Guanxi: A Nesting of Groups

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Most people in the West have learned of guanxi as an aspect of Chinese business practice whereby individuals are able to establish complex networks of assistance. Historically, it was necessary for Chinese merchants to seek informal mechanisms and "backdoor" relationships in order to secure the kinds of transactions which are; often protected by law within capitalist regimes. And; today, even outside of the PRC and even in the context! of well-established legal protections, many Chinese mer-

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chests continue to maintain these informal relationships.

Perhaps it has been the focus on business behavior that has encouraged the suggestion that guanxi refers to "con-nections," with the implication that it is a mechanism by which individuals are able to achieve personal, family, or business objectives through the formation of instrumental associations with appropriately positioned others. Since merchants were always in an anomalous position relative to the peasantry and the gentry during the imperial period, it is possible that business behavior has exhibited a greater inclination toward myopic instrumentality than was common in the culture at large. Alternatively, (as an anonymous referee has suggested), the idea that guanxi implies "connections" may be the result of its apparent political manifestation, as in the case where officials are bribed in exchange for favors. I say this because "connections" is a peculiar conception of guanxi, given that in Chinese it actually refers to a relation, not a connection, and these words have very different meanings in both English and Chinese. "Connections" is not really a translation of guanxi from one language to another; it is, as we shall see, a substitution of one ethical system for another in which the traditional Chinese system is completely denied.

The failure to present a culturally accurate characterization of guanxi is not to be explained by a lack of relevant cultural knowledge or by ethnocentrism. Rather, understanding guanxi requires that we go beyond prevailing understandings of resource allocation processes. While we are fully cognizant of exchanges between groups and of sharing (especially of food) within groups, we now must consider something that appears to have elements of both sharing and exchange. In the absence of the appropriate model, however, such processes are usually represented as exchange relations. For example, tribute-for-protection relations, which are found in a broad array of societies, are commonly characterized as (unequal) exchange—goods and/or services exchanged for protection. I shall show, however, that tribute-for-protection is not an exchange relation and that it is articulated by the same underlying mechanism that we find in guanxi.

Until quite recently, I had shared with others the belief that dowries in China and India are "gifts," with status or some other reciprocal benefit constituting the "return gift." A similar construction is commonly applied to the patron-client relation, as in the case where citizens offer support to political figures in exchange for protection. Unfortunately, there has been no alternative to the gift or exchange model for understanding a broad range of relationships. With this discussion, however, I shall explicate a new analytical distinction which has a particularly complex manifestation in Chinese culture but arises in some form cross-culturally.

GUANXI AS A SPECIFIC MECHANISM

For the great majority of Chinese, life has been hard and uncertain. With a population that increases unrelent-

ingly against a fixed landmass, together with the vagaries of weather, the peasants of China have often experienced famine and starvation. It is this environment that has been the cradle of guanxi—where reliance on one's family is often not sufficient and an extension of familial forms of support has been sought through membership in a village, work group, or kin group. The specifically Chinese method of articulating this extension of familial support beyond the domestic family is guanxi.

According to Confucius, a man of "perfect virtue" (jen) is one who is motivated by duty toward others and who suppresses inclinations toward desire and personal gain.2 And while "connections" are common to every culture, they are burdened by a negative valuation in Confucian thought, where individuals are encouraged to develop relationships of respect and responsibility and not use others as instruments toward objects of desire. As is pointed out by Hamilton and Zheng in an introduction to their translation of Fei (1992:21-22), "Each link in a Chinese person's network is defined in terms of a dyadic social tie (gang). These interpersonal ties are known in Chinese as guanxi." And in a footnote to this statement, they argue that "relationship in English ... does not quite capture the binding quality suggested by the Chi-nese terms. Gang is the term used to define the three closest relationships (sangang): the ties between father and son, emperor and official, and husband and wife."

Hence guanxi refers to relationship in the most profound sense of the term, with implications that are beyond customary English usage—relationships that are modeled by the father-son and the husband-wife relation. In Confucian logic there are five gang to which broadly significant behavioral rules apply, each of which has its archetypical manifestation within the domestic family. These five cardinal relationships are called the wu-lun. Clearly, these relationships are not "connections." A structuring of interpersonal relations on the basis of (intrafamilial) gang is very distant from the instrumentalism from which the notion of "connections" arises. By saying that guanxi is not an instrumental connection (in its proper cultural manifestation), I do not suggest that guanxi is not presumed to be very useful. Quite the contrary, it has a valuation that greatly surpasses that of connections.

In most, if not all, cultures there is a counterpart of the wu-lun for the guidance of intrafamily behavior. The special characteristic of Confucian thought is that the wu-lun are extended beyond the domestic group into all other ethically supportable forms of relation, and once the wu-lun are expressed in other collectivities the boundaries of the family become enclosed by a broader quasi-familial structure—a broader structure of duty and responsibility. Guanxi is the term for the mechanisms

2. Ambrose King (1985) attributes to James Legge the translation of ien as "virtue" or "perfect virtue." However, ien
in Chinese culture by which the *wu-lun* are exported beyond the family setting.3

THE STRUCTURE OF *GUANXI*

Imagine that there are two villages, A and B, each of which contains a number of families, and that within each village the different families relate to each other in terms of the *wu-lun*. Among other things, this means that people are expected to assist one another when one has a need and the other has the ability to respond effectively to that need. This mutual assistance of fellow villagers (or fellow workers, or fellow classmates) who have need is the simplest form of *guanxi*. Repayment of such assistance is not required or expected—indeed, it would be inappropriate. However, if the family that offers assistance is later in need, it would be expected that those whom it has helped would be among those offering assistance if (and only if) they have the required resources for doing so.

Further, suppose that village B is superior to A in status and resources in the sense that A would enjoy greater security of survival and social advancement if it could call upon the resources of B in times of special need (a father-son relation). And suppose that a woman from family [a] (in village A) can be married patrilocaly to a man in [b], thereby becoming a member of village B while retaining residual membership in both [a] and A. This woman becomes a linking agent of [a] with [b] if her husband’s family recognizes a *wu-lun* relation with her natal family. Moreover, since [b] is in an older brother-younger brother (or other) relation with other members of B, the bride is also able to call upon the resources of other families in village B. And by logical extension, since there is a *wu-lun* relation between members of A and [a], members of A can call for assistance from members of B by using [a] as an intermediary or linking agent—implying an incorporation of A by B in a complex manifestation of *guanxi*. It is this incorporation that justifies the placement of A inside of B in figure i. Essentially, A has become a subordinate member of village B in a familial modality.

Members of B are not identical; they may belong to different categories relative to [b], and hence they will have differing *wu-lun* relative to [b]. Similarly, there may be different *wu-lun* relations between members of A and [a]. Consequently, the *wu-lun* between any particular member of B and an arbitrarily selected member of A is the compound of the relationship between this other person in B and [b] and other person in A and [a]. In figure 1, the *wu-lun* between the selected member of village A and the linking family [a] is labeled a’, and a similar relation within B is labeled b’. The derivative *wu-lun* for the chosen pair of individuals is a’Xb’, where X is the strength of the primary link between [a] and [b]. If an individual in village B has closer kin relations with [b], the links b’ and a’Xb’ will be stronger. (A similar story can be told about a’.) In figure i, the link between [a] and [b] is thicker than a’ or b’, which in turn is thicker than a’Xb’.

Given the existence of a “linking agent” from A to B, there exists an uncountable number of potential relations between members of B and A. One or more of these potential acts of assistance might occur. However, the occurrence of any activity between a particular person in B and a particular person in A, denoted by a’Xb’, is a *random event* relative to the established linkages that create the incorporation of A by B. By that I mean that there may be a number of persons in B who possess a *wu-lun* relation to [b] of the form implied by b’. For this reason we must recognize that *guanxi* is not between individuals but between categories of individuals, defined by *wu-lun*.

A final point: The relationship between B and A is one of assistance in times of need. That relationship is asymmetrical, involving the sharing of resources of the superior with the inferior. However, in order to maintain this relationship, there must be routine transfers of resources from A to B. By “routine” I mean resource transfers that are based on ritual requirements rather than on the “needs” of B. In the event that the linkage is created by marriage, the initial and most important resource transfer is the dowry of the bride, and it is followed by transfers on other occasions. These contributions are essential to the formation of a linkage between A and B. Hence, most members of A have an interest in making a contribution to it—the greater the dowry (producing a larger X), the more meritorious is the linkage of the two

3. According to King (1985:63) there is a more basic term, *lun*; “Confucian thinking, he [Liang Sou-ming] writes, is deeply concerned with one basic principle, which consists of two primary problems: the kind of differentiation to be made between individuals and the kind of relations to be established between individuals. He said the totality of these two issues is the principle of *lun*."

FIG.1. The linking agent (a bride) connecting twofamilies, leading to the incorporation of A by B.
groups to the advantage of any contributing member of village A. The principal benefit to be gained by a member of A by contributing to the dowry is not a reciprocal benefit from [a] but a potential form of patronage or protection.

**Philosophical issues**

Students of Chinese social ideology have suggested that unlike most traditional systems, Confucianism and Chinese philosophy in general are "relationship-based" rather than group-based. These relationships are manifested as a network of wu-lun-generated linkages for each family that creates a unique "ego-centered" (Fei 1992) social space radiating from the center like ripples from a stone dropped into water. However, membership in a classroom, a work group, or a village is a necessary condition for the formation of a relationship between individuals. A "friend" who does not have membership in a significant social milieu such as a classroom is anomalous because in the absence of a group there is no way of defining the wu-lun of the relationship and it may be attributed a purely instrumental function—the satisfaction of desire—and, hence, a lack of fen (virtue). In order to provide some legitimacy to such relationships, it may be claimed that they are friendships of "shared fate" thereby forcing into existence a fictive group of association.

Munro (1985:18) elaborates on the broader implications of metafamilial relationships in his discussion of the Ch'eng-chu (12th century) school of Neo-Confucianism:

> Each variant assumes that things exist only as integrated parts of wholes. One holism, which predates the Sung period, explains persons in terms of their occupancy of mutually related social roles that form parts of a hierarchical social order. That order itself is part of a cosmic order, explained by analogy with the family, in which each thing in nature and cosmos has a fixed place, akin to the fixed social places; father, wife, older son, younger son, and so forth in the family. The Chinese term for role is fen, literally meaning "portion." It overlaps in meaning to some extent with the Western notion of rights. However, one's fen is always conceived of as a share of the whole, such as the Tao, and not as a distinct set of rights belonging to the individual as an individual.

And it is precisely this notion of rights to a share of the whole that will define a group in this discussion. I define a (corporate) group as a set of individuals who have rightful claims for shares of a given set of resources. These claims or shares [fen] are generally differentiated among categories of person (which are usually "fixed social places"). However, the group is not directly addressed in the Confucian references to relationships between dyads. Rather, the product of the group emerges as the natural consequence of each individual's acting in accordance with principle (li) relative to each and every other person, making it unnecessary for Confucius to have a theory of the group as such. When each person acts with li the performance of the group as a whole is effective, orderly and harmonious. Moreover, the fen of each "fixed social place can be inferred by the location of that position within the hierarchy of respect relations -- associating the appropriate share of the whole with the level of social merit.

**LIWU IN THE VILLAGE**

The ethnographically peculiar fact is that in Chinese culture a family gains membership in (let us call it) a village association by having adult members who manifest their social inclusion by making contributions to the projects of the association, and a village association is a set of families whose members have met ritual obligations in relation to one another. As is the case with other groups outside of the domestic family, membership is by achievement, not by ascription, and only members of the association have rights to the benefits thereof. For example in the event that a constituent family announces the wedding of a daughter, members of the association are expected to contribute to a pool of resources (the dowry) which can be devoted to the launching of the marriage. Some individuals sponsor more events than others, even to the point of being accused of exploiting the process (and losing respect).

However, there is, normally, the presumption that contributions are made for those who have need, and needs are unevenly distributed among contributors. In the special case of contribution to a dowry, the pool of resources endows the bride but does not belong to her. These are ritually required contributions to the household of the husband and assist his father in his provisioning of that household (without implying that he is unable to perform this task without assistance). These contributions are liwu, where li refers to the ritual or customary obligation of a virtuous man and liwu is a "thing" that in some way represents or accomplishes li.

Furthermore, the benefits of protection that are gained by the family of the bride also accrue to some extent to all members of the village association. The subordinate village becomes eligible for an incorporation in that its members may receive shares of resources held by the dominant village in times of need. This sharing is zhanguang, the sharing of (relative) good fortune. Hence the benefit to be gained from liwu is not reciprocal liwu but the possibility of zhanguang, a nonritual, nonroutine share under unpredictable circumstances (that may not ever arise).

Unfortunately, liwu has been translated as "gift" and while such a translation might create no difficulty in casual (polite) usage it is quite problematic in formal ethnographic discussion. The discussions of gifts and gift exchange provided by Malinowski (1922) and Sahlins (1972) have provided a theoretical frame of reference for contemporary ethnographers, and Yan poses this paradigm upon his data. Having translated...
Mr. Guo recalled that his younger sister fainted several times owing to food deprivation and he too fell seriously ill during the famine. However, his family did not suffer as much as many others, because his elder sister, who had married into a village four miles north of Xiajia, gave them a great deal of help. Despite a similar threat of famine, his sister's family lent Guo's family 180 jin of grain. Guo said: "I still remember clearly the evening my sister's husband came to our house and carried a sack of maize on his bicycle. That saved our whole family.

The in-law certainly does not look forward to a time when he personally will be at risk of starvation, but in the event that he faces starvation, he will not seek assistance from his wife's family. His wife's family and her whole village invested in a dowry with the expectation that he would not suffer as much as many others, because his elder sister, who had married into a village four miles north of Xiajia, gave them a great deal of help. Despite a similar threat of famine, his sister's family lent Guo's family 180 jin of grain. Guo said: "I still remember clearly the evening my sister's husband came to our house and carried a sack of maize on his bicycle. That saved our whole family.

Yan (1996:129-30) also considers guanxi outside of the family-village setting as part of his discussion of sharing (zhanguang):

[Zhuanguang] serves as a strong moral force for mutual assistance among relatives and friends. A good example of this from Xiajia appears in the case of Mr. Du. ... by the late 1970's he was promoted to an important position in the commercial bureau in Guangzhou city. When several government leaders from Songjiang district, where Xiajia village is located, visited Guangzhou, Du entertained them warmly and helped them solve many problems, even though he had never met them before. The leaders felt they owed him a huge favor, so they asked him if they could do something for him back in his home village. Du thanked the leaders and asked for nothing specific, merely mentioning that he had a niece and a nephew living in Xiajia and he missed them very much. A few weeks later, two of the leaders visited Du's niece and nephew in Xiajia and found out that Du's niece hoped to change her peasant status into that of an urban worker (gongren). Within about three months, Du's niece

4. The amount contributed by each family is recorded by the host. The significance of this is not, as some have suggested, to reccau debt owed to the donor but to maintain an indication of the foci of relation that the contribution implies. On some subsequent occasion the host may need to know that a given family present itself as simply a "fellow villager" rather than as a "close neighbor etc., and, of course, to record the fact that a contribution was made.
was offered a job in a department store in a nearby town and gained urban status.

One should notice that Yan refers to this as a case of sharing, not as a case of exchange, even though one could easily have imposed the logic of exchange (repaying the "huge favor"). Mr. Du had shared his good fortune and power with his nieces. It turns out that quite a number of people in the district had benefited from the good fortune of Mr. Du, including a number of persons with whom he was not related except that they were fellow villagers.

At the same time, there are the party cadres in the village to whom bribes are given. These individuals are not members of the village (tanglin), they are powerful outsiders whose attitudes toward the village are highly variable and unpredictable (undefined by wu-lun). Bribes offered to these individuals are instrumental, inducing surreptitious administrative action involving the avoidance of state regulations or intended to buy forbearance and administrative dispensation.

Although Yan uses the term "gift" both for the contributions made to village ceremonies and for bribes to officials, the two processes are light-years apart. The bribes which people offer to officials are not liwu. Liwu is inconsistent with the pursuit of personal gratification, and most officials are presumed to be men who lack the virtue (jen) associated with zhanguang.

NESTING: ESTABLISHING RELATIONSHIPS OF INCORPORATION

I have emphasized the fact that zhanguang is not balanced by liwu and is generally beyond valuation. Liwu, however, consists of ordinary goods delivered in ordinary times. Liwu is the established requirement, imposed by custom, ritual, or force upon a particular type of sub-ordinate individual or group; and if this requirement is satisfied the subordinate becomes eligible to become a member of a virtual household of the dominant (becoming a group within a group) with the right to a fen of the resources of the dominant, called zhanguang.

A clear analogy of the liwu-zhanguang relation is the payment of a "premium" for residential fire insurance. The premium is a routine and periodic payment, but most people never have reason to file a claim. They benefit from these payments in terms of a reduction in anxiety regarding the potential tragedies of fire, but in the purely material domain there is no benefit whatsoever. The actual consequence of the series of payments is to become eligible to have a benefit; this eligibility is called "coverage." But once eligibility is gained, one can presume no relationship between liwu and zhanguang. Most receive nothing, and those who actually experience the zhanguang of the insurance company are the unlucky ones even though their claim is likely to exceed a lifetime of liwu.

The reason I argue against the term "reciprocity" in reference to the liwu-zhanguang relation is that reciprocity directs our attention to things, not to relations, as though zhanguang were the benefit to be gained from liwu. But that is absolutely not the case. The benefit of liwu is a relationship within a virtual family, the nesting of one group within another. No material consequence is implied by this relationship, and most people get nothing. Since claims are unlikely to be made, there is only a flow of liwu in one direction and nothing coming back—a process for which the term "reciprocity" is misleading.

BROADER IMPLICATIONS

To this point our discussion has focused on the ethnographic specificity of guanxi as a relational mechanism. However, the underlying or foundational process that generates guanxi is the liwu-zhanguang relation. One may say the guanxi is a culturally specific articulation of liwu-zhanguang, where the rules of any relation are governed by the relevant wu-lun (or composite of wu-lun). If, however, we focus on liwu-zhanguang, we find analytically comparable processes in many other cultures.

The most important alternative manifestation is the tribute-for-protection relation. Tribute is always extracted with coercion or the threat thereof, and it is typically prescribed by the dominating power, not by ethical or cultural rules. Yet, it remains the case that tribute is a "routine" deliverable at a specific time or occasion, and it is essential to making the vassal or subordinate group eligible for protection, a form of zhanguang. The contrast between liwu-zhanguang and reciprocity (social exchange) processes is presented most powerfully by Boissevain (1966:21) in his discussion of patronage in Sicily:

"To an extent, then, every Sicilian feels himself to be isolated in a lawless and hostile world in which violence and bloodshed are still endemic. Not only is he surrounded by enemies and potential enemies, he is also subject to the authority of an impersonal government whose affairs are administered by bureaucrats, each of whom is either trying to derive some personal advantage from his position or is liable to be maneuvered against him by his enemies."

Like the Chinese peasant but for different reasons, the peasants of Sicily needed protections that could not be provided by kin groups, and patrons acted as powerful fathers of an extra familial kind from whom those protections could be gained. If an individual had no direct link with a desired patron, he could seek access through intermediaries. However, the intermediary links would come in the form of friendship connections—friends and friends of friends and so on—and when assistance was obtained from these friends, a debt requiring repayment.

5. Yang (1994) discussed guanxixue, a contemporary variation on guanxi in which liwu is offered with the anticipation of an immediate request for assistance. Even here the logic of exchange does not hold.
would be generated with each dyad. So, while the patrons at the end of these chains were in asymmetrical, non-reciprocal, familial-father relations with clients, the chains that linked patrons to clients were reciprocal and nonfamilial. Consequently, while Sicily provides a clear example of liwu-zhanguang, the articulation thereof is not via familial relations (defined by wu-lun). And we can see the special power of guanxi relative to the Sicilian formation: in guanxi it is not necessary that there be preexisting friendship links between cooperating in-dividuals; it is sufficient that those individuals be members of linked villages, work groups, and the like, producing an almost unmeasurable set of potential linkages.

In relation to marriage, liwu-zhanguang may be rather common. For example, among the nomads of Somaliland (Lewis 1962) there is an initial period of matrilocal marriage, and subsequently the groom may seek assistance and residence in the camp of his wife's people. These benefits constitute a routine and culturally prescribed provision of consumption goods to an outsider—liwu. Lewis mentions that in the event of hostilities, which are common, the groom is expected to protect his in-laws from serious harm and provide comfort if they are captured—zhanguang. There is no indication in the ethnography that liwu-zhanguang could move in the opposite direction. This implies that the family of the groom is structurally superior to that of the bride, even in this relatively egalitarian society.

For an example of liwu-zhanguang in a strongly hierarchical system, we may consider the case of the esteemed marriage of the endowed virgin in the Brahman tradition. Here, as in China, dowry goods are expected to be followed by routine transfers on other occasions. Indeed, the size of the dowry is an implicit advertisement regarding the bride's family's willingness and ability to make additional transfers. These liwu are offered in order to gain an association with a family of higher status, thereby augmenting the social and ritual status of the bride's family. The logic of this situation is that the social status of a lineage is defined by the status of the lineages that are willing to accept its daughters.

The bride's endowment is liwu in search of status augmentation, and the value of ritual status is beyond measure in traditional India. Hence, no matter how ascendant the groom's family proves to be in demanding additional liwu, the status gained through marriage by the bride's family is worth more than the dowry. If the bride's family fails to respond to the axiomatically le-

gitimate demands of the groom's family, the consequent misery or death of the bride is its own fault. Only by realizing this can one understand why vengeance is not sought by the aggrieved family of the murdered bride.

Bringing the matter closer to home, consider contributions to the Democratic National Committee in the United States: What are they? To say that they are "payments" would suggest an explicit and bargained form of reciprocity, that is, a "bribe." To say that they are "gifts" would imply that a continued relationship between donors and recipients depended on the presentation of proper counter-gifts. Yet, such counter-gifts are often beyond identification, and the problem is compounded when the donor contributes to the coffers of both political parties. The logic of exchange does not apply. However, if we employ liwu-zhanguang, we can recognize that political contributions are an attempt to establish a relationship between the parties, a form of liwu. Given the relationship thereby established, there is a greater possibility that a plea from the donor(s) will be heard in times of crisis—zhanguang. But, of course, nothing is promised!

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