are many reasons why Chinese parents are preoccupied with getting their children into a good school. First, the intense competition in education has something to do with the traditional Chinese concept of education (Wang 2011). Parents' emphasis on education reflects that they still believe in such Confucian ideals as "A person who excels in study can become an official". Throughout China's history, parents have accorded priority to their children's education because they believe that only through education can recognition, respect and wealth be achieved. That is understandable, for education, to a large extent, gave people social mobility in feudal Chinese society (Wang 2011). Second, a huge number of Chinese families have only one child because of the "One-Child policy" that China has followed for three decades. Parents' resolve to ensure their children get the best education possible has become stronger. Third, society today does not provide many options for children to chart a good future. In the competitive employment market, it is difficult to get a good

job without a college diploma and sometimes even a college diploma fails to ensure that (Wang 2011). Finally, some parents stress their children's education just for face. Parents feel honour in front of their friends and relatives if their children go to key school, and that they will lose face if their children go to a common school (Wu 2013).

Generally speaking, three factors have thwarted the balanced development of compulsory education. First, unreasonable and insecure funding for compulsory education have prompted schools to charge such fees and even increase them with the passage of time. Second, the severe lack of funds for compulsory education has worsened the situation. Third, local governments have paid special attention to senior high schools, especially key schools, because their quality of education determines the percentage of students from schools in their jurisdictions clearing the national college entrance exam and getting admitted to prestigious universities (Xiong 2011).

Wu (2013) explores how schools and local governments make use of school selection in order to obtain significant economic returns, leading to policies that accommodate the needs of mostly middle-class families. She argues that this system exacerbates the educational inequality that already exists in Chinese society. Parents not only complained about the unfair distribution of educational resources, but also demanded a fair rule for competition. In a society that is full of "hidden rules", exams and scores

are the only “fair” way that ordinary people can count on (Wang 2011). Children from poor families, especially from rural areas, can rely on nothing but their academic achievements to prove their competence and be accepted into the “mainstream”. Now it seems that even the last “fair” route to achieving success is getting narrower by the day (Wang 2011). A strong sense of social unfairness has heightened the worries of parents and their children about the future, and forced them to take the difficult road (Wang 2011). Moreover, as the multi-billion-dollar business booms and becomes an important source of finance for schools, this gives rise to controversies about equality and the purpose of education, as well as a lack of transparency about how the donations made by parents are spent (Bai 2013).

Against this background, using money and/or guanxi for school place are frequently reported by media. However, the media do not reveal any details of guanxi use. In this piece of research, in order to investigate the issue of guanxi and its use in school education, two case studies on school places were carried out in two small cities in Southern China. In order to keep confidentiality for participants, the two researched cities have been labelled as City A and City B.

1.4. Educational situation in the two researched cities

1.4.1. Educational situation of City A

City A is administered as a prefecture-level city with a total population of about 2.6

million, including its country area and two counties (in 2013). The culture of City A is considered to be among the oldest of the Han Chinese sub-cultures. Ancestors of City A formerly lived on the Central Plain of North China (present-day Henan and western Shandong provinces and surrounding areas). They migrated into southern China in order to escape from a series of civil wars fought during the Jin Dynasty. Since the location of City A is far from big cities, and relatively free from the influence of newer concepts, its people retain old traditions, more so than the rest of China. Deeply influenced by Confucianism, City A's people have the following distinctive characteristics compared with the rest of China: 1) hard working; 2) united, seeing their fellow residents as "one of us", with high loyalty and righteousness (yiqi); 3) respectful of their seniors and maintaining a distance in power between men and women; 4) good at doing business and valuing traditional business rules, such as trust and loyalty; 5) valuing their family and clan; 6) valuing education, spending a lot of money securing their children's future (reference is not given in order to keep confidential).

1.4.1.1. Unbalanced schools education

City A includes two districts (District A and District B), and two counties. The observation and interviews were mainly carried out in District A. There are 6 senior high schools, 10 junior high schools and 25 primary schools located in the city centre, District A (official website of City A Educational Bureau). In the last 15 years,

local governments have established so-called “experimental schools” , which charge school selection fees. All experimental schools are key primary schools or junior high schools (in the stage of compulsory education). The so-called experimental schools are newer schools trying to innovate by applying newer teaching and administration systems. Usually, experimental schools perform much better than common schools in examinations; thus, they are considered as “key schools” by ordinary people. Some of these schools are public, and some are private, or semi-public. They have the excuse of being “experimental” to set up entrance exams and charge school selection fees. (see Table 1.2).

Table 1.2. Schools selected in City A¹

	Key school	Better common	Common	Bad school
Senior high (All public)	School 1, 2,	School 3,4	School 5,6	
Junior high	Fake private ² : School A, B, C, D	School E	Old school C, old school D	
Primary school	Public: SS, MD, (city level) Fake private: CN school (district level)	Public: Old CN school		Yang school

In senior high stage, Schools 1 and 2 are best and second best schools, followed by Schools 3 and 4, according to their gao kao performance. Schools 1 and 2 are both

¹ All names of schools above are coded in order to protect the anonymity of study participants.

² “Fake private” refers those public experimental schools that charges tuitions with the excuse that they are private schools.

key senior high schools with good reputations for over 100 years. Schools 3 and 4 are known as “better” common senior high schools. Schools 5 and 6 are more standard common schools in the city area. Since senior high schools are not in the stage of compulsory education, students must pay tuition to get in. Schools 1 and 2 charge school selection fees in addition to tuition fees if students cannot pass their entrance exams in zhong kao. (See Table 1.2 above. Information also taken from the official website of City A Educational Bureau, and observational notes).

At junior high stage, School A, B, C, and D are experimental schools and called “experimental School A”, “experimental School B”, and so on. School A was established in 1999, School B in 2005, School C in 2006, and School D in 2009. In primary education, SS School was established in 1999 and CN school in 2004 (information taken from official websites of School A, B, C and D).

In primary education, SS school (SS Experimental Primary School) is the best. CN school (CN Experimental Primary School) and MD school (MD Primary School) are also key schools, but MD school (MD Primary School) is a public school, not an experimental one. Old CN school is regarded as a common school, which was second best school in the past. However, now the experimental CN school uses its brand name and took its better teachers to become the second best primary school in the city, while Old CN school itself has become a common school (City A Daily 2010;

observational notes)

There are three types of experimental schools in City A, which are either primary or junior high schools, falling within the scope of compulsory education.

1. **Privately-owned and government-run.** This type of school is experimental in terms of ownership. Since they are private schools, they can charge tuition and any other fees. However, the government employs all the teachers and decides everything about the school affairs. This is the case with Schools C, D and CN. School C was established by Mr Chen, who invested 12.5million yuan on the construction of a new school, to exist alongside the existing school, thereafter known as “Old School C” (School C official website). The government brought excellent teachers from the public Old School C to the fake private School C. Also, School C uses the brand name of Old School C. School D has a similar history.

2. **Government-owned and privately-run.** This type of school is experimental with regard to the teaching and management reform. Since these are public schools, they are not supposed to charge tuition. However, they do in fact charge expensive tuition fees, except for the top 100 students: this is illegal. Since they claim to be privately-run, they suggest that they have an excuse to charge tuition

fees. In reality, they are not privately-run, because the government hires all the teachers. This is the case with Schools A and B.

3. **Full public.** SS school is the best primary school in the city, and since it is regarded as a public school, it cannot charge for tuition. It had, however, been charging school selection fees (later called donations) until 2011, when the reform started (observational notes and local internet BBS³).

The first and the second type of experimental schools are called “fake private schools” by local people. The local government turns public schools into these “fake private schools” and charges expensive tuition fees of more than 3000 yuan per year, as well as some extra fees (City A Daily 2010). In 2010, school teachers’ average monthly salary was about 2000 yuan. Most importantly, these schools use the brand names and the resources of key public schools. The government brought excellent teachers from public schools to experimental schools, thereby reducing the quality of public schools (City A Daily 2010).

Key schools are far superior to common schools in many respects. First, they have better performance in zhong kao and gao kao. In the four key schools, most students

³ Bulletin Board System

graduate to key senior high schools (Schools 1 and 2), while most common school students upgrade to common senior schools. Second, key schools have better environments and facilities. The government puts more money into some schools and less money into others. Third, parents think that teachers in key schools are more qualified than in common schools, although many teachers in common schools do not agree. Fourth, the students recruited by key schools perform better in exams than those in common schools. The government makes this difference: they place higher-performing students into some schools, and worse students into others. Fifth, there is a difference in teaching quality. Key schools have better administration and management, and teachers have greater enthusiasm. Sixth, key schools are larger than common or lower quality schools. There is a trend towards key schools getting bigger and common schools getting smaller, with some even needing to close or merge (observational notes and local internet BBS).

The overview above relates to all schools in City A. However, I mainly focus on five key schools (School A, B, C, D and SS school), and one better common school (School E), for these schools involved much guanxi practice and/or school place trafficking, and underwent big changes after the reform.

1.4.1.2. School recruitment policies

Senior high schools, including key schools and common schools, recruit students by

zhong kao. Key junior high schools establish entrance exams and claim they recruit students according to students' exam results. After recruiting students living in their area, bigger common junior schools recruit students from outside their district by lottery. The winners can get into the school for free. However, there is no entrance exam for all primary schools, since kindergarten children are too young to take exams. In theory, primary schools recruit students living nearby. Only two city level primary schools, SS School and MD School, recruit students from outside their district by lottery after they have finished recruiting students nearby. CN School can recruit any students, but it charges 6000 yuan in tuition fees per year, since it claims to be a private school. Students with late registration with CN School also need guanxi to obtain a place. Old CN School charges "voluntary donations" as high as 5500 yuan (in 2012) without tuition fees, since it is a public school. Before registering with a donation, more importantly, parents need to get a "ticket"(an offer of school place."ticket" is colloquial for school place in City A) , which may involve guanxi practice or school place trafficking (observational notes and local internet BBS).

Along with entrance examinations, another form of recruiting students is random lottery. After recruiting students living in their area, common junior schools (including some better common schools) and two city level primary schools recruit student outside their district by lottery. For the website of the Educational Bureau of District A, some news about allocating school place by lottery was collected. On 16

July 2010, the District A Educational Bureau website reported the lottery event for junior high schools thus:

[A]ccording to the principle of open, fair, justified, 2246 students are eligible to participate in the computer random lottery. At 9am, the junior high school place lottery random allocation began... After 3 rounds of computer random selection, 1983 students were given school place offers, accounted for 88.3% of the total number of students who join the lottery in district A. (Official website of Educational Bureau of District A).

The news report did not mention what proportion of school places of the common schools were given to the lottery. If these schools only give low rate of school places to the lottery, they will still have a lot of places to be sold or given to their guanxis (City A Daily 2010).

Students are under pressure to pass the entrance exam to get to key schools, and study very hard (City A Daily 2010). It is argued that this comes at the expense of developing real ability or skills. Many parents know this but they have to push student to study hard. Many teachers and headmasters are also aware of the shortcomings of exam-oriented education, but they still force students to do large amounts of

homework, since exam results are associated with their work assessment (City A Daily 2010).

Many parents reported that they send their children to a training centre or a teacher's home for extra lessons in the evenings and weekends. Parents push their children to study hard because once their children pass the entrance exam, they do not need to use guanxi and pay a lot of money for a school selection fee. Furthermore, if their children have very poor grades, they may not be able to use guanxi to send them to a key school because the extended recruitment has its bottom line: there is a range of grades within which parents can compete on guanxi. Moreover, within this range, the lower the grade, the more school selection fee there is to pay; and the lower the grade, the more powerful guanxi one needs to influence the headteacher. Student with grades lower than this range have to go to common school, even if their parents have guanxi (observational notes and local internet BBS).

1.4.1.3. Using guanxi

In order to get into a good school (experimental school, or so-called “fake private school”), parents tried their best to use guanxi to get a study place in key schools if their children could not pass the entrance exams. In order to give study places to their guanxis, headmasters use some “techniques” in recruiting students. For example, they may keep the rank confidential so that the headmaster can do some “black case work”

or “hei xiang cao zuo” (cheating case done secretly), or give the study places given up by some candidates or inappropriate candidates to his guanxi. They may also simply recruit more students (observational notes and local internet BBS).

Before 2011, every July was frustrating for the headmasters of key schools, since so many people used guanxi to contact them and ask for study places. In order to avoid facing these people, headmasters had to turn off their mobile phones, with some even leaving home and checking into hotels during peak periods, because some people might attempt to visit their homes, even in the middle of the night. If the headmasters were to open their doors to these people, it would then be very difficult to refuse them for the sake of friendship or guanxi. Some people might attempt to give the headmaster money; in that case, it would be even more difficult to refuse. Since the headmasters have limited places, which will be given to some closer guanxi or students related to higher officials, the headmasters of key schools had to go into “hiding”, rather like movie stars being chased by the paparazzi (observational notes and local internet BBS).

1.4.1.4. School place trafficking

A few years before 2011, City A had been suffering from serious cases of school place trafficking. According to a report in City A Daily (November 10, 2010), study places has been the focus of the society. Lottery student recruitment and school place

trafficking have been coming up in recent years, which has been criticized by the public. Not only had traffickers held school places of “high quality education resources school” in 2010 - they had also held in reserve places for the following year. The agency fee was up to 40,000 yuan for entrance to the best primary school, SS School (City A Daily 2010).

The report reveals that so-called “high quality education study places” in the compulsory education stage are very limited. In primary school stage, the two city level key primary schools (founded by city government) - SS School and MD School - give 100-200 study places each lottery. In the stage of junior high, each experimental school - the “half public and half private” schools – offers only 100 “free admission” places with the recruiting plan of 600 students. Since most parents hope their children get into high-quality schools, it is difficult to meet their needs. However, some people who use guanxi to gain study places simply sell their places if they do not need them. (City A Daily 2010).

The lottery for key primary school places was held on 8 August 2010. Meanwhile, school places were being sold in mid-July on the internet by traffickers (City A Daily 2010). In fact, as early as 17 August 2010, before the school term began, local television reported that on the main road of the city, someone had openly hung a banner selling study places. “It was questioned by citizens as to why only 300 study

places were offered via lottery allocation, accounting for less than 22 per cent of the total recruitment plan of the two schools [SS School and MD School]. It is nothing about fairness,” stated the report (City A Daily 2010).

The following is a section of conversation between the reporter and Wang, the headteacher of SS school:

Reporter: According to our information, in September, there were 200 students recruited by your school by lottery. But actually, how many students recruited in total?

Wang: More than 400 students were recruited this year.

Reporter: How did you assign the places apart from those in the lottery?

Wang: We gave dozens of places to resident nearby, ten places to the army, dozens of places to teachers in our school and officials in Bureau of Education.

Reporter: According to your list, a rough estimate is nearly 100 places. How about another 100?

Wang: The remaining places were given to some ones who did large contributions to our school? Actually, our task is to recruit 360 students. After finishing our task, we tried our best to solve the difficulty of the ordinary people and meet their demand. We gave 100 more to the ordinary people.

Reporter: But I heard if one pays 40 thousand to the place traffickers, one can get a study place in your school? What do you think of this?

Wang: This is a bad social habit. It is none of our business. Our school places are not allocated in terms of money, entering to our school is free of charge.

(City A Daily 2010).

However, the reporter does not believe what Wang has said, because school place traffickers identified by the reporter are guanxis of some headteachers or officials. Headteachers or officials are not directly involved in trafficking but some of them must have given traffickers school places for exchange of something secretly and privately. This is unlike school selection fees charged by schools formally and publicly. It is where some individual teachers, headteachers or officials, rather than schools, receive gifts, money or favours from traffickers for exchange of school places. Parents who fail to use guanxi may turn to traffickers, and this has become a “benefit chain” (Local BBS of City A, City A Daily 2010).

In 2011, a new mayor came to the city and started to carry out a reform to crack down corruption and guanxi practice in school place allocation. In the summer of 2012, Wang, the headteacher of SS school, was arrested for taking bribes in exchange for school places.

1.4.1.4. The reform

In 2010 and 2011, many reports in City A daily, local TV news, and discussion in the local BBS, revealed guanxi for school places, school place tracking, and corruption. In those reports, some CCP members and CPPCC⁴ members criticised these phenomena.

The following is an interview with an official from City Bureau of Education. The reporter writes:

Nowadays, some of the parents don't want their children to lose at the starting line, thus, they send their children to schools with high quality education resources. This is understandable. The National Education Conference stressed that the education investment should account for 4% of GDP since 1990s. However, this ultimately failed to be achieved. In 2000, education investment has accounted for only about 3.3% of GDP. In this case, the limited funds have to be given to several good schools in our city, forming "window schools" or "example schools", which have better quality. On one hand, "window schools" are the examples of other schools playing an important role in education; on the other hand, this also causes the

⁴ Chinese People's Political Consultative Conference

interscholastic imbalance in education. We all want to send our kids to good schools, but the reality does not allow it, the situation is very difficult. (City A Daily 2010).

A Municipal CPPCC Member gives the following view:

Small percentage of study places given to lottery damages educational fairness. Only one third of the study places are put into lottery, which is unfair. The benefit chains exist in education. One of the “benefit chains” is home tutoring and training. Many teachers gain benefit from this. Another “benefit chain” is study places trafficking. People have already known the price of next year’s study place. The price for next year’s study place at SS school is 40,000. You can see how ridiculous it is. (City A Daily 2010).

Another CPPCC member says:

We should solve the problem by changing the teacher allocation and overall arrangement of schools. Lottery cannot solve the problem of unfair education. Teachers and other educational resources in schools are uneven, resulting in inequality of the educational resources in various schools, and the overall quality of education cannot get a promotion. Lottery cannot give

children equal opportunities in education, but brings very negative effect to the society. (City A Daily 2010).

In 2011, under the pressure from CCP and CPPCC members as well as the media, the new mayor carried out a reform in the school selection policy, meaning that the key experimental junior high schools (A, B, C, and D) had to recruit students according to exam results, or a lottery for SS and MD (the primary public schools). Before then, students that did not pass the exam could use guanxi to get into a preferred school.

This reform had a major impact on the city. Officials and the wealthy complained about the policy, while ordinary citizens were in favour of it. The new mayor did not allow experimental schools to recruit guanxi students, and so experimental schools recruited students strictly according to candidates' entrance exam results. However, parents are still using guanxi to get their children into better common schools, especially key classes in common schools.

There is no written policy about the reform. What we can see is that student recruitment rules for key schools have become more specific since 2011. According to policy of 2011, key schools such as like Schools A, B, C and D all issued recruitment information on their school websites every year, which were vague before 2011 and more specific and clear after 2011. Moreover, the two city-level key primary schools

(SS School and MD School) are required to give all their school places to lottery after recruiting students living nearby (local internet BBS and official website of City A Educational Bureau). However, the reform has only affected the six key schools listed above. Many common schools, both primary and junior high - such as Old CN School, Old School C, Old School D and School E - are keeping the same practice as before. If a parent were to fail to gain a place for their child via the lottery, they might use guanxi to get a study place in a common school and pay a donation (observational note and local internet BBS).

1.4.2. Educational situation in City B

1.4.2.1. Overall background of City B

City B is a prefecture-level city with a population of 3.4 million (in 2009), including four counties, 200 kilometres away from City A. The language used in City B is similar to the dialect of City A, but with a strong accent. City B had been a rural area of City A before 1949. People in City B are regarded as more straightforward and uninhibited than people in City A. City A is an ancient city with almost 2000 years of history, while City B is a new city developed from a small fishing village with a history of only 20 years. Moreover, the city area of City B is smaller than that of City A, and City B's economy is weaker (reference is not supplied in order to maintain anonymity).

1.4.2.2. Unbalanced school education

At the stage of primary education, City Experimental Primary School (CE School) is the best primary school in the whole of City B. There are three other key primary schools (central primary schools) in the city area. At junior high stage, the best school is Shishi Private School, a branch or sub school, whose headquarter school is the best in the province. XinXin School is the second best at junior high stage (observation notes and local BBS). At senior high stage, Shishi Private School is also the best. Hua School is the best public senior high school, but is ranked second best in the city according to the 2013 gao kao results (website of Educational Bureau of City B).

Table 1.3. Schools in City B⁵

	Key schools	Common and bad schools
Senior high	1. Shishi school (private) 2. Hua School(public) 3. XinXin School(public)	Other 3 senior high schools
Junior high	1. Shishi school (private) 2. XinXin School(public)	Not known
Primary school	CE School (public) Other 3 central primary schools(public)	FanFan School (private) The Lao School (public)

City B is also facing the problem of unbalanced education. Only children of officials

⁵ All names of the schools above are coded to maintain anonymity.

or workers working in city government departments can enrol in the best primary school, CE school, which is also called 'City Government Department School'. In principle, officials working for district level or county level government are not allowed to send their children to this school, let alone businessmen working in the private sector. However, many people use their guanxi to send their children to this school.

CE school was found in 1993, and the local government funds this school more heavily than others. The parents of students at CE School are mostly well educated. Many students and parents on local BBS claim that CE school is the best, both in environment and education quality. This school is so popular that in the recruitment season, many parents began to wait for application forms in front of CE school at midnight and stand in a line until morning. However, school places in good schools are limited. Thus, people use a number of techniques to get their children to good school, such as guanxi, deception, and false certificates (local internet BBS).

Some schools separate key and common classes. It is illegal to set up key classes, so these may be called 'innovative classes'. In some key schools, guanxi are not allowed to enter into key classes; but people use guanxi to get their children in to sub-key class. Consequently, some key classes have many students: one has , up to 84 students (local internet BBS).

While key schools have become bigger and bigger, some common schools have been shrinking in size. A teacher reported on local internet BBS that the number of students in his school dropped from more than 700 to 130 within a decade, because parents would use guanxi and pay school selection fees in order to send their children to key schools or better common schools.

1.5. Chapter summary

This chapter has shown that China's present political system, one-party rule, the distorting influence of bureaucratic rank, corruption, weak rule of law, and loose legal system are associated with the guanxi phenomenon in the education system. The unbalanced development of school education leads to competition for key school places with both entrance exam and guanxi.

The education background of China and its institutional system, as well as the educational situation in two cities, lead to the following research question: How and why parents do use guanxi to acquire school places for their children? Although the use of money and/or guanxi to obtain school places is frequently reported by local media in the two cities described above, no details of the guanxi practice process have been revealed. This begs a number of questions. How has the compulsory law been

implemented? How have key schools and common school recruited their new students? What forms of practice do people use when applying for a school place? Why do people have to use guanxi for school places? Why are guanxi so effective? How is the practice of guanxi related to social capital? What does this social capital look like, and how does it work?

Moreover, media reports tend to associate guanxi with institutional systems: few link guanxi with cultural elements. Thus, one task for this research was to discover and examine any cultural influences on guanxi.

Chapter One has explained the problem of using guanxi for school places, as well as the institutional background of this guanxi phenomenon: including China's political and legal system, and especially the educational policies of China, and the education situation in the two researched cities. Chapter Two will review the existing theoretical and empirical literature, primarily focusing on how and why guanxi is used to acquire resources with different closeness levels of guanxi, and how these are related to theories of social capital. The limitations of the existing literature, and the lack of ethnographic research into guanxi in urban settings in the area of education, have informed the motivation for carrying out this research.

Chapter Three presents the research methods used to address the aims and objectives

of the thesis. Research design, the sampling methods, the data collection process and data analytical process, the criteria used to assess quality, and ethical considerations will be discussed in detail.

Chapters Four and Chapter Five are data chapters. The purpose of Chapter Four is to present those themes emerging from the analysis of the findings in the two researched cities, focusing on how guanxi is used in the context of school selection and how different levels of closeness influences the use of guanxi. Chapter Five presents the findings on why guanxi is used. Some rationales of practicing guanxi will be illustrated, as well as some causes of the guanxi phenomenon. Some possible patterns will be shown in analysis of practice and rationales of using guanxi.

The final chapter discusses the findings of this research, and how these contribute to social theory. It compares the findings of this project with those that have been reported by other relevant research, and discusses their significance. The chapter will then proceed to a section discussing the theoretical implications of this project's findings in relation to the key concepts of guanxi and social capital. A new concept, "ritual capital", will be proposed as a new concept of social capital and an analytical device for analysing guanxi capital.

Chapter 2. Literature review

2.1. Introduction

The previous chapter has presented the background to the use of guanxi for obtaining school places in China and, specifically, in two of its cities. The purpose of this chapter is to introduce existing conceptual frameworks, using both theoretical perspectives and empirical research literature on guanxi and social capital, primarily focusing on how and why guanxi is used to acquire resources with different closeness levels of guanxi. The chapter is divided into six sections, guided by three general questions: 1) How is guanxi used? 2) Why is guanxi used? 3) How is guanxi related to social capital in terms of different closeness levels?

First, the definition of guanxi will be clarified based on existing literature, and the rationales for using guanxi will be presented. Different forms of guanxi practice will be reviewed and their relationship studied, and the cause of guanxi will then be discussed. Finally, the section will link guanxi with theories of social capital, and compare and examine the relationships between them. This helps in understanding guanxi from a sociological perspective.

2.2 Guanxi and its practice

2.2.1 Clarifying the definition

In Western media, the pinyin romanization of the Chinese word “guanxi” is becoming more widely used instead of the two common translations - “connections” and “relationships” - as neither of those terms sufficiently reflects the wide cultural implications that guanxi describes (Gold, Guthrie and Wank 2002, pp3-6). Jacobs (1979) defines guanxi as particularistic ties. Gold (1985, p 660) states that “guanxi is a power relationship”, as one’s control over a valued good or access to it gives power over others. For Yang (1994), guanxi refers to an interpersonal relationship or personalistic relationship (p 151), whereas guanxixue refers to the art of social relationships, containing elements of ethics, tactics and etiquette (p 109). For Kipnis (1997), guanxi refers to different types of interpersonal relationships such as family members, relatives, fellow villagers and friends (pp 24-25). All of the above authors define guanxi as a certain type of connection, relationship or network.

It is worth mentioning that guanxi is a noun which always requires working with a verb: for example, gao (make) guanxi or la (pull) guanxi (Chang 2010, p460).

However, some scholars have expended the term guanxi from its original meaning as relationship to exchange, resources, and even to a social exchange process, arguing that “the concept of guanxi is complex and multi-faceted” (Fan 2002, p551). Some studies have drawn on resource-based theory by taking guanxi as a kind of organisational resource (Xin and Pearce 1996, Luo 2000).

However Professor Xianqun Chang, a leading social anthropologist on Chinese reciprocity who conducted much empirical research in the Chinese countryside, argues that the term guanxi has been over-extended. She claims that villagers do not use guanxi as a term to describe their daily social exchange or reciprocity, and they have negative view on guanxi, which they equate with nepotism (2010, pp457-458) . Unlike Kipnis (1997), who takes guanxi as a concept which covers all personalised relationships in rural areas, Chang (2010, p459) argues that “guanxi attaches to urban areas, but does not generalise to rural personalised relationships”. She claims that guanxi should be regarded as “instrumental wanglai” (Chinese reciprocity) rather than all kinds of reciprocity or social exchange in China.

It seems that guanxi or gao guanxi should not be over-extended to explain villagers’ daily social exchange or reciprocity inside their village. In addition, it seems to be better to use some relevant terms to describe the exchange, resource and the social activities in guanxi networks, like the terms “guanxi exchange” “guanxi resource”, and “ guanxi practice” , to keep the term guanxi as its original meaning as a relationship or network. Guanxi is taken to mean a connection, relationship or networks, while guanxi practice is the use, development and maintenance of guanxi relationships. Others have defined guanxi practice as the “practice of guanxi production” (Kipnis 1996). However, la guanxi (pulling guanxi), gao

guanxi(making guanxi),or zhao guanxi (finding guanxi) is better to be regarded as instrumental guanxi practice. This is considered as a neutral term, although it can have negative connotations when associated with zou hou men (getting through the back door) (Gold, Guthrie and Wank 2002).

Although guanxi, guanxi practice, and la guanxi should be clearly distinguished, the term “guanxi” sometimes refers to the phenomenon of la guanxi for gaining resources, also called “guanxi phenomenon” or, to the person connected, ‘guanxihu’ (Gold, Guthrie and Wank 2002, p6). For example, people say “guanxi is bad” when referring to the phenomenon of guanxi practice; or people can refer to another person as “my guanxi” - the person connected (Gold, Guthrie and Wank 2002, King 1991, Kiong and Kee 1998, Kipnis1997, So and Walker 2006, Yan 1996bb, Yang 1994, Yeung and Tung 1996).

The term guanxi referring to relationship has been in use for thousands of years. However, the concept of guanxi and discussion of its current meaning - personal connections used for political and economic benefits - did not appear until the middle of the 1970s (Yang 1994, pp147-148). However, this does not mean the phenomenon of using guanxi began with the emergence of its current meaning. The Chinese have been using guanxi since ancient times, and this is closely linked with Chinese culture. King (1991) portrays guanxi as a Confucian logic in order to locate a common

cultural essence among the Chinese:

As a socio-cultural concept kuan-hsi [guanxi] is deeply embedded in Confucian social theory and has its own logic in forming and in constituting the social structure of Chinese society. (King 1991, p79)

Chang (2010) argues that guanxi is not a useful general analytic concept in the study of ordinary people's personalised relationships and reciprocity. It is just personal relationship or networks, which have to be based on other traditional concepts like ganqing (emotional feeling and affection), renqing (reciprocal obligation and indebtedness) and face (mianzi or lian), which are claimed to be derived from Confucianism (Kipnis 1997, Yan1996, Yang 1994).

Guanxi provides particular instead of general access to resources and operates through informal personal relations, rather than formal structures. Instrumental guanxi practice, called la guanxi (pulling guanxi), gao guanxi (making guanxi), or zhao guanxi (finding guanxi) involves cultivating personal relationships through the exchange of favours and gifts for the purpose of obtaining goods and services, developing networks of mutual dependence, and creating a sense of obligation and indebtedness (Yang, 1994). Therefore, guanxi seems to be a mixture of interpersonal, informal, utilitarian, emotional and moral elements, rather than simply one of these.

Guanxi exchange can only take place between two parties who have established in one way or another a basis of familiarity (Yang 1994, p111). Guanxi practice is often based on so-called “guanxi base”, which is a shared common origin or identity held by two or more persons. Guanxi base serves as bridge to enable a guanxi exchange. One’s immediate kin, friends, colleagues, and other people with similar backgrounds and/or dialects, such as former classmates or schoolmates, are all guanxi based (Kiong and Kee 1998, Yang 1994).

Although guanxi has various definitions in different contexts and disciplines, the above definitions reflect some commonalities of guanxi, such as connection, relationship, and exchange of favours, Chinese culture, informal and interpersonal. Based on the commonalities, a working definition for guanxi is set up here: that is, guanxi refers to personal relationships, connections or networks based on Chinese culture, which can be utilised or potentially utilised to acquire resources in informal and interpersonal forms.

After clarifying the concepts of guanxi, guanxi practice and la guanxi, the next section will review existing literature on the rationales for using guanxi.

2.2.2. Rationales for using guanxi

Much research has shown that guanxi is based on some traditional Chinese concepts, especially renqing, face, ganqing, and yiqi (loyalty and righteousness) (Kipnis 1997, Yan 1996bb, Yang 1994). People practice guanxi in order to fulfil the obligation formed by renqing, face or ganqing. Moreover, people practice guanxi to help out their friends or relatives due to their high value of yiqi.

1) Renqing

The notion of renqing, simply translated as reciprocal obligation and indebtedness, is central to the system of guanxi in China, and makes guanxi more than simply the social embeddedness and connections that have meaning in the West (Qi 2013, Yan 1996a, Yan 1996b, Yang 1994). Guanxi can be regarded as a system of gifts and favours in which renqing (obligation and indebtedness) are manufactured, and there is no time limit on repayment (Yang 1994). The morally infused mutual exchange carried by renqing is the dynamic force behind guanxi practice (Qi 2013). Guanxi relations are cultivated and, as they involve reciprocity, obligation and affectively charged moral assessments and commitments endure as a network of structured engagements, and can be understood as a form of asymmetrical exchange of favours between persons on the basis of renqing (Barbalet 2014). The quality of the renqing

(favour) exchange and the degree of reciprocity (huibao) that arises from it together determines the strength of future guanxi relations (Qi 2013).

The concept of renqing has at least four implications: 1) human feelings; 2) a resource as gift or favour; 3) unpaid obligation and sense of indebtedness (called renqing debt, or social debt); 4) social norms in Chinese society (Gabrenya, Jr. and Hwang 1996, Hwang 1987, King 1991, Li 2001, Yan 1996b, Yang 1994).

In Chinese, “owing a renqing” means being indebted to someone. “Gaining a renqing” or “earning a renqing” means making others indebted to you. “Doing a renqing” or “selling a renqing” means doing a favour. According to Hwang (1987, p954), this norm of renqing includes two basic kinds of social behaviour: “(a) Ordinarily one should keep in contact with the acquaintances in one’s social network, exchanging gifts, greetings or visitations with them from time to time, and (b) when a member of one’s reticulum[guanxi network] gets into trouble or faces a difficult situation, one should sympathize, offer help, and ‘do a renqing’ for that person.” People who follow the norm well have human kindness, or so-called renqing wei.

On one hand renqing, as social norms and sense of indebtedness, is a moral force for people to practice guanxi. On the other, since renqing produces social debt, it is awarding to do favours to others (Yang 1994). In Yunxiang Yan’s (1996) case study

based on observations of rural life, he mostly takes renqing as social norms - the last implication listed above. Yan calls this “renqing ethic”, and draws out three dimensions of it - rational calculation, moral obligation, and emotional attachment - as the principles of guanxi networks (146). Renqing actually derives from the Confucian emphasis on the ethics of human relationships (lun li) and the notion of li or ritual (Yang 1994, p70). This “renqing ethic”, or social norm, is complicated and it takes time to learn. As a famous Chinese saying goes: “Being experienced in renqing is big knowledge and talent” (renqing lianda ji wen zhang).

However, when scholars talk about renqing, few of them clarify which connotation they refer to. As renqing has at least the four implications discussed above, this results in confusion. For example, Yan (1996, p229) argues that close relationships involve a lot of renqing, and critiques Hwang’s (1987) and King’s (1991) arguments that people do not have renqing in expressive ties. Here Yan’s renqing refers to “moral norms” (Yan 1996b,p229) ,while Hwang and King’s renqing mainly refer to the sense of indebtedness, or social debt (renqing debt). In order to avoid mixing up the four implications in different contexts, this thesis will indicate implication of renqing is being discussed.

2) Face

In essence, guanxi represents a web of obligations that exchange parties feel morally obliged to meet. Failure to do so results in a loss of face and network resources (Bian 1997). Face (mianzi or lian) is a combination of a sense of moral imperatives, social honour, and self-respect (Yang 1994, p141). Because of the concern with face, one would still try to help his/her friend although he/she knows that the task would involve a lot of time, effort, and risk, and may be beyond his/her ability. Yang's informants call this *si yao mianzi* (wanting face and willing to suffer for it). Guanxi is not simply a dyadic structure, but a triadic one, which includes observers or shared friends; thus public reputation and face are important (Barbalet 2014, Qi 2011). The triadic nature of exchange relations is universal when such relations include an audience, which may be a social gaze, a public or a legal scrutiny (Barbalet 2014). In order to gain face, give face or avoid offending other's face, people accept others' requests for favour and practice guanxi (Zhai 2011a, Barbalet 2014). Face, therefore, become another moral force for guanxi practice, along with *renqing*.

3) Ganqing

The third tradition concepts is *ganqing*, which is translated as "affection", or "emotional feeling", and stands for emotional commitment in long-standing and intimate bonds (Yang 1994, p121). *Ganqing*, as feelings of intimacy, can be seen as a measure of the strength of a particular social connection of guanxi (Smart 1993). The

Chinese develop ganqing to maintain or strengthen their guanxi. The more ganqing you have, the firmer your guanxi. Ganqing is different from the western concept of affection, since the Chinese ganqing always goes with material obligation (Kipnis1997). For close relations, people are more likely to do others favours for ganqing, and this is one of the key rationales for people to practice guanxi (Yang 1994).

In addition, ganqing has another implication as “human feeling” or “emotion” (Chang 2010, p462). This implication is similar to the first implication of renqing presented earlier. Embodying ganqing (feelings or emotion) is similar to embodying renqing, or so-called “biao da renqing guan huai” in Chinese. Renqing and ganqing are so easily confused that in some situations they are difficult to distinguish clearly (Chang 2010, p463).

4) Yiqi

Yiqi (loyalty and righteousness) is an important concept primarily attached to friendship rather than family or kinship. “It is a term that describes the affective sentiment found in non-kin peer relations,” explains Yang (1994, p119). Since guanxi is personal rather than organisational, loyalty to guanxi members is stronger than organisational commitment; namely, the Chinese are more loyal to individuals than to

a system (Redding 1990). Yiqi would not be evident to outsiders but good friends.

If one has yiqi, one must have a strong obligation to help his/her good friends, otherwise he/she will be considered to be lacking in yiqi, and not a good friend (bugou yiqi, or bugou gemen) (Yang 1994, p140).

Based on existing literature on guanxi, the reasons of people practising guanxi includes at least the above four Chinese concepts of renqing, face, ganqing and yiqi. However, discussion about the situations in which people are motivated to practice guanxi by different rationales is rare in the existing literature.

2.2.3. Guanxi practice

From the existing literature on guanxi, one can summarise at least seven forms of guanxi practice: 1) gift giving; 2) banqueting; 3) exchanging favours (renqing exchange); 4) giving face; 5) embodying ganqing; 6) applying ritualised patterns; and 7) linking guanxi by guanxi.

1) Gift giving

Gift giving and banqueting are the two most popular methods of guanxi practice (Yang, 1994). As many scholars have noted, traditional gift-giving practice have been

popular in both rural and urban china(Walder 1986, Yang 1988, Yang 1994, Kipnis 1997). Smart (1993, p403) argues that guanxi “is created through the repeated exchange of gifts and favours” in China. Wu’s (2013) empirical research finds that frequent contact with banqueting and gift giving will enhance one’s social capital. She finds that continual maintenance and gift giving is one of the more effective ways of maintaining the proper functioning of guanxi networks.

Yan (1996) distinguishes between expressive gift giving and instrumental gift giving. Moreover, Yan argues that the Chinese gift has both material and spiritual meanings. On one hand, “Gift giving is perhaps the most common channel for expressing one’s emotional response.” (Yan1996, p141). On the other hand, many gifts are exchanged because of rational concerns or moral obligations. This type of gift giving is mostly regarded as the one for la guanxi, such as “flattery gifts” to flatter someone in a position of superior status for personal interests (Yan 1996b,p69).

Gift giving is a social contract and a reciprocal activity, which aims to give face and generate renqing, a sense of indebtedness (Yang1994). It is an important social etiquette in China that has been used to show the value of a relationship, and is a means of expressing respect and honour to the recipients. “The meaning of this gift relationship derives from the larger contexts of guanxi and renqing in a local moral world. Within the boundaries of this local moral world, the pursuit of personal interest

ingles with the fulfilment of moral obligations,” explains Yan (1996, p226).

Guanxi partners respond with more generous returns to express altruism and intrinsic interest in relationships, while creating indebtedness in recipients of such largesse, manufacturing “social debt” (Batjargal 2007). Gift giving can be a good way to return the debt. Gifts also create obligations that must be reciprocated, and failure to do so places the recipient in a subordinate position (Bourdieu 1977, p195). However, immediate repayment is undesirable because Chinese reciprocity stresses enduring exchanges, “...and the value of the gift lies mainly in its role to sustain a long-term order of social life rather than a short-term personal benefit” (Yan 1996b, p226).

Giving cash for a favour is more transparently “bribery gift giving” in China, because cash giving has the general connotation of buying something while gift giving is about showing affection and a sense of morality. However, this is not the only circumstance in which an apparent gift exchange can be interpreted as bribery; and the use of money as a present is not enough to define it as a bribe, because wedding gifts and birthday gifts usually consist of envelopes of money (Smart 1993, Yan 1996b). In this culture, giving cash and giving gifts are both traditional customs and the boundary with bribery is blurred. This makes *la guanxi* and corruption closely linked.

As can be seen, gift giving is an important social etiquette in China. It could be a “pure gift” without instrumental intention, or an instrumental gift for personal interest. It produces social debt or so-called “renqing debt”, which may be returned in the future in various forms; and it also gives face or honour to the gift recipient, and therefore enhances the relationship. However, it is sometimes hard to tell the distinction between gift giving and bribery.

2) Banqueting

According to Kipnis’s (1997) empirical research in a village, banquets are often the first step in the establishment of guanxi. The presentation of banquet drinking may sometimes engender ganqing , emotional feeling and affection (Kipnis 1997). It seems that joining or hosting a banquet could have both an expressive and an instrumental purpose. From the host’s point of view, treating someone to a dinner with the intention of la guanxi is reserved for larger favours (Yang 1994, p139).

Basing on “1998—99 urban consumer project”, Yanjie Bian shows that Chinese urbanities have great consensus about banqueting. A great majority of respondents perceive banquets to be a way to maintain social relations (Bian 2001). He found two seemingly confusing findings. On one hand, social eating is highly motivated by an expressive purpose. On the other hand, it is also highly likely to be a hosted banquet.

Bian attributes this finding to the sense of face, which he calls “the Chinese form of social capital” (face social capital). According to Bian (2001), in the context of banqueting, a person is considered to have received face if he/she receives an expected invitation to a banquet from a guanxi connection. This demonstrates the invitee’s social recognition and potential to mobilise guanxi resources. On the other hand, one is seen as losing face if an expected invitation does not materialise. This failure indicates the individual’s inability to maintain guanxi and mobilise guanxi resources. If the invitee accepts the invitation and attends the banquet, this points to two capacities: the capacity of the banquet host to maintain guanxi and to command guanxi resource from the invitee later; and the capacity of the invitee to maintain and extend a guanxi network. Therefore, Bian (2001) argues that the frequency of being a banquet guest, host or attendee is a sensible measure of social capital in the Chinese context.

However, Yang’s research in the cities and Kipnis’s (1997) research in rural areas both find that a large amount of banqueting is also done in guanxi transactions in official business, surreptitiously paid for with public funds (Yang 1994, Kipnis 1997). Nevertheless, banqueting has become a popular form of guanxi practice in China today in people’s daily lives, in business, and even in governmental administration. It could be a purely expressive practice or an instrumental activity.

3) Exchanging favours (renqing exchange)

As described above, the connotations of renqing include human feelings and social norms. It also refers to a favour, which produces a sense of indebtedness on the recipient. Giving renqing (song renqing), selling renqing (mai renqing), and returning renqing (huan renqing) are all favour exchanges that can be regarded as a form of guanxi practices.

Kipnis (1997) reports that helping out, exchanging favours, and visiting homes frequently take place in the village that he researched. The everyday exchange of favours within and between households has always been a practical matter contextualised in the ever-changing socioeconomic context (Kipnis 1997). Yang's (1994) research in urban areas also finds that the obligation to help out one's personal circle of family, relatives, and friends is experienced both as an internalised social norm and as an external social sanction. One may help out their guanxi for social norms and their reputation, to gain face and avoid losing face. Alternatively, one may help out their guanxi for a certain sense of self-interest, hoping to get something in return in the future (Yang 1994, p140). Both pieces of empirical research - one in a village, another in urban setting - report the fact that people prefer renqing exchange (favour exchange) to market exchange with their guanxis, unless the favour is too big and beyond the donor's ability to give for free.

Barbalet (2014) argues that guanxi relations are affective and obligatory, and always involve the provision of a favour for which the benefits are compound, including immediate and also potential or future elements for both the favour seeker and provider that are substantive as well as reputational. Luo and Yeh (2012, p65) explain that, “The Chinese are willing to sacrifice short-term interests for long-term favour exchanges, since they know that the benefit of group effort will be much greater than that of individual endeavour”. The frequent exchange of favours in the long run could be regarded as one of the main characteristics of guanxi practice. Thus, guanxi can be understood as a form of asymmetrical exchange of favours between people on the basis of enduring sentimental ties, in which the enhancement of public reputation or face is the aspirational outcome (Barbalet 2014).

4) Giving face

Giving face can be regarded as a form of guanxi practice that is often engaged in many other forms of guanxi practice, for example, banqueting, gift giving and doing favours, with very sensitive manners, etiquette and use of language. The Chinese value face very much; so while keeping one’s own face is important, it is vital also to allow others have face (this can be referred to as “giving face”) (Kipnis 1997; Yan 1996b; Zhai 2011a; Hwang 2010) .

Doing face work include showing off one's power to attract others, and giving face in order to receive favours from others. As Hwang (1987, p962) writes, "Face work is also a method of manipulating the allocator's choices of allocating resources to one's benefit. Thus, doing face work is a power game frequently played by the Chinese people".

In a social hierarchy of wulun (five cardinal relationships identified by Confucianism: ruler and subject, father and son, husband and wife, elder brother and younger brother, and between friends), guanxi links two persons, often of unequal ranks, in a way that the weaker partner can call for special favours for which he does not have to reciprocate equally. Those in positions of power and authority are expected to assist those who are disadvantaged. In return, the former gains face and a good reputation (Yeung and Tung 1996). In this sense, face can also be instrumental and tactical, as people act to help others for the sake of gaining face and a good reputation. In the same way, if one has "big face" - high social status in one's guanxi network - one is more likely to gain favours in the network (Bian 2008) .

Banqueting, gift giving and doing favours are all methods of giving face (Brian 2008). However, ways of giving face also include proper manners, etiquette, and the use of language in everyday events and ritual activities. Zhai (2011b) presents many

examples of giving face to show how important “face works” are in guanxi, and attributes this to Confucian li. He also presents some cases of offending others’ face, and its serious consequences, e.g. provoking someone to commit suicide.

Giving face to others will enhance personal relationships, so that people are more likely to receive favours from others. In the same way, offending others’ face will result in bad relationships and difficulty in acquiring social resources. Therefore, giving face can be regarded as a form of guanxi practice, which can help to acquire desired resources from a guanxi network.

5) Embodying ganqing

Embodying ganqing (emotional feeling and affection) is another method of guanxi practice, or one of the so-called guanxi productions (Kipnis 1997). The embodiment of ganqing is important to both ritual and everyday practices of “guanxi production” (in other words, guanxi-related activities). Illnesses are an important occasion for visiting and embodying concern. Many consider the ganqing created in illness visits as actively contributing to curing the sick (Kipnis 1997, p28). Gift giving and banqueting are also forms of embodying ganqing. However, the embodiment of ganqing (biaoda ganqing) exists within everyday rites, etiquette and manners. Kipnis (1997) described many specific manners that people display to embody their ganqing

towards others: for example, visiting a sick person, exchanging favours, helping out, expressing congratulations on the birth of a new child, and offering condolences at a funeral.

However, Chang (2010, p463) argues that Kipnis's usage of ganqing is no different from previous researchers' use of renqing relating to guanxi. Almost all Kipnis's examples of embodying ganqing appear to be describing what others (for example, King 1986, Yang 1994 and Yan 1996b) term renqing. For Chang (2010, p463), "Kipnis's embodying ganqing (biaoda ganqing) or embodiment of ganqing can be interchanged with expressing renqing".

Indeed, ganqing has two implications: "affection", and "emotional feeling". When people say "ganqing is complicated" (ganqing hen fu zha), the "ganqing" here refers to emotional feeling. It seems to share the same implication with renqing's first implications, "human feeling", as presented earlier. Thus, embodying ganqing (biaoda ganqing) and embodying renqing (biaoda renqing guan huai) mean the same thing. However, renqing has at least four implications: along with human feeling, it can also mean favour, a sense of indebtedness, and social norms. Embodying renqing and concern (biaoda renqing guan huai), is different from doing renqing and returning renqing, or owing a renqing debt: the former renqing means "human feeling", the latter refers to "favour" or "social debt".

Some practices of embodying ganqing does express people's real emotional feeling and concern towards others. However, embodying ganqing may sometimes not be based on the real emotional feeling and affection (zhen ganqing), but rather based on following the local social norms, ritual or etiquette, which Yan (1996) describes as renqing ethic. A close relationship comes with real ganqing, while renqing (especially when it refers to sense of indebtedness) is for more superficial relationships (Yang 1994).

People who often embody ganqing to their guanxi will be called a person with "renqing wei" (good at embodying human kindness), rather than "zhong ganqing" (valuing affection and emotional feeling as good friends). Moreover, some people try to foster affection (ganqing) with their guanxis because of instrumental considerations, calling this "ganqing investment". This essentially means influencing others by renqing (sense of indebtedness), rather than real affection (zhen ganqing), and should be regarded as "instrumental embodiment of ganqing" or "renqing investment".

Whether embodying ganqing is just the form and ritual, or represents real love and concern, it should be regarded as a form of guanxi practice that is different from exchanging renqing, doing renqing, giving renqing, or other forms of guanxi practice.

6) Applying ritualised patterns (ketao)

According to Yang's (1994) empirical research, gift giving and banqueting both involve much etiquette and many polite rituals, which serve to mask or mute the instrumental nature of the gift or dinner to save face for both sides. Moreover, she describes some "ritualised patterns" of conduct exhibited at the moment of presentation to dissemble crude instrumentality in guanxi transactions: for example, the struggle of giving gifts and returning gifts. She reports that sometimes this ritual can be vehement and intense, turning into a "culturally rehearsed choreography of push and shove, the giver pressing the gift on a vociferously reluctant recipient" (Yang 1994, p137).

Yang argues that gift giving and banqueting in Chinese culture is not merely a tactic in the art of guanxi, but is also an important ritual in the social sphere. In banquets and dinners, ritualised pattern is as important as in gift giving. Out of a consideration for "polite form" or "ritualised pattern", "the desire not to burden their would-be host, or the reluctance to owe a debt to their host," guests usually demur from the invitation to dinner (Yang1994, p138). The hosts, for their part, usually respond by insisting more vigorously, sometimes to the point of physically dragging their guest into their home or to a restaurant. Such "exaggerated hospitality" continues once the guests are inside the house. When it is time to be seated, there is often minor "ritual struggle"

over who is to occupy the “seat of honour”, with everyone determined not to sit at the centre of the table. When banqueting is employed as a tactic of the art of guanxi, it remains embedded in the larger symbolic tradition of the rituals and etiquettes of banqueting in general (Yang 1994, p138). Ritual struggle may be due to the implicit norms of interaction. The two parties follow different rules of renqing; however, some ritual struggle is just about “polite form”.

All the above terms that Yang describes - “ritualised patterns”, “polite form”, “ritual struggle”, or “exaggerated hospitality” - can be called “ketao” in Chinese. Ketao is also one of the rules of renqing ethic, and can be regarded as an important form of guanxi practice.

7) Linking guanxi by guanxi

If one cannot directly influence the benefactor, one may mobilise an intermediary to exert social influence to the benefactor. If a shared guanxi base cannot be located, people may have to rely on intermediaries - that is, people who have common guanxi bases with both the individual and his/her desired business contact - to help establish an alliance. This is an effective way of guanxi building (King 1991). Personal recommendations are important (Kiong and Kee 1998): asking a guanxi to ask his/her guanxi for a favour is also a effective form of la guanxi, which can be called “linking

guanxi by guanxi” .

Yang (1994, p123) argues that the larger one’s guanxi network, and the more diverse one’s guanxi connections with people of different occupations and positions, the better one’s general ability to obtain resources and opportunities becomes. There are two tactics used to enlarge one’s guanxi network. One is to use intermediary; another is to use one’s existing guanxi as a resource to attract and maintain more guanxi (Yang 1994, p123).

The social changes and economic opportunities generated through China’s present transitional stage have meant that relationships of favour-giving constitutive of guanxi now occur outside of the confines of village, neighbourhood, and family, and therefore weaker-tie bases of guanxi are not anomalous but have become routine (Barbalet 2014). Thus, using weak ties become a popular form of guanxi practice, and “linking guanxi by guanxi” makes it works.

Aparrently, the seven forms of guanxi practice described above are full of traditional customs and rituals. Rituals are characterised by formalism, traditionalism, invariance, rule-governance, sacral symbolism and performance, which fundamentally serves the basic social function of creating and maintaining community (Bell 1997). The rituals in guanxi practice shown in existing literature have brought to light the question of

why and how these rituals function as maintaining a community.

2.3. Why guanxi is used ?

The discussion of guanxi in the sociological literature has been focused on the role of guanxi in the transitional economy of mainland China. Two alternative positions can be identified. One holds that guanxi is best understood institutionally as a component of social organisation characterised by underdeveloped rights and law framework (Guthrie 1998, Wank 2002; Gold, Guthrie and Wank 2002). Another argues that guanxi is integral to Chinese culture, including its Confucian heritage (Fei 1992[1947]; Hwang 1987; King 1991; Yang 1994, Yan 1996a).

2.3.1 Institutional causes

In societies where formal incentive structures are undeveloped or ineffective, societies are likely to rely much more on informal structures as the primary means to ensure certainty and security (North 2005). Guanxi is highly needed and utilised to make up for the deficiencies of formal institutional artefacts (for example, intellectual property rights) and failures in the legal system (Xin and Pearce 1996). In this context, it is argued that guanxi may compensate for inadequate formal incentive structures and/or enforcement mechanisms (Nee 1992). Thus, from this viewpoint, any perception of

guanxi is an artefact of institutional conditions: that is, in circumstances of weak formal institutions, personal connections and networking become fundamental parts of economic and social exchanges, which are also important in the West (Yeung and Tung 1996). Similarly, Yanjie Bian argues that there remain many institutional holes in the Chinese labour market, and with the lack of formal institutions, individuals continue to rely on their social networks to gain advantages in the employment process (Bian 2002).

Guthrie (1999) argues that as formal law is increasingly respected, the role of guanxi practice as an institutionally-defined system is diminishing in the urban industrial sector. Some support for this argument comes from analyses of the role of networks in business. Although these authors acknowledge guanxi as a cultural fact that shapes mutual exchange and the manufacture of indebtedness and obligation in Chinese society, their overall conclusion is that guanxi conflicts with rational legal systems. In other words, guanxi is not accelerating in commercial economies and is in fact fading and becoming irrelevant. The emerging institutions of the market transition in China erode guanxi's significance, as intensifying market competition values efficiency over obligations while legal norms de-legitimise the use of personal ties to subvert procedures (Guthrie 1999).

Therefore, these scholars argue, "continued consideration of the Chineseness of

guanxi is not going to advance research on or understanding of the social structure of Chinese society. What will advance research is a focus on the specific ways this phenomenon functions across different social settings in China today” (Gold, Guthrie and Wank 2002, p17).

2.3.2. Cultural causes

However, most Sinologists claim that the concept of guanxi derives from Chinese culture, especially the Confucian tradition (Jacobs 1979, King 1991, Lin 2001, Fei 1992 [1947], Hwang 1987, Kipnis 1997, Yan 1996b, Chang 2010). Confucianism, Taoism and Buddhism constitute the essence of the Chinese culture.

Guanxi is based on some Chinese cultural elements. Although three philosophies or religions work together, some elements of them have been influencing the Chinese respectively. The relationship among the three has been marked by both contention and complementation in history, with Confucianism playing a more dominant role.

Relationships are central to Confucianism, and particular duties arise from one's particular situation in relation to others. For example, juniors are considered to owe their seniors reverence; seniors also have duties of benevolence and concern toward juniors. This theme of mutuality is prevalent in Chinese cultures even to this day, and

Confucian social theory has the theoretical thrust of developing a person into a guanxi-oriented individual (King 1991).

As presented earlier, the forms and rationales of guanxi reviewed by the existing literature also show so much concept of Confucianism. Furthermore, despite not having the Chinese institutional structures, other Chinese societies such as Taiwan, Hong Kong and Singapore are still found to have some guanxi practice (King 1991, Yeung and Tung 1996, Dunning and Kim 2007).

It seems that the phenomenon of guanxi is deeply rooted in Chinese culture. The following will review existing literature on the relations between guanxi and the two philosophies of Confucianism and Taoism. No literature on the relation between guanxi and Buddhism has been found.

2.3.2.1. Confucianism: ren and li in guanxi practice

Many scholars argue that guanxi is influenced dramatically by Confucian values; and ren and li are two concepts central to Confucius's ethical thinking. The former refers to the ethical ideal, and the latter to certain traditional norms that govern human conduct (Shun 2002, Liang 2010). Ren has both narrow and broad connotations: it is used "more narrowly to refer to one desirable quality [affection for others] among

others [such as wisdom and courage], and more broadly to refer to an all-encompassing ethical ideal that includes all the desirable qualities” (Shun 2002, p53). The broad sense is used in this thesis because the character “ren” is used more often in The Analects with the broader sense (Shun 2002, Liang 2010).

The concept “li” originally referred to rites of sacrifice but, even before the time of Confucius, its scope of application had expanded to include other things, such as norms governing polite behaviour (Shun 2002, p53). Li is the rule of proper conduct, including etiquette and religious and moral rules (Shun 2002, Chan 2006). It does not mean rites in the Western conception of religious custom; rather, li embodies the entire spectrum of interaction with humans, nature, and even material objects (Chan 2006).

Ren refers to inner spiritual development, which is the innate character of li. Li is the outer expression of ren, the instrument in cultivation of ren, and can even be the measurement of ren (Tu 1985, Liang 2010, Shun 2002). Confucianism emphasises the importance of li: indeed, “The course (of duty), virtue, benevolence [ren] and righteousness [yi] cannot be fully carried out without the rules of propriety[li]” (Confucius 2013,p1 [quli]). Acting with li and ren led to what Confucius called the “superior human”, or “the sage”. Such a human would use li to act with propriety in every social matter.

In this sense, li, as proper conduct, includes ritual but goes far beyond that. Ritual is one of the important practices of li; however, the practice of ritual is not always li, since li should express ren. If some practices of ritual go without ren, they are just rituals but not Confucian li.

The modern Chinese still value li so much that losing li (shi li) is unacceptable. They care deeply about maintaining face; and losing li leads to losing face (Ting-Toomey 1999, p75). XueWei Zhai argues that the concept of face closely associated with Confucian li: if people do not act properly, they will lose their li and therefore be shamed in their social group (Zhai 2011b, pp269-286; 2012, p133; 2013, pp153-167). Yang (1994, p70) also argues that renqing concept derives from Confucian li, especially the rule of li shang wanglai. Similarly, King (1991, p74) argues that “renqing, in part, can be equated with the content of the Confucian li”. The emphasis in the concept of li is on the individual’s responsibility to know and act on certain prescribed rules of behaviour. If a Chinese is accused of “knowing no renqing”, this means that he is lacking li and is incapable of managing interpersonal relationships (King 1991, p74).

Yang (1994, pp119-123) argues that ganqing and yiqi are more emotional and moral when people have close relationships, while renqing presents when the relationship is

not really “deep”. For example, giving gifts to local officials is a matter of courtesy and observance of proper social forms and etiquette. It will lead to the establishment of a good relationship, but not to ganqing. According to Yang, ganqing and yiqi (with moral obligation) are influenced by Confucian virtue (ren) and more likely to exist within close relationships, while renqing and face, derived from Confucian ritual (li), seem to be more influential among casual friends (Yang 1994, p70) .

Yang (1994, p123) also argues that there are four “inflections” on the conduct of social relationships: 1) emotional affect; 2) diffuse obligation and indebtedness; 3) etiquette and propriety of conduct; and 4) gain-and-loss calculation. The first two mainly exist among close relationships; the third inflection, etiquette and propriety of conduct, exists in relations that are “not so deep”, while gain-and-loss calculation contains the strongest instrumentalism, with the least emotional and moral elements.

Yang’s first inflection - emotional affection, or ganqing, - is often combined with obligation, and derives from Confucian ren, the ethical ideal (Yang 1994, Kipnis 1997, Zhai 2011, Shun 2002) . The second inflection - diffuse obligation and indebtedness – is also a Confucian virtue, and the third - etiquette and propriety of conduct - is obviously the result of Confucian li. However, gain-and-loss calculation is mainly for self-interest, and involves less ren or li.

Whether or not it comes with instrumental purpose, guanxi practice has various forms: gift giving, banqueting, renqing exchange, giving face, embodying ganqing, applying ritualised patterns (ketao) and linking guanxi by guanxi. It is notable that among the seven forms of guanxi practices, the first six are all practices of li. Linking guanxi by guanxi is not directly a practice of li; however, it is the application of the first six forms of guanxi practice. In this sense, guanxi practice, from the existing literatures, seems to be occupied within Confucian li.

However, it seems that in la guanxi, li is utilised to acquire resources and cannot be regarded as true li, since li should contain ren (Tu 1985, Shun 2011). The use of gifts, banquets, and ritualised patterns to influence others for obtaining resources may not come with ren but self-interest; thus it should be regarded as instrumental li, rather than true li. In addition, the concepts of renqing (social debt) and face are not true li either, since they combine traditional ritual rules and rational calculation; thus they should be regarded as fake li, or instrumental li.

2.3.2.2 Taoism: from the angle of cultural dimensions

Historically, Taoism has had a major impact on Chinese people's working, living, and thinking styles. From the angle of culture dimensions, the influence of Taoism on guanxi also can be revealed. "Cultural dimensions", which are mostly psychological

dimensions, describe the effects of a society's culture on the values of its members, and how these values relate to behaviour. As such, cultural dimensions such as "universalism versus particularism" and "specific culture versus diffuse culture" can help to describe the value behind guanxi (Trompenaars and Hampden-Turner 1993, Hofstede 2001, Hampden-Turner and Trompenaars 2000).

The dimension of "universalism versus particularism" describes the degree of importance a culture assigns either to the law or to personal relationships. It explains the two contrasting concepts of "a rule is a rule", and particular obligations in relationships (Trompenaars and Hampden-Turner 1993). In a universalistic culture, people share the belief that general rules, codes, values and standards take precedence over the needs and claims of friends and other relationships. In a particularistic culture, people see culture in terms of human friendship and intimate relationships. That is to say, universalists focus more on rules than relationship, while particularists focus more relationships than rules. For the universalists, a deal is a deal. For the particularists, goodwill is important to relationships (Trompenaars and Hampden-Turner 1993).

Chinese culture is labelled as "high particularism" by Trompenaars and Hampden-Turner (1993, pp 35-39). Much of Chinese society is organised on the principles of relationships rather than rules or laws (Tim and Morgen 2004).

Confucianism and Taoism could be regarded as the source of the Chinese particularist culture, because the two philosophies suggest ruling a state by virtue or wuwei (letting things take their own course), rather than ruling by laws. Take for example the Confucian claim that, “The rule of virtue can be compared to the Pole Star which commands the homage of the multitude of stars simply by remaining in its place” (Confucius 2008, p15 [Book 2 Sentence 1]). In addition, Taoism states that, “The more strict laws, the more thieves” (Lao Zi 2007, p120 [Chapter 57]); and that, “When governance is loose, people are honest; when governance is explicit and specific, people are treacherous” (Lao Zi 2007, p122 [Chapter 58]).

With regard to the dimension of “specific culture versus diffuse culture”, Trompenaars and Hampden-Turner (1993) argue that specific culture is analytic, and diffuse culture is holistic or synthetic. In a specific culture, people first analyse the elements individually and then put them together: the whole is the sum of its parts. People’s lives are divided accordingly, and only a single component can be entered at a time. Interactions between people are very well defined, and individuals concentrate on hard facts, standards and contracts.

Diffuse culture, however, starts with the whole and sees individual elements from the perspective of the total. All elements are related to one another, and relationships between elements are more important than individual elements. In diffuse cultures,

“everything is connected to everything” (Hampden-Turner and Trompenaars 2000, p79). All aspects of the relationships are interwoven, and the “diffuse” whole is more than the sum of its parts.

In specific-oriented cultures, people segregate task and relationship, while in diffuse culture, every life space and every level of personality tends to permeate all others. Thus, things cannot be too specific, and flexibility is highly valued. Many Western countries have a “specific culture” while the Chinese culture is very “diffuse”, according to Trompenaars and Hampden-Turner (1993, pp80-86).

China’s highly diffuse culture is more or less influenced by Taoism. According to Taoism, the natural, universal way, when dissected, comprises the way of flexibility and reversion. The principle of flexibility asserts that there are many alternatives and opportunities, so things are never absolute (Cheung and Chan 2005). Hence, a soft thing, such as water, can be powerful, penetrating and corrode rocks. There is a contrast between the rigidity of death and the weakness of life: “When he is born, man is soft and weak; in death he becomes stiff and hard. The ten thousand creatures and all plants and trees while they are alive are supple and soft, but when dead they become brittle and dry” (Lao Zi 2007, p156 [Chapter 76]). All in all, soft and flexible things (alive) are better than hard and rigid things (dead). Moreover, due to the diffuse idea of “everything is connected to everything”, business and social life always

overlap (Trompenaars and Hampden-Turner 1993).

The impact that these cultural dimensions have on guanxi can be summarised as follows. Particularism leads to the fact that the Chinese value personal relationships, and devalue rules and laws. Diffuse culture results in the Chinese being comfortable with vague rules, and uneasy with specific and fixed rules. Business or professional life is always mixed with social life with a vague boundary between the two, because the Chinese have a holistic world view and see everything connected with each other (Trompenaars and Hampden-Turner 1999, Hostede 2001, Hampden-Turner and Trompenaars 2000).

In this sense, the institutional causes of guanxi described above are also influenced by particularism and a diffuse culture. Imperfect, flexible and changeable rules and laws are not only the result of the political and economic system, but are also deeply influenced by Chinese culture.

2.4. Social capital in different closeness of guanxi

2.4.1. Closeness of guanxi and social distance dimensions

2.4.1.1. Closeness of guanxi

It is noteworthy that during the practice of guanxi, Chinese people seem to be very aware of different closeness levels of guanxi, and act accordingly. The influential Chinese sociologist Xiaotong Fei, in his famous work *From the Soil* (first published in 1947 in Chinese and translated to English in 1992), defined the ego-centred social relationship of *chaxugeju*, or “differential mode of association”, to describe Chinese social structure by using the image of a ripple formed by a stone thrown into a pond. Each individual is surrounded by a series of concentric circles, produced by one’s own social influence. Each web of social relations has a self as its centre. Each circle is spreading out from the centre becomes more distant and more insignificant.

According to Fei (1992[1947]), *chaxugeju* is a special social construction in Confucian culture, where there is higher trust on the inside, and lower trust on the outside. It relates to different attitudes among one’s nearest and dearest, and their acquaintances and strangers. Therefore, most of the moral principles of Confucianism only make sense in specific relationships rather than universal ethics. Fei (1992[1947]) claims that by contrast, in Western societies, individuals form organisations whereby each organisation has its own boundaries, defining who is part of the organisation and who is not. Furthermore, the relation of each individual to the organisation is the same; all members in an organisation are equal. He calls this an “organisational mode of association” (*tuantigeju*).

According to Fei (1992[1947]), this social egocentrism may lead to the fact that people take care of their own and their insiders' interests, neglecting or even harming outsiders' and public interests (also see Lin Yu Tang 1935). Another practical consequence of this difference in social networking is that people in the West struggle for their rights, while in China, people seek connections in higher places and do things for the sake of friendship Fei (1992[1947]). Confucianism was produced in a rural society where people did not travel far, and rarely made contact with the outside world, maintaining their own isolated social circle - acquaintance society (*shuren shehui*). Therefore, most of the moral principles of Confucianism only make sense in *wulun* relationships. There are fewer, or even an absence of, moral principles and obligations toward people outside *wulun*. People seem to apply different rules of social exchange to interact with people of different types of relationships or different degrees of intimacy, due to the Confucian concept of “*zunzun*”(giving honour to the most honourable) *and* “*qinqin*” (showing his affection to his kindred) (Confucius 2013,p158 [da zhuang]), namely, treating different people differently.

Due to the differential nature of Chinese social structure, as well as different rules of social exchange, it may not be appropriate to make assumptions about *guanxi* without mentioning the context of closeness level. Fortunately, there are a few scholars that stress the different consequences, intentions and nature of *guanxi* practice in different closeness levels of *guanxi*: for example, Kwang Kwo Hwang (1987), Yunxiang Yan

(1996), and Xianqun Chang (2010).

Hwang (1987) claims that in Chinese society, an individual may have three different personal ties - expressive ties, instrumental ties, and mixed ties. The expressive tie is generally a relatively permanent and stable social relationship, and can result in an individual's feelings of affection, warmth, safety, and attachment. This kind of tie occurs mostly among members of such primary groups as family, close friends, and other congenial groups. Along with the satisfaction of affective feelings, one can, of course, utilise this tie instrumentally, to procure some desired material resource; but its expressive component always claims precedence over its instrumental component (Hwang 1987).

Instrumental ties are the ties with people outside of family and close friendships. This relationship serves only as a means to attain other goals, and is fundamentally unstable and temporary (Hwang 1987). Mixed ties are relationships in which an individual seeks to influence other people by means of *renqing* and *mianzi*. Both sides of a mixed tie know each other and keep a certain expressive component in their relationship, but it is never so strong that all participants in this tie could express their authentic behaviour so freely as can the members in the expressive tie (Hwang 1987). Mixed ties are semi-close, with moderate degrees of information exchange, obligation, and sentiment being cultivated through social and pragmatic favour exchange.

According to Hwang, the three types follow different rules of social exchange: expressive ties are based on the “rule of need” while instrumental ties on “rule of equity”. The “equity rule” encourages individuals to allocate resources in proportion to their contributions. It indicates that profits or losses should be distributed equally among members regardless of their objective contributions. The “need rule” dictates that dividends, profits, or other benefits should be distributed to satisfy recipients’ legitimate needs, regardless of their relative contributions. However, mixed ties are relationships in which an individual seeks to influence other people by means of renqing and mianzi (face), and people follow the “rule of renqing” for daily interaction (Hwang 1987).

In contrast to Hwang, Yan (1996) argues that guanxi can be divided into two categories according to different closeness levels of guanxi. He distinguishes between “primary” and “extended” guanxi: one is characterised by moral obligations and emotional attachments, while the other refers to a strategy for forming advantageous relationships (Yan 1996b, pp 226–9). Yan argues that moral obligations and emotional attachments define the primary form of guanxi and renqing, while instrumental short-term personal connections with fewer sentimental or moral considerations are defined as extended guanxi and renqing (Yan 1996b, pp226–7). He contends that most scholarly accounts have focused on the extended form of guanxi and renqing, and

thus individual pursuits of interest and the exchange of scarce resources are interpreted as the ultimate purposes of guanxi cultivation (see for example Gold 1985, Jacobs 197, Walder 1986, and Yang 1989).

Yan argues that, “ Xiajia villagers’ efforts to establish instrumental personal connections, such as offering gifts to someone in exchange for a favour, lies outside the boundary of the mixed ties as defined by Hwang” (Yan 1996b, p229); and “all instrumental gift-giving relations go beyond the village boundary” (Yan 1996b, p102). In other words: the villagers either give affection gifts to their ordinary friends or relatives in the village without instrumental considerations, or they give instrumental gifts to someone outside the village for some resources they want. They do not appear to have the mixed ties described by Hwang (1987).

Based on Sahlins’s (1972) reciprocity typology (generalised, balanced, and negative reciprocity), Chang (2010) distinguishes between generous wanglai, expressive wanglai, instrumental wanglai, and negative wanglai, as forms of reciprocity in Chinese society. Wanglai ordinarily means to visit each other, to come and go, and to contact or to connect with somebody: this describes a long-term interactive relationship with other people or families. Based on this meaning, generous wanglai relates to people giving without expecting any kind of exchange in return: “It is to do something for nothing, or for no obvious reason or for the pure enjoyment of giving”

(Chang 2010, p193). Expressive wanglai refers to interactions between family members, or other relationships like friends and neighbours: it is “a process guided and informed by human feelings” (p327). Instrumental wanglai refers to reciprocal actions for material gain or utilitarian purposes. However, negative wanglai refers to people using public resources to gain personal benefits, misusing materials, or using other ways to gain a high status or control more resources (Chang 2010). Furthermore, the four type of wanglai follow different principles of lishang criteria. These are moral judgment, human feeling, rational calculation and religion (Chang 2010, p416).

Here I reference Chang’s (2010, p481) table to explain the different types of social exchange which are more or less are associated with social distance or the closeness of guanxi (see Appendix 5). The social distance of guanxi can be a continuum divided into close, moderate and distance guanxi. Generous wanglai (reciprocity) more frequently happens in close guanxi, expressive wanglai more frequently exists in moderate guanxi; and instrumental wanglai more often happens in distant guanxi.

These categories of close, moderate and distant guanxi are not only based on the work of Hwang, Yan and Chang, but also on the researcher’s long-term work experience in China.

Extending the classical schema of reciprocal and impersonal relations produced by Marshall Sahlins (1972), Chang shows how this can work dynamically, as process

rather than as map, showing the way social distance and familiarity are created rather than acting as a fixed and determining structure. Sahlins (1972) argues that reciprocity is a whole class of exchanges, a continuum of form. However, the continuum from expressive to negative, or from altruism to theft, is problematic indeed, since they are not talking about the same thing: theft has “no reciprocal transfer... involved” (Chang 2010, p399).

With the exception of negative wanglai, the continuum from generous wanglai to instrumental wanglai can explain the social distance of guanxi in general. That is to say: social distance in Chinese society can be regarded as a continuum from close, through moderate, to distant guanxi. Furthermore, it is noteworthy that different closeness levels of guanxi can be changed between the same two persons, and this should be regarded as a dynamic process. Chang writes: “Stopping one kind of relationship with somebody can mean starting another kind of relationship with the same person” (Chang 2010, p400).

The typologies of guanxi offered by Hwang, Yan and Chang are all associated with closeness or social distance. It seems that different types of guanxi follow different rules (see Table 2.1a and Table 2.2b below).

Table 2.1a. Typologies of guanxi⁶

Hwang's categories	Expressive tie	Mixed tie	Instrumental tie	Strangers
Yan's categories	Primary guanxi		Extended guanxi	
Chang's wanglai	Generous	Expressive	Instrumental	Negative
Categories employed by this researcher (Ruan)	Close guanxi	Moderate guanxi	Distant guanxi	Strangers

Table 2.1b. Rules of guanxi⁷

Hwang's rules	Rule of need	Rule of renqing	Rule of equity	Rule of equity
Yan's renqing ethic	Moral obligation	Emotional attachment	Rational calculation	
Chang's lishang	Moral judgement	Human feelings (such as renqing, ganqing)	Rational calculation	Religion

As we can see, although different typologies of guanxi or reciprocity are not entirely the same, all the rules or criteria proposed by the three authors in Table 2.1 are similar. However, these typologies are not entirely based on social distance, but also on the feature of different ties. Moreover, how and why guanxi is used in different social distance still remains unknown.

⁶ Referring to Chang's Table IX-3 lishang-wanglai framework (Chang 2010, p416)

⁷ Referring to Chang's Table IX-3 lishang-wanglai framework (Chang 2010, p416)

2.4.1.2. Social distance dimensions

However, what type of guanxi can be regarded as close or distant? How should social distance be measured? In the sociological literature, the concept of social distance is conceptualised in several different ways (Bogardus 1947, Karakayali 2009).

The first way is to use affective indicator. Social distance is associated with affective distance, such as how much or little sympathy the members of a group feel for another group. Emory Bogardus, creator of the “Bogardus social distance scale”, employed this subjective-affective conception of social distance: “in social distance studies the centre of attention is on the feeling reactions of persons toward other persons and toward groups of people” (Bogardus 1947). Similarly, Jacobs (1979, p243) argues that ganqing is an important dimension of guanxi closeness: the more ganqing, the closer the guanxi.

The second way is to apply normative indicator, based on the widely accepted and often consciously expressed norms about who should be considered as an “insider” and who an “outsider/foreigner”. Such norms specify the distinctions between “us” and “them”. In this respect, normative social distance is very different from affective social distance, because here social distance is conceived as a non-subjective, structural aspect of social relations (Karakayali 2009). This indicator is related to

guanxi base in Chinese society: people feel they are close if they know that they are from the same village, they went to the same school, and so on. More importantly, a group of people sharing the same identity in this way is always regarded as close by others. Whether or not this group of people like their shared identity, whether or not they have ganqing with each other, they are normatively close.

The final way is to use so-called “interactive indicator”, where the more the members of two groups interact, the closer they are socially. This conception is similar to the approaches in sociological network theory, where the frequency of interaction between two parties is used as a measure of the “strength” of the social tie between them. In the context of guanxi, Chang (2010) suggests measuring social distance by the frequency of wanglai, “...the more frequent the *wanglai* the closer the social distance, and therefore, the greater the generous *wanglai*, and vice versa” (p401).

However, the members of two groups might interact with each other quite frequently, but this does not always mean that they will feel “close” to each other or that normatively they will consider each other as the members of the same group (Karakayali 2009). In other words, interactive, normative and affective dimensions of social distance might not be linearly associated (Karakayali 2009). Therefore, the closeness of guanxi may be a combination of the above three dimensions, with different degree of each. When a Chinese judges his/her guanxi with another person,

he/she usually has to think about all the three factors and try to balance them, and think how close they are in the situation. For example, a head teacher may think a close relative, with whom he/she has no ganqing and seldom interacts, is closer than a friend, with whom he/she has ganqing and frequently interacts. His judgement of closeness may influence his practice of guanxi, and this insight informs the empirical research presented in this thesis.

In summary: many scholars have already observed that the Chinese have an acute awareness of closeness, and have made different categorisations more or less associated with closeness of guanxi or social distance. However, guanxi closeness or social distance is not usually measured by only one dimension: multiple indicators are usually taken into consideration. Usually, ganqing, guanxi base, and frequency of guanxi practice are indicators that a Chinese individual may apply when judging the social distance with others.

2.4.2 Is guanxi social capital?

Pierre Bourdieu distinguished between economic, symbolic, cultural, and social capital. Economic capital refers to money, commodities, the means of production, and other material assets. Symbolic capital consists of the “prestige and renown attached to a family and a name” (Bourdieu 1977, p179). Symbolic capital is presented as a

way in which power is accorded legitimacy: for example, when inequality is defined as a legitimate return to those who make greater contributions to society as a whole (Bourdieu 1984, p246). Cultural capital consists of what the agent knows and is capable of doing; it can be used to generate privilege, products, income, or wealth. Cultural capital can be both embodied - incorporated within the self through a process of education and cultivation - and institutionalised, as when certain forms of cultivation are accorded recognition by authorities, and particularly when a monopoly of certain privileged positions is accorded to those who possess the proper accreditation (Bourdieu 1986, pp243-248). Social capital includes social obligation, the advantages of connections or social position, and trust (Bourdieu 1986, pp249).

Although Bourdieu discusses the forms of capital in ways that overlap, and have been noted to be inconsistent (Smart 1993), the concept of social capital has been widely developed. At present, there are three levels of analysis for social capital: micro (personal level); meso (origination level); and macro (state level) (Halpern 2005). Since guanxi is interpersonal, private and informal, and is usually established and maintained through private and informal channels (Yang 1994), it is better to associate guanxi with the micro level of social capital.

Some research claims that guanxi functions as a form of social capital, in which resources are derived from interpersonal relationships, and guanxi is regarded as

variant forms of social capital (Qi 2013). Some research even directly takes guanxi as social capital, claiming that "...guanxi as social capital is accumulated with intention of converting it into economic, political or symbolic capital" (Gold, Guthrie and Wank 2002, p7). "Guanxi is a form of social investment ... or social capital, an important resource that a person can tap into when there is a need to find help or support," writes Fan (2002, p549). Some argue that "guanxi is regarded as a form of social capital and includes the network of ties between people and access to the resources" (Wu 2013, p49). However, it is well known that guanxi is a personal connection or network: therefore, it is disputed whether a guanxi network can properly be described as social capital.

There are at least three different perspectives on the definition of social capital. The first emphasises social resources. Bourdieu defines the concept as "the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalised relationships of mutual acquaintance or recognition" (Bourdieu 1985, p248). Similarly, Lin Nan defines social capital as "resources embedded in one's social network" (Lin 2001b, p55), or "resources embedded in social structures which are accessed and/or mobilised in purposive actions" (Lin 2001c, p12). Thus, "a friend's bicycle is one's social capital" (Lin 2001b, p56).

The second perspective takes social structure as social capital, emphasising "norms of

reciprocity” and “trustworthiness” (Fukuyama 1995; Putnam 2000, p19), and claiming that social capital refers to the norms and networks that facilitate collective action (Woolcock 2001). The claim here is that social capital is anything that facilitates individual or collective action, generated by networks of relationships, reciprocity, trust, and social norms; and that social capital should be defined by its function (Coleman 1998, p98). Halpern (2005) claims that social networks, norms and sanctions are three components of social capital. Burt (1992, 1995, 2001) argues that the “structure hole” matters for social capital.

The third perspective stresses access to resources, and regards social capital as the ability of actors to secure benefits by virtue of membership in social networks or other social structures (Portes 1998, Bian 2001). This perspective seems to overlap with cultural capital.

The first two perspectives outlined above seem to downplay the differential ability of the actor to access resources. In fact, even in the same network with same norms and structure, different people have different amounts of social capital because their ability to access resources can be substantially different, especially in guanxi networks. Therefore, the third perspective of social capital seems to be the more persuasive; at least offering a better definition of the individual level of social capital in a guanxi context. In this sense, the ability to borrow a friend’s bicycle is one’s

social capital, while a friend's bicycle is not one's social capital but a social resource.

Based on the above definitions, guanxi as network seems to be one of the elements of social capital rather than social capital itself. If we were to describe social capital based on a guanxi network, a new term - "guanxi capital" - should be adopted. Bian defines "guanxi capital" as the capacity to mobilise social resource from guanxi networks, and argue that guanxi capital "lies in the ego's reputation for fulfilling moral and ethical obligation to one's family and pseudo-families". In this sense, he continues, "having face means having guanxi capital," and "face work is about guanxi capital accumulation" (Bian 2001, p227).

As mentioned above, gift giving, banqueting, exchanging favours, giving face, embodying ganqing, applying ritualised patterns and linking guanxi by guanxi, are guanxi practices that can effectively mobilise and enlarge one's social network to gain different types of desired resources. In this sense, the ability to carry out the above guanxi practices to gain resources embedded in guanxi network becomes the individual's "guanxi capital".

To possess social capital, a person must be related to others; and it is those others, not himself, who are the actual source of his or her advantage (Portes 1998). The motivation of others in guanxi networks to make resources available on concessionary

terms is worthy of a closer look. As discussed above, the motivations for guanxi practice include renqing, face, ganqing, yiqi. At a deeper level, they involve Confucian ren and li. Thus, if one can stimulate other guanxi members' motivations for making their resources available, one will own his/her social capital. For example, in a guanxi network, one would have the ability to acquire resources and gain social capital when other guanxi members owe him/her renqing debts. Also, according to Bian (2001), if one has "big face" - high social status in one's guanxi network - one is more likely to gain favours in the network, and this ability is his/her social capital. In this sense, face can also be instrumental and tactical (Yeung and Tung 1996).

As can be seen, guanxi capital is the ability of guanxi practice to acquire resources. However, the discussion of guanxi capital is very limited in existing research; particularly, the differences between Chinese guanxi capital and the Western form of social capital. Although Zhai (2011) claims that the Western concept of social capital is mainly based on clubs or organisations, while the Chinese guanxi is individual or family based, empirical research focusing on the difference between Chinese guanxi capital and Western theories of social capital has not yet been published.

2.4.3. Bonding, bridging and linking social capital

Social capital theory distinguishes between "bonding", "bridging" and "linking"

forms of social capital (Putnam 2000, Woolcock 1998). Putnam (2000) follows Woolcock (1998) and others in making a distinction between two kinds of social capital: bonding capital and bridging capital. Bonding occurs when you are socializing with people who are like you: same age, same race, same religion, and so on. According to Putnam (2000, pp22-24), bonding (or “exclusive”) social capital is based around family, close friends and other kin; it is inward-looking and binds people from a similar niche; it tends to “reinforce exclusive identities and homogenous groups”.

In order to create peaceful societies in a diverse multi-ethnic country, one needs to have a second kind of social capital: bridging. Bridging is what you do when you make friends with people who are not like you. Bridging (or inclusive) social capital links people to more distant acquaintances who move in difference circle from their own; it tends to generalise broader identities and wider reciprocities, rather than reinforcing a narrow grouping. “Bonding” refers to the value assigned to social networks between homogeneous groups of people and “bridging” refers to that of social networks between socially heterogeneous groups.

Putnam (2000) argues that those two kinds of social capital, bonding and bridging, strengthen each other. Consequently, with the decline of bonding capital invariably comes the decline of the bridging capital, leading to greater ethnic tensions.

Woolcock (2001, p13) develops a third, vertical dimension of linking social capital that consists of relationships up and down the social and economic scale. The importance of linking social capital is that it allows people to leverage resources, ideas and information from contacts outside of their own social milieu. Field John (2008, p46) summarises Woolcock's (2001, pp13-14) definitions as follows:

- a) Bonding social capital, which denotes ties between like people in similar situations, such as immediate family, close friends and neighbours; b) Bridging social capital, which encompasses more distant ties of like persons, such as loose friendships and workmates, and c) Linking social capital, which reaches out to unlike people in dissimilar situations, such as those who are entirely outside the community, thus enabling members to leverage a far wider range of resources than are available within the community.

It is believed that Woolcock's category of social capital is likely to be based on social distance, which matches the different categories of guanxi and social exchange (see Appendix 5).

Different from bridging social capital, which is more or less equal in terms of their status and power (a horizontal metaphor), linking social capital refers to that which

connects people across explicit 'vertical' power differentials (Szreter and Woolcock, 2004). The capacity to leverage resources, ideas and information from formal institutions beyond the community is a key function of linking social capital Woolcock (2001, pp13-14).

The bonding, bridging and linking social capital framework provides a useful way for thinking about the various different types of relationships that people have at any point in their life. These different forms of social capital can play different roles. Bonding ties with family, friends and neighbours can act as a social support safety net, whereas bridging ties with people from different networks can provide access to opportunities, and links to institutions and systems can help people and communities to gain leverage and resources (Woolcock 2001).

Different individuals, families and communities may have different combinations of these types of relationships, and these will produce different outcomes (Woolcock 2001). That is, some people have strong family and friendship relationships (bonding social capital in close guanxi), whereas other people may be more involved in community groups (a form of bridging social capital) or know many people in various organisations and institutions (linking social capital).

Each of these three forms of social capital is arguably essential to the owner

(Woolcock 1998) . Without “bridging” social capital, “bonding” groups can become isolated and disenfranchised from the rest of society and, most importantly, from groups with which bridging must occur in order to denote an increase in social capital. Bonding social capital in “strong ties” is a necessary antecedent for the development of the more powerful form of bridging social capital in “weak ties” (Bian 1997).

These insights beg the questions: what are bonding, bridging and linking social capital like in guanxi networks? How do these types of social capital play their roles in guanxi?

2.4.4. The roles of different social capital in guanxi

The concepts of bonding, bridging and linking social capital can be readily applied to a guanxi context. “Bonding guanxi capital” is the ability of actors to access resources embedded in his/her close guanxi; “bridging guanxi capital” means for the ability to use one’s moderate guanxi; and “linking guanxi capital” refers to the ability to use one’s distant guanxi.

Many theorists have shown that bridging social capital (including linking social capital) is more beneficial to one’s career than bonding social capital (Granovetter 1974, Lin 1982, 1990, Burt 1995, Putnam 2000, Halpern 2005). Granovetter (1973,

1974) found that while individuals use their personal networks to search for work, they are matched to jobs more frequently or more effectively through weak ties (acquaintances) than through strong ties (close friends and relatives). Based on this finding, Granovetter argued that weak ties play an important role in determining labour market outcomes. Lin (1982, 1990, 2001) emphasised other resources that are embedded in weak ties: power, wealth, and prestige possessed by others can be accessed through weak ties that link persons of different statuses.

Bridge ties are a key source of social capital, and these explain the success of those managers with connections, strong or weak, to a large number of disconnected others within corporations (Burt 1995). Strong ties are less effective in facilitating status attainment because they generally do not bridge social boundaries or hierarchical levels. Although Bian (1997) argues that strong ties can create network bridges linking otherwise unconnected individuals, the network that ultimately exerts its influence is bridge ties.

In Burt's (1992) view, it is the relative absence of ties - "structure holes" - that facilitates individual mobility. This is so because dense networks tend to convey redundant information, while weaker ties can be sources of new knowledge and resources (Burt 1992). Similarly, Fukuyama (1995) believes that bridging social capital is essential for a strong social capital, because a broader radius of trust will

enable connections across borders of all sorts and serve as a basis for organisations.

All in all, along with the social cohesion of bonding social capital, “network-bridging” will produce more opportunities to access to different resources. Since different types of relationships provide particular types of support, it follows that the overall balance of different forms of social capital may also be important. For example, it is argued that “too much” bonding or inward looking social capital may undermine the development and maintenance of bridging and linking ties (Halpern 2005).

Since the ability of guanxi practice to acquire resources can be regarded as a special form of social capital, bonding, bridging and linking social capital are believed to play different roles in guanxi networks. However, how these types of social capital play their roles in guanxi remains unknown. Moreover, how Chinese people develop and use their bonding, bridging and linking social capital in a guanxi context has so far drawn little attention. Guanxi practice may include at least seven forms: gift giving, banqueting, doing favours, giving face, embodying ganqing, applying ritualised patterns, and linking guanxi by guanxi. But how do people practice these in different closeness levels of guanxi, to build and use their bonding, bridging and linking social capital? For example, how do people apply gift giving and banqueting to foster their bonding, bridging and linking social capital, and are there different types of practice for developing different type of social capital?

However, much existing research focuses on the role or importance of bonding, bridging and linking social capital in different contexts. Little is known about the process of developing and using these three types of social capital. Since guanxi is differential at different closeness levels, it is necessary to carry out research focusing on the process of building, maintaining and using these three types of social capital in a guanxi context.

2.5. Conclusion

This chapter has reviewed the current literature, including both theoretical and empirical research evidence in rural and urban settings, into the study of guanxi. The review has addressed the concepts of guanxi, reciprocity, social distance, cultural dimensions, social capital and Chinese ancient philosophy, especially Confucianism and Taoism. Many typologies of guanxi in the existing literature are actually associated with social distance. Most guanxi practice described in the existing literature involves many traditional customs and rituals, which are regarded in terms of the practice of Confucian li: like gift giving, banqueting, favour exchange, giving face, embodying ganqing, and using ritualised patterns (ketao). However, how the practice of li related to the closeness of guanxi remains unknown.

Alongside institutional causes, the guanxi phenomenon is also driven by Chinese

culture, characterised by a higher level of particularism, collectivism and diffuse culture than Western societies. The rationales for using guanxi are actually influenced by Confucianism; in particular, the ideas of ren and li. Taoism also has an influence on the guanxi phenomenon.

From existing literature, guanxi is a network, and therefore one of the important elements of social capital, rather than social capital itself. Bonding social capital is the ability of actors to access resources embedded in his/her close guanxi; bridging social capital means the ability to use one's moderate guanxi; and linking social capital refers to the ability to use one's distant guanxi. Many theorists have shown that bridging social capital (including linking social capital) is more beneficial to one's career than bonding social capital. However, how these types of social capital play a role in guanxi remains unknown; and how people practice guanxi at different closeness levels to build and use their bonding, bridging and linking social capital is still unclear.

Despite the extensive literature on guanxi covering different research field and disciplines, there are a number of limitations in the existing literature. First, much existing literature claims that guanxi derives from Confucianism, but it pays much attention to Confucian virtues (ren) while ignoring the important impact of Confucian li. The practice of Confucian li in everyday interactions appears to be able to

influence others for resources; influence one's reputation and status in one's social network; and accordingly influence one's social capital in the network. In addition, most of the guanxi practices in existing literature are actually full of practice of li. The relationship between ren and li in its relationship to guanxi has so far received little attention by guanxi researchers. Why people practice so much ritual in guanxi remains unknown.

Secondly, much existing research on guanxi takes for granted and thus pays little attention to the possible significance of different degrees of closeness. Without mentioning the closeness levels of guanxi, many previous assumptions about guanxi appear to have limited explanatory power. Moreover, although many theorists have shown the frequent practice of Confucian li in guanxi practice, few of them discuss it in relation to different closeness level of guanxi. Thus there is a gap in the existing literature about the performance of li in relation to the closeness of guanxi and how li work in different degrees of closeness of guanxi, contributing to bonding, bridging and linking social capital.

Third, although some scholars have proposed the term "guanxi capital" as the ability to mobilise guanxi resources, guanxi capital in different closeness levels of guanxi has so far received little attention. Given these limitations of existing research, there is a need to carry out empirical research that explores the process of building,

maintaining and using guanxi to acquire resources - namely, developing bonding, bridging and linking social capital in guanxi - in order to explain the role and process of guanxi practice in different closeness levels of tie.

Fourth, there is limited empirical research into guanxi and education, although this is a topic attracting much political, media and public concern in China today. As a result of China's Birth Control Policy, many urban families have only one child, and they pay huge attention on their only child's education. Competition in education is severe, including competition for obtaining a preferred school place. Many cases of parents using guanxi to acquire school places for their children have been frequently reported by the media; however, while a significant body of guanxi research focuses on business, little focuses on education. Wu's (2013) research focused on education, but this was carried out in only one city and did not apply a research method of participant observations. Moreover, her research contains theoretical weaknesses, in that it treats guanxi as social capital, and argues that the social capital depends on the size of network and the resources in the network, neglecting the ability to mobilise the network. More importantly, Wu's research did not focus on the closeness of guanxi. Her finding is simply that "it is common for parents to mobilise their social capital in the form of guanxi to acquire insider information, to facilitate or gain exceptional entry into the preferred school and to reduce or waive the choice fee";

while this engages with the issue of “educational inequality”, it does not contribute to sociological theory (Wu 2013, p48).

It is argued that research on guanxi in education holds much significance, as it is related to institutions and may contribute to policy. Furthermore, it should be noted that school education has had a significant impact on society because its influence focus on new generations. The guanxi phenomenon may inculcate some negative values in the new generation. Some students may not study hard since they know they can count on their parents’ guanxi for school selection; moreover, they know they can use guanxi when they grow up, and thus do not try to build up their knowledge and skills. When students see their classmates transferring to key schools or classes because of guanxi rather than achievement, they may become disillusioned with society.

Furthermore, as discussed in Chapter One, using guanxi for school places is a popular phenomenon throughout China, and it is therefore important to investigate this phenomenon and analyse its implications. The absence of guanxi research addressing educational reforms has contributed to the motivation of carry out the research presented here.

Finally, there is very limited ethnographic research into guanxi in urban settings. The empirical research by Kipnis, Yan, and Chang was carried out in villages, and most guanxi research in urban setting is within a business context, contributing to business theory. Guthrie carried out research in urban setting on the job market, but his method has been criticised, as he conducts his formal interviews with strangers on guanxi (Yang 2002). Bian's research focusing on social eating in urban life, but this was based on the data of the "1998-99 urban consumer project", collected by interview with structured questionnaires (Bian 2001, p282). It did not focus on the closeness of guanxi. Yang's (1994) research applied ethnography in the city, but this was carried out in the 1980s. As is well known, China has undergone huge changes in the past 30 years due to reform and opening up. Wu's (2013) recent research on education was conducted in an urban setting; however, her method was not ethnographic.

The research presented in this thesis is an ethnographic study of guanxi in urban settings, focusing on the process of guanxi practice within different levels of closeness. The next chapter will present the research methods that were used to address the research questions. The research design, data collection, data analysis, quality assessment and ethical concerns will be discussed in detail.

Chapter 3. Methodology

3.1. Introduction

As noted in Chapter Two, the limitations of existing literature, and the lack of ethnographic research into guanxi in urban education settings, have driven the motivation for carrying out the research presented in this thesis. Moreover, much existing research focuses on the role or implications of bonding, bridging and linking social capital in different contexts. However, little is known about the process of developing and using these social capitals. The research presented here focuses on the process of guanxi practice in everyday urban life, especially how and why people practice guanxi to develop and use their bonding, bridging and linking social capital. It draws on data from two ethnographic case studies of using guanxi for school places in two Chinese cities during the period 2012-2013.

The aim of this thesis is to explore guanxi with reference to social theories of social capital. The objectives of this study were to investigate how and why people use guanxi for their children's school selection in different contexts, where social ties are closer or looser. More specifically, two principle research questions are listed below:

- How is guanxi used to acquire school places? Does the level of closeness influence how guanxi is practised?
- Why is guanxi used to acquire school places? Do the reasons for using guanxi vary in different closeness levels of guanxi?

This chapter will present the research methods used to address these research questions. The first section will elaborate on the research design as well as the sampling methods, the data collection process, and the analytical process of the data. The advantages and disadvantages of an ethnographic case study method will be discussed, along with a discussion of how researchers can overcome these shortcomings. The second section will discuss the criteria used to assess quality. The reliability and validity of this research, particularly internal, external and construct validity, will be discussed.

The final section will discuss the interpretation of ethical and cultural concerns. Like other social scientists, sociologists often confront unique ethical challenges because of the special nature of their research and the subjects with whom they work. The challenge is to maintain scientific and moral integrity in a research reality of competing social values and ambiguous social facts.

3.2 Methods

3.2.1. Research design

This research applies two ethnographic case studies in two small cities in China. The first case, City A, is an ethnography with interviews, documentation and participant observation. The second is a duplicated case study, which is also an ethnography applying the three methods described above to collect data, but largely relies on interviews due to security concerns.

3.2.1.1. Why case study?

A major strength of case study data collection is the opportunity to use many different sources of evidence. The use of multiple sources of evidence in case studies allows an investigator to address a broad range of historical and behavioural issues, and case studies using multiple sources are of higher quality than those that rely on single sources of information (Yin 2009).

Another primary virtue of the case study method is the depth of analysis that it offers, which allows informal manipulation to occur. With data triangulation, the potential problems of construct validity also can be addressed, because the multiple sources of evidence essentially provide multiple measures of the same phenomenon (Bryman

2004, Yin 2009).

3.2.1.2. Why two cases?

Multiple case study designs have distinct advantages in comparison to single case study designs (Bryman 2004, Yin 2009). The evidence from multiple cases is often regarded as more compelling, and the overall study is therefore considered to be more robust.

For this research, one case is not enough to collect compelling evidence to show how and why guanxi is used in the context of school selection, because there might be huge variation between cities in China and findings in two different cases may be very different or, conversely, may complement each other. In order to make the research more robust, following the case study of City A, a further case study, of City B, was carried out.

Unlike the multiple respondents in a survey following sampling design, the rationale of multiple case studies employs replication logic, rather than sampling logic. The replication logic is analogous to that used in multiple experiments: some of the replications might attempt to duplicate the exact condition of the original experiment, while others might alter one or two experimental conditions to see whether the finding

can still be duplicated (Flick 2006, Yin 2009). This research alters the setting from City A to City B only to test whether the findings from City A can be duplicated. Unlike sampling logic, replication logic covers both the phenomenon of interest and its context. Moreover, the rationale for multiple case designs derives from the researcher's understanding of literal and theoretical replications. Selecting such cases requires prior knowledge of the outcomes that might have occurred, and hopes for literal replications of these conditions from case to case (Flick 2006, Yin 2009).

The two cities were selected for the following reasons. First, the investigator had worked in these two cities and had had many guanxi before the research: this brings easy access to the field. Second, according to some local news reports and information from friends of the researcher, a large amount of guanxi practice for school places had been taking place in the recent period. Third, the moral normative and traditional ritual that supports guanxi practice in the small cities may be stronger than that in big cities, as they receive less influence from the outside world and retain old traditions more than big cities. This culture may be more supportive for guanxi practice, and the motivations of guanxi practice may be easier to observe.

Although the same phenomenon of parents using guanxi for school places occurred in the two cities, they are regarded as two independent cases with different policies and settings. Before 2011, City A had been suffering from severe school place trafficking,

which involved la guanxi and corruption; this was reported by local newspapers and noted by the researcher prior to his fieldwork. In 2011, a new mayor came to the city and carried out a reform in the school selection policy, meaning that some schools should recruit students strictly according to exam results, or a lottery without any flexibility, with the aim of preventing guanxi and corruption in the recruitment of students.

In City B, no school place trafficking was reported or heard of before the research. However, using guanxi for school places was also a very popular phenomenon. Some key schools only recruited children from officials' families: this was not heard of in City A. No reform of student recruitment in City B had been reported by the media prior to the fieldwork. That is to say, one city experienced school place trafficking and an educational reform (City A) while another (City B) experienced neither. The differences in policy can be examined to explore the relationship of guanxi and the institutional system.

Furthermore, City A is an ancient city with nearly 2000 years of history, while City B is a new city developed from a small fishing village, with a history of only 20 years. This big historical difference may yield some important research results. Moreover, the economy of City A is much better than that of City B. This may lead to some difference in guanxi practice, which is useful for the purpose of comparison.

The differences between these two cities provide complementary answers to the research questions on how and why guanxi is used for school places, and form the basis for two different case studies, rather than one case study in two different sites.

3.2.1.3. Strengths and shortcomings of ethnographic case studies

This research employs ethnographic methods of data collection, which include participant observation, interview, and collecting relevant documents. Ethnography is designed to explore cultural phenomena where the researcher observes society from the point of view of the subject of the study (Hammersley and Atkinson 1995). As Brewer (2000) explains, “Ethnography is the study of people in naturally occurring setting or ‘fields’ by means of methods which capture their social meaning and ordinary activities, involving the researcher participating directly in the setting, if not also the activities, in order to collect data in a systematic manner but without meaning being imposed on them externally”.

This research applies ethnography for the following reasons. First, ethnography is able to capture the complexity within the establishment and nourishment of a guanxi relation, in a way that is not revealed by a survey. Second, the combination of participant observation and interview can collect data about guanxi practice, which is

sometimes associated with corruption. A single method of interview is not enough to acquire real data, since people may not tell a researcher about the issue of guanxi and its related corruption. Due to the first-hand observation conducted over an extended period of time, the research can provide extensive and in-depth findings about guanxi. Third, because ethnographic research relies on observation rather than examinations or predetermined tests, the research can evolve and explore new lines of inquiry. It is a humanising endeavour other than an abstract, decontextualized, and dehumanising research (Talburt 2004). Finally, multiple methods in ethnography will allow data triangulation, which will decrease the bias of personal opinion and improve the study's validity.

Although there are many advantages associated with ethnographic case study research, there are also many disadvantages. First is the subjectivity of the investigator, which has to do with the nature of qualitative research in general. Since ethnography involves observation, interaction, and interview in relation to a particular case, most of the interpretations are based on the opinion of the individual researcher.

Investigator subjectivity does weaken construct validity. Second, ethnographic research has one main drawback related to reliability: it is difficult to replicate, because an event in a real setting sometimes cannot be reproduced. The researcher in an ethnographic study is often working alone, and there is nobody who can check the findings for reliability. Third, the fact that the researcher is a member of the

group/culture, but also an outsider, may affect the real situation he/she is studying.

Finally, there are safety issues for both the informants and the researcher. Being isolated from his/her own environment and placed in an alien environment with people who may at some time become hostile, the researcher may experience some physical, psychological, emotional or social danger, during and after the period of fieldwork. The research may also reveal some cases of corruption or other illegal practice, which may put the both informants and the researcher at risk.

This research is designed to overcome some of the shortcomings described above to a certain degree. For example, in order to minimise the influence of investigator subjectivity, this research uses multiple source of evidence, establishes a chain of evidence, and has the draft case study report reviewed by key informants. This will be discussed in detail later in this chapter. To improve reliability, the research uses a case study protocol to deal with the documentation problem in detail, and develop a case study database. The following sections will report the sampling strategies and data collection process, which will indicate how the shortcomings of ethnographic research are minimised in this project.

3.2.2. Sampling and accessing

Sampling inside a case is important for a case study. There is no universally “best” method of sampling but the technique must be designed to fit the particular circumstances of each situation. There are three major dimensions along which sampling with cases occurs: time, people and context (Hammersley and Atkinson 1995, p46).

1) Time

The process of data collection included two periods of time. The investigator spent five months in City A and six months in City B. The reason the investigator spent a longer time in City B is that the investigator’s guanxi network is smaller and weaker than in City A, and he needed more time to develop guanxi before interviewing people.

Table 3.1. Sampling for time

First Period: Case A June to November 2012	10th June to 31st August 2012	Participant observation and documentation
	1st September to 20th November 2012	Interview
Second Period: Case B February to August 2013	February to April 2013	Building guanxi and preliminary analysis of data; participant observation
	May to August 2013	Interview

The first period ran from June to November 2012 in City A, comprising two stages. The first stage (10th June to 31st August) aimed to build new guanxi, reinforce old guanxi, and at the same time carry out participant observation. In August 2012, the investigator designed an interview question list, and in September began the second stage - the interviews (1st September to 20th November). Twenty-seven people were interviewed, comprising seven categories of people (parents, teachers, head teachers, students, officials ,shopkeeper and other insiders). The transcription was finished by the end of November 2012.

The second period ran from February to August 2013. This field work involved replicating the findings in City B, a new small city 200 kilometres away from City A. In the first stage, from February to April 2013, preliminary analysis of data collected in City A had been completed, and the interview guide had been improved. Meanwhile, the investigator conducted some observations and developed guanxi with some prospective interviewees. In the second stage, from May to August 2013, interviews were conducted with 22 informants comprising seven categories of people, as in City A.

As can be seen, the investigator spent the summer of 2012 in City A and the summer of 2013 in City B. Summers are the school recruiting seasons when parents are busy finding guanxi. This is the best time for observing and interviewing people. Attitudes

and activities often vary over time in ways that are highly significant for social theory (Hammersley and Atkinson 1995, p46). One strength of this research is therefore the particular time chosen for the research: a feature that has often neglected by other researchers.

2) Setting

Taking account of variations in context is as important as sampling across time and people. Within any setting people may distinguish between a number of quite different behaviours. For example, teachers' behaviour often differs significantly between classroom and staffroom (Hammersley and Atkinson 1995, p 51). If one only observes in the setting of the classroom, the result will be a major bias in the analysis of teachers' behaviour in schools.

Being aware of the importance of the setting, the investigator has observed in different settings: for example, restaurants, school playgrounds, different people's homes, shops, teachers' offices, training centres, a school place lottery site. The researcher has also joined in with as many activities and parties as possible.

Furthermore, data collection sites were chosen to be in informal places, such as the informant's home, restaurants, coffee houses, or the school playground. A relaxing place is very important for collecting data on sensitive topics. With drinking and

eating, laughing and joking, people are relaxed enough to talk about guanxi. The investigator interviewed Zhong (an official) in the car when driving to a restaurant, and Kai (a policeman) in the investigator's home while drinking tea. The investigator interviewed Mrs Chen in City B before a dinner party at a restaurant, and Mai at KFC in the morning when there were few customers there. All in all, to choose an informal site with a relaxing atmosphere is helpful for an interview about guanxi.

3) People

The sampling of persons depends on the particular context. The categories of people are relevant to the emerging analysis of school selection case studies, and to the research questions. In the research, seven categories are distinguished according to the context of school selection.

The sampling criteria for participants cover people who are involved in guanxi practice for school places and relevant observers. The sample range includes: 1), different people associated with different schools, such as key schools, common schools and bad schools; 2) different roles in the student recruitment system, such as headteachers, teachers, parents and students; 3) different social classes, such as those with higher and lower incomes, officials and ordinary people; 4) different ages and genders; 5) different roles in guanxi practice, such as gift giver, gift recipient, favour

seeker, benefactor, intermediary, and shop keeper.

Consequently, different categories of people have been employed, covering different schools, occupations, social classes, education level and so on (see Appendix 6, 7, and 8) . The interview guides are divided into seven categories in both cities: parents, teachers, students, headteachers, officials, shopkeepers, and other insiders (see Appendix 6, and Table 3.1). The distribution of interviews in City A covers different roles and schools in the student recruitment context, illustrated by Table 3.2, below.

Table 3.2 Sampling for participants of City A⁸

	Headteacher	Teacher	Parents	Students	Total
Key school	Xie	Lin, Sun	Kai, Rose, Xian, Yu	Chun, Yuan,	10
Common school	Lee, Liu	Mai, Huan Zheng	Nicky, Qi, , Sen, Shen	Chan, Wen, Jr. Xiong	11
Bad school	Yan	Jie			2
Total	4	6	8	5	23
The above 23 interviews plus 2 officials, 1 insider and 1 shopkeeper, number 27 in total					

In City A, eight parents and six teachers make up the majority of the interviewees because these capture the main roles of school selection events. Parents are purposively selected, covering different degree, level and quality of schools that their children attend. Similarly, teachers are selected based on different schools.

⁸ All names above are coded in order to protect the anonymity of the participants.

Headteachers play a very important role in student recruitment decision making, and four headteachers are selected, covering primary and junior high schools, key schools, common schools and bad schools. The five students recruited in City A are all junior high school students, since primary school students are too young to be interviewed and senior high school students are not the main focus in City A, where the focus is on the compulsory education stage (primary and junior high school) .

One shortcoming of recruiting participants in City A is that all key school headteachers and key school teachers recruited are from School B. The researcher attempted to recruit some teachers from School A but failed, because these teachers were very busy during summer vacation with providing extra tuition to students in order to earn additional income. This was unfortunate because Schools A and B are two main key schools in this cities. However, two students (Chun and Yuan) and one father of a student (Kai) from School A were eventually recruited. By doing so, this research avoid heavily relying on information from one key school.

Interviewees in City B were recruited by the same sampling strategy (see Appendix 8, and Table 3.3). The distribution of interviews in City B cover different roles and schools in the student recruitment context, illustrated by Table 3.3, below.

Table 3.3 Sampling for participants of City B⁹

	Headteacher	Teacher	Parents	Students	Total
Key school	Han	Zhu, Luo, Zhang, Tian	Chen, Ping Lie, Lu, Chong, May, Wu, Yang	Lin, Ruan Zheng, Shi	17
Common school	Fei		Lan		2
Bad school		Liao			1
Total	2	5	9	4	20
The above 20 interviews plus 1 official and 1 shopkeeper number 22 in total.					

Most interviewees in City B are related to key schools. This distribution is the result of the limitation of the researchers' guanxi network in this city. As mentioned previously, the researcher has more guanxi in City A than City B. Although the investigator had tried to contact some people associated with common or bad schools, he failed because he had no direct friends in that context, and the guanxis of guanxis are difficult to link with. For example, a friend of the researcher was an official in Educational Bureau, and she attempted to introduce the researcher to some headteachers in common schools or bad schools, but finally she reported that headteachers did not give face to her because she had recently retired.

To summarise: the overall strength of sampling inside a case includes the purposive

⁹ All names above are coded in order to protect the anonymity of the participants.

selection of time and setting, which much research has ignored. The integration of various data sources, differentiated by time, place, and people, highly increases the validity of this research. Moreover, this research covers a wide range of participants from different social classes, genders, ages, occupations, and roles in guanxi practice, which increases the research validity.

This study used the researcher's guanxi to collect data, and all the informants are the researcher's friends or relatives. This was necessary since most people practise guanxi, yet few would admit to this publicly (Yang 2002). Without advance access to guanxi, research on this phenomenon would be almost impossible. Some previous research that failed to use guanxi has resulted in inaccurate data. For example, Guthrie's (1998) research interviewed factory managers in 1995 to find out if any guanxi were used in the hiring of employees. He interviewed strangers about guanxi in formal ways and at formal places, and was thus unable to gain authentic data. Without building guanxi with the informants beforehand, researchers will be considered as outsiders, and this may result in the collection of false information. Moreover, guanxi is easily conflated with corruption and bribery, which have attracted increasing resentment from ordinary people, and have become the target of campaigns by central government (Yang 2002). Yang writes:

While Guthrie goes to great lengths to give his methodology all the trappings of

scientific sociological method, complete with elaborate sampling techniques and statistical charts and graphs, his two-hour interviews with factory managers, in the public space of factory grounds, undermine all his careful sampling techniques and raises grave doubts about his conclusions. (Yang 2002, pp461-462).

In order to avoid the mistakes that have been made in some previous research, the research for this thesis used the investigator's own guanxi to collect data, which is an effective way of gaining reliable insights. Headteachers Xie and Lee have been good friends of the researcher for many years and share some topics of interest, such as education, culture, Confucianism, and corruption. Headteachers Liu and Yan were friends before but had not contacted each other for a few years. The four headmasters in City A revealed inside information, such as how officials abuse their power to gain school places for their guanxi – information that would never be shared with an outsider. Also, the investigator's close relatives, such as Nicky, Rose, Kim, and Ms Qing, told him how they used guanxi to bribe officials and won governmental projects, and so on. Without guanxi, they could not have revealed so much sensitive and inside information.

Since some informants, as distant guanxi of the investigator with less trust, may have been afraid to tell him about their own guanxi practice, the investigator asked them

about other people's guanxi practice instead. In City A, since most interviewees had close or moderate guanxi with the investigator, they talked about their own guanxi practice freely in the interview. However, in City B, due to the distant guanxi between interviewer and interviewees, fewer interviewees talked about their own guanxi practice. However, they talked a great deal about the guanxi practice used by others.

The advantage of using friends and relatives as informants is that this can provide easy access to inside information. However, the relationship between the participants and the researcher may influence the research and bias the results. The disadvantage of researching friends include: 1) the researcher might take something for granted, since he lived in this society for decades; 2) most of the participants may have similar experiences, which reduces the representative scope of the research results; 3) in order to save face or gain face, some informants might keep something secret, or exaggerate the fact, or even lie.

To decrease the influence of these problems, open questions and obvious questions were posed, to maintain open-mindedness and avoid taking things for granted. Further, the researcher attempted to enlarge his social network before the research, so that its members would include the different categories of person studied. For example, at the beginning of the fieldwork, the researcher had no friend teaching in a common senior high school, so he tried to make such acquaintances before the interview. Along with

occupation, social class and education level were also taken into consideration in order to recruit respondents. People from key schools and common schools, rich and poor parents, officials and factory workers, male and female informants were all selected. Different kinds of people see the same case from different angles, and this provided more objective information (see Appendix 6, 7, and 8).

As can be seen, although this research recruited friends as respondents, the friends are not selected by chance but by categories according to the research design and the case study protocol. Thus the research attempted to minimise selection bias.

3.2.4. Data collection process

3.2.4.1. Participant observation

Participant observation is a special kind of observation, in which the researcher is not a passive observer but a participant in the events being studied (Yin 2003). This method includes joining a group, watching what goes on in everyday life situations and settings, note-taking, and writing up findings (Bryman 2004).

The two main limitations of the participant observation approach are that the act of observation always tends to influence the observed, and that not all phenomena can be

observed in situations (Flick 2006). To reduce the influence of the researcher's participation, triangulation of observations with other sources of data increase the expressiveness of the data gathered. Openness is essential when collecting data based solely on communicating with the observed; and in the participant observation used in this study, the investigator tried not to express his own perspective when communicating with informants, in order to reduce his influence over those whom he observed.

In order to collect observational data, the investigator joined many social activities, such as parties, dinners, and visits to informants' homes. Specifically, the investigator joined more than 15 gathering parties, more than 17 dinners with friends and relatives, and engaged on many occasions in causally chatting with friends and relatives during the observation period. Two key schools, two common schools and one bad school were visited, as were the homes of 11 teachers, 3 headteachers, and 12 families of students. The researcher observed all people around him at any time, so it is difficult to record precisely how many hours he spent on observation. The researcher wrote field notes in the form of a diary almost every day from 10th June to 10th September, completing over 35,000 words of field notes written in English.

What the investigator observed included some people (headmasters, parents, teachers, students), some places ("cigarette and wine shops", training centres, and schools), and

some activities (the entrance exam, lottery activities). He also conducted many home visits with gifts, which cost him around 4000 yuan in City A, and about 3000 yuan in City B. The investigator visited some “cigarette and wine shops” to observe what kind of gifts they were selling, and how much the gifts cost.

The investigator took a part-time teaching job in two training centres in City A to observe how the students studied there and how the training centres were organised. This provided additional opportunities to interview some students and parents. The investigator also observed the entrance exam for School A and School B on 14th July 2012, and visited some schools, including School A, School B, School E, and a poor village school, to see what the facilities looked like.

A problem may occur if the observer loses his/her external perspective and unquestioningly adopts the viewpoints shared in the field, thereby “going native” (Flick 2006, p223). Participant observation produces the dilemma between increasing participation in the field, which can result in a greater understanding, and the maintenance of a distance, which allows for understanding to become scientific and verifiable. Recognising that it is not easy to maintain distance from the field as a “professional stranger”, particularly when investigators stay in the field for a long period of time, the investigator tried to gain, so far as possible, an internal perspective on the studied field and to systematise the status of the “professional stranger” at the

same time. In this research, steering and planning the observation, as well as reflecting on the literature resources, reduced the danger of the researcher “going native” and adopting perspectives from the field unreflexively (Flick 2006). When the investigator interacted with the field, the object of research was most consistently realised. When observing and taking notes, the investigator always reminded himself of the research object, his own status, and the importance of remaining open minded and value-neutral. In addition, it is worth noting that the researcher’s action in the field is understood not only as a disturbance but also as an additional source, or cornerstone, of knowledge, when properly exploited (Flick 2006).

The observation also included observing some physical artefacts, in the form of gifts. These are mainly expensive bottles of wine, cigarettes, tea, and health care products (such as ginseng, bird’s nest, etc). The investigator observed how and why some gift recipients re-sell expensive gifts to the shopkeeper, the price, the package of gifts, and the etiquette of giving gifts. The investigator heard some stories of gift giving and guanxi practice in the shops, but due to access problems, only one shop was observed in City A and another shop in City B.

Taking field notes is an important part of the participant observation role. The researcher usually wrote down some keywords on his mobile phone when observed something useful and after that took full observational note as soon as possible. Since

a part of the observation was covert, the investigator visited people's homes to observe guanxi practice and wrote down the notes as soon as he left the scene, in order to avoid memory failure. Afterwards, he took full observational notes in English.

There are some potential dangers for both the observer and the observed. However, for the researcher, the fieldwork did not take place in an alien environment with hostile strangers, but amongst his guanxis, especially in City A. Besides, the research did not always pose follow-up questions on the issue of corruption, because of the importance of maintaining the safety of both the participant and researcher. This was particularly the case for distant guanxi, who may not have so much trust toward the researcher. The corruption cases that were observed in the field are kept strictly confidential, and all the sites and people are protected by anonymity. The steps that were taken to ensure anonymity are discussed later in this chapter.

In City B, only a small amount of observation was conducted, and most data was collected by interview. As noted, the investigator has weaker guanxi in City B, and conducting covert observation in that city may have presented dangers to him.

Frequent visits to the cigarette and wine shops, and to some officials' homes, resulted in a cautious and hostile atmosphere. Moreover, data collected by the observations in City B were very similar to that collected City A, without yielding many new findings.

The investigator eventually decided to stop observing and to interview instead, which is a safer way to collect data.

3.2.4.2. Documentation

At the beginning of the observation, the investigator also collected relevant documents. These provide the educational background for this research, and some of the documents further support the understanding of the vague and flexible character of rules and laws, and how people take advantage of this to practise guanxi. These documents include:

1. **Educational policies.** Education policy of the state and province, and policy of the two cities (policy of City B is only taken as the background).
2. **Student recruitment information in recent years.** This was collected mainly from the website of the schools and the local education departments.
3. **News.** National news was collected from the main news websites of China, such as China Daily, and the Southern China Morning Post. Local news from the two cities was also collected.

The use of documentary evidence further increases the validity of this study as it allows for data triangulation and corroboration. For case studies, the most important

use of documents is to corroborate evidence from other sources (Yin 2009).

Documents are helpful in verifying the correct spellings and titles or names of organisations, cases, or policies that might have been mentioned in an interview, such as the change in student recruitment policies change in City A. Documents can provide other specific details to corroborate information from other sources: for example, school place trafficking in City A. However, if the documentary evidence was contradictory rather than corroboratory, the investigator pursued the problem by inquiring further into the topic.

Moreover, the investigator treated inference from documents as clues worthy of further investigation rather than as definitive findings, because the inference could later result in false leads. Documents must be carefully used and should not be accepted as literal recordings of events that have taken place; concern must be taken with their validity (Yin 2009). Reviewing documents is necessary because documentary evidence collected might be originally written for some specific purpose and some specific audience other than those of the case study being done (Yin 2009). For example, CCP-controlled media always maintain a position of support for the government and its policies. In this sense, the case study investigator is a vicarious observer and the documentary evidence reflects a communication among other parties attempting to achieve some other objectives. By constantly trying to identify these objectives, the investigator is less likely to be misled by documentary evidence and

more likely to be correctly critical in interpreting the contents of such evidence.

3.2.4.3. Interviews

After a period of participant observation, the investigator was able to clarify the parameters of the case and to draw up a specific interview question list as an interview guide (see Appendix 2). Forty-nine people (27 in City A and 22 in City B) were interviewed, falling into seven categories: parents, students, headmasters, teachers, officials, other insiders and shop keepers of “cigarette and wine shops” (see Appendix 6 and 8). A pilot test was conducted and feedback from the respondents utilised to confirm the meanings of the interview questions. The pilot test samples were excluded from the final interview: these included three parents and one teacher. From the pilot interviews, some uses of terminology and the tones of the question had been improved to avoid misunderstanding.

Voice recording was not applied in City A due to concerns about putting pressure on informants. The investigator took some brief notes of key words in Chinese when interviewed, and wrote down a complete set of interview notes in English as soon as possible on computer afterwards. In City B, however, voice recording was applied, since the experience in City A indicated that informants enjoy talking about the topic of *guanxi*, and could do so freely in front of a friend. Recording makes the interview

notes more accurate and avoids the loss of data. After the interview, the investigator paid some university students to type the transcripts in Chinese.

Case study requires an inquiring mind during data collection, not simply before or after the activity. The ability to pose good questions is therefore a prerequisite for case study investigators. Research is about questions and not necessarily about answers (Yin 2009). The design of interview questions was thus carefully taken into consideration. First, in order to be objective, at the beginning of the interview the investigator did not ask any questions about *guanxi*, but rather asked how students gained access to schools. Second, since the investigator had lived in the society under study for decades, in order to avoid taking things for granted, he tried to pose open questions and keep an open mind about the responses. For example, some questions that the investigator took for granted that he knew about from his daily life were posed in the interviews. In addition, the investigator continually reviewed the evidence and asked himself why events or facts appeared as they do, as his judgments might lead to the immediate need to search for additional evidence.

During the interview process, follow-up questions are often posed, which allow the investigator to obtain inside information (Kvale and Brinkmann 2009, Flick 2006).

The process of active listening demands that the interviewer learns to listen to what is said and how it is said. Decisions about which of the many dimensions of a subject's

answer to pursue requires that the interviewer have an ear for the interview theme and knowledge of the interview topic. There is no single correct follow-up question: different follow-up questions lead in different directions and open up different aspects of the answer. The potential responses are grouped, roughly, from merely indicating that the answer is heard and repeating a few words of the answer as an invitation to elaborate questions, to more or less interpreting the question, to responding with some counter-questions (Kvale and Brinkmann 2009). However, there were also answers that were not followed up, such as some sensitive questions and those questions that may embarrass the interviewee.

The interview guide mentions several topical areas (Appendix 2). Each of these is introduced by an open question and ends with a confrontational question. There are many open questions in the first three sections of the interview guide. Open questions may be answered on the basis of the knowledge that the interviewee has immediately at hand, which avoid bringing bias to the data. Confrontational questions are posed in order to re-examine critically the notions that the interviewee has just presented in the light of competing alternatives (Flick 2006). Sometimes the interview guide includes several alternative versions of confrontational questions. This research used many confrontational questions. Also, some so-called “theory-driven questions”, which are oriented to the scientific literature about the topic or based on the researcher’s theoretical presuppositions, were asked (Flick 2006).

There are six different types of interview guides for the different categories of interviewees: 1) parents, 2) students, 3) headmasters, 4) teachers, 5) officials and other insiders, and 6) keepers of “cigarette and wine shops”. (Official and other insiders share the same interview guide). To take the example of the interview guide for parents: there are 58 questions, grouped into eight sections (see Appendix 2). The first three sections posed no questions about guanxi, All questions were very open, and directed towards the facts of what was happening in the cities. The final section asked closing questions with the aim of winding down slightly, and helping to ensure that the informant has left the interview their exact opinions.

Few case studies will end up exactly as planned. Inevitably, minor changes are needed during data collection (Flick 2006). On one hand, the investigator must remember the original purpose of the investigation; on the other, he or she must be willing to adapt procedures or plans if unanticipated events occur (Flick 2006, Yin 2009). In this research, the list of interview questions was altered three times. After interviewing 15 people, the investigator found the interviewees talking a lot about ganqing, mianzi, renqing, qingqing, baoda, and renyi, when they discussed how and why they practised guanxi, so the investigator decided to change the question list by adding these topics. After interviewing 6 more people, the investigator also found that people often talked about rules and law when mentioning guanxi, in the sense that “the higher authorities

have the policies, against which the localities have their countermeasures”: thus, the investigator decided to ask in more detail about how people dealt with the rule of law and guanxi. After the interview in City A, the investigator conducted a preliminary analysis and found that people gave different gifts according to the closeness of guanxi; also, they had a different sense of renqing and mianzi in different closeness levels of guanxi. Thus, in the interviews held in City B, the investigator added some questions about the different closeness of guanxi. Eventually, there were four versions of interview question lists in total, which were flexible according to the concrete situations. However, the original purpose and general research questions were kept unchanged.

Adaptability to the situation is important. For example, the tone in which the questions were asked differed according to the different social status of the interviewee as well as the relationship between the interviewer and the interviewee. For example: since one of the interviews in City A could not arrange her time for a face-to-face interview, she phoned the investigator and accepted the interview on the phone for one hour. In City B, three people (two headmasters and one dean) were interviewed at the same time at a dinner table following a dinner, because the situation did not allow the investigator to interview them one by one.

Avoiding the use of formal language and formal tone to communicate with informants

is another effective technique. One mistake the investigator made was to ask a friend in City B to introduce his brother-in-law, Ye, who was an official in city government, for an “interview”. When the investigator said “interview” (cai fang) in Chinese, it seemed too formal to Ye and he approached it as a formal media interview. It was very obvious that Ye answered the interview questions in a very official tone, and he skipped some sensitive questions. For example, he said he had never heard any guanxi practice in recruiting students, that the government valued education very highly, and officials worked very hard to improve school education - the opposite response to that given by all other interviewees in the two cities. After the interview, when having tea and a free chat, he told the investigator that he had faced many journalists for interview, and that “As an official, you should master some techniques of facing the media, you should know what can be said, what cannot be said”. The investigator felt he was fooled by this interview. Following this experience, the investigator sometimes had to use an informal approach and soften his tone, using such phrases as: “I would like to have a chat with you about school education”.

To understand an interviewee correctly in a high-context culture is not an easy job for an outsider (Hall 1976, pp105-116). In a high-context culture, many things are left unsaid, letting the culture explain. A few words can communicate a complex message very effectively to an in-group, but less effectively to those outside that group; while in a low-context culture, the communicator needs to be much more explicit and the

value of a single word is less important (Hall 1976, pp105-116). Since the researcher fully understands this high-context culture of China, he always listened and watched carefully in order to capture what the interviewee meant in that situation, rather than simply noting down their exact words.

The ending of the interview is very important. First, the interviews were rounded off by a debriefing, asking if the interviewees had anything more to say. Some of the main points that he/she said were mentioned and he/she was asked for feedback. This gives the subjects an additional opportunity to deal with issues he or she had been thinking or worrying about during the interview (Kvale and Brinkmann 2009).

Moreover, after the interview, a free chat with tea was usually carried out. As the host, the interviewees usually invited the investigator to have tea and a free chat; however, the investigator found that interviewees usually went on talking about the interview topic. Since it was a free chat, they seemed to be more relaxed and sometimes revealed some more inside information. The investigator asked them whether he could record what they said after the interview; they usually agreed, on the condition that the investigator retained their anonymity.

This research involved interviewing 10 teenagers(6 in City A and 4 in City B).

Interviews with children allow them to give voice to their own experiences and understanding of their world, and the language and tone are different from interviews

with adults. The influence of leading questions becomes problematic: children are also easily led by adults' questions, and may provide unreliable or directly false information (Kvale and Brinkmann 2009). To become a good friend of the children is important for interviewing them, which makes them relaxed in the interview. Also, being a part-time teacher is a good way to let children talk freely. In the interview with children, the investigator tried to avoid long and complex questions. All questions for the teenagers were open, which avoided leading their opinion and adding bias to the research. The total length of the interview was usually completed in 15 minutes, by asking them some questions about situation in their own school, such as the number of guanxi students in their class.

Local dialect was applied for all interviews in City A. However, in City B, Mandarin was the main language when the investigator interviewed people, except for two interviews where the interviewees could speak the dialect of City A. The use of the native language is a better way to interview, as it improves the communicational quality. However, speaking local dialect rather than Mandarin brings more difficulties for translation: sometimes the investigators need to translate local dialect to Mandarin, then Mandarin to English.

3.2.4.4. Transcripts and translation

The live interview situation, with the interviewee's voice and facial and bodily expressions accompanying the statement, provides a richer access to the subjects' meanings than the transcribed texts will do later. After every interview, the investigator usually set aside some time to review what was learned from the interview, and then type the transcripts.

In City A, observational notes and interview notes were written in English on computer. However, data collected in City B were kept in the Chinese language, with only some selected quotations translated into English when the investigator analysed the data.

Data collected in both City A and City B involved translation, which requires quality control measures. During the translation, the investigator tried to improve the validity and keep translation accurate, avoiding distortion of the original meaning. Moreover, sometimes the original word implies a concept that is culturally unique and has no equivalent. In this case the investigator keeps them as "untranslated" with Chinese pinyin.

There are some risks involved in keeping data in a computer. The researcher made three copies of the data in order to avoid losing them. He also used code names for field notes and other research documents to protect confidentiality, and all relevant

files were protected by security passwords.

3.2.5 Data analysis

One of the principal difficulties with qualitative research is that it very rapidly generates a large, cumbersome dataset, because of its reliance on prose in the form of such media as field notes, interview transcripts, or documents (Bryman 2004). The mass of words generated by interviews or observational data needs to be described and summarised.

In this case study, thematic analysis was applied during and after data collection. All units of data were given a particular code, extracted, and examined in more detail. In order to deal with the data effectively, the computer software Nvivo (version 10) was applied to conduct data analysis.

The thematic analysis of this research aims to condense raw textual data into a brief summary format, and establish clear links between the evaluation of the literature review and the summary findings derived from the raw data. The themes and subthemes are the product of a thorough reading and rereading of the transcripts or field notes that make up the data. This framework is applied to the data, which are organised initially into core themes, and the data are then displayed in subthemes

(Bryman 2004). Codes developed for ideas or themes are applied or linked to raw data as summary markers for later analysis, which may include comparing the relative frequencies of themes or topics within a dataset, looking for code co-occurrence, or graphically displaying code relationships (Lacey and Luff 2009). Concepts or categories emerging from one stage of the data analysis were compared with concepts emerging from the text. The investigator looked for relationships between these concepts and categories, and constantly compared them. Finally, the findings were compared with the evaluation of the literature review, reaching a conclusion at the final stage.

Comparisons are important in this research. For example, the study sought to compare key schools with common schools, key classes with common classes, rich parents with poor parents, parents having guanxi with parents having no guanxi, parents succeeding in guanxi practice with parents failing in guanxi practice, past practice with present practice, close guanxi with distant guanxi, and the use of guanxi with the use of money.

As noted above, the computer-assisted qualitative data analysis software Nvivo (version 10) was applied to carry out data analysis for this research. Essentially, Nvivo can help to code and categorise large amounts of narrative text collected from interviews, observation and other written material such as newspaper articles and

policies. However, the software cannot do any analysis for the researcher: it can merely serve as a reliable tool. Nvivo can be used to do coding iteratively, gradually building more complex categories or group of codes. However, unlike statistical analyses, Nvivo cannot be used to generate the outputs of result of analysis. The researcher had to study the outputs to determine whether any meaningful patterns were emerging.

The most time-consuming stage is the iterative coding. At this stage, the researcher needs to have clarified the reasons for defining the initial codes or subsequent codes, as well as connecting them to the original research design. If mistakes are made during this stage, important data will be lost. Although re-coding can be done later when the mistakes were found, the risk of losing data is still large. This stage involves reading and re-reading the text, and linking them with certain themes (codes), making the matrix of the categories. After that, the complexity of such tabulations and their relationships was examined, revised and improved again and again in order to reach the best categorisation for the themes.

Assessing the frequency of themes rather than words helps to incorporate context into the analysis, and is a helpful and fairly simple analytical technique (Lacey and Luff 2009). By developing a thematic structure which is grounded in the empirical material for the analysis and comparison of cases comparability of interpretations will increase.

The procedure remains sensitive and open to the specific content of each individual case and the social group with regard to the issue under study (Flick 1998).

3.3. Assessing the quality of the study

Yin (2009) specifies criteria for evaluating the quality of a qualitative case study design, and he underscores the necessity, when conducting case-study research, of considering issues of reliability and validity, particularly internal, external, and construct validity.

3.3.1. Construct validity

According to Yin (2009), three tactics are available to increase construct validity when conducting case studies. First is the use of multiple sources of evidence. Second is establishing a chain of evidence. Third is having the draft case study report reviewed by key informants.

This research has followed these three tactics and achieved some certain level of validity. Following the first tactic, multiple sources of evidence have been used in this research, as described earlier. The investigator defined specific concepts and identified operational measures that match the concepts. A sufficiently operational set

of measures was then developed to collect the data. Also, the shortcomings in these measures were indicated, and a discussion took place about how the shortcomings would be prevented from biasing the study.

Following the second tactic, a chain of evidence has been established, which allows an external observer to follow the derivation of any evidence from initial research questions to ultimate case study conclusions. Moreover, this external observer will be able to trace the steps in either direction, from conclusions back to initial research questions or from questions to conclusions. In order to achieve this, for example, the report itself has made sufficient citation to the relevant portions of the case study database (see Chapter 4 and Chapter 5). Moreover, the database reveals the actual evidence and also indicates the context in which the evidence was collected, including the relationship between the interviewee and the researcher. In addition, the link between the data collected and the initial study questions has been clearly indicated. In aggregate, it is possible to move from one part of the case study process to another, with clear cross-referencing to methodological procedures and to the resulting evidence. Thus, a chain of evidence has been ultimately established for this case study.

The third tactic is to have the draft case study report reviewed by key informants. This is more than a matter of professional courtesy. The procedure has been correctly

identified as a way of corroborating the essential facts and evidence presented in a case report (Yin 2009). The opportunity to review the draft also produces further evidence, as the informants and participants may remember new materials that they had forgotten during the initial data collection period (Yin 2009). They may also deny the statement, in this case, the researcher has to rethink all his/her method and try to improve the research or give a reasonable explanation.

Under the condition of keeping anonymity, some recognizable version of the draft was shared with some key informants in both City A (Rose, Xie, Xing, Lee, Nicky, and Liu), and City B in January 2014 (Zhang, Tian, and May). Mostly, the informants agreed with the conclusion of the reports, especially the identification of the weak-strong-weak pattern (see Chapter Four and Five), and provided the researcher with more examples about it. Some of key informants gave the investigator better categorisation for the motivations and forms of guanxi practice. A few even suggested a new cause of guanxi - economy, which was further studied from the original data, although eventually a prominent causal link was not found. Most informants argued that the forms that people applied to guanxi practice are all related, cannot be isolated as a single strategy. Furthermore, most informants argued that ritual is vital in personal relationships, and gave me some more examples from their daily lives. From a methodological standpoint, the corrections made through this process enhances the e(Yin 2009).

3.3.2. Internal validity

1) **Multiple sources of evidence.** Using multiple sources of evidence and a process of triangulation and corroboration will contribute to the internal validity of a study, because the multiple sources of evidence essentially provide multiple measures of the phenomenon (Bryman 2004 , Flick 2006 ,Yin 2009, King 1994). This research has followed this suggestion to use multiple sources of evidence, applying three methods to collect data with high quality sampling strategies in which people, time and context have been purposively, constructively chosen. With a process of triangulation and corroboration, this research is better placed to analyse the data well and lead to more accurate conclusions. For example, the phenomenon of gift giving can be observed in headteachers', parents', and teachers' homes, as well as in the shops. Data about gift giving can also be collect from the account of parents, teachers and students. Shopkeepers also provided insightful information about gift giving.

2) **Good causal inference.** Good causal inference, such as pattern matching, explanation building, addressing rival explanations and the use of logic models will also enhance the internal validity (Yin 2009). For pattern matching logic, non-equivalent dependent variables are built as a pattern in this research. For each outcome, if the initially predicted values have been found and at the same time

alternative patterns of predicted values have not been found, strong causal inferences can be made (Yin 2009). For example, expensive gift giving for school places is frequently found in moderate guanxi but it cannot be found in close and distant guanxi; thus, a strong causal inference can be made: instrumental gift giving more frequently takes place in moderate guanxi.

This research also attempted to collect evidence about the possible “other influences” by building rival explanations. The initial theoretical propositions also produce rival propositions. For example, one of the propositions is that guanxi is influenced by Confucianism; and the rival proposition is that Confucianism does not influence guanxi, but other factors such as Taoism and Buddhism affect guanxi. Furthermore, the contrasting perspectives of participants may produce rival descriptive frameworks. Since this research recruited seven different kinds of people covering different social classes and occupations, this opened the door for rival explanations: collecting perspectives from different kinds of informants increases the possibility of creating rival explanations. Also, data from comparison groups may cover rival conditions to be examined as part of the data. For example, people who have no guanxi are compared with those who have guanxi. These rival conditions largely improve the study’s internal validity. During the process of data collection, the researcher pursued the data collection about the other influences vigorously, trying to prove the potency of the other influence rather than rejecting them.

For explanation building, the goal is to analyse the case study data by building an explanation of the case. This is a special type of pattern matching. To explain a phenomenon is to stipulate a presumed set of causal links about it, or “how” and “why” something happened. Explanations in narrative form are not precise but they have reflected some theoretically significant propositions.

The logic model deliberately stipulates a complex chain of events over an extended period of time. The events are stages in repeated cause-effect-cause-effect patterns, whereby a dependent variable (event) at an earlier stage becomes the independent variable (causal event) for the next stage(Yin 2009). In this research, the use of logic models as an analytic technique consists of matching empirically observed events to theoretically predicted events. Because of their sequential stages, logic models deserve to be distinguished as a separate analytic technique from pattern matching. For example, Confucianism leads to the fact that people value renqing. Due to renqing, people engage in gift giving, banqueting and favour exchange.

3.3.3. External validity

In order to assure the external validity of a case study, a theory must be tested by replicating the findings. Scientific facts are rarely based on single experiments; they

are usually based on a multiple set of experiments that have replicated the same phenomenon under different conditions. After the direct replications have been made, the results are accepted as providing strong support for the theory. Once such direct replications have been made, the results might be accepted as providing strong support for the theory. The replication of findings in another city, City B, which is 200 kilometres away from City A, has improved the external validity of this research.

3.3.4. Reliability

Researchers need to demonstrate that the methods used are reproducible and consistent (Yin 2009). In order to address the reliability issue, the processes within this case study have been reported in detail, thereby enabling a future researcher to repeat the work. If a later investigator followed the same procedures as described in this thesis and conducted the same case study all over again, the later investigator should arrive at the same findings and conclusions.

Moreover, clarifying the context is important in increasing reliability. After perusing the description within the research report of the context in which the work was undertaken, readers must determine how far they can be confident in transferring to other situations the results and conclusions presented (Shenton 2004). In this research, the context of the particular characteristics of the cities, schools, and the background

of interviews including time, places and context of each event observed, are clearly reported although the names of these are coded in order to protect informants.

Yin (2009) suggests two specific tactics to improve reliability. First is to use a case study protocol to deal with the documentation problem in detail. Second is to develop a case study database. The protocol is an important way of increasing the reliability of case study research and is intended to guide the investigator in carrying out the data collection (Yin 2009). As mentioned earlier, the protocol of this research was written before the fieldwork was carried out. Overview of the case study project, field procedures, and case study questions were all carefully designed.

The creation of a case study database markedly increases the reliability of the entire case study (Yin 2009). This research developed a formal, presentable database so that in principle, other investigators can review the evidence directly by Nvivo, and not be limited to the written case study reported. Case study notes accumulated by interview, observation and document analysis have been entered into Nvivo and organised by categories, stored in such a manner that another person could retrieve them efficiently at some later date. The essential characteristics of the notes are that they are organised, categorised, complete, and available for later access. Documentation data were established outside Nvivo because they are simply and mainly for the background of the case, as well as showing how vague the policy is. Other people can access Nvivo

and non-Nvivo data to review the case study data. Due to the protection of the informants, all these data are anonymous. Only the investigator can recognise the real name of the informants using his own codes. As can be seen, the use of case study protocol and creation of a case study database increase the reliability of the research significantly.

Reliability is of greater concern with thematic analysis than content analysis, because research analysts must interpret raw text data in order to apply codes, and because interpretations may vary across analysts, which opens the door to bias (Lacey and Luff 2009). Since the codes represent interpretive summaries of data rather than the primary data themselves, the reliability of the code application process is weaker. Moreover, thematic coding is derived from the research question and thus defined a priori, which means that the scope for a theory to be developed is more restricted than with grounded theory (Flick 1998). For example, thematic analysis is oriented to elaborating correspondences and differences between the groups defined in advance. These correspondences and differences are demonstrated on the basis of the distribution of codes and categories defined from the literature, which restricts the development of theory (Flick 1998).

The question of how to overcome the shortcomings of thematic analysis was a major concern during the data analysis for this research. The researcher remained open

mindful and allowed new themes to emerge from the data, rather than merely elaborating similarities and differences between the groups defined in advance. Also, the researcher remained sensitive to the specific content of the interviews and observation when developing a thematic structure. That is to say, the researcher has tried his best to guarantee comparability by defining topics, while at the same time remaining open to the views related to them. This decreases the restriction brought about by the a priori definition of the research question.

In summary, this research, as an ethnographic case study, has been designed and carried out with high regard to validity and reliability. However, as a case study, the research may be conceptualised as lacking of representativeness between samples and population (Gerring 2007). It could be seen to provide little basis for scientific generalisation. Generalisation is not an issue that can be dismissed as irrelevant by case study researchers, and this research involves generalisation within the cases investigated, which generalises to theory rather than to populations (Bryman, 2004). Despite its limitations, however, this case study design is the most suitable for the specific situation under study.

3.4. Ethical issues

3.4.1. Informed consent

Research ethics have formed a major consideration of this research, and informed consent is one of the most important concerns. For the observation part of the study, the investigator told all his friends and relatives openly that he was carrying a research on guanxi for school selection and hoped he could observe them. They all displayed supportive attitudes and some even laughed, for they thought it was something new and interesting. The investigator informed them of the purpose and main issues of the research rather than every detail, because it is difficult for the investigator to inform every informant about everything under research. For one thing, it may be difficult to predefine the exact nature and scope of the study (Marshall 1992), since ethnographic field notes, discussions, and information obtained in open-ended interviews may cover a wide range of topics, and not necessarily be limited to the specific focus of investigation. For another, a formal informed consent with formal and scientific terms is not easily understood by the informants, especially those with a low level of education.

For the interview part of the research, the subject was given a brief introduction, indicating the purpose of the interview at the beginning of the conversation (Kvale and Brinkmann 2009). Informed consent was sought orally rather than by a formal agreement, which makes the informants more relaxed. After the interview, a request was made to sign a formal written informed consent in Chinese signed (see Appendix

3); however, some informants refused to sign written consent as they thought it was unnecessary, although they were happy to take part in the interview.

It has been noted that the nature and process of obtaining informed consent in non-western cultures can be problematic (Marshall 1992). For example, applying western standards of research ethics to social studies conducted in developing countries with different cultural norms may be construed as a form of ethical imperialism. Regardless of the specific cultural setting, the implementation of informed consent may become unethical in local contexts, thereby contradicting our initial purpose (Marshall 1992).

Indeed, in the high particularism culture of China, asking a friend to sign a contract or agreement seems impolite and even insulting, for people value relationships more than law (Trompenaars and Hampden-Turner 1993). Something considered as legal issue in the West may be regarded as a relationship problem in China; and in this study, signing a written informed consent seemed very strange to the investigator's friends. To them, only big issues, formal matters need written agreement or contract; and if the investigator pushes his friends to follow the formal legal process to sign a written informed consent for the interview, he would seriously hurt his friends' feelings (*shang ganqing*). In acknowledgement of this cultural characteristic, the investigator used a different tone and different linguistic terms with different people in

order to show respect and gain trust.

In addition, since China has just been open to the world for only 30 years, scientific research and investigation may be something new for most of the people in this country. In such a background, asking informants for a written informed consent for the research they are joining may provoke anxiety or sensitivity. Therefore, the investigator usually asked for an oral informed consent before the interview and for a written consent afterwards. In addition, as mentioned previously, this research involved interviewing 10 teenagers, so ethical concerns to do with interviewing children were also taken into consideration. All interviews have received consented from the children themselves and also their parents, either orally or in written form.

Only six of 27 informants in City A (Xie, Mai, Lin, Rose, Nicky and Qi) and nine of 22 informants in City B (Han, Fei, Luo, Wu, Lu, Tian, Ruan, May and Ye) agreed to sign a written consent. However, some informants who have close *guanxi* with the investigator, such as Nicky, Rose, and Qi in City A, were very pleased to sign the agreement and even asked the investigator if they needed to sign more agreements on behalf of others. Knowing that other informants would not be happy to sign the informed consent, they volunteered to sign other people's consent so as to help the investigator finish his PhD degree. They seemed almost to relish the idea of cheating to help their friend, and did not take the consent seriously as a research task.

3.4.2. Covert observation

The most noteworthy ethical issue involved in this research is the covert observation. The investigator told his friends and relatives what he was researching and asked them for consent, but concealed the corruption issue. Thus the main part of observation was overt, but the corruption issue was observed covertly. As discussed in previous chapters, guanxi is sometimes associated with corruption, especially in the context of school selection. The investigator visited some of the homes of officials, headmasters and insiders more often, in order to observe guanxi practice and its related corruption, and wrote down the notes as soon as he left the scenes in order to avoid memory failure.

Since it was not appropriate to inform the informants that the researcher will observe their corruption cases, the researcher had to apply a partial covert method, concealing the purpose of observing corruption in school place allocation. Covert research is regarded as immoral by some scholars due to its potential harm to the subjects, damage to the general reputation of sociology, and the possibility that it might close further avenues for research, producing feelings of betrayal and danger for the researchers themselves (Bulmer1982). Nevertheless, covert research is a necessary, useful and revealing method and can be morally justified so long as it is done in an

appropriate way. Covert participant observation has not been a widely-used research technique, but its use brings out most clearly some of the ethical principles that guide the conduct of social research (Bulmer 1982).

There were some important reasons for using covert research in this research. First, the primary objective of sociology should be the search for the truth, and the social researcher is entitled and indeed compelled to adopt covert methods. The benefits from greater social scientific knowledge about society outweigh the risks that are run in collecting data using cover methods. Second, any method that moves us toward that goal, without unnecessary harm to subjects, is justifiable (Bulmer 1982). The sociologist has the right to make observations about anyone in any setting to the extent that he does so with scientific intents and purposes in mind. Third, even when operating in an overt manner, researchers rarely tell all the people they are studying everything about the research (Hammersley 1995). In this research, covert observation can access to the real information: people will not tell the investigator the truth when they are asked something about corruption. If the investigator were ask an official or headmaster whether they are involved in corruption, the investigator would be regarded as insulting. If the investigator were to tell all the informants that he is investigating corruption, he may invite more risks to his security: he could be attacked or arrested if the research was seen to threaten some local officials.

At the beginning of the research, the investigator felt guilty that the headmasters and officials are his good friends or close relatives. How could he write about their corruption on his paper? How could he take advantage of them and put them at risk? After a careful deliberation, weighting the benefits of the research against the harms, the investigator eventually overcame his sense that he was betraying his friends. He could protect his friends very well without mentioning their real name and the names of the cities and sites. Further, he presumes his friends can understand his position and his mission as a social researcher. The headmasters and officials observed in the study also dislike corruption; and this research could help the improvement of their society. Finally, receiving gifts may not be considered as taking bribery if the gift is not very expensive, and this is a very common practice in China. Even if the investigator reported his informants' gift giving in his thesis, he or she would not feel hurt or placed at risk, since instrumental gift giving is a popular phenomenon in both cities and no officials were accused of this.

3.4.3. Confidentiality

Another important issue of research ethics is the protection of confidentiality, especially a piece of research such as this, which involves some sensitive issues like guanxi and corruption. Breaches of confidentiality could have devastating consequences for individuals participating in the research, in some cases threatening

their emotional, physical, and economic well-being (Marshall 1992). However, to protect confidentiality is by no mean an easy job. First, when an individual's behaviour or social status is specifically described, his/her identity may be recognised. Similarly, when the size, population, culture, history, location of the two cities was clearly demonstrated, it may reveal the name of the cities. In the same way, the specification of some schools may reveal their names, if all their characteristics were described to the reader. Moreover, the relationship between the researcher and the cities, and the researcher and the informants, will reveal to some degree who was interviewed where, especially for the readers who know the investigator's personal background and information.

On one hand, the investigator has to report the case study with information about its specific context to increase the study's reliability. On the other, the investigator has to conceal some detail of the context to protect the informants. The use of the methods of snowballing and social networking to recruit informants makes confidential protection very difficult, because the intermediary may easily reveal everything.

To avoid this problem, this research tried to reduce the application of snowballing. No snowballing was applied in City A (all informants are my direct connections), and only two informants in City B were recruited by snowballing (a mother, Yang, and a student, Zheng). The intermediaries who introduced informants to the investigator

were also informed of the need to keep confidentiality; at the same time the investigators did not inform the intermediary of the detail of the interview. However, due to the culture of collectivism (Hofstede 2001), some informants seemed to disregard their own privacy and allow the interview to be carried out in front of their friends or colleagues. Although the investigator tried to avoid this happening, the interviewees themselves did not seem to have high regard for their privacy.

There is no absolutely secure method to protect the informant's confidentiality. The only thing can be done in relation to this kind of ethical issue is to ensure that the benefits of conducting a particular study outweigh the potential risks imposed on research subjects. Moreover, long term social or scientific consequence should be taken into consideration, and the potential harms and benefits associated with the research should be taken into account at a very early stage of the research(Yin 2009). In this research, potential risks may include the discovery of corruption cases, which might lead some of the participants into trouble.

The investigator has tried his best to avoid bringing any trouble to the informants in the future. In some cases, a thorough analysis of risks and benefits may not be possible prior to conducting the investigation (Marshall 1992). What the investigator can do is to keep cautious at every stage of research, and rethink the possibility of keeping confidentiality at every step of the research. Additionally, the

appropriateness and impact of the research design represents another factor in determining the risk/benefit ratio. A good design prior to the data collection will largely reduce the risk that the research might bring to the informants and to wider society.

3.5. Chapter summary

The purpose of this chapter has been to explain the rationale behind the research design, to review the methods used, and to discuss how data were collected, rendering the whole process of the research project from its initial design to publication of the results. The choices made in the design of this project have now been aired and discussed, as well as the particulars of data collection and analysis, and a justification of the steps taken by your researcher to assure the quality of the entire research process. Moreover, ethical and cultural concerns have been discussed in detail.

It is argued that the design of two ethnographic case studies, the sampling strategies of time, setting and people, the use of the researcher's guanxi, and the data collection process and analytical process, are suitable to this specific research on how and why guanxi is used. The methods used have overcome some established shortcomings of the ethnographic case study, enabling the study to reach some certain level of reliability and validity. Ethical concerns have been deeply considered and

confidentiality has been highly protected during the whole process of the research.

Having described the methodology of the present research, Chapter Four and Chapter Five will present the research results.

Chapter 4. How is guanxi used?

4.1. Introduction

As discussed in the previous chapter, the aim of this thesis is to explore guanxi with reference to theories of social capital. The objective of this study is to investigate how and why people use guanxi for school places in different contexts, where social ties are closer or looser. The two principal research questions are:

- How is guanxi used to acquire school places? Does the level of closeness influence how guanxi is practised?
- Why is guanxi used to acquire school places? Do the reasons for using guanxi vary in term of different closeness levels of guanxi?

The purpose of this chapter is to present those themes emerging from the analysis of the findings in the two researched cities, focusing on how guanxi is used in the context of school selection and how different levels of closeness influence the use of guanxi. This chapter starts with presentation of different forms of guanxi practice, followed by the exploration of the possible patterns in the use of guanxi. Finally the chapter presents an analysis of how people in the two cities use the term ‘guanxi’ in their daily lives, in order to examine the working definition of guanxi provided in

Chapter Two. Data are drawn from both interviews and observations. Since the two cities selected displayed similar forms of the guanxi practice, data from both will be illustrated simultaneously.

4.2. Forms of guanxi practice

People practise guanxi for school places in many forms. The following four were observed in the field:

- 1) Instrumental li, with emotional influence (qin)
- 2) Money giving, with financial influence (qian)
- 3) Using a connection in a higher place, with power influence (quan)
- 4) Linking guanxi by guanxi (tao).

Many guanxi practices are full of traditional customs and rituals (instrumental li), such as gift giving, banqueting, giving favours, giving face, and applying ritualised patterns (ketao), with the emotional influence of ganqing and renqing. In some situations, people practise guanxi by giving money in exchange for resources. Some people use, or ask their guanxi who is an official in a higher place to use, their power to influence others to obtain a desirable resource. If one cannot influence certain persons, he/she will ask one of his/her guanxi who knows the person well to exert

his/her influence: namely, to link guanxi by guanxi.

4.2.1. Form 1: Instrumental li with emotional influence (qin)

Observations in the field reveal that traditional customs and rituals, including manners, etiquettes, politeness, and propriety, are highly valued and these traditional rituals and customs frequently occur in guanxi practice. For example, gift giving is one of the traditional customs, in the process of which manners, etiquettes, politeness or ritualised pattern (*ketao*) are important. Banqueting is another form of the traditional customs, which is also full of traditional rituals. “Renqing exchange” (favour exchange) actually a custom following politeness or manners, and it is the requirement of “*li shang wang lai*” (courtesy demands reciprocity). That is to say, if one receives something one should try to return the favour. Giving face is also a type of politeness or manners, which can involve accepting friends’ requests for favours, agreeing with someone publicly, avoiding making others embarrassed, and so on. Even gift giving and banqueting can be forms of giving face.

As presented in Chapter Two, all these traditional customs and rituals are practices of Confucian *li*. However, it should be stressed that these rituals and customs in *la guanxi* are not true *li*, but instrumental *li* or “fake *li*”. True *li* should come with *ren* inside, while the use of ritual in *la guanxi* is full of instrumental purpose without

much ren. Giving gifts, or inviting a friend to dinner, is not done out of true love or affection, but for the purpose of gaining school places. All practices of instrumental li observed in the process of guanxi practice come with emotional influence, like ganqing (emotional feeling or affection) and renqing (indebtedness).

Gift giving

Gift exchanges in City A and City B form part of people's daily practice, and people always bring gifts when they visit their friends or relatives. However, some gift giving has a clearly rational intention, although people do it in a very implicit way. For instance, many people bring gifts to headteachers when they ask for places in the school. In my frequent visits to Xie, the headteacher of a key school in City A before 2011, I saw that his flat was always full of guests and gifts during the summer. Some guests were parents and some might be parents' guanxis, but they seemed to have the same intention: obtaining a school place. However, I could not see Xie at home but only his wife during the student recruitment season (observational notes).

Moreover, many teachers and parents reported to me that parents or parents' guanxi often bring gifts to headteachers for school places. Giving gifts to one's expected benefactors to ask for a favour is one of the most popular forms of guanxi practice in the two cities.

Xie, headteacher of a key school in City A, confessed that many people visited him with gifts for school places. He said:

Some people would like to come to my home [with gifts and ask for school places] but they have no chance because I had turned off my mobile phone and left home [to avoid seeing them during recruitment season]. ...In this 'renqing society' people are using gifts as a way of courtesy, especially when expressing appreciation to someone. ...However, I heard some people care about the value of gifts and money so much while discarding qingyi (affection and righteousness), which is abnormal and becomes a kind of transaction. I despise this. (Interview AH01)

This gift giving phenomenon also happened in City B. Lu, a teacher in City B, said:

For daily gift giving to friend or relative, you can give some cheap local speciality from your hometown. If gift giving is for big things, like a school place or a job, you should give expensive wine. Some cost are up to 20,000 yuan, called Louis 13th something [the name of a French brandy]. (Interview BP04)

Giving gifts to an official or headteacher for a school place is a popular practice in both cities. Whether this is bribery or not is still controversial among informants. For example, Huan, a teacher in City A, said:

Strictly speaking, it is bribing. But it depends on how much the gifts are given. Usually Chinese people do not think it is bribing but a kind of tradition since Chinese people often bring gifts to their friends, colleagues and relatives. (Interview AT05)

Similarly, Jie, a teacher from a bad school in City A, said:

There are still a lot of guanxi practice for children's school upgrading [after the reform]. Theoretically speaking, it is bribing. But in fact, most of the people in the society are involved in this kind of practice. So, many people do not think it is bribing. (Interview AT01)

All in all, whether it is bribery or not, gift giving for asking or returning a favour to acquire a school place is popular in the two researched cities. Gift giving can provide the means to ask for a favour, create renqing (indebtedness), return renqing (favour) and enhance ganqing. Emotional influence is significant in this practice. However, if gifts are expensive and the parties involved care much about the value of the gifts – to

the extent that they may even be sold back to shopkeepers - this kind of gift giving not only comes with emotional influence, but also material or financial influence.

Banqueting

Like gift giving, banqueting can be a way of asking a favour, or showing appreciation of help. For example, a successful businessman, Song, used his guanxi to send his mentally disabled son to School E. Because of this, he often invited Lee, the headteacher of School E, to dinner, and sometimes invited all the teachers of School E to a big banquet (observational note).

May, a parent and teacher in City B, claimed that she did not give gifts to friends for a favour, such as a school place. She said:

I prefer to invite my friends to a dinner after a favour is done. I only give gifts to officials for a favour or for maintaining good guanxi with them.

(Interview BP05)

Lee, headteacher of a better common school, School E, became more popular after the 2011 reform in City A. Many people whose children failed the entrance exams of key schools had to turn to School E, and Lee was often invited to dinners and visited with

gifts. In the summer of 2012, when I visited Lee, I observed him return from a dinner with some gifts (observational note).

Xu, a shopkeeper in City A, who sells expensive alcohol and cigarettes, told me that his main customers included:

First, government departments and organisations; second, business people who need to invite officials or customers to dinner parties; and third, some individuals who use the items as gifts for guanxi practice. (Interview AK01)

The main purpose of buying expensive wine and brandy seems to be for dinner parties or gift giving. According to the shopkeepers in both cities, officials and businessmen usually consume expensive French brandy for expensive dinners when they practise guanxi (observational note). According to many informants in both cities, in a banquet with drinking, people get to know more about each other, so they enhance affection and mutual trust. Second, banqueting follows the traditional rituals, so people enhance affection and trust by observing the right rituals (observational note).

All in all, banqueting is one of the most important forms of guanxi practice. It can provide the means to ask for a favour, create renqing (indebtedness), return renqing (favour), and enhance affection.

Favour exchange (renqing exchange)

According to the observations, people in the two cities are keen to do others a favour (renqing exchange, doing renqing, giving renqing or selling renqing), especially to help their friends or relatives. This characteristic enabled my fieldwork in both cities to be carried out successfully and with easy access.

But why are people keen to help their friends and relatives? It seems to be a cultural tradition or ritual rule that people in the two cities cannot help their friends or relatives for money. People prefer favour exchange than market exchange with their guanxi for matters of daily life.

Mai, a teacher in City A, told me his own experience:

Actually, I am more and more realising that helping others by guanxi is very beneficial for myself. In the past, when people asked me to help them pull guanxi with my headteacher for school place, I often refused because it was too troublesome and I felt bu hao yi shi (ashamed). However, now I am keen to help. People bring gifts and envelopes, and then I take them to my headteacher's home. By this chance, I can get closer to my headteacher. My

friends are happy and appreciate my help very much, while my headteacher is happy with me too, since he gets a good income. I gain a renqing (social debt on others) and get closer guanxi and even ganqing with my headteacher, so good! (Interview AT02)

Obviously, some people do others a favour with the expectation of a return. In this form of guanxi practice, people do others a favour - even a big favour that may cost a lot of money, time and effort - but people do not ask for money. It seems that people are very kind and help others for free, but in fact, you should try your best to help out to return the favour when they ask you for help in the future. Local people call this “renqing exchange”.

Zhong ,an official in City A, argued:

In the society of ‘rule of man’, people have to count on their connections rather than rule of law. Therefore people had better give help to others. If they need others’ help, they can ask easily. That is why headteachers have to give school places to their guanxi. (Interview AO02)

This traditional idea of renqing and favour exchange has been brought into institutional system. Some people who hold resources (including public resources)

exchange with schools for a school place. In City A, many teachers and headteachers argue that schools need support from many governmental departments and organisations or state-owned companies. Before the reform in 2011, schools had to offer their school places to these departments or organisations in exchange for support. Some government departments received “tickets” (school places) but some did not: it depended on whether the department had resources to exchange with the school.

Kai, a parent and policeman, informed me that officials or departments being able to influence the schools gain benefit from the school student recruitment. For example, the traffic police received study places each year because they helped with the traffic in front of the schools. Also, the police substation in the area of the schools received study places, whereas the City Police Bureau did not. Moreover, other many departments, such as the Finance Bureau, the audit bureau, and the personnel bureau, all gained from the school upgrading. However, since the reform in 2011, they have no study places any more. Kai was in Special Police Department, which did not receive any study places before the reform. He also worried about his son’s upgrade in 2013. He would ask around if any friends know officials in the Education Bureau, or the headteacher of School 1 (interview AP03).

Xie, headteacher of School B, vividly reveals how his school exchanges resources:

Some departments have a beneficial relationship with us. Every year we gave the electricity company some study places, so they were so good to us, and we need good service from their company. In summer, for example, because of too many air conditioners, people in this city suffer blackout more often. If the blackout happened when students were having lectures, the electricity company would solve it immediately because we have good guanxi with them. However, now we cannot offer any study places to them, they always delay fixing the electrical problems in our school. (Interview AH01)

Due to the offers of support by relevant departments, schools have to give them school places; otherwise, schools will get trouble. Xie also revealed that they had an unwritten agreement with all relevant departments and agreed to give them some study places every year: for example, ten school places for the Traffic Police, five places for the electricity company. Along with giving school places to departments, Xie had to give some places to some individual officials as “flattery gifts”.

However, after the reform, some officials - (official), Kai (policeman), and Zhong (official) - told me that they received no “tickets” (school places) any more. Moreover, Xie complained that officials were not nice to him after the reform, since he had no school places to offer to them. Some other informants in City A - like Ming (businessman), Deng (teacher), and Zhong (official) - echoed this interesting fact.

Giving face

Informants in both cities talk about face frequently in interviews and in their daily life.

People need to give face to others in order to please them and give them respect, so as

to improve or maintain their relationship. People give face to others in many forms.

They accept others' requests for favours, agree with each other in meetings; give

others support in work; avoid making others embarrassed; give "flattery gifts" to

others, and so on. Even to banquet someone, to accept a banquet or party invitation,

and to visit someone's home can be a form of giving face (observational notes).

For example, one might give face to officials to maintain good guanxi with them so

that one can ask them for favours if needed. Headteachers Xie and Lee both claimed

that they must give face to individual officials. In support of this, Lee told me a story.

A friend of Lee had told him that one of the officials said at a meeting: "Lee is

arrogant. To his eyes, there are no others." The friend asked Lee if he had offended

the official, which Lee denied. The friend then asked if Lee had ever visited the

official's home with gifts. Lee said no, because the official was not directly in charge

of his school. In response, the friend told Lee that he was in the wrong. Although that

official is not directly in charge of Lee's school, he can still influence the school. The

official was therefore upset with Lee because Lee did not show respect to him. Lee's

friend advised him “You did not give him face. You should visit his home to show your respect.” Later, Lee visited that official with some expensive gifts, and since then, the official has never criticised Lee and has even praised his character (observational note).

Lee explained why he had to give face to some officials. He said:

....they [officials] want to show their high social status or leadership to gain face. They want others to know the fact that he/she is authoritative and full of power. In order to gain face, they can do anything, no matter if it is right or wrong. (Interview AH02)

Another headteacher in City A, Xie, displeased an official in the procuratorate by “hiding” and missing his phone call, and not giving him a school place. The official was angry with this because he could not show his high status in front his guanxi who asked him for this favour, and he made difficulties for Xie. Xie said:

.... In order to save face, some people fail to distinguish right from wrong. Black and white are mixed together, flinging caution to the wind.

(Observational note)

Many informants claimed that they should give face to others, and avoid offending others' face: not only officials, but also ordinary people. Accepting a request for a favour is a typical way of giving face. Not only should headteachers give face to officials, but officials should give face to headteachers when headteachers ask them for favours. So officials and headteachers give face to each other so as to maintain a good relationship.

Applying ritualised patterns (ketao)

In the two cities, when people practise guanxi, they value ritualised patterns (ketao) and etiquettes (lishu), and argue that these will improve people's human kindness (renqing wei). If one has more renqing wei, one will have a better relationship with his/her guanxis.

Ritualised patterns, or ketao, actually consists of much specific etiquette. People in the two cities always rush to the fore and fight to pay a dinner bill in order to show their kindness. However, sometimes people are actually invited to a dinner, and it is not necessary to pay for dinner, since they are guests. However, they usually stand up and offer to pay after the dinner even though they know that the host will not allow them to do so. This kind of manner, polite formula or etiquette, is important for local people in their daily life, which makes the person who practises it have more renqing

wei (observational notes).

Another example of a ritualised pattern is people fighting to give or return gifts in order to show their politeness. Almost all gift giving activities that I observed, including my own gift giving to informants, involve ritual struggle. If one did not practice ritual struggle when receiving gifts, one would be condemned as bad in etiquette. This may not offend others but will be considered as less of renqing wei, or bu dong renqing (knowing nothing about renqing rules, norms, or ethic).

Many forms of ritualised pattern have been observed in the two cities. For example, giving a higher status seat to others, embodying concern to others, a ritual struggle for paying dinner bill, and fighting to give and return gifts, are important in guanxi practice, according to many of the informants.

Without proper ritualised patterns and etiquette, la guanxi may fail. For example, gift giving requires much ritualised pattern and etiquette, such as the content, package and the number or amount of gifts, which should be carefully prepared and carried out.

Otherwise it may offend the gift recipient.

Liu, a headteacher in City A, told me that a teacher of his school visited his home with six apples as a flattery gift. He was very unsatisfied with the gifts and said:

Nowadays, apples are too cheap. If you want to give fruits, you should buy expensive fruits, like imported fruits. Besides, eight is a lucky number, why did she just save on buying two more apples? Ridiculous! (Interview AH03)

We can see what the consequence of gift giving may be: Liu was unhappy and may not be willing to do the teacher a favour next time. If one makes mistakes in ritualised patterns and etiquette, one will decrease his/her reputation and find gaining help more difficult.

All the above activities, gift giving, banqueting, doing renqing, giving face, and applying ritualised patterns and etiquette, come with emotional influence, like the sense of renqing and ganqing. Although gift giving and banqueting are forms of la guanxi, it is important for the favour seeker to develop ganqing during the process. If he/or she cannot develop some level of ganqing, the expected benefactor may not be willing to help. Thus, many informants claim that “ganqing investment” (ganqing tou zi) is important. There are many ways of going about “ganqing investment”. One can investigate the target person’s hobbies and try to give him/her gifts that he/she likes the most, or to share something that the target person likes very much. One can also drink and eat with others to enhance ganqing. Doing favours for others also increases ganqing. Even frequent contact enhances affection (observational notes).

It is noted that this so-called “ganqing investment” is essentially to influence others by renqing (sense of indebtedness), rather than real affection (zhen ganqing), and some people regarded it as “fake ganqing”. Yet whether or not they have ganqing or renqing, all the rituals used in la guanxi come with emotional influence.

The first form of guanxi practice, ritual with emotional influence, is the practice of traditional ritual to influence others in order to acquire social resources. It seems that gift giving, banqueting, favour exchange, giving face, using ritualised patterns and etiquettes are not true li but instrumental li, since true li should come with ren inside, without instrumental purpose.

4.2.2. Form 2: Money giving with financial influence (qian)

It seems to be a cultural tradition or ritual rule that people in the two cities prefer favour exchange to market exchange among guanxis in daily life. However, when the resource is too expensive, such as a school place in a key school, paying money is still possible but in an implicative way, with “discount”: it is cheaper than buying a school place from a trafficker, and the closer the guanxi the cheaper the “price”.

People in some circumstances used guanxi to get a school place by paying money.

Some people even consider that paying money to an official for a favour follows the rule of renqing (qingli), and is reasonable. Many guanxi practice cases involve giving money in envelopes or red packets. Liao, a teacher of a bad school in City B, who was a former student of my uncle, said:

Finding guanxi definitely requires money. Without money, one cannot find guanxi. It is the situation now in China. (Interview BT04)

“No money no guanxi, no guanxi no money” is a saying in both cities. That is to say, investing money in guanxi practice will enlarge one’s guanxi networks and thus, one is more likely to receive favours. The bigger the guanxi network, the greater the opportunities to gain more money; whereas if there is no money invested in guanxi, no guanxi relationship is built and one cannot make big money.

This at first appears to conflict with the emotional basis of guanxi presented above - like ganqing and renqing. However, the statement of “No money no guanxi, no guanxi no money” seems not to apply to close guanxi or “a friend indeed”, but to those relationships that are built mainly for an instrumental purpose. Informants in the two cities regard those relationships based on money as “money guanxi” in contrast to guanxi based on emotion and morality. Nevertheless, money and guanxi are closely linked in some situations, where people are seeking to benefit with more rational

calculations and less emotional and moral consideration. However, the situations in which people apply emotional guanxi or money guanxi needs further exploration.

Shen, a father of four daughters in City A, revealed how he got a school place for his youngest daughter:

I knew my niece had good guanxi with an official in Education Bureau. I asked her to get a place in old School C. She contacted him and finally informed me to register and pay a donation. After that, I asked around and got told that people usually paid 3000-5000 yuan to the official for a school place in Old School C. So I paid 3000 to my niece and asked her to give it to the official. I totally understand that. Officials count on this for a living. Their salary is very low actually. We should pay them for favours. This is qingli (rule of renqing).

(Interview AP07)

It seems that paying money to an official or a resource holder follows the rule of renqing (qingli). Some people do not think it is bribery but a tradition. Some people realise that this type of practice is bribery, but they practise it just because many others are doing so and it has become a local custom. No matter whether it is bribery or not, paying money to headteachers or officials for a favour, like a school place, follows so-called qingli in the two research cities. Furthermore, the money Shen paid

was 3000 yuan, which he had heard was the cheapest price. It seems that the use of guanxi can get discount for buying resources.

In a dinner party with some close relatives, Zhao, a successful businessman, revealed how he obtained a school place from Wang, headteacher of SS school. A few years before 2012, Zhao tried to ask Wang for a school place for Zhao's daughter. Zhao did not know Wang but one of his relatives knew him and gave Zhao Wang's home address and mobile phone number. Zhao phoned Wang in order to visit his home with gifts and money, but Wang refused. Zhao visited Wang's home many times without invitation, but there was no one there. One evening, they kept waiting until 11pm but no one came back to Wang's home. Following the suggestion of the relative, Zhao phoned Wang and he gave him a lie that he had already put 30,000 yuan in his letterbox and hoped he could help out. After hung up the phone, Zhao then actually put the money in his letterbox. Finally, he got the study place. Zhao phoned Wang to thank him. Wang said Zhao's relative was his good friend and he gave face to the relative (observational note).

In this case, Zhao's relative plays an important role in this bribery, which illustrates that guanxi can act as a channel to bribe officials. Many informants refer to this type of guanxi as "money guanxi", which is built up mainly by money without much affection.

Ping, a parent in City B, argued that giving gifts or money for a favour is a tradition. Different people have different preferences. Some people like giving or receiving gifts, but some prefer money. She gave the following example:

One day, one of my relatives asked me to find guanxi for a school place. At that time people told me how to practise guanxi, that is, put money in an envelope and give it to the official and say that this is some information about the student, please have a look later. Actually we both knew what that meant.

(Interview BP02)

The above three cases show how money and guanxi are associated. It seems that guanxi plays a role of trust and safeguard in bribing officials. Without the guanxi of the teacher who introduced Ping to her headteacher, Ping could not bribe the headteacher.

It is interesting to note that neither Zhao nor Ping realised that what they did was bribery, and laughed when talking about their money giving. It seems that this type of money giving is common, and people take it for granted.

Much evidence shows that guanxi safeguards both parties involved in the act of

bribery. Ben, a shopkeeper in City B, and his friends, who visited his shop for tea and chatting, claimed that people usually give gifts to officials before the favour and bring an envelope after the favour is done. But they stressed that official would not receive money unless the one is his acquaintance (su ren); also they would not receive small amounts of money, since taking money involves taking a risk, regardless of the amount (observational notes).

May, a mother, and Tian, a teacher, in City B both argued that officials would not receive money from strangers because it would be a big risk. They only receive money from guanxi's guanxi because that will be insured by trust among the guanxis. Fei, a deputy headteacher in City B, when I interviewed him along with two others at a dinner, also argued that receiving money from an acquaintance (su ren) decreases the risk. (Interview BH02)

Unlike market exchange, where money can be paid directly for something, the use of money in guanxi practice involves much more complicated cultural rules. Money guanxi involves traditional ritual, while market exchange is straightforward. As presented earlier, Ping, a mother in City B, put cash in an envelope and said politely that it was some information about the student. She could not give money directly, as in market exchange. In the same way, Rose, a mother in City A, gave money to an official in exchange for a school place for her daughter in 2007. Rose did not give

cash to the official and count money face to face; rather she put an envelope with cash in a bag of tea and gave it to the official. (Interview AP02)

Since some resources are difficult to acquire through market exchange, people have to count on “money guanxi”, using both guanxi and money for resource. Although market exchange may exist (before 2011 in City A), it is regarded as illegal trafficking, which is full of risk. Some people failed to find guanxi and might take a risk to get a place from school place traffickers, at a higher price. Some people with no guanxi and/or not enough money had to accept lower quality education for their children.

As noted, Ping, a mother in City B, gave money to an official for exchange of a school place. However, she stressed that it was a teacher who introduced her to the headteacher of CE school. She said:

....At that time, I had a friend teaching in CE school. She could not directly ask her headteacher for a place with money because it is shameful (pu hao yi shi), so she introduced me to her headteacher and asked me to visit the headteacher without her presence. She phoned the headteacher before I went to the headteacher’s home. Then I went to the headteacher’s home alone (with cash in an envelope). (Interview BP02)

Without the intermediary of the teacher in CE school, Ping could not have successfully practised this guanxi. In the same way, without the introduction of a friend, Rose could not have succeeded in la guanxi with the official. Much evidence has shown that guanxi acts a channel to bribe officials or headteachers.

Without guanxi as a channel, money cannot flow in exchange for some unmarketable and insufficient resources, like school places in key schools or key classes. As noted, many informants claim that no official or headteacher will receive money from a stranger for giving them a school place since there is no guanxi as guarantee: they are afraid that their corruption will be explored. In this money guanxi, the norms behind guanxi - say “renqing ethic” or “renqing rule” - make the parties involved more confident to trade. This will be analysed in detail in the next chapter.

Furthermore, the market exchange is exchange at equal values, but money guanxi is usually is cheaper than market price. As presented earlier, Shen, a father in City A, heard that people paid 3000-5000 yuan for a place in the common school his daughter was going to, so he gave the cheapest price of 3000 yuan to his niece and asked her to give it to the official. Rose and Nicky also reported that they paid less money for school places than the price from a trafficker.

As can be seen, the use of money via guanxi for resources, such as a school place, is

not pure market exchange, but it is more like a special form of reciprocity based on some special norms. Paying money is the direct form of financial influence. In addition, other forms of financial influence may include giving expensive gifts, providing the benefactor with a free vacation, or other material benefit (observational notes).

4.2.3. Form 3: Using connection in higher place with power influence (quan)

Some people in the two cities ask their guanxi, who is an official in a higher place, to use his/her power to influence others for desirable resources, for example, school places. In both cities, officials often abuse their power and force headteachers to accept their guanxi students. In order to maintain good guanxi with the officials, headteachers have to break rules to accept the students. For example, in 2011 Yu, a mother, asked the head of Audit Bureau to exert his power to influence the headteacher of School C for a school place (interview AP06).

Xie, headteacher of School B, complained about officials abusing their power to obtain a school place. Many government departments asked him for school places, such as the police, the electricity company, the anti-corruption office, the commercial price bureau, the discipline inspection commission, procurators and even the gangs or

criminal syndicates. He gave the following example:

A couple are both officials; they asked me for two study places. I told them that I only could give them one study place since they are a couple from the same family. They were not satisfied with this and said angrily: we are from two different departments so we need two! (Interview AH01)

He gave a further example:

A procurator[an official in the procuratorate] wanted to ask me for a study place; since I turned off my phone and left my home, he failed to get a study place from me. He was angry with this because he lost his face, so he asked his subordinate to make a fake phone called to the procuratorate, reporting that I was involved in corruption. From then on, we had to offer him some study places every year. (Interview AH01)

Lee, a headteacher, told me an interesting story:

One official told me that he just wanted to test if a headteacher values the guanxi with him or not, and asked the headteacher for a school place. Finally, he made it. Then he told me that headteacher knew how to behave (hui zuo

ren), how to be a proper headteacher. (Interview AH02).

It seems that one's guanxi become powerful when one has guanxi with some powerful people. Therefore people are attempting to produce guanxi with others who have power, money or higher statuses, which is one of the guanxi tactics. We can see from the guanxi practices presented above that people all ask powerful people for a favour. People prefer la guanxi with people who have the resources they want. Since officials and the rich always have the power to dominate resources, there is a tendency that people prefer building guanxi with officials or the rich.

Jie, a teacher in a bad school in City A, complained that people are very snobbish nowadays:

If you are rich, they will help you. If you are poor, they even do not want to make friends with you. (Interview AT01)

Teachers and parents in both cities told me that they have to visit officials with gifts regularly, especially on festivals because they have power. Before conducting this research, I observed that people were very busy visiting officials' homes near the Mid-Autumn Festival and Spring Festival. Traffic was very busy in the evenings near these two important festivals (observational note). When I had chatted with a group of

professors, officials and headteachers in City A, they all agreed that the reason Chinese people are snobbish is the “rule of man”: Some individual powerful persons can decide people’s fortune, even their destiny (observational note).

It is very interesting to note that, in City B, there were many cigarette and wine shop near the city government apartments, where many officials lived. There was a row of these shops just opposite to the main entrance of the apartments, one next to the other; they were all selling expensive wine and cigarettes (observational note). The shopkeeper whom I interviewed reported that many people need to give gifts to officials for favours or for maintaining guanxi for future use.

Also according to my observations, people in both cities enjoy boasting. They often show off their guanxi in front of others, saying that they have guanxi with some famous and powerful people. They say they know the mayor, they have a good relationship with a powerful official or rich person, and so on. By doing so, they show their powerful guanxi to gain face, and attract others to build up or get closer guanxi with them (observational note).

As can be seen, to link or pull closer and maintain guanxi with officials or some powerful and rich persons is an important way of guanxi practice. Power in guanxi ensures its utilitarian functions.

4.2.4. Form 4: Linking guanxi by guanxi (Tao)

If someone cannot influence a certain person, he/she will ask one of his/her guanxi who knows the person well to exert his/her influence. If the person connected by one's guanxi is not able to help out, he/she will ask another guanxi for help. This form of guanxi practice is called "guanxi by guanxi", or "*tao* guanxi". This "guanxi by guanxi" is one of the most popular ways that people *la* guanxi, and most of the guanxi practices described above are actually "guanxi by guanxi" (see Appendix 4).

Qi, a father in City A, argued that having a close guanxi plus another close guanxi is very effective. He gave two examples. A teacher in School 4, who is his cousin's good friend, informed Qi about the expanding recruitment at his school, so Qi went to the school for registration earlier and got the school place successfully, while many other parents failed to get one because they received the information too late. Another example was his application for a visa to Hong Kong. Since he left one of the important application materials at his factory in another province, he was not allowed to apply. However, he phoned one of his friends in the police bureau, Chen, who connected him to a police in charge of visa application, and Qi finally succeeded. Qi said: "the police man is a good friend of my friend. So it is a close guanxi plus a close guanxi. This pattern is very effective." (Interview AP04)

As can be seen, the middleman (intermediary) plays an important role in guanxi practice. Xie said:

Parents usually contact their guanxis, who also contact other guanxis, and finally they can get a study place from us, or from one of the officials.

(Interview AH01)

In both cities, some deans, deputy headteachers or common teachers were making money from being a middleman between parents and headteachers (or officials).

Before the reform in City A, since many officials and teachers had some “tickets” on hand, they needed middlemen to promote and sell the “tickets”. Thus, “guanxi by guanxi” works in this situation.

However, if middlemen cannot link guanxi by guanxi and find someone to buy tickets, some of them even promote school places online or on the street to attract strangers.

Rose claimed that if she could not have found guanxi to obtain a school place for her daughter, she would buy a place from the agent, who is a stranger; thus she might have run the risk of being cheated (interview AP02).

The form of linking guanxi by guanxi has to apply the three forms discussed above.

People apply ritual and customs, give money, and/or use power to influence the intermediary to obtain a favour. In the same way, the intermediary uses the above three forms to ask his/her other guanxi for a favour, and then give the favour to the guanxi who asks him/her for the favour. Linking guanxi by guanxi thus combines two or more forms of guanxi practice.

However, if the “guanxi by guanxi” links too many circles, guanxi becomes more and more distant. People may have weaker obligations to help their guanxi. That is one of the reasons that some guanxi practice fails. Many would-be benefactors usually ask the intermediary what relationship he has with the favour seekers. If the expected benefactors know the relationship between the favour seeker and the intermediary is not so close, he/she would not try his/her best to help(observational notes).

4.2.5. Relations between different forms of guanxi practice

The above section has presented four forms of guanxi practice: 1) instrumental li with emotional influence (qin); 2) money giving with financial influence (qian); 3) using a connection in higher place with power influence (quan); 4) linking guanxi by guanxi (tao). However, in the many guanxi cases described above, few cases only apply a single form of guanxi practice; usually people apply two or more forms of guanxi practice to gain desired resources. As described above, in many cases, ritual activities

are associated with money and power. People may also visit the benefactor at dinner and give gifts, including an envelope containing cash. Alternatively, people ask an official to exert his/her power and at the same time bring gifts or invite the benefactor to dinner. That is to say, to practice guanxi, people may try to influence others with a mixture of emotion, money, and power. All the above forms may also involve linking guanxi by guanxi.

The first form of guanxi practice thus involves instrumental li; and the other three are also full of instrumental li. Ritual activities, manners, etiquette, politeness, and propriety exist in every step of money giving, using power and linking guanxi by guanxi. When people use money or power - the second and third form of guanxi practice - they cannot give money directly or use their power without any consideration for ritual and manners. If one cannot use proper ritual to give money, one cannot finalise the exchange.

The use of power involves instrumental li too, especially face giving and favour exchange. Unlike in institutional and formal systems, the use of power in guanxi practice involves much instrumental li, for example, the rule of li shang wanglai. As stated above, the concept of renqing exchange and other ritual rules have been brought into the institutional system. For example, visiting an official with gifts is ritual and proper manners, according to local traditional customs. Lee gave face to an

official by bringing gifts with visits; in return, the official gave him more support and praised him in meetings. The head of the Audit Bureau uses his power to influence a headteacher for a school place: in return, the head may give the school's finance audit an easy pass, which is called "li shang wanglai" by local people.

The fourth form of guanxi practice - linking guanxi by guanxi - is actually the combination of two or more single guanxi practices; thus it is also full of instrumental li too. Since ritual is an important practice of instrumental li, la guanxi seems to be a ritual investment for gaining resources.

4.2.6. Ritual is vital

Much evidence presented above has shown that ritual is crucial to guanxi practice. Guanxi practice requires proper ritual, which is one of the important practices of Confucian li. To many informants, bringing gifts to the benefactor is important ritual, although many gift recipients do not agree that they care about the value of the gifts. If their guanxi do not visit them with gifts after receiving a favour, they may feel bad about their guanxi, which may lead to a negative relationship. For example Liu, a headmaster in City A, said:

If I do you a favour, you should, at least, come to my home to thank me

with shouxin (gifts). If you do not know this renqing, I may not do you a favour next time. By contrast, if you know renqing shili (rule of renqing), I will be happy to do you a favour next time. It is not the fact that I care about the gifts, but the manners. (Interview AH03)

Ritual exists at almost every stage of a la guanxi process. To take gift giving as an example: the first step is to prepare gifts; the content and package of gifts should be highly valued and well prepared. Expensive gifts are for big favours; cheap gifts are for small favours. A formal gift should be in a red packet, since red is a lucky colour according to local culture. White is forbidden unless it is for a funeral. The second step of gift giving is home visiting with gifts. The guest should not highlight the gifts when coming to the benefactor's home; rather gifts should be put in a corner and ignored, while the guest and benefactor start to chat. When the guest is leaving, a ritual struggle of returning gifts usually take place (observational notes).

All in all, the process of gift giving that I observed in the two cities is full of ritual. The wide existence of ritual in guanxi practice further shows us that ritual is vital when asking one's guanxi a favour, or thanking for a favour.

It is worth noting that different types of instrumental li are always associated with each other and they are full of rituals. Sometimes people think they gain face when

they receive favours. Also, when doing someone a favour, people may think they are giving face to the recipients. Likewise, home visiting with gifts may give face to the benefactor. Banqueting is associated with both renqing and face: when inviting a friend to dinner, people choose an honourable (ti mian) place to gain face. Both sides gain face if the guests accept the invitation and join the dinner. A dinner can return a favour (renqing). After receiving a dinner, or gifts, people feel that they owe a social debt (renqing) and are more likely to help the guanxi. People can gain renqing and face by doing others a favour. Thus, the recipient gains face and owes a social debt (renqing). Someone giving gifts to, or holding a banquet for, the benefactor will reduce the former's indebtedness, or sense of indebtedness (owing renqing). Giving face is not a set action that exists by itself; it is only achieved by way of specific ritual activities in combination with proper rites and manners. All different ritual activities, manners, etiquette, politeness, and propriety are in fact associated with each other and traditional ritual exists in almost every form.

However, it is necessary to distinguish expressive and instrumental li (including ritual). Expressive li and ritual is usually done to express one's real emotion and concern without much rational calculation (guanxi practice but not la guanxi), while instrumental li and ritual is usually done for instrumental purposes. Many informants in the two cities bring gifts to their friends and relatives in their daily life, or invite them to dinner, without any instrumental intention. Moreover, joining a friend's

birthday party, wedding, or even funeral are usually expressive li. This type of guanxi practice is different from parents practising guanxi to gain school places, where they give gifts and/or invite their benefactor to dinner with a very clear instrumental purpose.

Sometimes it is difficult to distinguish between expressive and instrumental li. The motivation of people attending their supervisors' weddings, birthday parties, or funerals for the supervisors' parents could be expressive, or instrumental, or a combination of the two. Usually smart practitioners of guanxi are good at using expressive ritual activities, such as weddings and birthday parties, to develop ganqing (so-called ganqing investment), so that they can ask for a favour in the future, which seems to be a more effective way of la guanxi.

To summarise: this section has presented four forms of guanxi practice and found that they are closely associated with each other. Moreover, ritual exists in almost every form and at every step of guanxi practice, which is vital for gaining resources. The proper use of ritual greatly improves the quality of guanxi and can be used as a very productive social investment in the two researched cities. Guanxi is different from market exchange, for the way it acquires resources is full of complicated cultural elements.

4.3. Instrumental li follows weak-strong-weak pattern

As noted in the literature reviewed in Chapter Two, the Chinese have a high awareness of different closeness level of guanxi, and act differently accordingly. In the context of acquiring school places, do people in the two researched cities have this sense of closeness? Does the level of closeness influence how guanxi is practised? How are these forms influenced by levels of closeness? As indicated in the previous section, money giving seems to exist between two parties who are not close, but have an indirect relationship via an intermediary. The use of power seems to be related to the social hierarchy and institutional system, rather than closeness. Linking guanxi by guanxi is actually not likely to exist in close guanxi where people can ask a favour directly.

What really drew my attention is the first form of guanxi practice - instrumental li with emotional influence. Ritual, as one of the important practice of li, is crucial to all forms of guanxi practice observed in the field, and it exists in almost every step of a la guanxi process. It is important to examine how the level of closeness influences people applying li in guanxi practice.

In the context of la guanxi for school places in the two researched cities, the first form of guanxi practice - using instrumental li - seems to follow a weak-strong-weak pattern in close-moderate-distant guanxi. That is to say, all rituals and customs in la

guanxi for school places are more highly valued, more workable, more frequently occurring, and bring more impact in moderate guanxi than in close and distant guanxi.

As stressed earlier, these rituals are not true li, but instrumental li or fake li. True li should come with ren inside, while the use of ritual in la guanxi is actually full of instrumental purpose without much ren. It is this instrumental li, or fake li, rather than true li, that follows a weak-strong-weak pattern. The term “strong” here means more highly valued, more workable, more frequently occurring, and bringing more significant impact, while “weak” here means less valued, less workable, less frequently occurring, and having a less significant impact on the result of la guanxi.

4.3.1. Closeness of guanxi

Many informants in the two cities have the same guanxi classification related to social distance. In some situation, some informants only mention two types - close and distant - but more frequently, they distinguish three types: “close guanxi” (qin mi guanxi, guanxi hen tie, guanxi hen hao); “distant guanxi” (guanxi bi jiao shu yuan, bu tai shu); and moderate or “so-so guanxi” (guanxi yi ban ban, pu tong peng you).

However, some informants cannot clearly tell the boundary among the three types of guanxi, although they have these three types of categorisation in mind. Some

informants argue that the category depends on the context: in different contexts people have different close, moderate and distant guanxi. That is to say, the category is not fixed but adaptable to different situations. A and B are distant guanxi in City A in China, but they may become close guanxi if they meet in London, far from China.

Relationships are ever changing. A and B are close guanxi now but they may become moderate or distant guanxi in the future. Also, when A regards B as close guanxi, B may not think the same way: he/she may regard B as his/her moderate guanxi or even distant guanxi. Thus, the categorisation of guanxi in this research is regarded as dynamic, adaptable, and flexible, based on a continuum of social distance, rather than a fixed and clear-cut category.

However, in the context of using guanxi to obtain a school place, most informants can tell who their close, moderate or distant guanxi are, although they may have different criteria. Since an individual could use any of his/her guanxi to acquire a school place, the context that this research focuses on is a “general context” which includes all guanxis of an individual, rather than an individual’s guanxis in a “limited context”, like one’s guanxi within a company or department.

4.3.2. Instrumental gift giving follows weak-strong-weak pattern

From the analysis of the use of guanxi in the two cities researched, many concepts and practices have been found to vary according to the closeness of guanxi. Some practices of instrumental li, like gift giving, banqueting and using ritualised patterns (ketao), follow a 'weak-strong-weak' pattern. They are less significant in close guanxi and distant guanxi, and strong in moderate guanxi.

For people in the two cities, gift giving varies in its content, package, manner, and timing, according to the different closeness levels of guanxi. In close guanxi, gift giving may be a regular practice, informal and not always important; even ordinary food can serve as a gift to a close friend or relative. It is unnecessary to give expensive gifts to repay a specific favour. In moderate guanxi, gifts need to be expensive, formal and well prepared and packaged if one wants to return or ask for a favour, or even simply to maintain the relationship. People pay more attention to the gifts and the courtesy of gift giving in moderate guanxi. Most importantly, people realise that a favour has been done, which may be returned in the future by the recipient of the gift. In distant guanxi, however, people simply give money in return for a favour: just like a transaction. Although gift giving can also occur in distant guanxi, it is not the main concern; money is a higher priority unless the favour is too small to exchange for money. Gifts are simply a form of courtesy. Thus, gift giving is more significant in moderate guanxi and less significant in both close and distant guanxi, following a weak-strong-weak pattern.

The following is an example of gift giving for a school place, which was relayed to me by my relative John at a tea party. In the summer of 2006, John's brother-in-law, Su, asked John for help in getting his son a place in School B. One evening, John bought some ginseng, which cost him about 500 yuan, as a gift for Xie, the headteacher of the school, and then asked for a place. Two weeks later, Su happily reported to John that the school had accepted his son, and he insisted on going to Xie's home to thank him. He asked John how much money he should bring, having heard that others paid money for school places. John replied that giving money might be shameful (*bu hao yi si*) for him, and might insult Xie. In the end, Su bought two bottles of French brandy worth 4000 yuan, and John accompanied him to Xie's home with the gifts. Xie received the gifts without a word (observational notes).

Rose, a mother in City A and a close relative of mine, recalled how she came about the school place for her daughter in SS School, the best key primary school in the city, in 2007:

We asked around. A friend of mine knew an official who had tickets. We bought the ticket from the officials at a price of 5000 yuan. Actually, we brought some gifts to the official's home, with an envelope of 5000 yuan. After that, we also brought some gifts to the friend who introduced us to the official.

(Interview AP02)

In City A, “ticket” is colloquial for school place. It actually refers to a written offer of a school place with school stamp on it, where the name of the expected student in the offer is blank (observational note).

Later, Rose told me that the gift to the official was 1kg of tea, only worth 300 yuan, and the gift to her friend was 500 yuan without money. When I asked Rose why she did not simply give 5300 yuan without gifts, she smiled and explained that it is embarrassing (*bu hao yi si*) to do that. Giving gifts with an envelope included is a lot more polite than giving money alone. But why did Rose give gifts (without money) to her friend, and why was the value of these gifts (500 yuan) greater than the value of the gifts given to the official? According to Rose, it is shameful to give money to her friend in return for introducing the official; the standard practice is to give gifts. The value of the gift is determined by the size of the favour: large gifts for a large favour, small gifts for a small favour. Only distant *guanxi*s or strangers give money in return for a favour (observational note).

We can easily find that the different forms of gift giving are associated with the closeness between people. John and Su are brothers-in-law and John argued that they did not give gifts to each other for a specific favour. However, John claimed that he

had moderate guanxi with the headteacher Xie, and that is why he felt too ashamed to give money: instead, he gave him expensive gifts. By contrast, the guanxi between Rose and the official is obviously a distant one, based on a mutual friend. Rose gave 5000 yuan to the official in exchange for a school place; the 300 yuan's worth of gifts was merely something to conceal the "money guanxi". However, Rose gave gifts to the friend who introduced her to the official, and argued that cheap gifts should be given for small favours, and expensive gifts for large favours. Table 4.1 (below) illustrates this process.

Table 4.1. Comparison of gift giving

Story	Actors	Before favour	After favour	Closeness
Story 1	Su – John	Nothing	Nothing	Close guanxi
	John – Xie	500 yuan's worth of gifts	4000 yuan's worth of gifts	Moderate guanxi
Story 2	Rose – her friend	Nothing	500 yuan's worth of gifts	Moderate guanxi
	Rose – official	5000 yuan in cash, with 300 yuan's worth of gifts	Nothing	Distant guanxi

Some of the expensive gifts, such as wine and cigarettes, may be later sold back to shopkeepers. Shopkeepers told me they frequently bought back expensive gifts, especially French brandy, the price of which would be up to tens of thousands of yuan (observational notes).

Xu, a shopkeeper in City A, revealed that they often bought back expensive gifts from some officials' families (interview AK01). Ben, a shopkeeper in City B, concurred, remarking that he often bought back expensive French alcohol: the profits from selling bought-back alcohol were much higher than selling normal alcohol. A bottle of brandy called Hennessey Richard XO was selling at 22,500 yuan in the supermarket; he was selling it at around 18,000, having bought it back at a much lower price than this (in 2013 a high school teacher's monthly salary is about 2000 yuan in City B). This shopkeeper told me that along with closeness (people feel ashamed to received money from their moderate guanxi), some people did not give money to officials because this is bribery, whereas giving expensive gifts is just the local tradition. Alcohol, cigarettes, and tea were the three main items that this shopkeeper bought back and sold on (interview BK01). This is evidence of the fact that some people actually like receiving money but they cannot receive their moderate guanxi's money for a favour; they can, however, receive expensive gifts that they later sell.

Some informants, like Kim (a teacher) and Rose's husband Xing, claimed that more and more people give envelopes (money) instead of gifts when they practise guanxi, as it is more realistic. But some people continue to give expensive gifts rather than money, as in the case of John and Su described above. For distant guanxi, people are more likely to bring cheap gifts with cash when they la guanxi: this is called "money guanxi" by local people. However, for closer guanxi (moderate guanxi), people feel

ashamed to give or receive money for a favour.

The following case, provided by my another close relative of mine, further confirms that gift giving for a favour is more significant in moderate guanxi than in close and distant guanxi. Nicky's son was going to upgrade to primary school from kindergarten. They joined the lottery but did not win a place in better school. Nicky asked her friends and relatives if anyone could get a study place in one of the key schools, and heard that her husband's cousin knew a teacher who had such a place. The teacher received a ticket as welfare from her school (this was a popular practice before the reform in City A). The cousin brought expensive gifts to the teacher, and also paid 3000 yuan, since she heard people usually paid 3000-15000 yuan for a place. The cousin gave the place to Nicky for free; however, Nicky reimbursed her cousin with 3000 yuan later (interview AP01).

I asked Nicky whether she gave gifts to her cousin. She said she gave a small gift after receiving the tickets, of underwear for her small baby, which costs 100-200 yuan.

Also Nicky stressed that giving small gifts to a close friend or relative was their common practice, rather than for la guanxi or zhao guanxi. There was no necessity to give expensive gifts to her cousin for this favour. She argued that gift giving for a favour was less likely to happen in close guanxi than in moderate guanxi.

According to Nicky, the cousin had moderate guanxi with the teacher, and the cousin brought expensive and formal gifts to the teacher and obtained a school place at a cheaper price. Nicky claimed that her cousin's gift giving to the teacher is la guanxi, while Nicky's gift giving to her cousin is not la guanxi but daily wanglai or daily intercourse (observational notes). However, in this guanxi by guanxi practice, gift giving is more significant in moderate guanxi (the cousin and the teacher) than close guanxi (Nicky and the cousin).

Similarly, many other informants in both cities told me that gift giving to close friends or relatives comprises people's daily practice. Gifts could be anything; even daily food can be a gift as long as the recipients like it. It is not necessary to have good packaging either. For example, Hou, Dean of CE school in City B, claimed that gifts for la guanxi and gifts to friends and relatives in daily life are different: gifts for guanxi practice should be higher class, such as French brandy, while gifts for a good friend can be anything, even two boiled eggs (interview BT05).

As can be seen, gift giving is more valued and workable in guanxi practice among moderate guanxis than close and distant guanxis, following a weak-strong-weak pattern. Among a group of close guanxi, people do favours for each other without gift giving or money giving. However, for distant guanxi, people prefer to receive money for giving out a favour unless the favour is too small to exchange for money.

All the above cases show that instrumental gift giving is more significant in moderate guanxi than close and distant guanxi, following a weak-strong-weak pattern in close-moderate-distance guanxi.

4.3.3. Instrumental banqueting follows weak-strong-weak pattern

Similarly, instrumental banqueting also follows the weak-strong-weak pattern. It is not necessary to banquet a close friend or relative for certain favours. For moderate guanxi, people banquet and ask for a favour; they give gifts or/and invite their benefactors to dinner before and/or after a favour is done. A small dinner is given for a small favour, and a large dinner for a large favour. The following is an example of banqueting.

Xiong was a former student of Xie, headteacher of School B in City A - they had very close guanxi. In 2012, Xiong's son went to School E, where he knew there was a separation of key classes and common classes. He asked Xie for help. Xie invited Lee, headteacher of School E, to dinner with Xiong and Xiong's wife, to ask for the favour (Xiong paid the bill). Finally, Xiong's son went to the only key class in Junior 1 of School E (observational note).

In the above case, Xiong asked his former teacher Xie for help, and Xie invited Lee to

dinner for the purpose of asking the favour, while Xiong told me he did not ask Xie to dinner for this specific favour. According to my observations, Xiong has close guanxi with Xie, and the two families often go for dinner together and involve frequent home visiting and small gift giving. It seems that banqueting for a favour is more likely to happen in moderate guanxi than in close guanxi.

Many similar examples in the two cities show that instrumental banqueting is more significant (more highly valued, more workable and more frequently occurring) in moderate guanxi than close guanxi. There is no necessity to banquet a close friend or relative for certain favours. For moderate guanxi, people banquet in order to ask for a favour, or to repay one; for distant guanxi, people are less likely to invite one to a dinner for asking a favour, and sometimes need an intermediary to invite the benefactor and present a dinner. A small dinner is given for a small favour, and a big dinner for a big favour.

Lu, a mother and teacher in city B, claimed that banqueting is more significant in moderate guanxi than close guanxi:

... if a relatively distant guanxi [moderate guanxi] truly invites you to dinner, that means he/she will ask you a favour. But for close guanxi, we just eat out together at will, at any restaurants we like, not for any interest. But a relatively

distant guanxi invites one to dinner definitely for something they want, and he/she may invite you to a high-class restaurant. This also depends on how big the favour is. Although this type of banqueting has a clear rational consideration among relatively distant guanxi, it can enhance mutual affection and make their guanxi closer. (Interview BP04)

Many other informants in both cities claim that banqueting is more important in moderate guanxi for asking or returning a favour, with more attention to higher class restaurants and more expensive dishes. In close guanxi, people go to dinner at will. It is unusual for them to invite someone to dinner for a specific favour, as going out for dinner is their frequent practice. As for distant guanxis or strangers, people have few chances to eat together. Even eating together in some situations, such as a travel tour, they usually pay individually.

When talking about buying back expensive French alcohol, Ben, a shopkeeper in City B, said:

Officials' families often sell French alcohol to us. Why? Usually people do not drink such expensive alcohol in daily life but only in a big banquet when people la guanxi, like finding a job in the government, get a promotion. Also, people eat in a high class restaurant with some pretty

young ladies who are engaged in accompanying customers in drinking.

(Interview BK01).

However, the shopkeeper and his friends claimed that this kind of banqueting with expensive wine and pretty girls is definitely for the purpose of acquiring something. This type of instrumental banqueting is not for close guanxi but for moderate guanxi. If close guanxis did this, it would be perceived as ridiculous. Moreover, this banqueting is not likely for a distant guanxi or stranger. If two parties with distant guanxi were involved in this type of banqueting, there would usually be a moderate guanxi present as intermediary (observational notes). Clearly, then, instrumental banqueting follows a weak-strong-weak pattern in different closeness levels of guanxi.

4. 3.4. Ritualised patterns (ketao) follows a weak-strong-weak pattern

As mentioned earlier, showing more renqing wei - ritualised pattern and proper etiquette to others - helps guanxi practice significantly. Also, much evidence shows that ritualised pattern and lishu are more valued in moderate guanxi than close and distant guanxi, following a weak-strong-weak pattern.

To refer to a previous example: Liu, a headteacher in City A, was unsatisfied with the

etiquette involved in a teacher giving him six apples for a school place. However, when I asked him, “what if your daughter came to see you with six apples as gifts?”, he replied: “my daughter can bring anything to me. I don’t care what gifts she gives me” (interview AH03). Thus the differential attitudes to the same etiquette from a teacher in his school and his own daughter are totally different. Liu cares about etiquette and ritualised pattern with a moderate guanxi, but does not care in relation to a close guanxi.

Another example is provided by Xing, Rose’s husband:

One day at noon, a friend of mine visited his sister and brother-in-law, who was an official, for a school place. The friend’s sister gave him a warm welcome and made tea and chatted with him. However, his brother-in-law had a habit of having a nap at noon so he did not get up to see my friend. My friend’s brother-in-law might think they were so close that it was not necessary to give up his nap to welcome my friend. However, my friend got angry and hated his brother-in-law because he thought his brother-in-law was not polite to him and offended his face; he felt he was being looked down upon. Finally, he turned to others for a school place. (Observational notes)

In this case, the brother-in-law thought his guanxi with Xing's friend was so close that he did not apply a ritualised pattern. However, Xing's friend could not understand this rule and thought he was a guest and should receive a warm welcome and ketao. When Xing's friend complained about this in front of his friends, he was criticised by many of his friends, including Xing, for it is not right to value too much ritualised pattern and lishu among close guanxi. Although this is a misunderstanding, it reveals the fact that ritualised patterns are usually not highly valued in close guanxi.

Many informants claim that people do not apply much ketao when they interact with their close guanxi. Lu, a mother in City B, claimed that ritualised pattern is significant in moderate guanxi:

It is definitely different [in different closeness levels of guanxi]. When people become closer, people do not care much about the forms or ketao but real feelings. For casual friends, we care about the formal ritual, like the politeness of giving gifts. (Interview BP04)

Qi , a father in City A, said that they do not fight to pay the bill when they go for dinner with a few close friends:

We often eat out with a group of close friends. Usually the one invites,

others will pay, and we sit any seat at will without any struggle. But we usually struggle to give a seat of honour to others and fight to pay when go for dinner with some casual friends. (Observational note)

In the two cities, people do not say “thank you” to a bus driver who is a stranger or casual acquaintance, while they often say it to their common friends. Also, they do not say it much within the family or with close guanxi. If one is too polite to one’s close friends, one will be condemned as “*jianwai*” - treating an insider as an outsider. In this regard, impoliteness can demonstrate intimacy, while excessive politeness in close guanxi can suggest a denial of a close relationship (observational notes).

In short: ritualised patterns (*ketao*) with their etiquette (*lishu*) are important when people practice guanxi, and this improves people’s *renqing wei* (human kindness) and reputation. They are more significant in moderate guanxi than close and distant guanxi, following a weak-strong-weak pattern.

Instrumental *li* or ritual is vital to all forms of guanxi practice observed in the field, and it exists in almost every step of a *la guanxi* process. However, instrumental *li* is not equally occurring in different closeness level of guanxi. It is more highly valued, more workable and more frequently occurring in moderate guanxi than in close and distant guanxi. In particular, gift giving, banqueting, and ritualised patterns (formal

politeness) follow a “weak-strong-weak” pattern in different closeness levels of guanxi.

Furthermore, instrumental guanxi practice (la guanxi) follows a weak-strong-weak pattern too. La guanxi occurs more frequently and is more workable in moderate guanxi. No la guanxi activities have been observed among close guanxis in this research. Also, no la guanxi for school places have been observed between only two distant guanxis: all la guanxi between two distant guanxis involve an intermediary who is a close or moderate guanxi with the two distant parties, and should be regarded as the combination of two guanxi practices with only close or moderate guanxis involved. Thus, la guanxi also follows the weak-strong-weak pattern.

Table 4.2 below shows different ways in which people acquire school place with different closeness levels of guanxi. As can be seen, la guanxi and instrumental li follow a weak-strong-weak pattern.

Table 4.2. Ways of acquiring school places in different closeness levels of guanxi

Type of guanxi	Close	Moderate	Distant	Strangers
Efforts	Just ask a favour	Gifts, banquets, etc.	Money guanxi	Trafficking
Type of social exchange	Use guanxi	La guanxi	Link guanxi by guanxi	Market exchange

4.4. Money giving follows “the more distant the more significant” pattern

The second form of guanxi practice identified by this research - using money with financial influence - does not follow the weak-strong-weak pattern discussed above. Rather, it becomes more significant with distance. The more distant the guanxi, the more likely people are to pay money for a school place. Moreover, among these “money guanxi” relations, the more distant the guanxi, the more money should be paid for a favour. For example, Ping, a parent in City B, argues that the amount of money paid depends on how “iron”, or strong (tie), one’s guanxi is. If one’s guanxi is “iron” enough, one pays little “tea fee” (money) for the school place. If not, one pays more “tea fee” (interview BP02).

As mentioned earlier, Nicky paid 3000 yuan for the school place for her son, but she told me that many parents from this school paid 15,000 yuan for the “tickets”. However, some might obtain a place for free if they had a close guanxi with the “ticket holders” (observational notes).

Many other informants in both cities informed me of this rule of guanxi: that is, the closer the guanxi, the less money people spend for a school place, and the more distant the guanxi, the more money they spend. In the same way, people expect to

receive a favour without any expensive gifts or money from their close guanxi. Otherwise, the expected benefactor will be condemned, since people think their close guanxi have obligation to help them. Xie told me the same story more than twice: a poor close relative of a headteacher visited the headteacher without gifts or money to ask for a school place for his child. However, since school places are limited and valuable, the headteacher finally gave the place to someone else who visited him with qingli (gifts and/or money), rather than his close relative. The headteacher was consequently condemned and considered as “no renyi” (observational note).

Thus, money giving becomes more significant with distance. For distant guanxi, people give or receive money for a favour without much shyness and embarrassment. Among these distant guanxi, the more distant the guanxi, the more money one has to pay for a school place. Strangers have to pay the highest price, which is the market price without any discount. For moderate guanxi, people feel ashamed to give or receive money for a favour, and instead give or receive expensive gifts. For close guanxi, people do not give or receive money for a favour. If one helps his/her close guanxi for self-interest or material gain, one will be condemned and considered to be immoral (observational notes).

4.5. Factors influencing the weak-strong-weak pattern

It should be noted that the weak-strong-weak pattern of practising instrumental li is found in the context of using guanxi for school places. However, many influencing factors may more or less diminish the significance of this pattern.

One factor is the social status of the two parties involved. If the mayor of the city were to ask a headteacher for a school place, there would be no banqueting or gift giving. However, although they would not involve the practice of instrumental li, they would still involve the concept of instrumental li, such as renqing (sense of indebtedness) and face. The mayor would usually keep the renqing debt in mind and would be more likely to give the headteacher a promotion in the future; that is why the headteacher would accept the mayor's request for a favour. In this sense, power or social status may diminish the practice of instrumental li, but it cannot reject the weak-strong-weak pattern.

A second factor is the financial situation of the two parties involved. In moderate guanxi, if the benefactor is much richer than the favour seeker, the benefactor is more likely to give the favour seeker a favour without return. By contrast, if the benefactor is much poorer than the favour seeker, the benefactor is more likely to receive money for the favour because the poor benefactor cannot afford to give the favour as renqing with uncertain return in the further. Therefore, the weak-strong-weak pattern is also influenced by the financial situation of the two parties involved, along with the

influence of their closeness. Nevertheless, once the financial situation of the two parties is fixed(e.g. one poor individual dealing with many rich guanxis, or one rich individual dealing with many poor guanxis) , the weak-strong-weak instrumental li still can be found in their daily reciprocity.

The third factor is the type of favour. Since the weak-strong-weak pattern that I have identified is based on the favour of school place, can it be generalised to other favours: for example, a job position, a large infrastructure project, or lending a bicycle? If the favour is too expensive, even close guanxi will receive money. However, lending a bicycle to a friend may not always deserve a dinner or gifts, because the favour is too small. In these situations, the weak-strong-weak pattern may not fit. However, this cannot deny the finding that instrumental li is more significant in moderate guanxi. In some contexts, where the favour is very large or very small, la guanxi may become less significant because too large a favour may lead to market exchange and too small a favour will become a free donation without any social effort. In this context without la guanxi, weak-strong-weak pattern cannot be found. However, this is not the evidence against the pattern: It should be noted that the weak-strong-weak pattern is based on the context of la guanxi. Without la guanxi, this pattern may not be found.

A fourth factor is personal judgement about rituals and customs. Different people may have different levels of Confucian virtue. In addition, some people value Confucian

ideas very much, while some may not. Some value ren very highly, and treat even distant guanxi with much ren; some value li very highly and treat even close guanxi with much li. As presented in Chapter Four, Xing's friend became angry with his brother-in-law because his brother-in-law did not give up his nap to welcome him when he visited. It seems that they have different views about etiquette. Moreover, the close-moderate-distant categories are very personal and subject to personal adjustment, rather than a collective cognitive or common sense. Even in the same guanxi, when A regards B as close guanxi, B may not think the same way: B may think of A as his/her moderate or even distant guanxi.

The fifth factor is the context of guanxi practice. It should be also stressed that the closeness of guanxi is based on a general, rather than a specific, context. Any connections held by a parent can be regarded as guanxi without any limitation, so long as it can be utilised in an informal and interpersonal way. The weak-strong-weak pattern may not fit the context of a small group of people - for example, a family, or a company.

4.6. Testing the working definition

Chapter Two gave an a priori working definition of guanxi, taking guanxi as personal connections or networks based on Chinese culture, which can be utilised or

potentially utilised to acquire resources in informal and interpersonal forms. From the informants' accounts and their behaviour, as observed by the investigator, the working definition identified from the literature is congruent with the working definition used by the informants when they described how and why guanxi is used.

The informants have two different levels of usage of the Chinese term "guanxi". The first usage regarded guanxi as any connection or relationship in a society. For example, they often say "guanxi between two organisations", or "guanxi between two countries", "public guanxi", "sex guanxi", "boyfriend and girlfriend guanxi", "business guanxi", and so on. This usage of guanxi is too broad for the research focus here.

The second usage of guanxi takes guanxi as a personal relationship, connection or network, which can be utilised or potentially utilised. The informants often say: "Do you have guanxi with that company? I want to do business with them"; "Do you have guanxi in this business line?"; "Can you use your guanxi to find a good piano teacher for my daughter?"; "He has many guanxis in Beijing"; "He has very good guanxi with the headteacher", and so on. Here guanxi is taken to mean useful connections: any of one's connections - close or distant, long term or short term, expressive or instrumental, family members or casual acquaintances, for good purpose or for bad purpose - can be regarded as "guanxi" by informants in the two research cities as long

as the connection can be utilised for gaining something. If one has only one friend in a school, who is not willing to do him/her a favour, one usually claims: “I have no guanxi in the school”.

When the informants described how and why guanxi is used, they referred only to the second usage, taking guanxi as personal connections or networks that can be utilised or potentially utilised to acquire resources through informal and interpersonal forms.

In the two cities, people clearly distinguished two terms: “guanxi” and “zhao guanxi” (or *la* guanxi). The former refers to connection or relationship; the latter refers to social effort to ask one’s connections for favours. In addition, the term “zhao guanxi” or “*la* guanxi” seems to be a neutral term in their daily lives. Informants often say: “I need to zhao guanxi” or “I need to *la* guanxi”. They do not think they are doing something bad or immoral. In addition, they ask their friends, “do you need to zhao guanxi to get a place for your son?” “How much money did you spend for zhao guanxi?” They do not consider their friends’ guanxi practice is bad either.

However, everyone claims that *la* guanxi or zhao guanxi is bad when they talk publicly: for example, in a formal setting, or when facing strangers or the media. It seems that the public discourse of guanxi highlights the moral or negative elements of guanxi practice; yet the informants often practice guanxi and their usage of the terms

of guanxi, la guanxi, and zhao guanxi in their personal daily lives, and mostly regard these practices as neutral.

Furthermore, guanxi seems to be closely associated with Chinese culture, especially, Confucianism. When the informants talk about their motivations to practice guanxi, they often mention some Confucian virtues, such as ren, yi, zhong, xin, etc; and Confucian ritual concepts, such as renqing, mianzi, and li shang wang lai (courtesy demands reciprocity). In addition, guanxi practices observed in the field are all informal and interpersonal, rather than formal or organisational.

Therefore, the a priori working definition identified from the literature is congruent with the working definition used by the informants; thus, it is used as the final definition in this research.

4.7. Chapter summary

There are many forms in which people practise guanxi, including applying instrumental li with emotional influence, money giving with financial influence, using a connection in higher place with power influence, and linking guanxi by guanxi.

First of all, guanxi practice comprises instrumental li with renqing or ganqing influence, such as gift giving, banqueting, giving favours, giving face, and applying

ritualised patterns (ketao). People give gifts to their benefactors, or expected benefactors, in return for a favour. In addition, a banquet can ask for a favour, return a renqing (favour), and enhance ganqing. People do their guanxi favours to accumulate renqing (social debt from others) for future use; people also do things to give face to others, in order to maintain good relationships. In the two researched cities, when people practise guanxi, they value ritualised patterns (ketao) and argue that this will improve people's renqing wei (human kindness). Showing more renqing wei and ketao to others helps guanxi practice significantly.

Second, people practise guanxi by giving money in exchange for resources (including public resources). Some people consider paying money to an official in return for a favour to be following the rule of guanxi (qingli). Third, some people use, or ask their guanxis to use their power to influence others to obtain desirable resources. Officials abuse their power and force headmasters to accept their guanxi students. In order to maintain good guanxi with the officials and keep their positions, headmasters have to break rules to accept the students. To pull closer and maintain guanxi with officials, or other powerful, high social status, and rich people is a popular form of guanxi practice. Power in guanxi ensures its utilitarian functions.

Finally, if one cannot directly contact his/her intended benefactor, one can ask a friend who has guanxi with the intended benefactor to use his/her guanxi to help. This

“guanxi by guanxi” strategy is very popular in the two cities. However, if the “guanxi by guanxi” links too many circles, the guanxi becomes weaker and weaker, resulting in a weaker obligation to help. That is one of the reasons why some guanxi practices have failed.

One of the main findings of this chapter is that instrumental li is more significant (more highly valued, more workable and more frequently occurring) in moderate guanxi than in close and distant guanxi, in the context of using guanxi for school places in the two researched cities. Instrumental gift giving, banqueting and ritualised patterns (ketao) follow a “weak-strong-weak” pattern. For distant guanxi, people mainly give money for a school place while gifts are not the main concern. For moderate guanxi, people mainly give gifts for a school place and the manner, content, package of the gift giving are highly valued.

However, gifts or money may not be necessary for people to do their close guanxi a favour. Furthermore, for distant guanxi, people may not be able to invite a targeted person for dinner, and instead give money for a favour. For moderate guanxi, people give gifts and/or invite benefactors to dinner. However, dinner, gifts or money may not be necessary for people to do their close guanxi a favour, since eating out, gift giving, and doing favours for each other are daily practices for close guanxi. Finally, people in the two cities seem to show ritualised patterns (ketao) to their moderate

guanxi more often than their close and distant guanxi, and the use of ritualised patterns follows a weak-strong-weak pattern in a close-moderate-distant guanxi.

Moreover, ritual, as an important practice of li, exists in almost every form and at every step of guanxi practice, and is crucially vital for gaining resources. The proper use of ritual largely improves the quality of guanxi and can be used as a very productive social investment in the two researched cities. Guanxi is different from market exchange, for the way it acquires resources is full of ritual practice.

This thesis has set up an a priori working definition of guanxi in Chapter Two, taking guanxi as personal relationship, connection or network based on Chinese culture, which can be utilised or potentially utilised to acquire resources through informal and interpersonal forms. The research result finds that this working definition is congruent with a working definition used by the informants when they described how and why guanxi is used.

The next chapter will discuss the motivations and causes of guanxi practice, based on the data from both cities, collected by documentation, observation and interview.

Some possible patterns will be analysed and presented.

Chapter 5. Why is Guanxi used?

5.1. Introduction

In the previous chapter, four forms of guanxi practice were presented in the context of acquiring school places in the two researched cities. These are: instrumental li with emotional influence; money giving with financial influence; using a connection in a higher place with power influence; and linking guanxi by guanxi. The research has found that people practice guanxi differently in different closeness levels of guanxi. Gift giving, banqueting and ketao are more significant in moderate guanxi than in close and moderate guanxi.

The purpose of this chapter is to focus on the question of why guanxi is used. Some rationales for practising guanxi and causes of the guanxi phenomenon will be presented with data collected by documentation, interview and observations in both cities. Two patterns found in the analysis of motivations will also be presented. Since the two cities selected displayed similar rationales and causes of guanxi practice, data in the two cities will be shown simultaneously.

5.2. Rationales for practising guanxi

The rationale of using guanxi, on one hand, is based on distrust of the weak institutional system. On the other hand, it is based on the actor's expectation of their benefactor's motivation. They expect their close guanxi to have ren towards them. They expect their moderate guanxi to have instrumental li, and distant guanxi to have material gain. Based on these expectations, they act differently with different closeness of guanxi. Therefore, when discussing the rationales for people using guanxi, it is better to talk about the rationales of the benefactors rather than the favour seekers, since the favour seekers' use of guanxi is always for self-interest. It is very common for people in the two cities instrumentally to use their close gaunxi for resource gain, but the rationale for using guanxi is the expectation of their close guanxi's ren.

From this angle, three types of rationales have been found in la guanxi (instrumental guanxi practice) to obtain a school place: 1) Confucian ren; 2) instrumental li; 3) material gain. They are rationales of the benefactor rather than the favour seeker. Intermediaries ask their guanxis for favours on behalf of their other guanxis; thus their rationale for asking others for favours is actually the rationale of accepting their guanxis' favour asking.

I examine benefactors' accounts, and also how favour seekers judge or expect their benefactors' rationales for practising guanxi. I use multiple resource of evidence,

drawing my findings not only from what informants say, but also from what my observations reveal about what informants do. I have clarified how people perceive, calculate and strategise their guanxi practice in different situations.

5.2.1. Confucian ren

As discussed in Chapter Two, Confucian ren refers to inner spiritual development: an all-encompassing ethical ideal that includes all the desirable qualities or virtues including benevolence (ren), righteousness (yi), propriety (li), loyalty (zhong), sincerity (xin), obligations to wulun (five cardinal relations identified by Confucianism: ruler and subject, father and son, husband and wife, elder brother and younger brother, and between friends), and so on. When informants talked about their rationales to help their guanxi for school places, they frequently mentioned ganqing, renyi, yiqi, daoyi, qingyi, and obligation. Renyi is verbally translated as benevolence (ren) and righteousness (yi). Yiqi means righteousness and loyalty, and daoyi means justice. Qingyi is a combination of ganqing and yiqi. These are all Confucian virtues driven by Confucian ren. People in the two cities la guanxi for school places because they expect their guanxi to have the above virtues towards them, and therefore will try to help them for school places.

Ganqing

Many informants claimed that they helped their guanxi to obtain school places because of ganqing. People are more likely to help others who have ganqing with them, and they expect others who have ganqing with them to help them too. That is to say, ganqing and material obligation always come together. The more ganqing one has, the more obligations he holds towards others. For example, Tian, a teacher in City B, argued that people will try their best to help their guanxi for school places because of ganqing or qinqing (affection among relatives). He said:

When I say guanxi is very tie [strong like iron], actually I mean our ganqing is very good. This is what we Chinese call “ganqing” and why we are so keen to help others. (Interview BT03)

Yu, a parent in City A, also said:

If he has very good ganqing and guanxi with me, I would use all my own money and guanxi to help him find a school place. (Interview AP06)

Similarly, Zhong, an official in City A, said:

For close friends, I will try my best to help without any consideration of

interest because close friends have ganqing. That is to say, I love my friends, so I will do everything I can to help them even to my own detriment. I just love to do that, besides, helping children enter school is a good thing.

(Interview AO02)

Many informants claimed that people cherish ganqing because it is love and a beautiful human emotion. Because of ganqing, some they help their guanxis for school places.

Renyi, yiqi, daoyi, qingyi

Ganqing (affection) always comes with some virtues, like renyi, obligation and bao. If one values ganqing (zhong ganqing) and helps his/her friends to the best of his/her ability, one will be considered as a person with renyi. Along with ganqing, many informants claim that they help their friends' or relatives' children obtain study places for renyi, yiqi, daoyi, and/or qingyi, which are all Confucian virtues.

Xie, a headteacher in City A, said:

I give my relatives and friends school places because of ganqing and renyi.

It is my obligation to help them. (Interview AH01)

In 2011, Yu obtained a school place in School C in City A because she found the right person. Yu's father-in-law had worked for the Audit Bureau before he retired, and he asked the head of the Bureau for help. The head of the Audit Bureau had previously been a subordinate of Yu's father-in-law, who had treated him well, and the head wanted to reciprocate (*bao*). After Yu obtained the school place, she visited the head of the Audit Bureau and asked whether she should visit the headteacher with gifts. The head said no, he would arrange everything of *renqing* (gift or favour) with the headteacher himself. Yu then brought two bottles of XO and an envelope to the head of the Audit Bureau, who refused them many times before eventually accepting the gifts, but refusing the envelope. "He is a very nice person with *renyi*," Yu said (observational notes and interview AP06).

Yu appreciated the head of the Audit Bureau because he had *renyi* virtues. However, other candidates who have no *guanxi* might dislike the head if they knew of Yu's *guanxi* practice. It seems that many Confucian virtues are only applied for one's *guanxi* members (insiders) rather than strangers in the two researched cities. Moreover, people apply virtues with less consideration of rules and laws. In this regard, headteachers are expected to give study places to their friends and relatives, otherwise they will be seen as lacking in *renyi*. This is perceived as more important than the recruitment regulations.

Some informants stressed *yiqi*, which is similar to *renyi* but places more emphasis on loyalty and righteousness among friends rather than family and relatives. Ye, an official in City B, said:

Helping with each other depends on personal morality. Some people care more about *yiqi*. For example, their *guanxi* bring gifts to thank them. They may be angry and say: “you look down on me. You thought I cared about gifts. No! I care about *qiyi*.” They think giving gifts to them insults their virtue. (Interview BO01)

It seems that *renyi*, *yiqi* and *qingyi* encourage people to help their *guanxi*. Many informants claimed that if a friend is not willing to help them, they consider he has no *renyi* and may keep away from him. Kai said:

If my friend is not willing to help me, I will think I have made this friend in vain, if he is not willing to help me. (Interview AP03)

Yu, a parent in City A, said:

If a friend is not willing to help us, we will think he looks down upon us. He is not one of us anymore. We do not have obligation with him anymore.

(Interview AP06)

To many informants, if one helps his/her friends, one has benevolence and righteousness. Once one has benevolence and righteousness, one has a good reputation and people respect him/her. However, this seems to come with a disregard for rules and laws, and these virtues only apply to their guanxi, especially their close guanxi, rather than strangers or casual acquaintances.

Obligation to wulun relations

Many informants told me that they have the obligation to help their guanxis in the five cardinal relationships (wulun) no matter whether they like them or not, or have ganqing with them or not. People sometimes do others a favour not only for their own interest or out of rational considerations, but because of obligations that they have.

For example, Sun, a senior teacher in School B in City A, said:

If my close guanxi asks me for school places, I must do it; otherwise, I will be condemned by all my friends and relatives. (Interview AT04)

Many other informants in both cities also claimed that they had a major obligation to help their guanxi. People need to help, not only close friends or relatives, but also clan members. Mai, a teacher in City A, claimed that he was still in contact with his clan members in the village although he lived in the city. He told me a story that vividly revealed how important obligation is for him:

I think guanxi is a kind of obligation. For example, last term, a villager from my village asked me to help his son with a school place. I definitely should help him. He is a member of our big family. He has the same surname as mine. We have big duty for our clan. Clan comes first, then friends. Actually I did not know the villager and his kid, I have no ganqing with them. But I have an obligation to help them. (Interview AT02)

It is interesting to note that Mai has to help someone who has no ganqing with him – indeed, does not even know him - and this obligation seems to be so large. Whether he likes it or not, Mai has to follow the rules of his ethic.

Many informants claim that people have an obligation to help each other once they have guanxi. Some people have no choice but to help because they are friends or relatives.

Meanwhile informants think their guanxis have obligation to help them. For example, Tian, a teacher in City B, argues that one will be seriously condemned as “disdaining to recognize one’s kinsmen” (liu qin bu ren) if he/she does not help his relatives (interview BT03).

To summarise: ganqing, renyi, and obligation to wulun relations are all rationales with which people in the two cities practice guanxi to acquire school places. It should be noted that all the above desired qualities are included in Confucian ren, the ethical ideal and the inner spiritual development, as discussed in Chapter Two.

5.2.2 Instrumental li

When informants talked about their rationales to help their guanxi for school places, they not only mentioned ganqing and virtues but also renqing and face. Due to the influence of traditional concepts, people need to give their guanxis renqing (favour), or return renqing (favour or social debt), giving face, gaining face and avoiding offending others’ face. Thus they accept their guanxi’s favour asking. As presented in Chapter Two, the concepts of renqing and face derive from Confucian li. However, this is not true li, but instrumental li or fake li, since the concept of Confucian li has been utilised here for instrumental purpose without much ren inside.

Renqing

People in the two cities have a big sense of indebtedness - renqing - when receiving or giving favours. They feel indebted after receiving a favour, and they are very likely to return the favour if they have the chance. Huan, a teacher, said:

Every year, I help several students get into our school. I owe the headteacher a lot of renqing. So on every festival or some holidays, I spend my own money to buy gifts for my headteacher. (Interview AT05)

This sense of indebtedness encourages people to practise guanxi. For example, Deng and Lulu went to the headteacher Lee's home with gifts. Lee allowed the son of Lulu's friend to study in the key class. From Deng's perspective, Lee returned Deng a renqing (favour) since Deng had done a lot of hard work for Lee, including taking care of Song's son, a mentally disabled student (observational note; also see Chapter Four).

Some informants claim that they sometimes do their guanxi a favour for making others indebted to them. They called this "earning a renqing" or "gaining a renqing".

Rose said:

For casual friends, I still try to help them. But if it is too difficult, I will give up. If I made it, I would earn a shun shui renqing (convenient renqing).

Why not? (Interview AP02)

Although some informants denied that they help their guanxi for gaining renqing (social debt from others), they reveal that others may have motivation of gaining renqing when they help their guanxi. Moreover, they claim that they expect their guanxi to return a favour when they need it in the future. As Kai, a policeman, said:

I think the one who owes me renqing will try his best to help me. (Interview AP03)

It is interesting that people felt free to ask a person who owed them a favour for help, but they would be shy and embarrassed to ask someone owing no renqing (social debt) for a favour. Almost all informants admitted that they would feel more comfortable about asking one who owes them renqing for a favour. For example, Sun, a teacher in City A, said:

I will be in the right and self-confident to ask the one who owes me renqing to help me. However, I will be shy to ask someone owing no renqing with me for help. (Interview AT04)

Along with ganqing and virtue, renqing is thus an important reason why people practice guanxi.

Face

In order to gain face, avoid losing face, give face to others, or avoid offending others' face, some people in the two cities practise guanxi. Many informants claimed that the whole society values face very highly, and as such it is a dynamic force for people to help their guanxi or ask their guanxi for a favour.

When people succeed in guanxi practice, they always talk about it in front of their friends to gain face. If one cannot or is not willing to help his/her guanxi, one will lose face. People feel they are gaining face if they win in guanxi practice; in the same way, people feel a loss of face if they have no guanxi. For example, Rose, a mother in City A, said:

If we have no guanxi, people would look down on us. So we have to try our best to find guanxi. (Interview AP02)

It is a big gain of face if one's child goes to a key school. When talking of parents,

Lee, a headteacher, argues that parents actually do not care about their children's study and development as much as about their face:

If their children study in a good and famous key school, they think they gain face. They feel a great honour in front of their friends and they are willing to pay a lot of money for this. (Interview AH02)

However, it is a big loss of face if one's child goes to a common or bad school. It is a sensitive topic to ask a friend what school his/her children go to. Zhu, a teacher in City B, said:

You cannot ask a friend what school his child goes to because that may lose the friend's face if his child goes to a bad school. (Observational note) .

In 2012, Rose's daughter went to School E in City A, a common school, so Rose and her husbands felt a loss of face. I was warned by my wife not to mention this in front of them. I also recall a similar story from 2011, in which the son of Mr and Ms Qing (the bosses of a computer company) failed the entrance exam of School A and they had to turn to a common school, School E. Mr Qing had good guanxi with the headteacher of School A and often showed off this guanxi in front of his friends and relative, as he had helped a few friends' children get into this school. However, thanks

to the reform that began in 2011, he was unable to send his son to this key school and lost face badly. I was also informed by some close relatives not to mention this in front of Mr Qing (observational note).

Along with the intention of giving good education to children, parents force their children to study hard and get good exam results to gain face. Ping, a parent and teacher in City B, gave her opinion:

I think Chinese children study too hard; they do not study for themselves but for their parents' face. Parents like to compare the results after an exam. If the result is good, they will boast in front of their friends to gain face. Otherwise, they keep silent, feeling a loss of face. (Interview BP02)

In order to give face to friends, people may accept friends' requests for a favour. Chen, a mother and official in City B, explained why she helped her friend obtain a school place:

We just do it for the sake of our friends' face. That is to say, if one has bigger face, one can use it to claim for a favour. (Interview BP01)

Sometimes people will think they gain face when they receive favours. Also, when

doing someone a favour, some people may think they are giving face to the recipients.

For example, Huan, a senior teacher in School 4 of City A, said:

My headteacher gave me big face: he gives me several school places every year. (Interview AT05)

However, if people ask someone for a favour but get refused, people will think they lose face, or that they do not have a big enough face. Lin, a teacher, said:

...if I was refused, maybe my face is not big enough . Maybe our guanxi is not good enough. Ganqing is not deep enough. (Interview AT03)

As can be seen, renqing and face are dynamic forces that encourage people to practise guanxi. As discussed earlier, the concepts of renqing and face are instrumental li. That is to say, due to the concept of li and their consideration of self-interest, people carry out ritual practice in their la guanxi activities.

5.2.3 Material gain

Some officials or headteachers accept their guanxi's favour asking and give them a school place for considerations of material gain. They can gain expensive gifts, money,

or something else. As discussed in Chapter Four, one form of guanxi practice is money giving, which actually reveals the fact that some people in some situations practise guanxi with the motivation of earning money. For example, Wang, headteacher of SS school in City A, received 30,000 yuan from Zhao in exchange for a school place brokered by an intermediary of Zhao's relative, and Wang claimed that he gave face to the intermediary. A headteacher in City B received Ping's money for giving her a school place.

In these circumstances, the two headteachers apparently exchanged school places for money. They practised guanxi not mainly for ganqing, or renqing (social debt).

Although doing others a renqing also involves a consideration of self-interest, it is not an immediate interest exchange but long-term favour exchange. More importantly, some renqing (social debt) may have no opportunity to gain returns in the future.

Unlike the rationale of renqing (sense of indebtedness), this rationale of material gain is different: immediate returns are desired.

Some people decide not to use guanxi in some situations because it may cost too much money. Qi decided not to use guanxi to contact the head of the educational bureau for a school place because he thought it was troublesome and cost too much time and money. Not only does he have to give envelopes to the head and the intermediary, but also some further cost would be incurred: if he had practised guanxi

with the head, he would have to visit him with gifts regularly after the favour, especially on traditional festivals. After weighing up the gain and loss, Qi decided not to use this guanxi, but wait for the additional recruitment informant of School 4 (observational notes). This case reveals the fact that some guanxi cost too much money, because the benefactor and intermediary expect material gain.

Although some headteachers and officials gain money or other benefits in guanxi practice, usually they are not reported to the anti-corruption department because their guanxi, including the intermediaries and the favour seekers, will keep secrets and protect them due to Confucian ren and li .

To summarise: there are many possible motivations for people to practice guanxi to acquire school places. These include ganqing, Confucian virtues, renqing, face and material gain. They can be further summarised into three types: ren, instrumental li, and material gain.

However, people do others favour, or ask others for a favour, with a number of rationales. Some people practise guanxi with a rationale combining ganqing, virtues, renqing, face and the consideration of material gain. For example, it is hard to tell whether it is ganqing or renqing that motivates one to help one's friends: it may be both. In other words, in a guanxi practice, the rationales may be a mixture of ren, li

and material gain, with one of them dominating.

5.3. Two different patterns

In Chapter Four, four forms of guanxi practice were summarised: 1) Instrumental li with emotional influence (qin); 2) Money giving with financial influence (qian); 3) Using a connection in higher places with power influence (quan); 4) Linking guanxi by guanxi (tao). Moreover, it has been shown that the closeness level of guanxi influences guanxi practice remarkably: the practice of instrumental li, like gift-giving, banqueting, or ritualised patterns (ketao), follows the weak-strong-weak pattern in close-moderate-distant guanxi.

In the previous sections of this chapter, three types of rationales were presented: ren, instrumental li, and material gain. How do these rationales influence the forms of guanxi practice? How do the closeness levels of guanxi influence the rationales of guanxi practice? This research has found two different patterns in the analysis of rationales for practising guanxi. They are ‘the more distant the less significant’ and ‘weak-strong-weak’ patterns.

5.3.1. Ren follows “the more distant the less significant” pattern

In the two researched cities, the practice of Confucian ren, like ganqing, renyi, obligation to wulun relations and positive attitudes to others' guanxi practice, follows "the more distant the less significant" pattern.

Evidence shows that people in the two cities have different degrees of ganqing and apply different levels of virtue to different closeness levels of guanxi. The more distant the guanxi, the less people have ganqing and apply Confucian virtues. As discussed in Chapter Two, ganqing, renyi, yiqi, daoyi, qingqi, and obligations for wulun are requirements of ren. Differential attitudes to others' guanxi practice is a consequence of ren too, for example, the concept of "zunzun" (giving honour to the most honourable) and "qinqin" (showing his affection to his kindred) mentioned in Chapter Two.

Ganqing follows "the more distant the less significant" pattern

Some informants argue that ganqing and guanxi are closely linked, and that ganqing can be a key dimension to measure the strength of guanxi. For example, Zheng, a teacher in City A, argued that closer guanxi had better ganqing and more enthusiasm to help:

To see how much ganqing you have with a friend, see how enthusiastically

he/she does you a favour. (Interview AT06)

Wu, a mother and collage lecturer in City B, spoke very emotionally with tears in her eyes when she mentioned ganqing:

In 2001, my good friend in Beijing transferred 100,000 yuan to me, lending me the money to buy a new apartment. She withdrew the money from the stock market when the stock price was rising. How great she is. I truly have such great friend with ganqing. (Interview BP06)

Wu regards this friend as the “best guimi” (close friends among women), and argued that the more ganqing, the more enthusiasm there was to help each other. In the same way, the more distant the guanxi, the less ganqing people have with each other, and the less enthusiasm for helping others. Wu had many friends in City B; however, they did not have as much ganqing as the guimi in Beijing has with her.

Renyi and obligation follows “the more distant the less significant” pattern

Not only does ganqing fade with the distance of guanxi, but also virtues like renyi, yiqi, daoyi, qingyi, and obligation to wulun relations follow “the more distant the less significant” pattern. For more distant guanxi, people apply less renyi or yiqi. For

example, Tian, a teacher in City B, said:

It is differential to different guanxi. To close ones, we apply more yiqi or renyi and treat him with a greater sense of obligation, more responsibility. I make his matters my own matters. If guanxi is just so-so, I just have a try to see if I can make it. If not, I just give up. I will not use my full strength. (Interview BT03)

According to Tian's account, close and distant are clearly distinguished in their society, with different virtues and obligation. Many other informants claim that the virtues of treating others with renqing or yiqi is not universal to everyone, but fading with distance.

Similarly, Mai, a teacher in City A, said:

If we are good friends, your matter is my matter. It happens that people help their friends or relatives to their own detriment. This is call renyi or yiqi.

However, for a casual friend, I will not be so attentive and not work hard for it.

(Interview AT02)

According to Mai's account, it seems that renyi and yiqi are not universal moral rules, but fade with the distance of guanxi. Likewise, Yu, a mother in City A, said:

If he is a very good guanxi, I may use all my money and guanxi to help him.

But this yiqi with casual friends would be less, and for strangers, there is not yiqi all. (Interview AP06)

With renyi, yiqi, daoyi or qingyi, people in the two cities similarly claimed that they have a bigger obligation to their closer guanxi and a smaller obligation to their more distant guanxi. In the same way, they expected their closer guanxi to have a bigger obligation to them and more distant guanxi to have a smaller obligation. They even expected all others to follow this social norm: If one does favours for his/her distant guanxi, but is not willing to do his/her close guanxi a favour, one will be condemned by the society and have a bad reputation. For example, Liu, a headteacher in City A, said:

[For distant guanxi] I will also help them. But the difference is that I have a bigger obligation to help my close friends and a small obligation to help casual friends. (Interview AH03)

However, obligation fades with the distance of guanxi. For distant guanxi or strangers, people may refuse. Xie, headteacher of School B in City A, reported that a villager in the village next to his school asked him for a study place; since Xie had a very weak

guanxi with him, he refused his request (observational note).

As can be seen, the closer the guanxi, the more likely people are to apply obligation and virtues; the more distant the guanxi, the less obligation and virtue are applied.

Thus, in order to get help from someone, people try to pull their guanxi closer. Zhang, in City B, provided a vivid example:

One of my colleagues was thinking of asking me to pay more attention to one of the students in my class who is her friend's child, so she tried to talk to me more frequently, then gave me some compliments and concern, and tried to get closer to me. Step by step, finally, she told me that her friend's child was in my class and asked me to pay more attention to him. She thought: "I am kind to you and hope you will be kind to me too." (Interview BT02)

Positive attitude to others' la guanxi follows "the more distant the less significant" pattern

A positive attitude to others' guanxi practice also diminishes with the distance of the relationship. Guanxi is highly valued by people in the two cities. However, almost all informants consider la guanxi to be bad, and argue that la guanxi leads to corruption in school recruitment. It offends fairness and justice, violating rules or laws, and they

dislike the phenomenon of la guanxi. Even though Yu succeeded in la guanxi and gained a school place for her daughter, she disliked la guanxi very much (observational note).

However, it is interesting that some people think their own guanxi practice is right or reasonable. For example, Huan, a teacher in City A who helped many students obtain places in School 4, said:

As for me, I give the chance to some kids to study and I am doing good things.

(Interview AT05)

Ming, a businessman in City A, said:

This is our culture. It is hard to say it is good or bad. According to the legal system, it is bad. But according to our culture, it is reasonable. (Interview AO01)

People always have excuses to use guanxi while at the same time complaining about others' la guanxi. Although most informants think guanxi is bad, they use guanxi and argue that guanxi is very important in their lives. This is obviously contradictory. How do we make sense of it? I eventually noticed that when people say la guanxi is bad,

they seem to refer to others' la guanxi but they do not think their own la guanxi and their close guanxi's la guanxi are bad.

After succeeding in la guanxi, people may tell others, especially their close guanxi. Some people want to show off their guanxi practice in front of their friends. Some may just want to vent their dissatisfaction about spending too much money and having too much trouble with la guanxi. More importantly, they do not think their close guanxi will consider their own guanxi practice is bad.

Some people feel embarrassed when others see them la guanxi. For example, Zhang, a teacher in City B, claimed that it is embarrassing if she meets a colleague who has moderate or distant guanxi with her in her headmaster's home when she bring gifts to her headmaster, especially on festivals when many teachers bring gifts to their headmaster. However, she sometimes goes to her headteacher's home with "flattery gifts" along with one of her colleagues, who has close guanxi with her. From this, we can see some people actually know their distant guanxis will consider their la guanxi bad while their close guanxi will not think so.

During my fieldwork, many informants who have close guanxi with me told me many of their own la guanxi stories. However, some distant guanxi kept their own la guanxi secret, and only reported others' la guanxi to me. Along with considerations of trust,

they may think close guanxi do not consider their la guanxi to be bad, but distant guanxi will.

All in all, in the two researched cities, the practice of Confucian ren, like ganqing, renyi, and positive attitudes to others' guanxi practice, follows “the more distant the less significant” pattern.

5.3.2 Instrumental li follows the “weak-strong-weak” pattern

As discussed in Chapter Four, the practice of instrumental li does not follow “the more distant the less significant” pattern; instead, it follows the “weak-strong-weak” pattern. In the analysis of rationales of people practising guanxi, the concepts of instrumental li also follow a weak-strong-weak pattern.

Renqing follows the weak-strong-weak pattern

The concept of renqing (sense of indebtedness) follows the weak-strong-weak pattern. Renqing is weak in close guanxi because people help others with ganqing, renyi and obligation. It is not necessary to keep the renqing debt in mind, because it may easily be paid off at the next moment. Renqing is strongest in moderate guanxi; people are neither close enough to give a favour for free, nor distant enough for transactions to

be made equally. Thus people have a very strong sense of renqing. However, renqing is weak again in distant guanxi, or strangers, because they interact as though they are making transactions, following the rule of equity. In this tie, people do not feel ashamed by receiving money for a favour.

As indicated in the examples in Chapter Four, John told me that Su did not feel greatly indebted to him because they are brothers-in-law and do favours to each other frequently without much renqing sense. However, John felt indebted to Xie for the school place, because they are just casual friends. Similarly, Rose told me she felt indebted to her friend for introducing the official to her. However, Rose did not feel indebted to the official because their guanxi is distant and they interact as though they are making a transaction: paying money for goods or services. Table 5.1 clearly shows the difference of renqing.

Table 5.1. Comparison of sense of indebtedness (renqing)

	Sense of renqing	Closeness	Relationship
Su - John	Not much	Close guanxi	Brothers-in-law
John - Xie	much	Moderate guanxi	Casual friends
Rose - her friend	much	Moderate guanxi	Casual friends
Rose - official	Not at all	Distant guanxi	A connection of a friend

Many informants argue that they have different sense of renqing towards different closeness of guanxi. For example, Lei, a father and official in City B, said:

It doesn't matter when a close guanxi does you a favour. It is normal for close guanxi to help each other. For more distant guanxi, people think they owe another a favour and try to return. However, if a very distant guanxi asks for money when doing me a favour, I will not feel a sense of owing renqing. (Interview BP03)

Tian, teacher in City B, felt the same way:

If a very close guanxi does me a favour, I won't feel that I owe him/her renqing. "You should definitely help me. Yes, it is your obligation to help me. You must help me out. No argument." [He pretends to talk to a close friend.] If a relative or friend does me a favour, or a friend's friend does me a favour, generally, I will feel a big sense of owing him/her a renqing debt. Also, I will like him/her more because of the favour... for very distant guanxi or stranger, we have no sense of renqing because we are more likely to trade directly. (Interview BT03)

May, a mother and teacher, clearly separates en qing (sense of gratitude) and renqing

(sense of indebtedness). She said:

For close friends and relative, it is enqing. For more distant guanxi, it is renqing. For very distant people, they won't help you unless you give them money, where there is no renqing debt at all. (Interview BP05)

Moreover, the motivations that people have for acting as an intermediary vary.

Some may do it for ganqing while some do it for renqing, and this depends on how close they are. As Nicky said, her husband's cousin loves her son, they have ganqing, and that is why the cousin has so much enthusiasm to help them. Mai, a teacher in City A, revealed how he helped his aunt's son get into a key school, CN School. He said he spent his own money but he was very happy with this (interview AT02).

However, when Mai dealt with his moderate guanxi, his attitude was very different.

Mai often introduced parents to his headteacher: in doing so, he could get closer to his headteacher, and gain gifts and renqing (making others indebted) as well (interview AT02).

Some people in some situations acts as middlemen for self-interested considerations.

Qi, a father in City A, said:

My son went to School B three years ago. He failed the entrance exam by two

marks. My sister-in-law is a good friend of the Dean of School B. The Dean took me to the home of the headteacher of School B with gifts and an envelope. Finally, my son successfully accessed School B. (Interview AP04)

Qi told me that the Dean is his sister-in-law's good friend, and a moderate guanxi to him, so he considered that he owed the Dean renqing (social debt). Thus, he often invited the Dean to dinner, visited him with gifts, and sometimes paid for his family travelling on summer holidays. However, Qi claimed that he also invited his sister and sister-in-law to dinner and to travel together on holidays for ganqing and qinqing, rather than for renqing - sense of indebtedness (observational notes).

Much evidence has shown that the concept of renqing, as sense of indebtedness, is more significant in moderate guanxi than in close and distant guanxi, following the weak-strong-weak pattern.

Face follows the weak-strong-weak pattern

The sense of face (mianzi or lian) is differential in different closeness levels of guanxi. People in the two cities feel more concerned about their face in moderate guanxi than in close or distant guanxi.

When people buy a school place from a trafficker who is a stranger, they can bargain. However, it is highly unusual for people to bargain when they intend to get a school place through guanxi, because this is considered a loss of face. Many informants ask around, or ask the intermediary how much money they should bring to the benefactor; then they put cash in an envelope and give it to the benefactor. Rose, a mother, said:

If we had failed to get a school place through guanxi, we would have turned to ticket traffickers, and of course, we would bargain with them. No face problem at all. (Observational notes)

In fact, bargaining is a common practice for people when shopping with a stranger or with distant guanxi in their daily lives. However, people cannot bargain when shopping with a friend, as this constitutes a loss of face.

Headteachers of key schools in the two cities do not always have enough school places to give to their guanxis and relevant officials. Consequently, they feel ashamed, embarrassed, or that they are “losing face” or offending the face of others if they have to refuse to give school places to their moderate guanxi who visit them with gifts. In order to avoid facing complicated renqing and mianzi, many headteachers of key schools in both cities have to shut off their mobile phones, escape from home, and hide in hotels during the summer recruitment season (observational notes). Many

informants in both cities reported this phenomenon, and I did not see Xie when I visited him before 2011 in the summers; usually there were many guests there, with Xie's wife serving the tea. However, in 2012, Xie was always in when I visited him. In my five visits, I observed only one guest, a teacher, who visited him during the student recruitment season (observational note).

Headteachers mainly avoid seeing their moderate guanxi. They do not feel that they are losing face or offending the face of others in distant guanxi, since they have no obligation to help. For close guanxi, headteachers usually prioritise their request because of a sense of moral obligation and affection, rather than a concern with "face". Xie also claimed that he had to give face to some officials, who usually had moderate guanxi with him. However, for some officials who had close guanxi with him, he gave school places for qianging and yiqi, with less consideration of face (observational note).

Lee, the headteacher of School E in City A, gave me an example from his daily life of the importance of face. The other day, he had lost his front teeth, giving him an ugly appearance. He was embarrassed by the idea of people seeing him before getting new teeth from his dentist. However, he found that his sense of losing face is differential when he is in front of different closeness levels of people. He had less sense of losing face in front of his family or close friends; or in front of distant guanxi, or strangers.

However, he felt a significant loss of face in front of his ordinary friends and his colleagues. Therefore, he asked for leave of absence from work during that time, which he spent at home, or shopping in a different city to make sure that no one would recognise him (observational note).

When inviting a moderate guanxi to dinner, people may have to choose a honourable (ti mian) place to gain face and avoid losing face. However, for close and distant guanxi, people are less restricted by this concept of face and will eat anywhere. In addition, for close guanxi, people pay for dinner in turn, or the richer pays for the dinner without much concern about face. For some moderate guanxi, people rush to the fore and fight to pay in order to gain face. Some people feel extremely ashamed to share the bill, as this might mean they are not good guanxi or that they care more about money than guanxi. Since everyone wants to do the same, people often rush to pay the bill, pushing their guanxis aside. For distant guanxi, people may be more likely to share the bill without much sense of losing face and they do not fight to pay for each other (observational notes).

The concept of face varies according to the closeness of guanxi. For very close and very distant guanxi, people may not care about face as much as with moderate guanxi.

5.3.3 Reviewing the two patterns

In Chapter Four, the pattern of weak-strong-weak was found in gift giving, banqueting and ritualised patterns (ketao). In this chapter, the same pattern has been found in renqing and face. All the five things - gift giving, banqueting, ketao, renqing and face - are all instrumental li, as described in Chapter Two. Gift giving, banqueting, and using ritualised patterns, are practices of instrumental li, while renqing and face are concepts of instrumental li. However, “the more distant the less significant” pattern is found in ganqing, renyi, obligation to wulun, and positive attitudes to others’ guanxi practice, which are all results of the Confucian ethical ideal, ren. Therefore, based on the evidence described in both chapters, two patterns are clearly found:

- 1) Confucian ren follows “the more distant the less significant” pattern;
- 2) Instrumental li follows a “weak-strong-weak” pattern.

Based on the two patterns described above, the intention of helping others varies with closeness of guanxi. For distant guanxi, people help others mainly for material gain. For close guanxi, people help each other very often, and they do so for ren. It is interesting that people help their moderate guanxi for instrumental li, such as renqing, face, and the rule of li shang wang lai, which actually mixes both ren and self-interest considerations. In other words, the dominant rationales of guanxi practice in close guanxi is ren, the dominant motivation in moderate guanxi is instrumental li, and the

dominant rationale in distant guanxi is self-interest (see Table 5.2, below).

Table 5.2. Dominant forms and rationales in different closeness level of guanxi

Closeness of guanxi	Close	Moderate	Distant
Dominant Forms	Expressive li (not much la guanxi)	Practice of instrumental li (Form 1)	Money, power Linking guanxi by guanxi (Forms 2, 3 and 4)
Dominant rationales	Ren	Concept of instrumental li	Material gain

Moreover, the forms and rationales of guanxi are closely associated. In close guanxi, people ask for a favour directly, without many la guanxi activities, and in their daily lives. They may often involve some expressive li rather than instrumental ones. In moderate guanxi, the main form is instrumental li with emotional influence. In distant guanxi, using money and linking guanxi are dominate forms (see Table 5.2).

That is to say: different closeness levels of guanxi have different rationales of guanxi practice and may choose different forms of guanxi practice. For example, the concept of renqing is the force of favour exchange. Sense of face is the dominant force of face

giving. Concepts of renqing and face also influence gift giving, banqueting, and ritualised patterns (ketao) dramatically.

Similar to the finding in Chapter Four, this chapter has found that instrumental guanxi practice (la guanxi) follows the weak-strong-weak pattern too. From many la guanxi cases presented above, la guanxi occurs more frequently and is more workable in moderate guanxi. It is not necessary to la guanxi with close guanxi, since they have a strong sense of obligation and affection, following Confucian ren. If one needs any help, one can ask his/her close guanxi without la guanxi activities. In addition, it is not workable to la guanxi with a distant guanxi or stranger directly; a close or moderate guanxi is usually needed to act as an intermediary. In such practice, close or moderate guanxi plays an important role. It is less common to see la guanxi directly between two distant guanxis. For moderate guanxi, however, people invest many rituals in order to ask for a favour and maintain a good guanxi for future use, because people with moderate guanxi value instrumental li the most. Thus, la guanxi also follows the weak-strong-weak pattern.

There seem to be some marginal cases in which that the whole pattern of weak-strong-weak and the full classification of close-moderate-distant does not hold up. First, some informants only distinguish two types of guanxi: close and distant. As mentioned earlier, when Zhang (a teacher) talked about lending money to friends, she

used a dichotomy of “close” and “more distant guanxi”. This seems to challenge the weak-strong-weak pattern in close-moderate-distant guanxi. However, when some informants mention close and distant, they actually take moderate guanxi as “distant” or “more distant” guanxi, which actually fits a part of the pattern, say, weak-strong, in close-moderate guanxi. Once I reminded them “distant guanxi” or “very distant guanxi”, they usually agree with the close-moderate-distant typology.

Second, the custom of gifting and money giving is changing. The weak-strong-weak pattern may not be always fit. Zhong, an official in City A, said:

In the past, it was shameful, or insulting to bring an envelope to your close friends (who are officials). Now, giving an envelope to a close friend who has helped you seems a common practice. People do not feel ashamed. It became an unwritten rule in official circles already. Now not only distant guanxi but also close guanxi are not ashamed either. People are more and more realistic. (Interview AO02)

Kim, a teacher, and Xing, a father, both claimed that people are more realistic and more likely to give money for favours. The culture is changing and money giving may replace gift giving, which may challenge the weak-strong-weak pattern. Nevertheless, many cases found in the field still involve expensive gift giving, and this is confirmed

by the accounts from shopkeepers.

Finally, there are only two categories in some cases presented above: close and moderate. For example, it is rare to banquet a stranger or a distant guanxi. The examples collected from the field can only show that weak-strong pattern in close-moderate guanxi. Some cases of using ritualised patterns also have only close-moderate guanxi without distant guanxi, such as home visiting with gifts - it is almost impossible to see a distant guanxi or a stranger visit a headteacher with gifts. In presenting the concepts of renqing and face, some examples can only provide for a weak-strong pattern in close-moderate guanxi, rather than a full weak-strong-weak pattern. However, this cannot deny the fact that ritual is more significant in moderate guanxi than in close or distant guanxi in a general context. They still follow part of the pattern.

Although some informants only distinguish two types of guanxi, some argue that culture is changing, and some cases only present part of the weak-strong-weak pattern, these do not contradict the general pattern identified. Furthermore, we should adopt a changing perspective on the weak-strong-weak pattern in the context of cultural shifts. When the culture changes in the future, the pattern may not always fit.

5.3.4 Failure of la guanxi

This research also finds that the failure of guanxi practice is associated with the ability to deal with the closeness. First, for very distant guanxi or no guanxi, some parents fail to find a right intermediary. Huan, a senior teacher in a better common senior high school, School 4, claimed that her school cheated in recruitment and people who have no guanxi in the school usually get no chance to register. She said:

Before the recruitment day, they informed guanxi students to come very early on the recruitment day while they only stuck a small recruitment notice in front of their school in evening before the recruitment day. The open recruitment just lasted for a few hours. People who had no guanxi might come too late and be told that the recruitment was over. (Interview AT05)

Qi's son registered in School 4 successfully because Qi's guanxi informed him about the recruitment information in time. A relative of my mother who came on the next day of recruitment failed to register, since no one informed the relative. However, the relative is also a distant relative of Qi; had she asked Qi, she might have made it. The problem is that their guanxi is too distant and there was no intermediary to link them together (observational note).

Second, some parents do not spend enough money when they deal with distant guanxi or so-called “money guanxi”. Some people were not able to la guanxi because they did not have enough money or invested too little. In 2002, Deng’s father, Senior Deng, tried to use his guanxi to get Deng’s sister into an adult teacher’s college. The official in charge of this was the wife of Senior Deng’s colleague, and this was a very good chance to la guanxi. However, Senior Deng failed at the first stage of recruitment because he did not spend enough money. “I cannot help you, the envelope is really too small,” the official said impatiently (observational note).

Jie, a teacher from a bad school in the suburbs of City A, wanted to use guanxi to work for a school in the city centre. Her husband was very busy visiting some people with gifts in the summer; however, they failed. When they told their relatives that he gave 800 yuan to the head of the education bureau and another 800 to the headteacher of the targeted school, their relative blamed them for spending too little money, as others usually paid a couple of thousand yuan (observational note).

Third, some people failed in guanxi because they made mistakes in ritual activities, especially when dealing with moderate guanxi. Rituals and rites are important in guanxi practice. As mentioned earlier, Xie (headteacher) and Lee (headteacher) both offended other officials’ face and got into trouble. Lee did not follow the local rituals and visit officials with gifts regularly, which brought difficulties in his work. If one

makes mistakes in ritual activities, one will decrease his/her reputation and credit as well. Another example was the teacher who visited Liu, the headteacher in City A, with six apples, which upset Liu and weakened her guanxi with him.

Finally, some parents fail to ask their close guanxi for a favour because their guanxis hold less by Confucian virtues, and value self-interest too highly. This was indicated in Xie's story in Chapter Four, in which because a headteacher had less virtue, a poor relative failed to acquire a school place from him.

These examples of failure further affirm the statement that the dominant motivation for guanxi practice in close guanxi is ren, in moderate guanxi is instrumental li, and in distant guanxi is self-interest. If one's close guanxi has no ren, one will fail to ask him/her for a favour. If one makes mistakes in ritual with his/her moderate guanxi, one may fail in la guanxi with them. For distant guanxi, if one does not spend enough money, one cannot succeed in acquiring resources from them.

5.4. Causes of la guanxi for school places

This research has found that both institutional systems and cultural characteristics in the two cities more or less cause the phenomenon of la guanxi for school places.

5.4.1. Institutional causes

Evidence shows that a weak institutional system stimulates the occurrence of guanxi practice for school places. First, rules and regulations are usually not specific but vague, flexible and changeable, subject to the concrete situation. Some officials and headteachers took advantage of this flexibility to circumvent rules and laws, giving school places to their guanxi. Second, “rule of man” seems to be obvious in both cities. The legal system is weak and individual officials can decide the allocation of resources personally, and rules are up to personal interpretations. Therefore, people have to build up good relationships with officials or headteachers, using this relationship to acquire resources. Finally, corruption is serious and pervasive in both cities, so people do not trust the fairness of the student recruitment system but turn to their guanxi. People use their guanxi to bribe officials or headteachers for school places. These three points fully present a weak institutional system in both cities.

Vague and flexible rules and laws

Before 2011 in City A, according to the recruitment rules of key junior high schools such as School A and School B, the top 600 from the entrance exam would be recruited. However, in School B, every year about 100 students out of the top 600 gave up their school places for various reasons. Thus, School B gave out the 100

study places to their guanxi, because there was no regulation about the given-up places in their recruitment rules. Eventually, they recruited 750 students, 250 of which were guanxi students. A similar situation was the case in School A (observational notes).

Moreover, there are no clear regulations to distinguish private from public schools in City A. Lee, a headteacher, said:

They are all key schools and they are actually “fake civilian-run” or “fake private” schools. To be a civilian-run or private school, the school should have three conditions, or “three independences”. First, land independent: the land of the school is private owned. Second, financial independence: the funds are from private individuals. Third, the personnel are independent from the government.... fake private schools do not have even one of the conditions... However, the fake private schools charge student tuition fees. For example, School A charges 6000 yuan each year.... This practice violates the education law. (Interview AH02)

However, because of the excuse of “making educational reform and experiment”, these illegal practices had been carrying on in City A for eight years and were continuing after the fieldwork.

Many informants claim that officials make rules vague in purpose. According to Xie, a headteacher, the officials in the education bureau do not want to make fixed rules for two reasons:

First, they do not want to take responsibility if schools bring any trouble.

They can escape from the responsibility if something bad happens. Second,

they make the rules flexible on purpose so that they can “give brief notes”

[kai xiao tiao: oral notes] to the headteacher for study places.

(Observational note)

Xie told me his principle on guanxi students:

First, I will follow the rules of our school. Second, I can make some scale of

flexibility, but will not break the main rules. Thirdly, if the marks of the

guanxi students are too low I cannot put them in the key classes (even

thought they have guanxi). (Interview AH01)

“Some scale of flexibility” here may include many guanxi practices and

circumvention of rules and laws. Thus, Xie complained that his supervisors make

vague and flexible rules, but he did the same himself.

Before the reform started in 2011, student recruitment rules of key schools were very vague. Here School B, Xie's school, is taken as an example. The "2009 Admissions Rules of School B" and the "2010 Admissions Rules of School B" simply stated:

According to the test result, the top 600 will be officially recruited students;

Registration date: July 16th (Documentation from school B website).

As can be seen, the Admissions Rules of School B were very vague. There are no specific rule was found on the school website.

In contrast, the recruitment rules became much specific after 2011. According to the "2011 Admissions Rules of School B" and the "2012 Admissions Rules of School B":

According to the test result, the top 600 are officially recruited students. If

there is more than one student ranked 600, then take the following order

before admission: 1) higher mathematics score; 2) higher Chinese score.

Students ranked near the top 600 can be signed up as stand-by candidate,

and may take the place of some officially recruited students who have given

up their places. (Documentation from school B website)

A few days later, on 8th July 2012, School B released the recruitment information

(No.1) below:

Score line for top 100 is 175, Score line for top 600 is 150. Candidates who have the score in the range of 146-149.4 can come to our school to fill additional recruitment form. They may take place of those students who give up their place. (Documentation from school B website)

The No.2 recruitment information was released a few days later, in which School B lowered the entrance score again to recruit more students, because the total number of recruited students was still less than 600 after the first round of recruitment. By doing so again and again with a few round of recruitment, School B recruited 600 students exactly by exam results in 2011, and 650 students in 2012 with fairer practice following the Mayor's reform (Documentation).

As can be seen, before the reform , the school recruitment regulations were very vague in City A. However, after the reform, not all schools have clear and specific regulations - only six key schools (four junior high schools and two primary schools). Other key schools and many common schools still have very simple and vague rules, and some "black case work" (hei xiang cao zuo) has been heard about from teachers and parents, in relation to School E, School 4, and SN school. Some of

them will be presented in later sections.

Rule of man

Many informants consider their cities to be under the “rule of man”: the legal system is weak and its implementation is always interpreted by some powerful individuals.

Some informants in City A revealed that the new mayor, Gu, stressed in a meeting with many other officials that if anyone dares to recruit guanxi students, he would ask the Department of Disciplinary Inspection, and the Department of Anti-Corruption, to get involved in this case (observational notes). It seemed that judicial authorities had to follow his order, which was obviously “rule of man” rather than “rule of law” or democracy.

Yan, a headteacher in City A, said:

The implementation of the policy highly depends on individual’s determination. Otherwise, the policy will be implemented “with a discount” (not fully implemented). Once the leader is changed, policies always change. Rules and policy cannot keep consistency. (Interview AH04)

Many informants doubt the consistency of the reform. They think that the reform cannot be kept once the mayor Gu leaves the city. So some people argued that what officials say are policies. As Liu, headteacher in City A, said:

Rules or policies are made by his supervisors so what they say are all rules or policies for him. (Interview AH03)

It is interesting that people value what their supervisors say more than rules or laws.

For example, Mai, a teacher in City A, said:

I should master a technique of weighing, considering and understanding what my headteacher says because everything is decided by our headteacher. (Interview AT02)

Rule of man, with weak democracy and rule of law, seem to be remarkable in both cities. Some informants ascribed this to the long history of federal system. Some informants think “rule of man” derives from the one-party political system. Many informants were aware of “rule of man” and they seemed to dislike this, but they could do nothing about it. Since individuals such as headteachers or some officials decided the allocation of school places personally, people practised guanxi to ask them for favours.

Corruption

Corruption is one of the main topics to appear in the data that I collected from both cities. Corruption can be both the cause and the consequence of guanxi; here I mainly focus on corruption as the cause of guanxi.

From both the interviews and the participant observation, there are at least 40 corruption cases in City A and 11 cases in City B, covering corruption and cheating in the allocation of school places, professional ranking and academic corruption, running illegal training centres and other businesses, bribing officials and headteachers, corruption in hospitals, and even cheating within the anti-corruption team. Informants argued that corruption existed everywhere in their cities. The following are only a few of the corruption cases that I observed.

There were many cases of corruption in allocating school places in both cities. For officials and headteachers, study places are resources that can be exchanged for money or other recourses. Before 2011, school place trafficking was serious. Many informants revealed that they even saw large signs advertising a school places agency in front of schools and near roundabouts. That the traffickers, who are mostly headteachers' guanxi, possessed so many places for selling reveals the corruption in

allocating school places. Many other informants reported that some headteachers, teachers and agents received gifts or money for school places. Wang is the head teacher of the best primary school, SS School, in City A. He has great talent and was awarded the prize of “Best Youth of the City” and “Model Worker of the Province”. Since he was involved in school place trafficking, he was arrested in an anti-corruption campaign in the summer of 2012, when I was carrying out my fieldwork in the city (observational note).

Officials receiving expensive gifts and/or money seems to be very popular in the two cities. When I chatted with some officials in City A, they told me an important rule of receiving gifts and money: before the gift giver leaves their home, they should check the gift face to face with the gift giver to see if any cash is in it, in order to avoid misunderstanding. They usually return the cash before the guest leaves, if they are not willing or able to help. That is to say, they usually receive money if they are willing to help the money giver, although they did not tell me this directly (observational notes).

There are many cases of cheating and so-called “black case work” (hei xiang cao zuo) in the school context. Schools are not allowed to charge school selection fees; however they received a “voluntary donation”. In 2012, Nicky was forced to sign an agreement to give 5500 yuan of donation “voluntarily” in order to get her son into Old CN school. Before she did that, she found guanxi and paid 3000 yuan to obtain the

place (Interview AP01). Kim, a relative of mine and Dean of a key school in City A, told me that her school had faked reports, cheating on the number of students to gain more money from the provincial government. However, the city government just “turned a blind eye”, since the cheating will bring money to the schools, which cut the input needed from local government (observational note.)

During the anti-corruption campaign, Kim was reported for bribing her headteacher and running an unregistered training centre. She wanted me to lie to the anti-corruption team that her training centre was mine, because I had no job while she could not afford to lose her job as a government employed teacher and the Dean of a famous key school. I refused her by giving an excuse that my PhD supervisors did not allow me to lie to the anti-corruption team. Kim told us she would find guanxi in the anti-corruption team because she heard one of them was a former classmate of her husband. After a few days, she successfully used her guanxi to save herself (observational note).

Huan, a senior teacher in School 4, revealed an example of cheating:

Some people make fake proof that they live near the schools, so that they do not pay any donation. I have heard much about that. Officials and their agents are making money from fake proof. (Interview AT05)

Huan offered me a further example:

You know, the pass-mark for the students who have specialty is lower than normal students and pay a lot less money for the donation. It can save a lot of money if one can prove that a student has a specialty. For example, a P.E teacher and a head teacher can make a fake proof that a student can play basketball very well. Thus, the student will pay fewer donations. (Interview AT05)

Mai, a teacher in a senior high school, also told me that a PE teacher and headteacher had made a fake proof in his school. Qi, a father, and Huan, a teacher, in City A both told me cheating stories about schools releasing a small recruitment notice in the evening before recruitment day, or even in the morning of the recruitment day. Qi said:

For School 4, they phoned every single student who passed the entrance exam and informed them about registering. However, they did not phone students who are eligible to kuo zhao [expanded recruitment]. They released the expanded recruitment notice and asked candidates to register on the same day. It was ridiculous. People knew the information but found the registration

period had expired. (Interview AP04)

Liu, head teacher of a common private school, revealed another cheating case:

I have a good friend who is the deputy head teacher of School 2. When they lower the pass-mark by 5 per cent and do kuo zhao, they actually recruit guanxi students whose marks are lower than 95 per cent of the pass-mark. You know, black case work. Moreover, they told their guanxis whose marks are higher than 95 per cent of the pass-mark to come to school for kuo zhao registration at 7 o'clock in the morning, while others with the same marks did not know this. When they came, they might be too late to register. (Interview AH03)

I observed a cheating case in School E. During my field work in City A, I was asked by my relative, Ms Qing, and another relative, Lulu, to check two students' entrance marks for a key class in School E. I did not realise that School E kept the mark confidential. When I got to the general affairs office, Wei, the teacher and technician, gave me a warm welcome and he told me that it was not allowed to check any student's mark and rank according to the rule of the school, but he could check for me secretly since we had good guanxi. After telling me the marks and ranks of the two students, he warned me that the students' marks were too low for the key class and

suggested me to la guanxi with Lee, the headteacher of the school. Finally I realised that this was a case of cheating: the school kept the mark and ranks confidential so that they could recruit guanxi students and avoid being reported by other parents without guanxi (observational note).

In addition, after recruitment and the term began, some students moved from a common class to a key class by guanxi in School E. Students in a key class of School E in City A, Chan and Jr. Xiong, reported to me that student numbers were going up in their class because of switching classes by guanxi, and the number was up to more than 70 students at least (interviews AS01 and AS04).

However, the most serious “black case work” (hei xiang cao zuo) in 2012 in City A was the “School 1 cheating case.” School 1, the best senior high school in City A, wanted to keep more study places for guanxi students and stopped in the middle of extended recruitment (kuo zhou), giving an excuse that the school had recruited enough students and had no more school places. Parents waiting to register were angry about the deception. They turned over the desks and broke chairs; about 30 parents joined the riot, with hundreds of parents watching and shouting. The police came and stopped them but no one was arrested. Following the suggestion by the police, the parents gave a petition letter to the city government (observational note).

There were also many cases of corruption for school places in City B. CE School is the best primary school in City B, and is established especially for officials or people who work for the municipal government and governmental organisations. Other families had to find guanxi to get a place for their children, which involved bribing headteachers and officials – as in the case of Ping, previously discussed in Chapter Four.

There were some cases of cheating in City B that were similar to those in City A.

May, a parent and teacher in City B, revealed:

The way of CE School releases recruitment information is: stick a notice today and recruit students the next day. Parents need to get this information from their guanxis who work in CE School. Otherwise, they miss the chance.

(Interview BP05)

Zhang, a teacher, reported corruption in her school - one of the key schools in City B:

There are nine classes in Junior 1, 50 students in each class. However, there are 10 classes in Junior 2, 70 students in each class. People get into our school by using the excuse of switching schools every year. (Interview BT02)

Tian, a teacher in another key senior high school in City B, revealed a similar phenomenon:

Every year, every semester, some students switch into our school. Several dozens of students came to our school with the excuse of “switching schools” each year. (Interview BT03)

Officials abused their power for school places, and influenced headteachers. Tian, a teacher in City B, argued that whether his school received guanxi students or not is sometimes not up to their headteacher:

If some higher officials put pressure on our headteacher, he has to accept guanxi students. (Interview BT03)

Along with switching schools (in City B), switching class is popular in both cities. Zheng, a student in a common class of City B, reported that the number of students in their class was reducing because some students’ parents la guanxi and got them into key classes (interview BS03). This observation is echoed by Zhang, a teacher in charge of a common class in a key school in City B:

In every term, there are always a few students switching to a key class by guanxi. When seeing more and more students leaving, the rest of the students are upset but envious, saying: “So unfair! But to have guanxi is so good!” (Observational notes)

In addition, much evidence shows that the local governments make money from education, rather than putting money in it. Headteachers of key schools in City A stated that they shared 50 per cent of the donation or tuition with the local government according to the “hidden regulation”. For instance Xie, headteacher of an experimental school, claimed that the school gave the local government five million yuan each year:

We pay 5 million yuan a year to the government, and we do not know how they spend the money. They have never put in any money into our school since we became an experimental school 8 years ago. In the other way around, they take money from our school. You know, the government is making big money from education. (Observational note)

Even common schools had to give 50 per cent of donations to the government. Lee, headteacher of a common school in City A, said:

Our school just likes a company. We give the government 800,000 yuan every year. Haha, we are better than a big company. Very few companies in this city can pay 800,000 yuan in tax every year. (Interview AH02)

This technique of making money from key schools also applied in City B. Informants there told me that key schools always apply school selection fees for those who failed the entrance exam.

However, poor schools did not receive much funding. Yan, headteacher of a small village school, School A, told me that their funds are very limited:

We receive only 271 yuan per student from the government. In the past, only 168 yuan per student. Also, we receive 30 yuan per teacher per month from the village. The government pays the teachers' basic salary. We only have about 6000 yuan to run the school for a whole year. It equals the price of just a bottle of wine that officials often drink. We have many bills to pay, and a very difficult budget. (Interview AH04)

How the governments spend the money is a big question. Headteachers, teachers, parents and even officials did not know the answer. My informants told me that government departments and organisations abuse public money for expensive dinners,

cars and so on.

Corruption is serious and pervasive in both cities, and people do not trust the fairness of the student recruitment system, so instead turn to their guanxi. People use their guanxi to bribe officials or headteachers for school places. Many informants argue that the cause of corruption is the lack of transparency and supervision. Some argue that this is because of the one-party system and absence of democracy. All in all, the evidence selected above about of vague rules, “rule of man” and serious corruption has revealed a weak institutional system in both cities, which provides fertile ground for the guanxi phenomenon..

5.4.2 Cultural causes

Along with institutional causes, the influence of culture on guanxi practice is significant. Moreover, institutional and cultural causes are interrelated. The weak institutional system in the two cities is more or less influenced by the culture of local people.

First, people in both cities have a high particularism culture: they disregard rules and laws but put much more emphasis on personal relationships. It is very common for them to use guanxi to circumvent or even break rules or laws to acquire desirable

resources, and they do not feel ashamed of doing so. Second, people in the two cities have a higher collectivism culture: they consider themselves and their guanxi as a whole, and place group interest higher than individual interest. Third, people in the two cities have a higher diffuse culture. They seem to be uncomfortable with fixed rules, which are regarded as rigid or “something dead”. They have a flexible thinking and working style and consider everything to be connected to everything; they do not clearly separate personal life, business, and institutional matters, which exacerbates nepotism and the la guanxi phenomenon in school context.

Particularism

Apparently, people in both cities value personal relationships while devaluing rules or laws. Headteachers have to give study places to their friends and relatives, otherwise their friends and relatives would regard them as without virtue. Many informants claimed that they cannot deal with friends by rules or laws, otherwise they would be considered to be lacking in for virtue and kindness (bu jin renqing). If they strictly followed the rules or laws to deal with their guanxis, their guanxis would blame them as “no renyi”.

It seems that Confucian virtues are pitted against rules and laws. At least, no one claims that he is educated by Confucianism to follow rules and laws. Local people

regard many illegal practices as ethical practice. As discussed earlier, in City A, the head of the Audit Bureau broke rule and sent an unqualified student into a key school, School C; and the head was considered by the student's parents to be a man with *renyi*: high level of virtue.

I did experience some problems when I conducted my fieldwork in City A. One of my relatives, Lulu, asked me to help her good friend's son to obtain a place in the key class of School E, since she knew I had good *guanxi* with the headteacher, Lee.

Following the suggestion of my PhD supervisors in the UK, I refused because to do so would violate the school's regulation; but this incurred opprobrium from many of my family, friends and relatives. My relative Lulu became angry and cut off the phone call when I said I could not help. Many friends laughed at me when I told them the story, as they thought what I did, and what my supervisors had told me, was stupid and unbelievable. Later I told Lulu to ask Deng, a teacher in School E who is also Lulu's relative and has good *guanxi* with her headmaster, Lee. In doing so, I made up *guanxi* with Lulu. Finally Lulu obtained a place in the key class of School E (observational notes).

It is interesting that all parents in City A claimed that they got recruitment information from friends and relatives. It seems that they do not want to read the recruitment policy or regulations themselves. People do not seem to value written rules or believe

that anybody will totally follow them. Even Kai, a policeman, did not think the published rules were reliable, and he had to ask around about the school admissions to learn the hidden rules (interview AP03). To break the law is not shameful under these circumstances; people are sometimes even proud that they can gain resources by circumventing rules or laws. There is a Chinese saying: “The authority issues policies, the locality always has their counter measures to surround them” (shang you zheng ce, xia you dui ce).

Collectivism

Being highly collective, with a strong sense of solidarity, seems to be one of the virtues that people value in the two research cities. It is regarded as a virtue to share good things with friends and relatives, and to help them without any consideration of self-interest. The informants always say “ your matter is my matter” to their friends. They consider their guanxis and themselves as a whole, and have great enthusiasm about helping their guanxis with school places. It is seen as important for every member of the whole to help the rest of the whole.

Many informants argued that they would help their friends even to their own detriment if the friend or relative were a lot poorer than him/her. For example, Huan, a teacher in City A, helps a few students enter to her school, School 4, every year. She

said:

...However, I have not received any benefit from the students I have helped.

Their families are poor. How can I receive their gifts? Sometime they visit me with some cheap gifts. In return for this, I give them expensive gifts.

(Interview AT05)

Kai, a policeman, was finding guanxi to help his nephew find a job in the government.

He said:

I am finding guanxi, spending my own money, inviting officials to dinners and so on. I will definitely not ask my uncle or nephew for money back. I should pay for them. We are close relatives. Let alone they are poorer than me. (Interview AP03)

Even some local rituals or customs reflect collectivism. For example, people give “red packets” (a red small envelope with money in it) to their guanxi’s wedding, or to celebrate the birth of a new baby. Since these occasions require money, receiving red packets eases this economic tension. Even when a student goes to a new school, he/she will receive many red packets from close friends and relatives, which will ease his/her parents’ financial burden (observational notes). Giving money in small packs is a type of ritual or custom, and reflects the collective concept.

Diffuse culture

People in the two cities have a high diffuse culture: that is, a holistic and flexible working and thinking style. As mentioned earlier, it is a remarkable fact that rules are vague in recruiting students in both cities. However, many people argue that flexibility is necessary for their work. Zhong, an official, said:

Officials can deal in a flexible way, which is good for our work. However, some officials take advantage of the flexibility and commit corruption.

(Interview AO02)

Xie, a headteacher in City A, said.

They always need to adapt something to concrete circumstances. Even if they have written rules, the rules are always ambiguous so that the leaders can interpret it in their own ways. (Interview AH01)

It seems that everything is not really fixed. Once rules are fixed, people call it dead. In Chinese, “fixed” and “dead” (si) share the same meaning, and “fixed rule” is called “dead rule” (si gui ding). We can see how people prefer flexibility to fixed things.

Moreover, some informants argued that making rules flexible is necessary for them: once a rule is fixed, some aspects of it will become unreasonable. For example, Xie argued that policy should have some flexibility:

If a man lost his life saving other people, how can the government refuse his child from getting into a key school? It is not reasonable, right? (Interview AH01)

It is interesting that when Xie claimed that he disliked vague and flexible rules, he also thought flexibility was needed. In this situation, people do not think about legislation but flexibility. He also argued that the new recruitment policy cannot attract investors, since government cannot give key school places to the investors' children. Thus, he concludes that a "clear cut" rule is not good.

As mentioned earlier, some officials in many situations make flexible rules purposively in order to take advantages from them. Lei, a parent in City B, said:

He [the headteacher] is under a lot of pressure. Too many officials ask him for school places. He cannot make a clear-cut recruitment regulation. (Interview BP03)

Thus, in people's minds, flexibility is important. However, they complain about others taking advantage of flexible and vague rules. People consider that everything is connected to everything: if one thing is fixed, it will influence other aspect of their lives. Therefore, it is better to keep everything flexible. Since rules are flexible, changeable and up to personal interpretation, people use guanxi to influence the people in charge to obtain desired resources.

In the two researched cities, people do not clearly separate personal life, business, and institutional matters due to their holistic thinking style. They consider everything as a whole. When I worked for a college in City B as a temporary job for my fieldwork, I joined a few QQ groups (internet chat groups), whose members were staff from different departments of the college. I found that they chatted about everything in the QQ groups; not only formal information and the distribution of tasks, but also much small talk, joking, gossiping, and trifles of personal life. During working time, they could talk a lot about personal matters, while during non-working time, they could talk a lot on about formal and serious work and tasks in the same chat group (observational notes).

As a teacher, one cannot simply do his work well only. He/she also has to do something to build his guanxi, which is good for his/her career. For instance, in order to please his headteacher, Mai, a young teacher, took exams instead of his headteacher

to enable the headteacher to gain a bachelor degree. Mai told me this frankly in the interview without any feeling of guilty and it seemed that cheating in exam is common in adult education in City A. Moreover, he came to repair his headteacher's car at midnight, when the headteacher phoned him. He not only has to do his formal work well, but also needs to learn how to conduct himself properly (xue hui zhou ren) (observational note and interview AT02).

Much evidence shows this holistic and flexible style of thinking, or diffuse culture, exacerbates the problem of la guanxi for school places.

To summarise: particularism, collectivism, and diffuse culture are found in the two cities and they create a fertile ground for la guanxi. These cultural characteristics or dimensions derive from Confucianism and Taoism. As presented in Chapter Two, the disregard for rules and law is influenced dramatically by Confucianism and Taoism. Many Confucian virtues provide the moral support for collectivism; and flexible and holistic thinking styles (diffuse culture) are influenced by Taoism. Thus, Confucianism and Taoism provide the cultural root of the guanxi phenomenon today.

5.4.3. Relationship between cultural and institutional causes

As can be seen, the weak institutional system in the two cities is more or less

influenced by the culture of local people, although political systems and other factors also matter. People value personal relationships while disregarding rules and laws (Particularism), which, among other factors, leads to the rule of man in the state institutional system. “Rule of man” could be evidence of a weak institution; it could also be a cultural phenomenon. In addition, people frequently violate rules or laws, thus corruption frequently happens. Flexible styles of thinking (diffuse culture) leads to vague and flexible rules and laws and the flexible implementation of them. Holistic style of thinking (diffuse culture) personalises institutional matters, leading to nepotism. Most importantly, according to Confucian morals and a highly collectivist culture, to help one’s five cardinal relations (wulun) are virtues; yet people in the two cities seem not be educated by Confucian principles to follow laws. Thus, people are not ashamed to break rules or laws but sometimes show off their illegal guanxi practice in front of their friends. All in all, traditional culture in the two cities dramatically influences the institution and the implementation of institutional regulations.

In City A, when the institutions improved with the reforms that aimed to crack down on la guanxi for school places, and la guanxi in key school was limited, more la guanxi occurred in common schools. Many parents reported that they managed to use guanxi for school places in better common schools in 2011 and 2012. Lee, headteacher of a common school, became busier with guanxi practice and was invited

to many more dinners than before the reform. Guanxi practice always exists, whether institutions improve or not. It is a life style deeply embedded in people's daily lives.

Furthermore, some guanxi practice seems not to be associated with institutions. Some la guanxi obviously do not break any rules or laws. For example, parents la guanxi with teachers to improve their cooperation with their children's education. In addition, some expressive guanxi practice, such as bringing gifts to one's friends without any instrumental purpose, is a part of people's lives and has no association with institutional systems. So whether or not there is institutional change, guanxi practice still widely exists in the two cities.

5.5. Findings related to guanxi Capital and non-guanxi Social Capital

Guanxi capital

Some findings related to guanxi capital in the context of school entrance in the two researched cities are revealed by analysis of the data yielded by this research. First, the research has illustrated the fact that guanxi practice is full of rituals, although money and power are sometimes involved. Guanxi practice requires proper ritual investment, and can be regarded as the process of investing rituals for resources. As discussed in Chapter Two, guanxi practice is the main way of building and using

guanxi capital. Thus, guanxi capital is mainly developed by ritual investment, including using ritual for money giving and power influence; and this capital can be used to acquire social resources from guanxi networks.

Second, guanxi capital is differentiated. In the same network with the same resources and the same social investment, the more distant the ties, the less guanxi capital one has, because the motivating forces, like virtue and obligation, fade with distance in a guanxi network. Third, the research has found that the dominant rationale for practising guanxi in close guanxi is ren; in moderate guanxi is instrumental li; and in distant guanxi is for material gain. Therefore, in a general context of guanxi networks, bonding social capital is mainly sustained by Confucian virtue (ren), bridging social capital is mainly sustained by Confucian ritual (li), and linking social capital is mainly based on material gain. In a general context of guanxi networks, if one wants to gain and use his/her bonding guanxi capital, the key thing to do is to treat his/her close guanxi with Confucian ren. If one wants to gain and use one's linking guanxi capital, using money and intermediary is the key thing to do. However, if one wants to gain and use his/her bridging guanxi capital, the key thing one needs to do is to invest in proper rituals, following some concept of Confucian li with instrumental purpose.

Non-guanxi social capital

Apparently, along with guanxi capital, people in the two cities also have some non-guanxi social capital, which is not established by guanxi practice but gained based on networks of organisations, association, or clubs with equal rules or norms.

Liao, a teacher from a bad primary school in City B, joined a bicycle association, where he knew a rich friend who offered him and other members a free bicycle trip to a big city for a week. When I interviewed Liao, he had just come back from the trip and felt very excited about it (interview BT04). This kind of resource gained by Liao's social capital is not guanxi capital but what I called "non-guanxi capital", which is based on the network of a bicycle association with equal norms without any guanxi practice.

Based on a business association, Qi, one of the key informants, sent his mother to a good hospital in Guangzhou with advanced equipment. Qi told me there had been a good tradition within this business association that some members in Guangzhou offered medical information for other members in other small cities who may not know Guangzhou well, and he argued that Guangdong had the best medical system in Southern China (observational notes) . However, this social capital is not guanxi capital because it is based on an equal and general norms or traditions, treating every member the same, rather than a particularistic norm treating different closeness levels of people differently. Besides, gaining this kind of resource does not involve guanxi

practice, such as gift giving or banqueting, without any sense of renqing. However, when his mother lived in the hospital, Qi did la guanxi with the doctors and gave them red packets containing money in order to secure a good operation for his mother (observational notes). In this case, gaining information from the business association is based on Qi's non-guanxi social capital, while a successful operation for his mother came from Qi's guanxi capital.

When I worked for a college in City B as a temporary job for my fieldwork, I found myself having social capital with colleagues by exchanging information via the social media chat group. However, I did not know most of the colleagues in the chatting group. This kind of social capital is not based on guanxi either, and should be regarded as non-guanxi social capital, which is the Western style of social capital described by most scholars.

Guanxi capital and non-guanxi social capital are different, but sometimes associated with and supportive of each other. Non-guanxi social capital can take a role of a guanxi base for guanxi capital to be established earlier. As described earlier, Liao , a teacher in City B, can build up guanxi with some members of the bicycle association with gift giving and/or banqueting, then ask for a favour, such as a school place or a job. Thus guanxi capital is established based on the non-guanxi social capital.

In the same way, guanxi capital will enhance one's non-guanxi capital by supporting one's formal work in his/her organisation, association or club. One teacher, May, in City B told me that she always supported her director's work in her department because the directors did her favours: for example, giving her a leave of absence from work to see her parents (interview BP05). A senior teacher, Huan, in City A argued that she worked harder for her headteacher because the headteacher gave her school places every year (interview AT05).

As can be seen, people in the two cities have both guanxi capital and non-guanxi social capital, and the two types of social capital can co-exist, influence, and support each other.

5.6. Chapter summary

From the evidence discussed above, the two researched cities had similar guanxi phenomena with similar rationales and causes. However, there were some notable differences. First, City A has a reform while City B does not have any reform in school student recruitment during the period when the fieldwork was carried out. Second, the research has not found much evidence about switching schools in City A, while switching school as a form of getting key school places is serious in City B. Third, City A does not have any school built up for officials' children particularly,

while City B does: this is CE School, the best primary school in the city, which receives much government funding. It seems that institutional system of City A is more formal than that of City B. Nevertheless, both cities have similar rationales and causes of guanxi practice, and the patterns of “the more distant the less significant” and “weak-strong-weak” can be found in both cities.

Evidence shows that people in the two cities have differential rationales for guanxi practice according to closeness. For distant guanxi, people do them favours mainly for material gain and they have less sense of renqing (indebtedness) and face. For close guanxi, people do favours to each other very often and they do it mainly for ganqing and virtues (ren), without much sense of renqing and face. However, people do their moderate guanxis a favour with mixed intentions: affection, Confucian virtues, obligation, renqing and material gain. Furthermore, people have stronger sense of renqing (indebtedness) and face in moderate guanxi than close and distant guanxi. That is to say, the dominant rationale of guanxi practice in close guanxi is ren, and in distant guanxi is material gain. The rationale in moderate guanxi is instrumental li, which mixes both moral and rational considerations. Both the practice and concept of instrumental li follows a weak-strong-weak pattern in close-moderate-distant guanxi: it is more significant in moderate guanxi than in close and distant guanxi.

Instrumental guanxi practice (la guanxi) follows the weak-strong-weak pattern too. It

is not necessary to la guanxi with close guanxi, since they have a strong sense of obligation, affection and virtues: if they need help from their close guanxi, they just ask the favour without much social investment. It is not workable to la guanxi directly with a distant guanxi or stranger due to their weak obligation, affection and virtues. For moderate guanxi, however, people invest a lot of ritual activities to la guanxi because people value Confucian li so much and have strong sense of renqing and face. Thus, la guanxi also follows the weak-strong-weak pattern.

Evidence also shows that a weak institutional system and the cultural characteristics of people in the two cities are both causes of guanxi phenomena today. The cultural cause seems to be very significant, since guanxi practice has been a lifestyle of people in the two cities and culture has a strong influence on the institutional system.

Evidence presented in Chapter Four and Five has shown that guanxi capital is mainly developed by ritual investment, and it is differential in nature. In a general context of guanxi networks, bonding social capital is mainly sustained by Confucian ren, bridging social capital is mainly sustained by instrumental li, and linking social capital is mainly for material gain.

Chapter 6. Discussion

6.1. Introduction

This research focus on how and why guanxi is used to acquire resources in different closeness levels of guanxi; namely, how and why people develop bonding, bridging and linking social capital in guanxi networks. In the previous two chapters, the research questions set out in Chapter Three were examined in the light of empirical research. This final chapter begins with a summary of this project's findings, discusses their significance, and compares them with the findings that have been reported by other research related to closeness of guanxi.

The chapter will then proceed to a section discussing the theoretical implications of this project's findings in relation to the key concepts of guanxi and social capital. A new concept, "ritual capital", will be proposed as a new concept of social capital and an analytical device for analysing capital. The chapter will review the strengths and limitations of this thesis, put the overall findings into perspective, and reflect on the quality of the research and its findings. It concludes with a discussion of implication for further research.

6.2. Summary: results related to the original research questions

The purpose of this section is to review the key questions that originally inspired this research, and provide an overview of the empirical findings relating to them. The principal research questions addressed in this study were as follows:

- How is guanxi used to acquire school places? Does the level of closeness influence how guanxi is practised?
- Why is guanxi used to acquire school places? Do the reasons for using guanxi vary in different closeness levels of guanxi?

Guided by the research questions, the research found that there are at least four forms in which people practise guanxi. These included: applying instrumental li with emotional influence (qing); money giving with financial influence (qian); using a connection in higher place with power influence (quan); and linking guanxi by guanxi (tao). There are at least two reasons why people practise guanxi for school places: a weak institutional system (institutional cause), and people's values and customs (cultural cause). Rationales for practising guanxi vary in different closeness levels of guanxi. People in the two cities accept their close guanxis' favour asking mainly for ganqing and/or virtues, encouraged by Confucian ren; they help their moderate guanxi for renqing and/or face, which mixes moral and rational consideration, driven by instrumentalised Confucian li; and they help their distant guanxi or strangers

mainly for material gain. Thus, the rationale for people using guanxi for resources is based on the expectation of their guanxi's ren, instrumental li, and material gain.

The main findings of this research could be summarised into two further respects.

First, instrumental li is more significant in moderate guanxi than in close and distant guanxi, following a weak-strong-weak pattern; la guanxi is mostly ritual investment, which follows a weak-strong-weak pattern too. 2) Guanxi capital is mainly gained by ritual investment, due to the influence of Confucianism.

Finding 1: Instrumental li and la guanxi follow weak-strong-weak pattern.

This empirical research finds that instrumental li is more significant (more highly valued, more workable, with a greater impact and more frequently occurring) in moderate guanxi than in close and distant guanxi, in the context of using guanxi to gain school places in the two researched cities. The practices of instrumental li, such as gift giving, banqueting and ritualised patterns (ketao) for gaining a school place, follow a “weak-strong-weak” pattern in this context. Moreover, the concept of instrumental li, as in the sense of renqing (indebtedness) and face, also follow the above pattern when people use guanxi for school places.

The reason why instrumental li follows a weak-strong-weak pattern can be explained

as follows. In reality, Confucian ren does not treat everyone the same but is differential, fading with social distance when people help others with school places. In close guanxi, people usually treat each other with the most ren. However, people cannot treat moderate guanxi with the same level of ren, instead tending to apply instrumental li to show their ren (fake ren), in order to gain the same level of ren back from others. That is to say, in moderate guanxi, due to insufficient ren, people apply li to show more fake ren, in order to gain better ren treatment in return. This is the essence of la guanxi in daily use. Thus, instrumental li is highly valued in moderate guanxi, and it seems to be formalised and instrumentalised without much ren inside when people using guanxi for school places.

In close guanxi, people usually value ren more than the forms of li, since the true li should come naturally with ren (li is the expression of ren). People usually value obligations rather than gift giving and banqueting, and value ganqing (zhong ganqing) and virtues rather than renqing wei (showing human kindness). In distant guanxi, where relationships are mostly temporary, moral obligation becomes very weak and it is not very workable to show “fake *li*” for expressing one’s “fake *ren*” for exchange: ren and li are usually not as highly valued as they are in close and moderate guanxi. Instead, people are more likely to deal with each other rationally, by using legal tools and trading equally.

The research also has found that instrumental guanxi practice (la guanxi) follows a weak-strong-weak pattern too. La guanxi occurs more frequently and is more workable in moderate guanxi. No la guanxi activities have been observed among close guanxis in this research. Also, no la guanxi for school places have been observed between two distant guanxis: all la guanxi between two distant guanxis involve an intermediary, who is usually a close or moderate guanxi of the two distant parties respectively. Thus it should be regarded as the combination of two independent guanxi practices, with only close or moderate guanxis involved. It is not necessary to la guanxi with close guanxi, since they have a strong sense of obligation, affection and virtue: if they need help from their close guanxi, they just ask the favour without much social investment. Nor is it workable to la guanxi with a distant guanxi or strangers directly because of their weak obligation, affection and virtues. For moderate guanxi, however, people invest many ritual activities to la guanxi because people value Confucian li so much and have strong sense of renqing and face. Thus, la guanxi also follows the weak-strong-weak pattern, in the context of gaining school places in the two researched cities.

Finding 2: Guanxi capital is mostly gained by ritual investment due to the influence of Confucian li.

The research finds that guanxi capital is ritual-oriented. Although a part of one's

guanxi capital could be naturally given, the main way to gain this social capital, namely, la guanxi, is actually full of ritual investment. All practices of la guanxi observed in the field are full of rituals, although money and power are sometimes involved. Ritual exists in almost every form and at every step of guanxi practice, which is vital for gaining resources. The proper use of ritual largely improves the quality of guanxi and can be used as a very productive social investment. The use of money in guanxi practice is different from pure market exchange, for the way it acquire resource is full of ritual, and it is ritual that helps money and resources to flow and be exchanged. Also, it is ritual that makes power influence work in informal and interpersonal ways for resources. Therefore, la guanxi can mostly be regarded as ritual investment for gain, although money and power are sometimes involved.

In a general context of guanxi networks, bonding social capital is mainly sustained by Confucian virtue (ren), bridging social capital is mainly sustained by instrumental ritual (fake li), and linking social capital is mainly based on material gain. Moreover, bonding, bridging and linking social capital in guanxi is never fixed but ever-changing, adaptable, and flexible, based on a continuum of social distance.

Along with guanxi capital, people in the two cities also have their non-guanxi social capital, which does not gain by guanxi practice and ritual investment, but by organisational networks and their equal rules. Guanxi capital and non-guanxi capital

co-exist and can support each other. Traditional ritual rules and modern organisational rules are combined in people's social lives.

6.3. Comparison with existing literature

6.3.1. Comparison with previous literature on guanxi

Typology of guanxi related to closeness

Based on the informants' accounts, this research distinguishes close, moderate and distant guanxi, which describes an ever-changing, adaptable, and flexible continuum of social distance.

As mentioned in Chapter Two, Hwang (1987) proposes a tripartite division similar to mine: expressive ties, instrumental ties, and mixed ties. Yan (1996) parallels the distinction between "primary" and "extended" guanxi, one characterised by moral obligations and emotional attachments, while the other refers to a strategy for forming advantageous relationships (Yan 1996b, pp226–9). Yan's primary guanxi seem to refer to the close and moderate guanxi that I have proposed, or the expressive and mixed ties described by Hwang. Chang's (2010) generous, expressive and instrumental wanglai also seem to match the tripartite division proposed by myself and Hwang.

Table 6.1a and Table 6.1b below shows how these typologies and their rules match each other, drawing on Chang's Table IX-3 Lishang-wanglai framework (Chang 2010, p416).

Table 6.1a. Comparison of typology of guanxi related to closeness¹⁰

Closeness of guanxi	Close	Moderate	Distant	Stranger
Hwang's categories	Expressive tie	Mixed tie	Instrumental tie	
Yan's categories	Primary guanxi		Extended guanxi	
Chang's wanglai	Generous	Expressive	Instrumental	Negative
Woolcock's and Putnam's social capital	Bonding	Bridging	Linking	

Table 6.1b. Comparison of rules of exchange related to closeness¹¹

Motivation or rules	Ren	Instrumental li	Material gain	Pure market exchange
Hwang's rules	Rule of need	Rule of renqing	Rule of equity	

¹⁰ This draws on Chang's Table IX-3, Lishang-wanglai framework (Chang 2010, 416)

¹¹ This draws on Chang's Table IX-3, Lishang-wanglai framework (Chang 2010, 416)

Yan's renqing ethic	Moral obligation	Emotional attachment	Rational calculation	
Chang's lishang	Moral judgement	Human feelings (like renqing, ganqing)	Rational calculation	Religion

The rules of social exchange in the categorisations offered by Chang, Hwang, Yan and myself are similar. According to my research findings, in close guanxi, people help each other mainly for ren, which is similar to the “rule of need” in expressive ties described by Hwang (1987), and matches Yan’s “moral obligations” and Chang’s “moral judgement”. In “moderate guanxi”, people are motivated by instrumental li to help others, with a mixture of moral, emotional and rational consideration; this is similar to the “rule of renqing” in mixed ties proposed by Hwang, and matches Yan’s “emotional attachment” and Chang’s human feeling (e.g. renqing and ganqing).

Hwang (1987, p952) argues, “A mixed tie is a relationship in which an individual seeks to influence other people by means of renqing and mianzi”: as discussed earlier, renqing and mianzi (face) derives from Confucian li. In distant guanxi, people help others based on a consideration of material gain, which is similar to the “rule of equity” in instrumental ties, and matches Yan’s and Chang’s “rational calculation”.

According to Chang (2010), negative wanglai is counted as people using public resources to gain personal benefits: for example, corruption. However, corruption can take place in any closeness level of guanxi. Even for close guanxi, officials or

headteachers could take part in corruption (breaking rules or regulations, deception, abuse of power) to gain school places for them. Therefore, negative wanglai seem to have nothing to do with closeness of guanxi.

According to Yan's categorisation, the villagers either give affection gifts to their ordinary friends or relatives without instrumental consideration; otherwise, they give instrumental gifts to someone outside the village for some resources that they desire. The "either expressive or instrumental" category is inaccurate for the analysis of guanxi in urban settings. The tripartite division (close, moderate and distant guanxi) proposed by Hwang and myself is more effective than Yan's bipartite category (primary and extended guanxi), especially for this research, which was conducted in cities.

Unlike the typologies proposed by Hwang and Yan's , my typology emphasises the way social distance and familiarity acts as a dynamic process, rather than as a fixed and determining structure. With reference to Chang's work, my typology stressed an ever-changing, adaptable, and personally subjective continuum based on social distance, with the following features.

First, my typology is based on the degree of closeness or social distance. The categorisations proposed by Hwang and Yan appear to be related to social distance

related but they actually involve a fixed and determining structure. For example, Yan's primary and extended guanxi describe different intentions in building up a relationship: a moral and emotional intention, or a rational one. Hwang's expressive-mixed-instrumental ties do not express a social distance either: an instrumental tie is not necessarily distant, for example the relation between doctor and patient, or teacher and student.

Second, my typology expresses a flexible continuum of social distance, rather than a clear-cut typology. Since Fei (1992[1947]) argues that the Chinese social structure can be described as "the more distant the less significant", the closeness levels of guanxi may be a continuum with two extreme ends - the closest ties versus the most distant tie - rather than fixed categories. It should be noted that guanxi in reality is far more complicated and has no clear-cut boundary between the three types. In this research, people in the two cities sometimes cannot clearly tell what types of their guanxis can be categorised as, although they have the three categories in mind. Moreover, there are no fixed boundaries between the three types but the boundaries can change according to the specific situations and the favours that they deal with. Accordingly, the rule of need, rule of renqing, and rule of equity, described by Hwang, or ren, instrumental li, and material gain, as I proposed, are applied subject to how big the favour they deal with is, and their specific situations.

Since the closeness levels of guanxi should be considered as a continuum, the rules of social exchange are also on a continuum with the extreme ends of “need rule” or “generous wanglai”, and “equity rule” or market exchange. In the middle of the continuum is renqing. According to the research findings, renqing and face do not only exist in moderate guanxi but are differential in different ties. Because of the continuum, all the rules are actually “more or less” rather than absolute “yes or no”. For example, people have less renqing but more ganqing in close guanxi. It is inappropriate to say that people in mixed ties are absolutely following instrumental li, or the “renqing rule”, since some informants still deal with material gain and the “equity rule” when the favour is too big to be given to another as a social debt.

Third, this research takes a view that the guanxi relationship is ever-changing, which happens to match Chang’s dynamic view of different types of wanglai. It is worthy of note that different closeness levels of guanxi can change from one to another between the same two people: “Stopping one kind of relationship with somebody can mean starting another kind of relationship with the same person” (Chang 2010, p400).

Moreover, the change in situation may lead to a change in the closeness between the two persons.

Fourth, this research takes an “adaptable view” in the analysis of guanxi. It is believed that the metaphor of “ripple” in chaxugeju that Fei (1992[1947]) proposed exists in

different contexts, rather than in Chinese society as a whole. The closeness of guanxi can adapt to different situations and contexts. In the context of a village, for example, people can have three types of guanxi: close, moderate, and distant. However, if a villager moved to a city and worked in a factory, he/she would have another “ripple” in the factory with close, moderate and close guanxi too.

Finally, these categories are very personal and subject to personal adjustment rather than a collective cognitive or common sense. Even in the same guanxi, when A regards B as close guanxi, B may not think the same way: B may think of A as his/her moderate guanxi or even distant guanxi. This may result in conflict in interpersonal communication.

In short, the findings of this research have led to the development of a typology similar to those developed by Hwang, Yan, and Chang. This research, however, takes those works forward, by pointing out the features of guanxi closeness as continuum, ever-changing and adaptable, and personally subjective.

Expressive vs. instrumental li

Yan (1996) examined both the dynamic process of cultivation of guanxi networks and their functions in everyday rural life. He states that “the closer to the centre in a given

guanxi network, the more gift-giving relations are involved” (Yan 1996b, p101), which seems to be very different from my research finding that gift giving follows the weak-strong-weak pattern. However, my research focuses on the impact of instrumental gift giving in an urban setting, while Yan’s is on both expressive and instrument gift giving. Moreover, he argues that, “all instrumental gift-giving relations go beyond the village boundary” (p102), which seems to claim that instrumental gift giving is not his main focus inside the village. In addition, Chang (2010) describes many traditional costumes and rituals, such as weddings, childbirth, funerals, and so on, which are also mostly expressive practices of li, and are very different from the practice of li examined in this research, which always comes with an instrumental purpose.

Therefore, it is necessary to distinguish the expressive practice and instrumental practice of li. Expressive li is usually done to express one’s real emotion and concern without much rational calculation, while instrumental li is usually done for instrumental purpose. Table 6.2 below lists some examples of expressive and instrumental li.

Table 6.2. Expressive and instrumental li

	Gift	Banquet	renqing	Face	Ritualised pattern

Expressive li	Expressive gift	Expressive banquet (e.g. wedding)	Human kindness	Expressive face giving (e.g. giving respect to one's parents)	Politeness and etiquette with love and respect.
Instrumental li	Instrumental gift	Instrumental banquet	Indebtedness	Instrumental face giving (e.g. flattering an official)	Ketao without much love

In this sense, my argument about the weak-strong-weak pattern should be limited to instrumental li rather than expressive li. That is why gift giving in my research follows the weak-strong-weak pattern, while Yan's gift giving follows "the more distant the less significant" pattern.

In the two research cities, it is sometimes difficult to distinguish expressive and instrumental li. The motivation of people attending their supervisors' weddings, birthday parties, or funerals for the supervisors' parents could be expressive, or instrumental, or even a mixture of the two. Usually smart practitioners of guanxi are good at using expressive li, such as weddings and birthday parties, to develop ganqing (so-called ganqing investment) so that they can ask for a favour in the future. This seems to be a more effective method of la guanxi. In this situation, expressive li and instrumental li are hard to distinguish, and they are sometimes mixed.

It should be stressed that expressive li is based on Confucian ren, while instrumental

li is not. Confucius said: “It is rare, indeed, for a man with cunning words and an ingratiating countenance to be benevolent [ren]” (Confucius 2008, p3[Book 1 Sectence 3]). “Cunning words and an ingratiating countenance” here means instrumental li, like to giving face in order to gain a favour. However, according to Confucius, this practice is not ren.

Expressive guanxi practice vs. instrumental guanxi practice

Based on Chang’s (2010) lishang-wanglai model (pp 407-426) and my own research results, it is necessary to distinguish expressive guanxi practice and instrumental guanxi practice. The former goes without any instrumental purpose, and is more likely to happen in close guanxi, and sometimes in moderate guanxi; the latter is done with instrumental intention, and is more likely to happen in distant guanxi, and sometimes in moderate guanxi when needed. This matches Chang’s expressive wanglai and instrumental wanglai .

It is notable that the finding of this project on the closeness of guanxi echoes Chang’s lishang-wanglai model, and the definition of guanxi in this research is what Chang called “ lishang-wanglai networks”, or “social supports network” in Chinese society (pp 407-426). Wanglai, as in Chinese reciprocity, is carried out in guanxi networks, and guanxi practice is actually the process of wanglai.

Since guanxi is also a noun meaning “relationship” or “network”, there is a slight difference between Chang’s research and my own. Guanxi, as Chang sees it, is “instrumental wanglai” (see Appendix 5). However, this research takes a broad definition of guanxi, regarding all personal or “personalised relationships” as guanxi, so long as they are rooted in Chinese culture and can be utilised or potentially utilised.

As for the practice of guanxi, however, I agree with Chang’s claim that the term guanxi has been over-expanded and imprecisely used by earlier researchers (Chang 2010). The practice of guanxi production (Kipnis’s term), or guanxi practice, is actually not a Chinese expression, but generalisation of the concepts employed by Kipnis and others. In fact, what Kipnis and others call “guanxi practice” is no different from what informants in the two researched cities called wanglai, laiwang, or jiaowang. When my informants visit their brothers or sister on holidays with gifts without any instrumental purpose, this practice is called wanglai or laiwang by local people, but absolutely not la guanxi or gao guanxi. Local people do not call this wanglai “guanxi practice” or “practice of guanxi production”, and it is believed that there are no such expressions in Chinese. My finding matches Chang’s, in that people actually call their daily interaction in guanxi networks wanglai rather than guanxi, la guanxi, or zhao guanxi.

Therefore, it is necessary to distinguish between expressive guanxi practice and

instrumental guanxi practice: the former is usually call wanglai, the latter called la guanxi or gao guanxi by people in my researched cities. Besides, guanxi, a noun, should be regarded as its original implication as “relationship” or “network” rather than people’s daily interaction or reciprocity.

The typology of guanxi and the rationales for practising them identified by my research matches Chang’s lishang-wanglai model (see Table 6.1 above), even though Chang’s model is based on data collected in a village in early 1990s, 20 years earlier than my research in an urban setting. Close guanxi often involves generous wanglai, moderate guanxi involves more expressive wanglai, and distant guanxi involves more instrument wanglai, namely la guanxi. Negative wanglai could happen in any type of guanxi, which is outside the scope of my research focus. As stated earlier, the above conclusion is about degree of “more or less” , rather than absolute “yes or no”.

The cultural cause vs. the institutional cause

As discussed in Chapter Two, some scholars argue that guanxi is integral to Chinese culture, including its Confucian heritage (Fei 1992 [1947], Hwang 1987, King 1991, Yang 1994), while others argue that guanxi is best understood institutionally as a component of social organisation characterised by distributional disarticulations and an underdeveloped rights-and-law framework (Guthrie 1998, 1999; Wank 2002; Gold,

Guthrie and Wank 2002). This empirical research presents evidence that both institutions and culture matter in guanxi, and both encourage people to practice guanxi. Furthermore, traditional culture and values in the two cities dramatically influence the implementation of institutional regulations, and the cultural cause seems to be very significant.

First, this research has shown that the weak institutional system in the two cities is, more or less, influenced by the culture of local people, although the political system and other factors also matters. People value personal relationships while disregarding rules or laws (particularism), which leads to frequently violating rules or laws; thus corruption frequently happens. A flexible style of thinking (diffuse culture) leads to vague and flexible rules and laws and the flexible implementation of them. An holistic style of thinking (diffuse culture) personalises institutional matters, leading to nepotism. Mostly importantly, according to Confucian morals and high collectivism culture, to help one's five cardinal relationships (wulun) are virtues but people in the two cities seem not be educated by Confucian principles to follow laws. Thus, people are not ashamed to break rules or laws, but sometimes show off their illegal guanxi practice in front of their friends. All in all, traditional culture in the two cities influences the institutions and the implementation of institutional regulations. It is argued that the current institutional system is, in part, driven by the Chinese culture.

Second, some guanxi practice seems not to be associated with institutions: for one thing, some la guanxi obviously do not break any rules or laws. For another, some expressive guanxi practice, such as bringing gifts to one's friends without any instrumental purpose, is a part of people's lives and has no association with institutional systems.

Third, whether there is institutional change or not, guanxi practice still widely exists in the two cities. Although institutional causes also matter to the guanxi phenomenon, the practice of guanxi is a lifestyle of people in the two cities, which deeply rooted in culture. In addition, other Chinese societies without the Chinese institutional structure, such as Taiwan, Hong Kong, and Singapore, are still found to have some guanxi practices (Yeung and Tung 1996, Dunning and Kim 2007). This further confirms the finding that cultural causes are the root of guanxi phenomenon today.

Thus in contrast to existing research, the research presented in this thesis has found that the cultural causes of guanxi are fundamental, although both institutional and cultural causes have an effect on the guanxi phenomenon today.

Li vs. ren

This research, which examined the use of guanxi for obtaining school places in two

small Chinese cities, has shown that la guanxi, as well as its rituals, is more significant in moderate guanxi than in close or distant guanxi, following a weak-strong-weak pattern. Meanwhile, this research also finds that the dominant rationale in moderate guanxi is instrumental li (see Table 6.3 below).

Table 6.3. Instrumental li motivates most la guanxi

Closeness of guanxi	Close	Moderate	Distant
Motivation	Ren	Instrumental li	Material gain
Guanxi practice	Just ask favour without la guanxi (use guanxi)	La guanxi	Linking guanxi by guanxi

Some previous research has also claimed that la guanxi, or the phenomenon of using guanxi for resource, derives from Confucianism; and most has focused on Confucian virtues (ren) such as yi, zhong, xin, bao, etc (Jacobs 1979, King, 1991, Lin 2001, Hwang 1987, Kipnis 1997, Yan 1996b). Although some previous research has linked la guanxi with ritual (li), for example the work of Fei (1992[1947]) and Yang (1994), this does not put Confucian li in a remarkable position. I followed the work conducted by Professor Xianqun Chang on Confucian li, especially traditional customs and rituals in the countryside, and applied this to an urban setting. I further explored the relationship between li and ren in guanxi practice, since no guanxi research focusing

on the relationship between ren and li has been found in the existing literature.

One finding that surprised me was that in the two selected cities, many corruption cases are not motivated totally for self-interest but for Confucian ren: some headteachers or officials give school places to their guanxis for free due to ganqing, renyi, yiqi or bao, rather than for money or the return of renqing. However, Confucian ren only makes sense in a small circle. The circle of ren can be larger or smaller, depending on the specific context Fei (1992[1947]). When two people have ren, they do not need to la guanxi for asking a favour. La guanxi mostly exists in a context where ren is weak, and people need to invest social effort for resources. They applied li to show more ren in order to gain more ren in return. Many people accept others' la guanxi (mainly in moderate guanxi) for renqing and face, rather than giving out a big favour to fulfil some Confucian virtues. This type of renqing and face is actually what I called "instrumental li", which brings some ideas of Confucian li with instrumental purpose.

Therefore, this research finds that the magic rule behind la guanxi is not Confucian virtues (ren), but instrumental li. Some people take the idea of Confucian li as a tool for their own personal gain, even abusing it, resulting in corruption. In this sense, the utilitarian characteristic of guanxi is closely associated with Confucian li rather than ren.

In this research, la guanxi for school places was found to be very instrumental and involving corruption. However, Confucianism is not instrumental at all. It is incorrect to attribute la guanxi only to Confucian virtues, as much previous research has done. According to Confucianism, ren and yi are supreme: “The gentleman is versed in what is moral [yi], the small man is versed in what is profitable” (Confucius 2008, p59, [Book4 Sentence 16]). This seems to be very different to most la guanxi practice in this research, where people seeking renqing and face, using money and power to influence others. Although some officials or headteachers gave school place to their close guanxi for free to fulfil their Confucian virtues (like renyi and yiqi) rather than instrumental li, this behaviour may not be considered as la guanxi but mostly “the use of guanxi” without the process of la (pulling).

Therefore, it is argued that it is “instrumental li”, rather than ren that motivated la guanxi. Due to the insufficient ren they have, people apply li (fake li) to show more ren (fake ren) in order to gain more ren in return. Here Confucian li has been utilised for instrumental purpose without much ren inside.

Taoism also influences the guanxi phenomenon

This research has found Taoism has a major impact on people’s working, living and

thinking styles in the two cities. It produces high particularism, high collectivism and a highly diffuse culture.

As discussed in Chapter Two, some statements of Taoism vividly show that Taoism eventually discourages the rule of law, which along with the influence of Confucianism produces Particularism in China today. For example: “The more strict laws, the more thieves” (Lao Zi 2007, p120 [Chapter 57]); “When governance is loose, people are honest; when governance is explicit and specific, people are treacherous” (Lao Zi 2007, p122[Chapter 58]). In this culture of particularism, people in the two cities value personal relationships, and devalue rules and laws.

Taoism suggests a holistic and flexible thinking style, which produces diffuse culture today. Diffuse culture results in the fact that people are comfortable with vague rules, and uncomfortable with specific and fixed rules. Meanwhile business or professional matters are always mixed with social life, having a vague boundary, because people in the two cities have a holistic thinking style that sees everything as being connected.

An holistic style of thinking makes institutional matters personalised, turning institutional relationships into “personalised institutional relationships”, or turning business relationship to “personalised market relationship” (Chang 2010, p404).

Based on these cultural dimensions influenced by Taoism, people in two cities are

more likely to la guanxi to break rules or laws for desired resources, since they care so much about personal relationships. They can easily circumvent rules or laws to gain resources for their guanxi because they are vague, flexible and up to personal interpretation. People in the two cities are more likely to la guanxi for resources embedded in institutions, since they always mix together formal institutions and personal life.

Taoism thus has an important impact on the guanxi phenomenon today. However, much research only attributes guanxi to Confucianism.

6.3.2. Comparison with previous literature on social capital in guanxi

Guanxi capital vs. Western social capital

As discussed in Chapter Two, the ability to practise guanxi or la guanxi is one's guanxi capital. Based on my research results, there are a few features of guanxi capital that differ from the Western concept of social capital, described by Western scholars in relation to Western society.

The first feature is ritual vs. membership. Guanxi capital is ritual-oriented, involving many traditional customs and rituals influenced by Confucian li. The four forms of

guanxi practice summarised from the data are full of traditional customs and rituals. Guanxi capital can be established and maintained by traditional rituals, which is different from the general social capital described by most Western scholars. Ritual is important in all closeness level of guanxi, but most prominent in moderate guanxi, where the concept of Confucian li is utilised to influence others. The main way to build up guanxi capital is to do rituals and customs properly. Gift giving, banqueting, giving face, doing and repaying favours, and applying ketao can largely increase obligations with each other, and improve one's ability to access to guanxi resources accordingly. To build up Western social capital, the key thing is to join a network or organisation and follow their norms.

The second feature is chaxugeju vs. tuantigeju. Guanxi capital has a “differentiated” nature due to the social structure of chaxugeju. In the same network with the same resources and the same social effort, the more distant the ties, the less guanxi capital one has. However, the Western concept of social capital is based on tuantigeju, the organisational mode of association. Putnam (2000) argues that the norms of social capital are usually normative, democratic, equal, and marketable, which is vital for democracy in civil society. However, the norms of guanxi are not normative, democratic, and equal rules – they rely on Confucian virtue and ritual, which are differential at different closeness levels. In this sense, creating Putman's social capital will strengthen civil society, while creating guanxi capital may even weaken civil

society, because the social structure of guanxi goes against the equal, democratic and marketable concepts.

It is argued that guanxi capital follows *chaxugeju* while Western social capital is based on an “organisational mode of association”, namely, *tuantigeju* (Fei 1992[1947]). In an organisation or network with equal rules in Western society, an individual may have different closeness level of relations, and he/she may be keener to help his/her close friends than casual acquaintances. However, these are not social norms but relations based on affection. By contrast, in a guanxi network one has a bigger obligation to help his/her closer guanxi and this differential obligation is a social norm. If anyone violates this norm, he/she will be condemned by the society and regarded as “no virtue” (*bu ren bu yi*), suffering reputational sanction (Barbalet 2014). However, there seems to be no such reputational sanction based on “differential obligations” in Western societies.

Although Western social capital is also exclusive, it is mainly based on the membership of an organisation or network, which has clear boundaries to distinguish who is a member and who is not, while the exclusiveness of guanxi capital is based on personal loyalty and other Confucian virtues, rather than a membership of a network. Guanxi prioritise person ties to general good. In-groups enjoy the social capital while out-groups may be harmed, even though they are all members in the same

organisation or network. Holding this social capital, it is sometimes very effective to for one to deal with everything in some situations when one has guanxi, while sometimes very ineffective in other situations when one has no guanxi, even when one deals with other members in the same organisation.

A third feature is naturally given vs. social investment. The Western concept of social capital includes obligation (although not debt in the economic, legally enforceable sense), the advantages of connections or social position, and trust. Connections and obligations are not naturally givens, but are the product of investment strategies “consciously or unconsciously aimed at establishing or reproducing social relationships that are directly usable in the short or long term” (Bourdieu 1986, p249). Lin regards social capital as investment, and the use of embedded resources in social relations for expected returns (Lin 1999a, Lin 2000). However, my research finding shows that a part of one’s guanxi capital can be naturally given without any investment, but can be utilised by the owner. In the two cities, an individual is originally living in a naturally given guanxi network, which is based on kinship and geography. Family, relatives, clan members, villagers, and fellow townsmen form a network that one cannot choose and within which it is not necessary to invest. In the two cities, many parents ask their close relatives for help with gaining a school place; they do not see it as necessary to invest anything before or after asking for a favour. People seem to extend their family obligation to their close guanxis. Thus it is

understandable that people can feel free to ask their close guanxis for a favour without any previous social investment, just like asking a family member for a favour in the West. Therefore, in contrast to the claim made by some other researchers that social capital needs investment for an expected return, part of guanxi capital can be naturally given without any investment.

A fourth feature is guanxi capital vs. non-guanxi social capital. As some scholars have argued, the Chinese have their guanxi capital (Gold, Guthrie and Wank 2002, Lin 2000a, Bain 2001). However, it is not the case that the Chinese only have guanxi capital. People in the two cities researched here also enjoy some non-guanxi social capital, which is similar to Western social capital. This non-guanxi social capital has normative, democratic, equal and marketable norms, based on the social structure of *tuntigeju*. That is to say, *chaxugeju* and *tuantigeju* co-exist in the two researched cities.

Along with guanxi networks, people usually work for a work unit or company, and join clubs or associations, such as academic associations, entrepreneur associations or bicycle associations, where people follow equal rules, have clear rights and obligations, and enjoy the resources and benefits of those organisational networks. It is argued that this type of social capital is the Western style of social capital described by Western sociologists. Although Western social capital also involves the differential

treatment of different people, this differentiation does not form the normative basis of that social capital.

Like those in Western society, these organisational networks have clear boundaries: members and non-member are clearly defined. However, many people, as members of these organisations and networks, develop differential guanxi with other members to acquire special resources that the organisational network cannot offer to all members. For example, some people may build up guanxi with some of the people in power in these organisations, in order to ensure their own benefit; and this is more or less due to the flexible and imperfect rules.

Therefore, people in the two researched cities have two types of social capital, which are mixed together. That is to say, people have two systems to follow: institutional rules and guanxi or renqing rules, and they have two social structures: chaxugeju and tuantigeju. Almost all informants in the two cities denied that guanxi is all-powerful, since they still have to follow organisational rules, regulations and laws.

Unlike China in the 1940s, when Fei's *From the Soil* was published, a Chinese individual nowadays may belong to many organisations or clubs, where they have their non-guanxi social capital. Meanwhile they build up guanxi with some members in these organisations and clubs, and gain their guanxi capital at the same time. In this

sense, it may not be correct to argue that the modern Chinese social structure is simply chaxugeju. Evidence provided by this research shows that chaxugeju and tuantigeju co-exist in the two cities.

These two types of social capital are different but sometimes associated with and supportive of one each other. Non-guanxi social capital can take a role of guanxi base for guanxi capital to be more easily built. People can build up guanxi with some of the members of their association with gift giving and/or banqueting, accumulating their guanxi capital. Thus guanxi capital is established based on non-guanxi social capital. Likewise, guanxi capital can enhance one's non-guanxi capital by supporting one's formal work in his/her organisation. For example, subordinates support their supervisors' formal work because their supervisors have done favours for them.

Differentiation of guanxi capital vs. bonding, bridging and linking social capital in Western society

Bonding, bridging and linking social capital in Western society seem to be clear-cut and fixed categories, according to the definitions offered by Woolcock and Putnam. However, bonding, bridging and linking social capital in guanxi is never fixed but ever-changing, adaptable, and flexible, based on a continuum of social distance.

According to the definitions offered by Woolcock and Putnam, definitions, bonding, bridging and linking social capital in Western society remains based on tuantigeju, the organizational model of association, as described by Fei (1992[1947]). People have clear boundaries in their minds between different networks, clubs or organisations, which have different distance to the social actors, and where obligations and rights are clearly defined. In the same organisation, people treat every member almost the same following the same norms.

This is foundationally different from the differentiation of guanxi capital found in the two researched cities, which actually always treats different people differently in almost every situation, every context and in every organisation or club. Yang (1994,p123) argues that the larger one's guanxi network, and the more diverse one's guanxi connections with people of different occupations and positions, the better become one's general manoeuvrability in society and with officialdom to obtain resources and opportunities. However, these networks are based on the social structure of chaxugeju, in which bonding, bridging and linking capital are actually in a continuum of social distance, and usually defined by different situations rather than a fixed category. A teacher has her bonding, bridging and linking social capital in her school; at the same time she has other bonding, bridging and linking social capital in her living community; or she has these three types of social capital in her bicycle club. This adaptable nature is fundamentally different from bonding, bridging and linking

social capital as other scholars have described them in Western society.

Bonding, bridging and linking social capital in guanxi is ever-changing, as Yan (1996) and Chang (2010) have argued: guanxi is a dynamic process. Distant guanxi can become moderate, moderate guanxi can become close, and vice versa. In this research, many parents pull guanxi with headteachers or officials, in exactly this dynamic process of getting guanxi closer. Many of them try to transfer their linking social capital into bridging or bonding forms, thereby increasing mutual obligation in order to acquire desired resources.

The category of bonding, bridging and linking social capital in guanxi network is based on a continuum of social distance, from close personal relationships through moderate ones to weak distant relationships. Material exchange would become steadily more important as one moves along the continuum, and Confucian ren would become less prominent. However, instrumental li would go up and then down on the continuum in a general context. Therefore, in a general context, to gain and use one's bonding social capital, one needs more ren; to gain and use bridging social capital, one needs more instrumental li; to gain and use linking social capital one needs more material investment or exchange.

6.4. Implications for theory

6.4.1. Contribution of this research

Compared with existing literature on guanxi and social capital, this research has many strengths. It emphasises the flexible, adaptable, ever-changing, continuum nature of guanxi closeness. It explores the importance of ritual in guanxi practice and examines how people practise ritual in different closeness levels of guanxi. It distinguishes expressive and instrumental guanxi practice, as well as expressive and instrumental ritual. It points to the relationship between institutional and cultural causes of guanxi, and finds that cultural causes are highly significant. This research not only provides evidence about how ritual is used in la guanxi, but also the detailed process by which money and power are used to practise guanxi, which is rarely reported in such detail by the existing literature.

One of the main contributions of this research is the discovery that instrumental li is more significant in moderate guanxi than in close and distant guanxi, which also indicates that ritual is vital for la guanxi and la guanxi is mostly ritual investment.

The role of ritual in la guanxi has been explored. Without proper ritual, la guanxi cannot achieve its goal and gain resources. Therefore, ritual is vital for building one's guanxi capital. This research attributes this to the concept of Confucian li.

Compared with previous research, this research explores deeper layers in people's culture and values to explain how and why guanxi is used, and finds that la guanxi (instrumental guanxi practice) is not mainly based on Confucian virtues (ren), but instead instrumental li. It finds that it is instrumental li, rather than ren, that motivate la guanxi in the two cities. Moreover, this research discovers the essence of la guanxi: that is, people attend to use li (fake li) to show more ren (fake ren) in order to gain more ren treatment from others in return.

Another main contribution to social theory is made by the differences discovered between guanxi capital and the Western concept of social capital. Based on these explanations, bonding, bridging, and linking social capital in guanxi networks are also associated with ren and li: bonding social capital in close guanxi is mainly based on ren, bridging social capital on instrumental li, and bridging social capital mainly for material gain. Furthermore, this research has found that guanxi capital and non-guanxi capital co-exist in the society of the two research cities and support each other, which moves Fei (1992[1947])'s concept of chaxugeju forward.

Most importantly, this research proposes a new conceptual framework, called "ritual capital", which is believed to be a good analytical tool for studying Chinese social capital.

6.4.2. Proposed concept: Ritual capital

The concept of ritual capital

Since ritual, as an important practice of Confucian li, is vital in guanxi practice, here I propose a new concept of “ritual capital”. This refers to a part of an individual’s cultural capital, fostered and maintained through practice of proper ritual: namely, the ability to use ritual for resources or benefits. Ritual capital consists of what the agent knows and is capable of doing; it can be used to generate privilege, products, income, or wealth (Bourdieu 1986, pp243-248). As cultural capital, ritual capital can be both embodied and incorporated within the self through a process of education and cultivation. However, the process of education and cultivation is informal for ritual capital and people mostly learn how to apply ritual from daily social practice. No form of cultivation is accorded recognition by authorities. There is no privileged position is accorded to those who possess large amounts of ritual capital.

As social capital, the norm of this social capital is mainly local ritual and custom rather than organisational rules. The empirical findings of this project have shown that the competence of applying rituals makes a big difference to one’s social capital. In guanxi networks, ritual capital is a part of guanxi capital rather than non-guanxi social capital, since the latter is not based on ritual. However, ritual capital can enhance

one's non-guanxi social capital since guanxi capital and non-guanxi social capital can support each other.

According to the empirical data generated in the fieldwork of this research project, people in the two cities can invest their rituals in traditional customs, for example, accumulating social debt (renqing), giving face, giving gifts, banqueting, and ketao, to build up their social capital. A part of one's guanxi social capital can be developed by rituals. This aspect of social capital is what I term "ritual capital", which is more likely to be developed and workable to acquire resources in moderate guanxi than close and distant guanxi.

When renqing is taken as a social norm in Chinese society, the norm is full of rituals, guiding people's proper conduct. As a famous Chinese saying goes, "Being experienced in renqing is big knowledge and talent" (renqing lianda ji wenzhang). Thus, the skill to practice ritual will make big difference to people's lives. "Being experienced in renqing", or "renqing lianda" is an example of ritual capital.

Imagine that there are two lecturers, A and B, working in the same department of a university. A devotes a lot of time and effort to rituals and customs with their colleagues in the department in a personal and informal way, while B does not observe many rituals and customs but simply follows department regulations in

working with other lecturers. A often visits his/her colleagues in the department with gifts, frequently invites them to dinner, does them favours, maintains contact with them and pays a lot of attention to giving others face, and uses ketao to show more renqing wei; and A does these with proper rituals, following the local custom.

However, B does not visit others with gifts, does not invite his/her colleagues to dinner, seldom does favours for others personally, seldom contacts them outside of work, while sometimes even offending others' face by accident. B treats other lecturers straightforwardly, without much regard to local customs and rituals. A frequently and properly practises rituals toward others, while B seldom does, and sometimes does it improperly. If other aspects of the two lectures are the same, their social capital inside their department would be very different: A would have much more social capital than B in this department. That is to say, A is more likely to gain help than B, when A or B needs support from their colleagues in the department in an informal and impersonal way (guanxi capital) and even help for his formal work (non-guanxi capital), since guanxi capital and non-guanxi social capital support each other.

When I had the draft report of my research reviewed by ten key informants in the two cities, every one strongly agreed with this analysis. This extra social capital is gained by proper rituals, so it is an example of ritual capital.

Since many theorists have shown that bridging social capital is more beneficial to one's career than bonding social capital (Granovetter 1974, Lin 1982, Lin 1990, Burt 1995, Putnam 2000, Halpern 2005), ritual capital, which is generally more significant in bridging social capital (moderate guanxi) than in bonding social capital (close guanxi), is also more useful for advancing one's career. Therefore, the proposed conceptual framework of "ritual capital" will play an important role in future studies of social capital. It is believed that this theoretical argument holds implications for a sociological analysis of guanxi and social capital.

The characteristics of ritual capital

First, unlike "sexual (erotic) capital" (Robert 2004), or "academic capital" (Bourdieu 1986), ritual capital is a type of cultural capital, rather than an independent form of capital. It also could be regarded as an individual's cultural capital, since it involves the ability to use ritual.

Second, ritual capital needs proper and constant ritual investment. Proper ritual contributes to ritual capital while improper ritual will decrease one's ritual capital.

The most important thing of building ritual capital is propriety. Although two actors are doing the same number of ritual activities, the ritual capitals they gain are not always the same. Besides, ritual capital will decay if the owner stops investment, and

that is why people in the two cities need to visit some relevant officials with gifts regularly.

Third, in guanxi networks, ritual capital is more workable to acquire resources in moderate guanxi in a general context. Much evidence has shown that the use of ritual to gain resources, such as giving gifts, banqueting, and applying ketao to ask a favour, is more workable, more highly valued, and more frequently occurring in moderate guanxi than in close and distant guanxi. That is to say: ritual capital makes up most of one's bridging social capital in a general context of guanxi.

Fourth, ritual capital is locally, personally, and time adaptive. Different regions and different individuals may have different requirements of ritual. It is notable that ritual is different in different regions, cities, and even villages. If one wants to gain ritual capital, one should follow local customs. Ritual also should be personally adaptive: some people may value ritual more, and some may value it less. Some expect their close guanxi to treat them politely while some expect to be treated rudely, which shows intimacy. Some expect to be invited to a dinner after doing other a favour; some expect to receive gifts. Some value ketao more while some value it less.

Moreover, it is important to note that ritual is never fixed but changing with time, and to follow the updated ritual is also important. The way people practice guanxi and this

guanxi culture is also changing. For example, in the two researched cities, giving others a cigarette and smoking together is kind of polite ritual among men, which is important for establish or maintain a good guanxi relationship. This ritual is now becoming weaker, and it is believed that it will disappear one day.

Finally, expressive ritual capital and instrumental ritual capital should be distinguished, since a part of an individual's ritual capital is built naturally in daily life rather than for instrumental purpose. As mentioned above, expressive ritual is usually done to express one's real emotion and concern without much rational calculation. However, this expressive ritual can also improve one's ability to acquire resources. Sometimes an instrumental ritual used to ask for a favour will become more effective if previous expressive rituals have been done. A stranger or distant guanxi will not obtain a school place from a headteacher just by coming to his/her home with expensive gifts.

Less instrumentally, people's happiest and most rewarding hours are spent talking with neighbours, sharing meals with friends, participating in religious gatherings, celebration dinner for friends' or relatives' birthdays, weddings, and the birth of a new baby. From these activities, expressive ritual capital is built gradually since these activities involve so much expressive ritual. Successful guanxi practisers are regarded by my informants as a person who has human feeling (*renqing wei*), knows how to

conduct him/herself (hui zhuo ren), knows ritual rules and custom (renqing shigu), and is skilled at survival. These rituals constitute lifestyle rather than being practised or gaining something, such as giving gifts to a headteacher for a school place. Indeed, further study on expressive ritual capital and instrumental ritual capital is necessary. It may be more important for a Chinese individual to be experienced in renqing, or so called “renqing lianda” in his/her daily life and know how to conduct him/herself (hui zhuo ren), than to be skilful to gao guanxi. The former can be considered as the use and development of expressive ritual capital while the latter as the use and development of instrumental ritual capital.

Ritual capital as an analytical tool

Ritual capital describes the special way in which Chinese people deal with the complex process of making and using social relationships to build up and use their social capital.

The theoretical framework of ritual capital developed here is very general and likely to be applicable throughout Chinese society. My information about guanxi comes from those Chinese people who were maybe more willing to talk to me about what they did and how they felt about guanxi than others, and helped me forge a general concept “ritual capital”, which is a type of social capital gained not only by

instrumental ritual but also by expressive ritual. As I have shown, in the complex society of China, guanxi are of very great importance, and an understanding of them is the key to understanding modern Chinese culture and society. The concept “ritual capital”, a new way of looking at social capital, could be applied to any part of China, both in rural and urban areas.

I used the concept of ritual capital, which developed from my fieldwork data, as an analytical tool to understand my fieldwork data. In doing so, I have formulated some ideas that explain my observations. Although a part of one’s guanxi capital could be naturally-given without any social investment, most of one’s guanxi capital requires social efforts, which are mainly ritual activities. If one has good ritual practice skills, or so-called “renqing lianda”, one can make good use of a guanxi network and gain more opportunities to access different types of resources.

Looking back to the fieldwork, I found that some people have more ritual capital than others inside the same network or organisation with the same resources. All headteachers, officials, and successful businessmen observed in the field are good at the practice of ritual, and are considered to be “renqing lianda”. Some cases of failure are due to improper ritual practice, or less “renqing lianda”; and their practitioners have poor ritual capital.

Ritual capital needs the investment of ritual activities, which cost a lot of time, effort and money for gifts, dinners, red packets, and so on. This is a process in which other capitals - human capital, cultural capital, and economic capital - transfer into ritual capital. When people use their ritual capital for resources, such as a school place, better service in hospital, a job, or a business transaction, this is a process of ritual capital transferring into other forms of capital. However, some people have a large amount of ritual capital but they seldom use it for resources and gain no benefit from their ritual capital. Some people have never even used their ritual capital to ask some of their guanxi to returning favours. However, some other people have the same amount of ritual capital may use it for resources very often, and gain much benefit. The two styles of ritual capital ownership may lead to different consequences in individuals' lives and careers, and this calls for further research.

However, ritual capital is never as strong as bonding social capital in close guanxi. Some people received a school place without any effort or ritual investment because their close guanxi gave them one for free. A moderate guanxi of a headteacher cannot compete with the headteacher's nephew for the same school place, even where the moderate guanxi invest many ritual activities. Nevertheless, better resources are usually embedded in moderate or distant guanxi rather than in close guanxi. People need social effort to build their guanxi capital, rather than counting on naturally-given guanxi capital, and their social effort is mostly ritual. That is why this research claims

that ritual capital is more useful for advancing one's career.

Furthermore, ritual and custom can be viewed as embodying what a particular culture expects in terms of rights and duties acting as laws (Chang 2010, p557). It seems likely that ritual capital exists in all societies. Whether and how ritual capital, a concept so deeply embedded in Chinese culture, is applicable outside China needs to be tested empirically.

For the proposed concept of "ritual capital", my aim has been to formulate a new way to look at the guanxi phenomenon, rather than to subsume other ways of studying it. But I do believe that ritual capital, with all its possibilities of development, has some claim to be a universally applicable concept in social science.

6.5. Strengths and limitations of research

Strengths

The first strength of this research is the rich data that it provides. This research applies multiple measures to collect data. Forty-nine people were interviewed, and about eight months of observation were carried out with more than 35,000 words of field notes. The data also include documents collected in both cities, and cover many

aspects of school place allocation.

The second strength is the rich experience held by the researcher of education. Having lived and worked in China for 20 years, the researcher has a highly-developed understanding of guanxi and is able to practice guanxi and renqing. The researcher is one of the very few scholars on guanxi study in the English world who has been working in China for so long. It is argued that it is difficult for guanxi and renqing to be understood by an outsider or by a young person with less working experience in such a high-context culture (Hall 1976).

The third strength of this research was the ability to access inside information, because of the researcher's technique of using guanxi for fieldwork. Without the successful use of guanxi, the research could not have collected so much inside information about la guanxi, which involves bribery and corruption. Guanxi is something that most people practise but few would admit to publicly. Without guanxi as a tool, accessing research on guanxi is almost impossible. Some previous research failing to achieve this has led to inaccuracy.

The fourth strength of this research lies in the method of ethnographic case studies. The use of long time observation, multiple sources of evidence, and a process of triangulation and corroboration contribute to the internal validity. Ethnography is able

to capture the complexity within the establishment and nourishment of a guanxi relationship, which is not shown in a survey. The combination of a participant observation and an interview has the ability to collect data about guanxi practice, whose details are not usually reported to the public. A single method of interview is not enough to get real data, since people may not tell a researcher the real information about their own guanxi practice. The evidence from multiple cases is often regarded as more compelling; and by applying two ethnographic case studies, the overall study presented here is more robust.

Finally, this research has proposed a new concept: ritual capital. Ritual capital describes the special way in which Chinese people deal with the complex process of making and using social relationships to build up and use their social capital. It is believed to be a good analytical tool for researching Chinese social capital.

This research also has some limitations. The first limitation is the extent to which it can be seen as representative. Two small cities are by no means able to present China. Moreover, the two cities are both small, close in location and similar in culture. The representation of the weak-strong-weak pattern is very limited and need to be tested in further research.

The second limitation is selection bias. Seven different categories of respondent were

recruited; most informants are local people in the middle class, like official, headmaster, teacher, business people. There are only a few working class parents in this research. Also, this research recruited friends and acquaintances, which could bias the results because friends and acquaintances may share common experiences and attitudes. How and why people from poorer socioeconomic groups use guanxi is still unknown.

The third weakness of this qualitative case study is that it is more open to personal opinion and judgment; therefore, bias could be introduced into the research findings. The data were analysed by the researcher himself, and his personal judgment may also bias the research findings, since the researcher himself is an experienced practitioner of guanxi. Moreover, since ambivalence is embedded in social practices and culture contains contradictory elements and is applied situationally, the capacity of culture to explain the use of guanxi is lessened. In order to minimise this limitation, I have specified conditions in which all conclusions stand.

The fourth weakness is data reduction during data collection, translation and data analysis. In the process of note-taking in City A, and typing transcription from recorded voice in City B, this project may have lost some useful data. Also, translation from Chinese to English may cause some data reduction and reduce the accuracy of the data. Moreover, in the process of thematic analysis, some good data

may be lost. For a thematic analysis, the themes and subthemes are the products of a thorough reading and rereading of the transcripts or field notes that make up the data. After that only themes are analysed, rather than raw data. Mistakes are sometimes made in coding in NVivo, which can also lose some useful data may be lost.

The fifth weakness is the relationship between the participants and the researcher, which may influence the research and bias the results. As mentioned frequently in this research, due to the face problem between the researcher and the participants, people may lie in response to some sensitive or private question. This is especially pertinent as most of the participants were the researcher's moderate guanxi, where face problems are most prominent.

Finally, covert observation may cause some ethical problems. Every person in this study, and most of the scenes, are carefully protected by the cloak of anonymity, including the names of the cities. This may not bring any trouble to the participants. However, in the future, when the participants read this thesis, they may be able to find their own stories, especially their corruption cases. This may affect the friendship between the research and some of the informants.

6.6. Implications for further research

On the basis of the findings discovered in this research, this section of the chapter will address potential areas for further research. First of all, the proposed concept of “ritual capital” contributes to the current literature on social capital. “Ritual capital” may be not only limited to the study of China. Different countries or cultures may have their own rituals, which more or less will affect one’s social capital. Ritual capital may also have implications for intercultural communication. Intercultural communication competence will influence one’s social capital across cultures, while ritual may also matter in this context.

Second, as described earlier, the Chinese may have both guanxi capital and non-guanxi social capital, which calls for further research on how the two types of social capital work together and transfer into each other. Expressive and instrumental ritual capital is an interesting topic to be explored; and ritual capital and non-ritual guanxi capital also calls for further research.

Third, the way in which guanxi influences social mobility is a potentially interesting topic to research. Nowadays in China, guan er dai (second generation officials), fu er dai (second generation rich), and xing er dai (second generation superstar) are frequently discussed by the media. In big cities, migrants from certain regions always occupy certain industries. These are all interesting topics related to guanxi and social mobility.

Fourth, the proposed concept of “ritual capital” calls for more empirical research providing a geographical comparison - big cities compared with small cities, and cities compared with the countryside - to examine different of guanxi practice and the impact of ritual social capital. Also, it is necessary to carry out comparative research in Hong Kong, Taiwan, Singapore, and mainland China, to reveal any differences of guanxi practice under different legal system.

Finally, the ways that guanxi related to meso and macro social capital could be another interesting research question. Since this research only focuses on micro social capital, how guanxi related to meso and macro social capital still remains unknown.

On balance, this research was original and important. It explores the importance of ritual in guanxi practice and examines how people practise ritual in different closeness levels of guanxi, which has been ignored by previous research. The main contributions of this research is the discovery that instrumental li is more significant in moderate guanxi than in close and distant guanxi, which also indicates that ritual is vital for la guanxi and la guanxi is mostly ritual investment. Without proper ritual, la guanxi cannot achieve its goal and gain resources. This research explores deeper layers in people’s culture and values to explain how and why guanxi is used, and finds

that la guanxi is not mainly based on Confucian virtues (ren), but instead instrumental li. It finds that it is instrumental li, rather than ren, that motivate la guanxi in the two cities. Moreover, this research discovers the essence of la guanxi: that is, people attend to use li (fake li) to show more ren (fake ren) in order to gain more ren treatment from others in return. The research has shown that bonding social capital in close guanxi is mainly based on ren, bridging social capital on instrumental li, and bridging social capital mainly for material gain. Furthermore, this research has found that guanxi capital and non-guanxi capital co-exist in the society of the two research cities and support each other, which moves Fei (1992[1947])'s concept of chaxugeju forward. Last but not least, this research proposes a new concept, called "ritual capital", which is believed to be a good analytical tool for studying Chinese social capital.

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APPENDIX

Appendix 1: Glossary

Terminology	Chinese	Definition or explanation
biaoda renqing guan huai	表达人情 关怀	To expressive one's emotial feeling and concern.
bu dong renqing	不懂人情	Know nothing about renqing rules.
bu lu	补录	Additional recruitment
chaxugeju	差序格局	Differential mode of association, a special social construction influenced by Confucian culture in Chinese society.
dao fa ziran	道法自然	Imitation of Nature
doing/selling a renqing	做人情/卖 人情	Doing a favour
gaining/earning a renqing	挣人情	Making others indebted to you
ganqing tou zi	感情投资	To foster affection with someone purposively.
guanxi	关系	Guanxi refers to personal connections based on Chinese culutre, which can be utilised or potentially utilised to acquire resources.
guanxi base	关系基础	A shared common origin or identity held by two or more persons.
guanxi hen tie	关系很铁	Very good relationship.
guimi	闺蜜	Close friends among women.
heixiang caozuo	黑箱操作	Black case work; cheating case done secretly.

jiangwa	见外	Treating insiders as outsiders.
kai xiao tiao	开小条	Give brief notes.
kuo zhao	扩招	Extended recruitment. To recruit more student than planned.
la guanxi	拉关系	Pulling guanxi, guanxi practice.
li	礼	Certain traditional norms that govern human conduct
lisu	礼俗	Ritual and custom.
lishu	礼数	Etiquette.
owing a renqing	欠人情	Being indebted to someone
qing	情	Emotion.
qian	钱	Money.
quan	权	Power.
qingli	情理	Rule of renqing.
ren	仁	The ethical ideal of Confucianism
renqing shili	人情世理	Rule of renqing.
renqing wei	人情味	Human kindness.
renqing lianda ji wenzhang	人情练达 即文章	Being experienced in renqing is big knowledge and talent.
si gui ding	死规定	Fixed rules.
shang you zheng ce, xia you dui ce	上有政策, 下有对策	“The authority issues policies, the locality always has their counter measures to surround them.”
shang ganqing	伤感情	Hurt someone’s feelings.

shun shui renqing	顺水人情	Giving other a favour easily.
shouxin	手信	Gifts.
suren shehui	熟人社会	Acquaintance society.
tao	套	To Link.
tao guanxi	套关系	To link guanxi by guanxi.
tea fee	茶水费	Money for a favour.
ti mian	体面	Honourable.
tuantigeju	团体格局	Organisational mode of association, a social structure based on Western society, in contrast to the social structure of Chinese society
wulun	五伦	Five cardinal relations.
wuwei	无为	Letting things take their own course
zhen ganqing	真感情	Real affection.
zhong ganqing	重感情	Value affection.
zou houmen	走后门	Getting in through the back door. Formal procedure avoidance; doing things in an informal and illegal way.
zunzun qinqin	尊尊 亲亲	Treating different people differently.

Appendix 2: Interview Guide

Interview schedules in City A

Interview schedule 1 – Parents

Introduction

Clarify nature of study – confirm consent – reaffirm confidential

Basic background: age– occupation– age of child –child’s grade– child’s school

1, School upgrading

When did your child upgrade to the current school? Did you do anything to influence your child’s school upgrading then? Why?

what type of school is your child from? Are there any difference among different schools? (Facility, student background, teacher ...)

Did you spend any money for your child’s upgrading?

What makes a difference to getting study places?

Are there any difference in policy between key schools and common schools?

2, Policy and rules

What was the student recruiting policy of your child’s school then?

How did you know the policy then?

How did you react to the policy then?

What is the student recruiting policy of your child’s school now? Any difference from the past?

What do you think of the way this policy is implemented?

What do you think of the change of student recruiting policy in 2011?

How has the change influenced different groups of people?

How do you predict the policy in the future?

3, Influencing recruitment policy

What strategies do parents use to influence recruitment? Do these involve breaking rules? if so how? Are these openly used?

Do parents bring gifts to a headmaster asking for a study place? What do you think of this type of practice? Is that bribing? Why?

Who gains from the school upgrading?(in addition to child /parent)

If what the headmaster said is different from the recruiting policy, which one would you have followed? Why?

Have you ever heard any deception (cheating) in recruiting students in this city?

Why rules in china are always not specific but flexible? Why “rule of man” is so popular in China?

What is “black case work”? any example?

What does the saying “The higher authorities have policies, against which the localities have their countermeasures.” mean? Any example?

4, Guanxi and trust

Are you familiar with the use of guanxi? Explain? Have you used it yourself? If so in what context? Was it helpful?

Did other parents in your child’s class use guanxi to get the study place?

Do they/you use guanxi secretly or openly?

Do you think guanxi usually breaks rules or laws?

Do they/you feel guilty when they/you use guanxi to get study places? Why?

Why do they/you have to use guanxi to get study places? What if they/you did not use guanxi?

What if you failed in the guanxi practice?

If you had no guanxi, what would you do then?

What make headmasters accept guanxi students?

Are there any risks for headmasters to take guanxi students?

What if headmasters refuse to accept guanxi students? Is it much easier not to take them?

Do you think guanxi is important in people's daily life? Why?

Do you think guanxi is almighty? Why?

What about the relationship between money and guanxi?

Do you think guanxi is good or bad? Why?

Do you think the closer guanxi that two persons have, the more trust they have?

Did you trust the person helping with your child's upgrading? Why?

What make you trust / distrust a person?

5,Confucianism

Why did your friend/relative help with your child's upgrading then?

Was he a close friend/relative? Any difference if he were a close friends (common friends)?

If one of your friend/relative is able to help you with study places, but he is not willing to help. What do you think of him/her?

If you are asked to use guanxi to help your good friend's kid with study place, what would you do? Why? (Supposed you have guanxi with the headmaster)

How about just a common friend? How about a stranger? Any difference?

Have your friends/relatives ever damaged themselves to help you? Why? Any examples?

Have you ever damaged yourself to help your friends/relatives? Why? Any examples?

What would you do if your close guanxi were arrested because of corruption?

6. Ganqing, Mianzi, Renqing, Baoda, Renyi ,Zhongcheng and Xinyong

(Affection, face, favour with emotion, requiting, righteousness, loyalty, credit)

Do you think the more ganqing two persons have the more trust they have? Why?
How about qinqing?

If you are trusted by your friends or relatives, do you think you have more mianzi? If you are distrusted by your friends or relatives, do you feel a sense of losing face? Why?

If you owe someone renqing, do you have obligation to return the renqing? Why?

If someone owes you renqing, do you trust his motivation to return renqing? Why?

How do you understand qingli(the rule of renqing)? How do you deal with qingli?

Do you think the more renyi your friends or relatives have the more they are trusted? Why?

Do you think the more zhongcheng your friends or relatives have with you the more they are trusted? Why?

If you hear that a stranger has good xinyong, do you trust him?

Do you think trusting your friends or relatives is a virtue? Why?

7,Closing questions (to wind down slightly and to help ensure informant leaves the interview feeling they've had their say)

Just two final questions:

What are your views of the student recruitment system in general? What are its strengths? What are its weaknesses?

Do you have trust in the system? Why ? And in the people that run it? (Supposed you

have guanxi with the people that run it)

Interview schedule 2 – Teachers

Introduction

Clarify nature of study – confirm consent – reaffirm confidential

Basic background: school– grade– class –subject

1, School upgrading

what type of school are you from? Are there any difference among different schools?
(Facility, student background, teacher ...)

What makes a difference to getting study places?

Do parents spend any money for their child's upgrading?

Are there any difference in policy between key schools and common schools?

2, Policy and rules

What is the student recruiting policy of your school now? Any difference from the past?

What do you think of the way this policy is implemented?

What do you think of the change of student recruiting policy in 2011?

How has the change influenced different groups of people?

How do you predict the policy in the future?

3, Influencing recruitment policy

What strategies do parents use to influence recruitment? Do these involve breaking rules? if so how? Are these openly used?

Do parents bring gifts to a headmaster asking for a study place in this city? What do you think of this type of practice? Is that bribing? Why?

Who gains from the school upgrading?(in addition to child /parent)

If what the headmaster said is different from the recruiting policy, which one would you have followed? Why?

Have you ever heard any deception (cheating) in recruiting students in this city?

4, Guanxi and trust

Are there any guanxi students in your class? What is the percentage? How is their study and life in the school? Any difference between from other students?

Do you think guanxi usually breaks rules or laws?

Do parents feel guilty when they use guanxi to get study places? Why?

Why do they have to use guanxi to get study places? What if they did not use guanxi?

What make headmasters accept guanxi students?

Are there any risks for headmasters to take guanxi students?

What if headmasters refuse to accept guanxi students? Is it much easier not to take them?

Do you think guanxi is important in people's daily life? Why?

Do you think guanxi is almighty? Why?

What about the relationship between money and guanxi?

Do you think guanxi is good or bad? Why?

Do you think the closer guanxi that two persons have, the more trust they have?

What make you trust / distrust a person?

5, Confucianism

Why do friends/relatives help parents with their child's upgrading? Any emotion cause? Moral cause? Interest cause? Any difference between close friends/relatives and common friends/relatives?

If one of your friends/relatives is able to help you with study places, but he is

not willing to help. What do you think of him/her?

If you are asked to use guanxi to help your good friend's kid with study place, what would you do? Why? (Supposed you have guanxi with the headmaster)

How about just a common friend? How about a stranger? Any difference?

Have your friends/relatives ever damaged themselves to help you? Why? Any examples?

Have you ever damaged yourself to help your friends/relatives? Why? Any examples?

What would you do if your close guanxi were arrested because of corruption?

6. Ganqing, Mianzi, Renqing, Baoda, Renyi, Zhongcheng and Xinyong
(Affection, face, favour with emotion, requiting, righteousness, loyalty, credit)

Do you think the more ganqing two persons have the more trust they have? Why?
How about qinqing?

If you are trusted by your friends or relatives, do you think you have more mianzi? If you are distrusted your friends or relatives, do you feel a sense of losing face? Why?

If you owe someone renqing, do you have obligation to return the renqing? Why?

If someone owes you renqing, do you trust his motivation to return renqing? Why?

How do you understand qingli(the rule of renqing)? How do you deal with qingli?

Do you think the more renyi your friends or relatives have the more they are trusted? Why?

Do you think the more zhongcheng your friends or relatives have with you the more they are trusted? Why?

If you hear that a stranger has good xinyong, do you trust him?

7, Closing questions (to wind down slightly and to help ensure informant leaves the interview feeling they've had their say)

Just two final questions:

What are your views of the student recruitment system in general? What are its strengths? What are its weaknesses?

Do you have trust in the system? Why? And in the people that run it? (Supposed you have guanxi with the people that run it)

Interview schedule 3– Headteachers

Introduction

Clarify nature of study – confirm consent – reaffirm confidential

Basic background: age– school– time on the position

1, School upgrading

What type of school are you from? Are there any differences among different schools? (Facility, student background, teacher ...)

How are study places allocated in your school? How do you use the marks from the entrance exam in assessing suitability for your school?

Did you have any difficulties in allocating the study places in the past? How about the present?

As for parents, what makes a difference to getting study places? How about in the past?

What would you do if too many people ask you for study places while you have not enough study places to offer?

2, Policy and rules

What is the student recruiting policy of your school now? Any difference from the past?

What do you think of the way this policy is implemented? How about the implementation in the past?

What do you think of the change of student recruiting policy in 2011?

In 2011, why did the new mayor make a change on student recruitment policy?

How has the change influenced different groups of people?

How do you predict the policy in the future?

3, Influencing recruitment policy

What strategies do parents use to influence recruitment? Do these involve breaking rules? if so how? Are these openly used?

If parents give you some gifts asking for a study place, what would you do? What do you think of this type of practice? Why?

If what your supervisor said is different from the recruiting policy, which one would you have followed? Why?

Have you ever heard any deception (cheating) in recruiting students in this city?

4, Guanxi and trust

Do parents in this city use guanxi to get study places?

Do they use guanxi secretly or openly?

Why do they have to use guanxi to get study place? What if they did not use guanxi?

Do you think guanxi usually breaks rules or laws?

What make you accept guanxi students?

Are there any risks for you to take guanxi students?

What if you refuse to accept guanxi students? Is it much easier not to take them?

Do people feel guilty when they use guanxi to get study place? Why?

Do you think guanxi is important in people's daily life? Why?

Do you think guanxi is good or bad? Why?

Do you think guanxi is almighty? Why?

Do you think the closer guanxi that two persons have, the more trust they have?

How do you trust your guanxi who ask you for study places? Why?

What make you trust / distrust a person?

5,Confucianism

Why do people help their friends/relative with study places?

If you are asked to use guanxi to help your good friend's kid with study place, what would you do? Why? (Supposed you have guanxi with the headmaster)

How about just a common friend? How about a stranger? Any difference?

If one of your friend/relative is able to able to help you with study places, but he is not willing to help. What do you think of him/her?

Have your friends/relatives ever damaged themselves to help you? Why? Any examples?

Have you ever damaged yourself to help your friends/relatives? Why? Any examples?

What would you do if your close guanxi were arrested because of corruption?

6. Ganqing, Mianzi, Renqing, Baoda, Renyi ,Zhongcheng and Xinyong (Affection, face, favour with emotion, requiting, righteousness, loyalty, credit)

Do you think the more ganqing two persons have the more trust they have? Why?
How about qinqing?

If you are trusted by your friends or relatives, do you think you have more mianzi? If you are distrusted your friends or relatives, do you feel a sense of losing face? Why?

If you owe someone renqing, do you have obligation to return the renqing? Why?

If someone owes you renqing, do you trust his motivation to return renqing? Why?

How do you understand qingli(the rule of renqing)? How do you deal with qingli?

Do you think the more renyi your friends or relatives have the more they are trusted? Why?

Do you think the more zhongcheng your friends or relatives have with you the more they are trusted? Why?

If you hear that a stranger has good xinyong, do you trust him?

More Interview questions based on closeness and social capital (City

B)

- 1, How do you usually prepare and give gifts to different closeness of guanxi? How about the timing?
- 2, How do you feel the sense of renqing when you ask different closeness of guanxis for help? How about Mianzi?
- 3, How do you trust different closeness of guanxi? Different quality of guanxi?
- 4, How do you get to know people across diverse social cleavages and how to link your network to those with very unequal power and resources?
- 5, Why are some people's guanxis more powerful or useful than others?
- 5, How do you apply rules or laws for different closeness of guanxis?
- 6, Any difference when people invest in different closeness of guanxi?
- 7, When you introduce a close friend to another close friend, what guanxi they are at that moment? And how they interact with gifts and favors?
- 8, What do you think of the effectiveness in different closeness of guanxi?
- 9, How do you use kinship or townsmen fellows in guanxi practice? Any difference with other guanxi?
- 10, Do you think the closer guanxi the more ganqing? Do you think the closer guanxi the more obligations? Do you think the more ganqing the more obligation?

Appendix 3. Informed Consent in both English and Chinese

Informed Consent

[This is a consent sheet that includes all of the required information that research participants are required to know before giving consent.]

Protocol Title: A case study of school upgrading in China

Please read this consent document carefully before you decide to participate in this study.

Purpose of the research study: This study aims to find out how Chinese people trust the policies and individuals

Who is conducting and funding the study: Ji Ruan, PHD student of University of Kent, is conducting this research and Ji Ruan himself is funding this study.

What you will be asked to do in the study: you will be asked around 25 questions about school upgrading and trust on policies and individuals.

Time required: you will be interview for about 1 hour.

Compensation: a gift will be given to you after the interview to show my appreciation.

Confidentiality: Your identity will be kept confidential to the extent provided by law. Your information will be assigned a code number that is unique to this study. The list connecting your name to this number will be kept in a locked file and only the researcher Ji Ruan and his supervisor Peter Taylor-Gooby can see the interview you participated in. No one in China will be able to see your interview or even know whether you participated in this study. When the study is completed and the data have been analyzed, the list will be destroyed. Study findings will be presented only in summary form and your name will not be used in any report.

Anonymity: In order to safeguard the participants, every person in this study, and most of the scenes including the name of the city, are carefully protected by anonymity. Your identity in this study would be anonymous. It will not be possible to know who chooses to participate in this study and who did not. It will also not be possible to know who completed which questionnaire. Material will not be published in China on the study

Voluntary participation:

Your participation in this study is completely voluntary. You may refuse to answer any of the questions we ask you and you may stop or end the interview at any time.

Right to withdraw from the study: You may choose to stop participating in the study at any time.

Who to contact if you have questions about the study:

Ji Ruan, PHD student of University of Kent, mobile phone: 18607686308 email: jr381@kent.ac.uk

Peter Taylor-Gooby, Professor of University of Kent, email: P.F.Taylor-Gooby@kent.ac.uk

Who to contact about your rights as a research participant in the study:

Student Research Ethics Committee (SREC) of SSPSSR of University of Kent

The Chair of the Committee is currently Dr Ellie Lee, E.J.Lee@kent.ac.uk

YOU WILL BE GIVEN A COPY OF THIS FORM WHETHER OR NOT YOU AGREE TO PARTICIPATE.

If you agree to participate in this study please sign below, Thank you.

Agreement:

I have read the procedure described above. I voluntarily agree to participate in the procedure and **I have received a copy of this description.**

Name (Printed) _____

Signature: _____

Date: _____

Principal Investigator: _____

Date: _____

接受采访同意书

调研题目： 中小學生升学问题，社会信任，人际关系及社会资产

决定参加本研究之前请阅读本同意书

研究目的： 本研究旨在了解中国人对政策和对个人的信任情况

研究者： 阮极，肯特大学社会学院博士生

你会被要求： 回答大约 30 多个有关升学及社会信任的问题

时间要求： 您将会被采访约一个小时

保密： 您的身份将会被保密。您的信息将被编成代码，代码列表将保存在有上锁的电脑文件夹中。除了阮极和他英国的博士生导师，没有人将能够看到您的访谈内容或甚至知道您是否参加了这项研究。当研究完成，数据进行了分析，代码列表将被摧毁。研究结果将写在博士论文的总结部分，您的名字将不会被用于任何报告和论文中。

匿名： 为保障参与者，这项研究中的每个人及所有的场景，包括城市的名字等，都被精心匿名和保密。您的身份在本研究中将被匿名。

自愿参与：

您的参与是完全自愿。您可以拒绝回答任何我们问您的问题，您可以在任何时间停止或结束采访。

如果您对本研究有任何疑问，请和我们联系：

阮极，英国肯特大学博士生，移动电话：18607686308 电子邮箱：jr381@kent.ac.uk
Peter Taylor-gooby，英国肯特大学教授，电子邮箱：p.f.taylor-gooby@kent.ac.uk

如果您想了解研究参与者的权益，请与以下人员联系：

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如果您同意参与这项研究，请在下面签名。谢谢您。

协议：

我已经阅读了上述说明。我自愿同意参加该研究并接受采访，并收到一份上述的说明。

本协议一式两份，研究主持人和研究参与者（被采访者）各执一份。

被采访者名字_____（打印体）

被采访者签名被采访者：_____

日期：_____

研究课题主持人签名：_____

日期：_____

Appendix 4. Examples of linking guanxi by guanxi

Parents	Intermediary	Benefactors	Task
City A			
Yu	Father-in-law	Head of Audit Bureau	Place in School C
Qi	Sister-in-law	Xie	Places in School B
Qi	His cousin	a teacher in School 4	School 4
Rose	A common friend	An official	The best primary school in City1,SS School
Nicky	Cousin	Teacher in CN School	Place in CN School
Shen	His niece	An official in Education Bureau	A better common school
Student Zheng	His mother's friend lulu, teacher Deng	Head teacher Lee	Key class in School E
Xiong	Xie, Head teacher of School B	Lee, Head teacher of School E	Key class in School E
Su	Relative, John	Xie, head teacher of School B	Places in School B
Lulu	Her relative, Deng, teacher in School E	Lee, Head teacher of School E	Key class in School E
Qi	Chen, his friend	A police in charge	Visa to Hong Kong
Song	Vice head of Educaitional Bureau	Lee, Head teacher of School E	Mentally disable son to Scool E
Mr Kim	Ming, a furniture businessman	Head of personnel	Get promotion
Mai's aunt	Mai	Dean of CN School	Mai's nephew to CN school
City B			
Ping's friend	Ping	An official	A school place

The researcher	his uncle	Chen, Zhu, Liao	Interview
The researcher	his colleague	Lou, Huan, Fei	Interview

Appendix 5. Social exchange relationships

(based on Chang 2010, p.481)

Weber	1904	-	Traditional(customary) Affective (emotional)	Value-rational (ultimate values) & or impersonal	End-rational action	-
Parsons	1937/ 51		Particularism	Universalism	Particularism	-
Polanyi	1957	reciprocity		Market exchange	Redistribution	-
Yang L.*	1957	To return good for evil; pay a lot more for debt of gratitude (Yi de bao yuan; baoen)	To return kindness with kindness (Yi de bao de)	To return injury with justice (Yi zhi bao yuan)	-	To return injury or kindness with injury (Yi yuan bao yuan or yi yuan bao de)
Sahlins	1965/ 72	Generalized reciprocity		Market exchange / Balanced reciprocity		Negative reciprocity
Befu	1966/ 67	Expressive exchange		-	Instrumental exchange	-
Mitchell	1969	Communication action		-	Instrumental action	-
Wen	1982	To return good for evil; pay a lot more for debt of gratitude (Yi de bao yuan, baoen)	-	-	-	To return injury or kindness with injury (Yi yuan bao de Bubao, Baochou)

Lin	1986	Expressive support		-	Instrumental support	-
Walder	1986	-	-	-	Instrumental / personal ties: particularism	Instrumental /personal ties: ceremonialised bribery
King	1985-94	Social exchange		Economic exchange	Social exchange	-
Hwang	1987	Expressive tie		Instrumental tie	Mixed tie	-
Yang, Z.	1991	Intimate feelings (Qinqing)	Friendly / human feelings (Youqing / renqing)	Market exchange	Friendly / human feelings (Youqing / renqing)	-
Yang, M.	1988/94	Interpersonal exchanges & reciprocal commitments		Impersonal money relations	Guanxi	Bribery
Yan	1996	Expressive gift giving		-	Instrumental gift giving /	Unbalanced gift giving
Putam		Bonding social capital	Bridging social capital			
Woolcock	2001	Bonding social capital	Bridging social capital	Linking social capital		
Chang	2004	Generous wanglai	Expressive wanglai	-	Instrumental wanglai	Negative wanglai
Ruan	2015	Close guanxi	Moderate guanxi	Distant guanxi		

Appendix 6. Interviewees in City A.

Code	Name(code d)	Category	Relationship	closeness with researcher	Interaction	Sex	Age	Date of interview	Site of interview
AH01	Xie	headteacher	friend	close	gift exchange very often, no special gift-giving for the interview	M	52	August, 2012	His home in the evening
AH02	Lee	headteacher	friend	moderate	every time I visit him, I bring gifts.	M	49	August, 2012	His home at night
AH03	Liu	headteacher	friend	moderate	gift-giving for the interview with some fruits	M	59	September, 2012	His home at night
AH04	Yan	headteacher	friend	moderate	no gift-giving, he owes our family renqing	M	48	September, 2012	Office in holiday
AK01	Xu	shopkeeper	new friend	distant	I am his customer. No gift giving	M	40	September, 2012	In the shop
AO01	Ming	insider, businessman on furniture	Former school mate	moderate	no gift-giving, I did him favour before.	M	42	September, 2012	His office
AO02	Zhong	Official in Construction Bureau	friend	moderate	no gift-giving, I gave some free lesson to his daughter	M	41	September, 2012	Restaurant
AO03	Jin	Official in Personnel Bureau	cusion	moderate	gift-giving for the interview with some tea	M	35	September, 2012	His home
AP01	Nicky	parent	sister	close	ganqing, no gift-giving for the interview	F	35	August, 2012	My home
AP02	Rose	parent	sister	close	ganqing, no gift-giving for the interview	F	38	August, 2012	My home

AP03	Kai	parent	friend	close	ganqing, no gift-giving for the interview	M	45	September, 2012	My home
AP04	Qi	parent	cusion	close	ganqing, no gift-giving for the interview	M	38	September, 2012	His factory
AP05	Xian	parent	relative	close	ganqing, no gift-giving for the interview	F	36	September, 2012	Her shop
AP06	Yu	parent	friend	moderate	gift-giving for the interview with some milk for her daughters	F	37	August, 2012	Her home
AP07	Shen	parent	relatives	moderate	every time I visit him, I bring gifts.	M	50	August, 2012	His home
AP08	Sen	parent	relative	moderate	interview with coincidence. She liked to be interviewed	F	40	September, 2012	Her home
AS01	Chan	student	friend's son	moderate	my student in the training centre	M	15	August, 2012	Training center
AS02	Chun	student	students	moderate	my student in the training centre	F	14	August, 2012	Training center
AS03	Wen	student	relative, Shen's daughter	moderate	no special giving for this interview.every time we visit them with gifts	F	15	September, 2012	Her home
AS04	Jr.Xiong	student	friend's son	moderate	my student in the training centre	M	13	August, 2012	Training center
AS05	Yuan	student	friend's son	moderate	my student in the training centr	M	14	August, 2012	My home
AT01	Jie	teacher	relatives	close	ganqing, no gift-giving for the interview	F	43	August, 2012	A mutural friend's home
AT02	Mai	teacher	new friend	distant	I pay for the drink and snaps at KFC	M	30	August, 2012	KFC

AT03	Lin	teacher	new friend	distant	no gift, because of power, introduced by headmaster Chang	M	30	September, 2012	School play yard
AT04	Sun	teacher	new friend	distant	no gift, because of power, introduced by headmaster Chang	F	52	September, 2012	restaurant
AT05	Huan	teacher	friend	distant	meet in a school, interview by coincidence. She liked to be interviewed	F	52	September, 2012	School play yard in the evening
AT06	Zheng	teacher	friend	moderate	no gift, by telephone. I have sense of owing renqing.	F	30	September, 2012	Telephone

Appendix 7 people observed in City A

Code	Name(coded)	Occupation	Relationship	Sex	Age
Ob1	John	Businessman	Relative	Male	40
Ob2	Su	Unknown	Jone's brother in law	Male	40
Ob3	Xiong	Businessman	Xie's former student	Male	38
Ob4	Xing	Manager	Relative, Rose's husband	Male	42
Ob5	Unknown	The Dean of School E	Friend	Male	46
Ob6	Hai	Worker in an insurance company	Friend	Male	43
Ob7	Mr. and Mrs. Qing	Parents, boss of a computer company	Relative	A couple	46
Ob8	Kim	Dean of a key school	Close relative	Female	38
Ob9	Wei	Teacher and technician in School E	Friend	Male	37
Ob10	Wang	Head teacher	Stranger	Male	48
Ob11	Gu	The Mayor in City A	Casual acquaintance, had dinner with him once	Male	55
Ob12	Chen	Policeman	Qi's friend	Male	40

Ob13	Xu	A small official	Relative	Male	40
Ob14	Lulu	Director in a factory	Relative	Female	37
Ob15	Hong	Richest man in City A	Relative	Male	55
Ob16	Deng	Teacher in School E	Relative	Female	36
Ob17	Ou	Senior teacher from a senior high school	Friend	Female	55
Ob18	Zhao	A businessmen, Xing's brother-in-law	Relative's relative	Male	45

Appendix 8 Interviewees in City B

Code	Name(coded)	Category	Relationship	Closeness	Interaction	Sex	Age	Date of interview	Site of interview
BH01	Han	Deputy headteacher	My supervisor's friend	Distant	Dinner, and gift to my supervisor	F	48	July,2013	Restaurant
BH02	Fei	Deputy head teacher	My supervisor's friend	Distant	Dinner, and gift to my supervisor	M	45	July,2013	Restaurant
BK01	Ben	Shop keeper	Fellow-townman, I am his customer	Moderate	Customer, no gift	M	40	June,2013	His shop
BO01	Ye	Official	A relative of a student of my uncle	Distant	Gift	M	40	June,2013	His home
BP01	Chen	Parent	Wife of a student of my uncle	Moderate	No gift, interview after a dinner	F	40	June,2013	Restaurant
BP02	Ping	Parent	My colleague	Moderate	Gift for her son	F	36	June,2013	Her office
BP03	Lie	Parent	My colleague and fellow-townsmen	Moderate	tea and pens as gifts	M	46	June,2013	His home
BP04	Lu	Parent	My colleague	Moderate	Gift for her son	F	35	June,2013	Her home
BP05	May	Parent	My colleague	Moderate	Gift for her daughter	F	35	June,2013	Her home
BP06	Wu	Parent	My colleague	Moderate	Gift	F	35	July,2013	Her home
BP07	Lan	Parent	I am his customer	Distant	No gift	M	35	July,2013	His noodle restaurant

BP08	Yang	Parent	The shopkeeper's friend	Distant	No gift, interviewed her just by chance	F	46	July,2013	Ben's shop
BP09	Chong	Parent	I am her customer	Distant	Customer, but also small gift(I am a very small customer)	F	38	June,2013	Her restaurant
BS01	Ling	Student	Son of a student of my uncle	Moderate	Small gift	M	17	June,2013	Restaurant
BS02	Ruan	Student	My neighbour	Moderate	Gift	M	13	June,2013	His home
BS03	Zheng	Student	My housemate's student	Distant	No gifts, because of power	M	16	July,2013	My dormitory
BS04	Shi	Student	My colleague's son	Distant	Gift	M	18	July,2013	My dormitory
BT01	Zhu	Teacher in Lin's school	Former student of my uncle	Moderate	Gift	M	45	June,2013	His home
BT02	Zhang	Teacher	My neighbour	Moderate	Gift and favours before interview	F	28	June,2013	My dormitory
BT03	Tian	Teacher	A friend's friend	Distant	Gift	M	30	June,2013	His home
BT04	Liao	Teacher in bad private school	Former student of my uncle	Moderate	Gift	M	45	June,2013	His home
BT05	Hou	Teacher (Dean)	My supervisor's friend	Distant	Dinner, and gift to my supervisor	M	38	July,2013	Restaurant