

**Guanxi, Village Politics, and
NGOs:
The Complexities of Development and
Education in Rural China.**

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In this study, our focus is the process and ultimate result of a school building project in a rural Chinese village. The village is called An Shang, and it is a small farming community that sits atop the low-lying steppes of Shaanxi province. The population is roughly 1,200, and the village has been in existence for a little over 400 years. In 1998, a school building project began there, which divided the village for a significant amount of time, and turned a project that could have taken less than two years into a seven-year, village-galvanizing struggle.

The foremost agent of change in this conflict is An Wei, who was born in An Shang in 1942. To put his time of birth in a historical context: just as An Wei was reaching the age of reason, Chairman Mao, having accomplished the significant feat of uniting China, was just beginning his Communist Revolution. In 1957, An Wei found out that he had been accepted to a university in Xi'an – he would be the first person from his family, or his village, to go to college. The Great Leap Forward began the same year An Wei enrolled, and continued through most of his college career. By the time he graduated, the Cultural Revolution was only four years away.

After the Reform, An Wei found himself working under the Party in Xi'an, and with his strong English skills, he worked his way up to the position of Secretary General at the Xi'an Foreign Affairs Office. This position would one day put him in contact with an organization called Global Volunteers (GV). GV is a NGO that organizes short-term labor on long-term development projects in countries all over the world. Projects like building a firehouse in the mountains of Peru, or a creating the structure for a small medical clinic in sub-Saharan Africa would not be uncommon for GV. One might expect that such an organization would rely on the same types of human resources as

organizations like Doctors without Borders, or NGO abroad, for example – GV, however, seems to focus on older, more successful married couples with disposable income available to be spent on an experience that they might consider to be more exciting and more philanthropic than a third or fourth trip to Hawaii.

As An Wei and the CEO of GV, Bud Philbrook, became close, the idea of organizing GV-sponsored volunteer trips to Xi'an was broached. An Wei's daughter, An Lin, was a perfect candidate to contribute to this enterprise, because of her proficiency in English and aptitude for dealing with the foreign volunteers. After this link between An Wei, his daughter, and Bud Philbrook had been cemented, GV began successfully sending volunteers to work on multiple projects in Xi'an, over a period of several years – a favorable deal for all parties involved. This all ended, however, when An Lin, during a trip to the United States to improve her English between projects, was tragically killed in a car accident.

Very quickly, the idea of doing something in honor of An Lin was spearheaded. GV started a fund in honor of An Lin, expecting to raise little more than \$5,000, or an amount sufficient for creating a headstone or small memorial structure. Before they knew it, GV's fund had over \$250,000 in it, despite the fact that there was no concrete plan for what exactly would be done with this money.

GV and An Wei came up with the idea to build a school in An Shang village – and this is the beginning of the period in An Shang village that is our main focus in this study. Looking at this story from a critical and ethnographic standpoint, there are several areas within the study of China where some of the occurrences in An Shang village provide interesting further documentation of social phenomena that have already been

identified in China, including guanxi/power relations, the intersection of kinship and political power, practices and expectations for institutionalized favor seeking behavior in China, and misunderstandings between would-be foreign investors and mainland Chinese. What is new here, however, is a very close look at how guanxi, and its complex relationship with family, politics, and morality, interacts with the standards of operation expected by Global Volunteers, who invested a significant amount of capital and manpower into the school building project.

What makes this study so complex, then, is the reconciliation between the American and Chinese perspectives on what is “good” for the village, and what the “best” way to go about accomplishing it is – because one of the most common criticisms of An Wei on the part of the villagers was not that he fought to build the school, but *how* he fought to build the school. An easy accusation, then, is that An Wei was too willing to wield his power and connections in An Shang, largely for the sake of blurring the line between personal gain and philanthropy – this was a perception issue that An Wei was plagued by in An Shang village. On the contrary, however, one might argue that the use of guanxi and particularistic connections in China is an almost universally accepted method for approaching challenges of all kinds in China. However, Fan Ying explains that there are not one, but two types of guanxi in China: the use of guanxi for the purpose of helping one’s family and close friends is seen as moral, or even desirable, while business guanxi tends to be more associated with nepotism, fraud, and corruption.¹

Because An Wei was dealing extensively with family members, close contacts and friends, as well as village political leaders and local entrepreneurs, one would readily

¹ Fan, Ying. 2002. "Guanxi's Consequences: Personal Gains at Social Cost". *Journal of Business Ethics*. 38 (4): 371-380.

assume that An Wei simply wouldn't have been able to build the school without pulling guanxi at some point. It is significant, then, that An Wei's use of guanxi falls into a gray area in the interstices of guanxi's morally acceptable use spectrum: An Wei's use of guanxi was not purely business-related, nor was it entirely within the domain of family-related guanxi. This provided an easy target for criticism from the villagers, who saw An Wei's choice to build the school in his hometown, where much of his social capital is concentrated, as An Wei possibly taking an opportunity to turn a public-welfare enterprise into a political and financial windfall for himself and his family in the village.

Section Two: An Wei's Initial Work in An Shang

After An Lin's death in 1998, it took a little more than a year before the funds, the concept for the school, and the pretext for discussions with the An Shang village leaders were all in place. Upon arriving in An Shang in 1999, An Wei was working in an unofficial capacity with the tacit cooperation of An Shang's village and Party committee, as well as the cooperation of the leaders of the Wu Jin Township. Wu Jin township is comprised of 16 villages, where An Shang was one of the more remote villages. An Wei's initial presentation of the plan, and the funds available for it, were met with great enthusiasm, which eventually disappeared, according to An Wei. His first roadblock is described in the following interview transcript:

When I first presented the idea of building the school to the officials, they were extremely enthusiastic. They said yes, we agree to put up a new school in An Shang village. Of course, this is because they think that I will just hand over those funds, that 250,000 US dollars, or 1.6 million Yuan, directly to them, and let them manage the project. So they are very enthusiastic. Once the project started, they realize

that they cannot get any benefit personally – originally they think, oh, we have 250,000 US dollars, that will be put in my hand and we can use it at our own will. But as it turns out, they never have an opportunity to see this money.

This is an example of the village leaders, who rarely see a project on this scale in their village, expecting to be compensated in return for “opening the gates to the village,” as it were, and providing their cooperation and support for the school building project. An Wei asserts that the village leaders were extremely disappointed when they realized that they would be taking a backseat role not only in the management of the funds, but in the school project altogether, because An Wei had subverted their expectation of being given even a modicum of control over the funds. Shortly following this realization, An Wei says, there was a dramatic shift from enthusiasm and support, to indifference and intractability on the part of the officials. It is understandable, however, that the officials were extremely frustrated to have this expectation reversed, as An Wei’s strategy for dealing with them had contrasted sharply from what is considered, in China, to be the pro-forma way of dealing with fellow officials. Depending upon the level of cooperation needed, spearheaders of projects will often find ways to give officials, who could otherwise manufacture endless roadblocks, an economic stake in their project. One well-documented instance of this kind of successful incorporation of officials into such large scale projects is Li Zhang’s study of Boss Zhen, a Beijing land boss who demonstrated a great deal of talent for finding ways to give local officials a stake in the projects he wanted completed.² A particularly telling example is the story of how Boss Zhen, despite his goal of creating a massive, clean, albeit semi-illegal Wenzhou migrant housing

² Zhang, Li. 2001. *Strangers in the city: reconfigurations of space, power, and social networks within China's floating population*. Stanford, Calif: Stanford University Press.

compound in southern Beijing, was able to secure a land lease contract with the local cadres, through Boss Zhen's extensive connections, as well as large bribes. In spite of the fact that the Beijing municipal government was, at that time in the middle of a large campaign to eliminate exactly these kinds of migrant housing complexes, Boss Zhen's strategy of engendering cooperation through participation on the part of the officials was entirely successful. An Wei's strategy, however, was one of clashing outright with the officials, who would continue to pose obstacles to the school building process throughout the process. An Wei's difficulties with the officials, however, would only end up posing half of the problem, as An Wei would spend just as much time dealing with the farmers in An Shang:

The farmers create a lot of difficulties because of the land. To the farmer, if you don't have land, you have nothing. So the villagers are very unwilling to trade their land to make room for the school house – they fear that they will be taken advantage of.

Thus, An Wei was up against a rather widespread phenomenon in rural China, which is an almost universal distrust for both local government, and for that matter, individuals such as An Wei, who, as far as the villagers are concerned, became a quasi-official in the village by way of the economically-based political power that he wielded during that time. This distrust of local the officialdom in China, however, has strong roots in China's long imperial history, where despite the emperor's ultimate power as the leader of all China, local leaders all across China were subject to relatively inconsistent and minimal supervision, largely for reasons of geography – there is an ancient saying in Chinese – *tiān gāo huángdì yuǎn* (天高皇帝远) – which is to say, “the mountains are high, and the emperor is far away.” The subtext here is “what is the emperor going to do about your problem? Probably nothing.” In many cases, the utterer of such a phrase, or

veiled insult, would be completely correct, as it was simply beyond the manpower and infrastructure of the ancient Chinese officialdom to really supervise or manage the activities or transgressions of the village level officials. In villages like An Shang, the situation today is not unlike it was in ancient China – it is still simply too difficult for the central government, or even for China’s provincial and county governments, to constantly police the activities of China’s local village leaders. In Lianjiang Li’s study of local government credulity in rural China, Li provides an example of a group of farmers whose skepticism of their local government is by no means unfounded. Here, it is safe to argue that it is no coincidence that in the case of An Shang and Lianjiang Li’s example, the farmers are up in arms about matters relating to *land*.

“In 1991, four villagers from Henan village began making regular trips to Beijing to lodge complaints on behalf of the whole village against the county government, which had illegally used their land to build a road without offering any compensation. By the time I met up with them in late 1999, their demand for compensation was still unmet. One of the four complainants said he was no longer certain about the Center's commitment to uphold justice for villagers: "We have been to Beijing at least a dozen times. Even deaf men should have heard our cries. How come our lawful demands always go unanswered? Can't the Center simply order the county to compensate us for our losses?"³”

To the villagers of An Shang, it may very well have appeared that they would find themselves in a similar situation if they were not vigilant in their dealings with An Wei, who in the context of An Shang village, is a political force in a category of his own. Should he wish to simply ignore the grievances of the villagers, or the officials, for that matter, he is completely capable of doing so – and insulating himself completely from any political backlash that would occur in the process. Here, An Wei is put in a position where he is relatively free to abuse his political power without fear of repercussion. An

³ Li, Lianjiang. 2004. "Political Trust in Rural China". *Modern China*. 30 (2): 228-258.

Wei made one statement that is particularly telling in regards to his overall perspective on his task in An Shang village, where he is talking about the issue of trying to convince the farmers to volunteer their labor and time to help contribute to the construction of the school:

They realize the school is very important, but they think: If I volunteer the whole day, at the end of the day, I got nothing. If I go to the fields, and get some fodder or grass, a basket of it, I can feed my cattle, I can feed my pigs, and then I can sell it and get some cash. What about the future of my children? I do not care about the future, I just care about today. So that's the main thing.

Here, a brief structural layout of the politics and leadership in Chinese villages such as An Shang is necessary to provide an understanding of the dynamics between the villagers, the village leaders, and An Wei, who fits into a new and emerging class of entrepreneur-cum-political leaders in China's smaller villages and communities. In Richard Levy's study of village elections and corruption in Henan and Guangdong provinces, Levy found that there is an increasingly present class of businessmen and women who are finding themselves on the winning end of a power-shift from the politically elite to the economically elite, often through a means of Party involvement.⁴ Here, entrepreneurs with Party membership, or connections in the Party, often use local elections to expand the power base of the entrepreneurial class at the expense of the *local* Party leaders, who tend to stand in the way of private economic opportunity when it does not directly benefit them. Thus, these entrepreneurs find themselves thrust into the roles of village leader and Party Secretary, where their duties include management of village investments, road construction, land distribution and allocation, education, and birth policies. In other words, An Wei's path to leadership in the process of the school project,

⁴ Levy, Richard. 2007. "Village Elections, Transparency, and Anticorruption: Henan and Guangdong Provinces". *Harvard Contemporary China Series*, 14: 20-47.

whether he intended it or not, falls into a very well-established pattern of entrepreneur-cum-village leader in Chinese village. What is also significant is that in every village, there is a portion of the village leadership comprised of individuals who do not hold Party membership – they are essentially villagers who are tasked with working with the Party leaders in the village, who hold ultimate decision-making power, on implementing policies and managing village affairs. Thus, An Wei’s political stature and significant connections with the province-level Party officials put him in a position where he would inevitably be given a leadership role in the village that would not only trump the power of the villagers and non-Party leaders of the village, but also the power of some of the Party-affiliated leaders within the village. An Wei’s sudden and significant economic power in the village further ensured that this would be the case.

Section Three: Witnesses Against An Wei in An Shang

In searching for villagers and leaders with specific issues with An Wei and the school project, we came across three individuals, two of whom were former village leaders. The first official that we were able to meet was Feng Suo Liang, who had been living in the village and working in various leadership positions for over 30 years, and had worked as the village accountant for the majority of that time. I asked for his opinions on the school project in general, as well as his thoughts on the political changes that An Wei had made in the village. Feng Suo Liang started with his background, explaining to us that he had worked as the Party Secretary in the An Shang village committee for almost 25 years – and that this had abruptly ended around the time An Wei

began his work in the village. He did not go into specifics on this issue, but instead gave us his thoughts on the challenges of working as a leader in the village:

Being a Party Secretary these days, you're expected to do a lot of work for which there's no reward. An Wei has his ideas about democracy and transparency, but now that he and his brother are leading the village, and deciding how we do things. We make the village meetings open, but the leaders don't get any advantage by doing this.

Here, it is significant that Feng mentions An Wei's brother, or rather, one of An Wei's family members – because for An Wei and his brother, who is a permanent resident in the village, (as opposed to An Wei, who lives in a gated townhouse community in northern Xi'an) this project was a significant economic undertaking, because of the huge amount of work that would have to go into it – a key example being that the volunteers that came to An Shang would stay at An Wei's brother's house, eat their food, use their water and electricity, and in return, compensate An Wei's brother for these accommodations. In addition to their normal income generating activities, such as farming, An Wei's brother's family would have to spend quite a lot of time running what was essentially a hotel for the volunteers.

Later, some of the villagers and leaders, Feng Suo Liang included, became more and more concerned about An Wei's brother's increasingly active role both in the school building project and village politics, which ultimately became one in the same. Perhaps what they were really responding to, however, was An Wei's choice to put his brother in this major leadership position, which very well may have smacked of the well-known phenomenon of relying on family members to perform key, economically sensitive tasks that require both trust and secrecy. This kind of village behavior is explained very well by Maurice Freedman, who notes that economic enterprise in China tends to be organized

such that people associating their capital and labor tend to be related by kinship or affinity⁵ – the villagers, being acutely aware of this common practice, may have become rather suspicious that An Wei’s school building project had become a back-door financial enterprise for An Wei and his kinsmen – a conclusion further supported by Xiaotong Fei’s village level study of Chinese society, which provides an explanation not only for why An Wei may have not had any scruples about using some of this donation money for himself, but why An Wei’s assertions that there would be absolutely no graft in his project might taken with a grain of salt in An Shang, or any rural community in China for that matter:

“The degree to which Chinese ethics and laws expand and contract depend on a particular context and how one fits into that context. I have heard quite a few friends denounce corruption, but when their own fathers stole from the public, they not only did not denounce them, but even covered up the theft. Moreover, some went so far as to ask their fathers for some of the money made off the graft, even while denouncing corruption in others.”⁶

Thus, we see why An Wei, even while vehemently asserting that every aspect of the school building project would be transparent, would not be able to convince the villagers that this was the case, because it is An Wei that is controlling the funds, while the current and former village leaders are sending the signal that An Wei has none of the moral high ground that he claims to, and that he is using every opportunity to accuse the former village leadership of corruption and graft.

We then spoke to a villager by the name of An You Ren – one of the older villagers in An Shang, and one of An Wei’s most vocal opponents. An You Ren spoke

⁵ Freedman, Maurice, and G. William Skinner. 1979. *The study of Chinese society: essays*. Stanford, Calif: Stanford University Press.

⁶ Fei, Xiaotong. 1992. *From the Soil: the Foundations of Chinese society*. Berkeley, CA: Univ. of California Press.

about his family, as well as his various informal leadership roles in the village, before eventually asking if he could talk about something that was on his mind. He immediately went to An Wei and the school project.

An Wei came to the village with a plan that nobody knew about. When the project began, the villagers had no idea what was going on. An Wei came to the village with tractors when many of the villagers' crops weren't ready – when a some of the villagers gathered to try and stop them, and a group of thugs came to beat them up.

Here, two important pieces of background information are necessary to put An You Ren's grievances in context – one, an explanation of the political structure of villages like An Shang in necessary; two; an explanation of An Wei's ultimate accession to the position of Party Secretary, or village leader, is also important to understanding An You Ren's grievances, as well as understanding the full extent of the power of the position that An Wei held as a result of this.

As Yang and Chen explain, the village party secretary, or first hand, is the most powerful cadre in the village, largely because they are in control of the village finances – any major village expense has to be approved by the party secretary.⁷ In An Wei's case, it was no coincidence that An Wei ultimately became Party Secretary, as opposed to any of the other village leadership positions – because for An Wei, this ensured that he and he alone would be the one who could have ultimate control over the project's most contentious aspect – the funds. Thus An Wei, in response to a lack of cooperation from the villagers and the leaders in An Shang, called the governor of Shaanxi province, who happened to be one of An Wei's contacts, and asked for a favor. Within a month, An Wei was the new Party Secretary of An Shang village. An You Ren had no hesitations about

⁷ Zhong Yang, and Jie Chen. 2002. "To Vote or Not to Vote: An Analysis of Peasants' Participation in Chinese Village Elections". *Comparative Political Studies*. 35 (6): 686-712.

painting this event as an illicit and unfair abuse of An Wei's guanxi, for the purpose of disenfranchising certain individuals in the village in order to complete a project where he was the primary benefactor:

An Wei went to the county magistrate, a Mr. Wang Shang Hu, and they worked together to give An Wei the party secretary position through the back door.

When An Wei came back to the village, I completely disapproved of how we was doing things – so I told him, 'You're coming back to our village and make a mess out of our resources, and you think you're doing a good thing!' When he came back, he used his power to take 20 mu of land and use it for himself! He came back to the village after being gone for a long time, and wants to fight this long hard battle – for what? To build a memorial hall for his daughter!

An Wei refutes this accusation by stating that, given the clear benefits that would be brought by the school, and the resistance of the village leaders, it was an obvious choice for the county government to ask An Wei to step in as Party Secretary.

Having explored all of these issues as a result of my conversation with An You Ren, I knew that it would be very important to find more examples in the village. After An You Ren, we spoke to an opponent of An Wei's that perhaps provided us with one of the most striking, and perhaps justified, oppositions to An Wei. His name was Feng Tian Suo. The problem with this example, however, is that it is quite difficult to reconcile An Wei's almost propagandistic self-representation with Feng Tian Suo's seemingly informed allegations towards An Wei and his brother.

On a follow up trip to An Shang, we had an opportunity to speak with him. Feng Tian Suo had become legally embattled with An Wei around the time An Wei had began working as Party Secretary in the village, and the dispute seemed to be centered around a sum of money that Feng Tian Suo claimed he was owed by An Wei, on behalf of the villager's committee. Feng Tian Suo claims that An Wei, upon arriving office, was

notified of an outstanding debt to Feng Tian Suo on the part of the village committee, for a loan that Feng Tian Suo had taken out from a local bank with the former village committee's permission, for work that Feng Tian Suo did on the construction site of the school. An Wei, already on poor terms with the committee, demanded to be shown proof, in the form of invoices for labor and materials on the construction site, and so forth – which An Wei claims he never saw. Feng Tian Suo then sued An Wei in the Fu Feng county court, and won. An Wei then responded first by accusing Feng Tian Suo and his cohorts of bribing the court, and then by suggesting that if Feng Tian Suo intended to be paid this money, he go could to the villagers and demand it himself. In the end, Feng Tian Suo never received these funds.

In his interview, Feng Tian Suo is hesitant to go into the details of how this loan was structured and who authorized it, and instead emphasizes the legal documents that document his victory against An Wei in court – which he seems to have an abundance of. Looking at the footage of the interview where he produced these documents, it appeared that some of them had been hand copied, while some of them seemed to have the stamp of the court. Feng Tian Suo accuses An Wei of physically tearing up the original ruling that was in favor of Feng Tian Suo.

Looking at this chapter in An Wei's time in the village, it is extremely difficult to discern who is telling the truth – or at least, who is telling *more* of the truth than the other. One thing that they *can* agree on, however, is how to respond – for that reason, it is their mutual response that is of interest here. Both of them engage in what political scientist Kevin O'Brien refers to as “Rightful Resistance” – a strategy where one person in conflict with another will cite the directives of the central government in an attempt to

legitimize their side of the issue by framing their opponent's position as one that is in conflict with "the center" – or rather, the rules, regulations, and laws as put forth by the Central Government. Here, the key distinction made between Center and Local is one of credibility through adherence to the law. O'Brien creates an interesting hypothetical use of this strategy, where a farmer is trying to get his or her local official to deal with him/her fairly on the issues of grain quotas and taxation. Rather than attacking the official for denying them equal opportunity before the law, they *remind* the official, "You are breaking the law by not allowing me to not sell my excess grain after I fulfill my grain quotas – why do you oppose the center? Are you not a cadre of the CCP? If you don't obey the Center, we will not obey you."⁸ This allows the farmer to frame their complaint in terms of the official's personal failure to do their job, and obey the laws of the central government. It avoids framing the conflict in terms of a personal conflict or grievance, or in terms of one person with power denying another person equal opportunity before the law. Here are two excerpts from each of their transcripts that provide interesting examples of this:

An Wei always brags about how democratic he is – so why doesn't he obey the national laws? Since he is a Party member, he should set an example for the other villagers. The government calls for 'managing village affairs according to the laws,' but An Wei doesn't do that.

Compared with An Wei's statement:

The top leaders, or the junior leaders, do not think in the same way as the top leaders. And the senior, junior leaders do not want to carry out, faithfully, the policy from the top of the national government. So that is one of the reasons why this is happening. I said, if you [referring specifically to Feng Tian Suo] think you will benefit, or if you think is not fair for the village, not to pay you, then

⁸ O'Brien, Kevin J., and Lianjiang Li. 2006. *Rightful resistance in rural China*. Cambridge: Cambridge University Press.

you should not make illegal trouble like this, you can well use the law to protect yourself. Then, maybe some people give him some advice, and he sued the villager's committee to the court, and ask them to ask the villager's committee to pay him.

Essentially, Feng Tian Suo is making a point of deemphasizing the personal conflict between these two individuals, and Feng Tian Suo's personal inability to receive a satisfactory result from An Wei, and emphasizing the political and legal nature of the conflict.

Section Four: Incorporating the NGO Factor: Global Volunteers' Perspective

At this point, it became clear that the next important piece of data would be one that came from outside the village – now it was time to talk to Global Volunteers. Over the summer, I set up a phone conversation with Bud Philbrook, the CEO of GV. Bud's primary training and area of expertise is in international economic development, which is essentially what GV is focused on.

I'm a lawyer and development expert. I did my graduate work in international economic development. I've been working in the field for over 30 years.

An Wei and I spent time together in December. When he came to visit, I was with him at his daughter's grave on the 10th anniversary of her death. The personal relationship is strong. An Wei in my view, is one of the people on the planet of the highest integrity and honesty. That doesn't mean he's totally honest, because I don't think any of us are - but he is among the most honest people, and a man of highest integrity of anybody I know.

That said, I'm sure push comes to shove, in the darkest moments of night, he too would acknowledge, that he did some things that he wish he hadn't, or shouldn't have, or whatever. Many things were outside of his control.

It's also my understanding that laws were changed that allowed villages to exercise some democracy across the board.

The case study of An Shang is difficult to point to as a model. Without taking anything away from the community, the work that An Wei has done, the work that anybody who was involved in this did, it's not replicable. There are several reasons its not replicable, but one of the reasons is that over the course of the process, of building and paying for this school, the relationship between the Americans in the village changed. The relationship changed from partnership in the context of relationship, to partnership in the context of money. The Americans started to be seen as a source of money, in place of a source of friendship.

*That's why managing money in the development process is critical. I wouldn't go so far as to call it greed, because in many places in the world it isn't greed, it's just trying to stay alive. That's why the money has to be managed very carefully. **You can't input that amount of resources all at one time in a relatively short period of time and not expect something to go haywire.** You blow up the balloon, you let it go, and it goes off in directions you never could have anticipated. That's what happened.*

This was not about An Wei, this was just about people, and it's about the challenges of development, development is very difficult.

If I had to describe this school, I would say the building, the structure, was an enormous success. And for the kids that are going to be able to go to school there, it was terrific. But from the most important element of long-term development, which is relationships of people...it fell far short. It fell short because...of the money; because of stuff.

And did An Wei talk to you about the computers? Well I don't know what happened, but I can tell you what happened because of the computers – and if you want to talk about case studies of what not to do, this is a good example.

In conjunction with Best Buy, we donated \$50,000 dollars worth of computers, computer tables to the school. We were told that the village didn't want to use the computers for the school – they wanted to use them for something else. And we said, that's not acceptable. First of all, they're our computers. Secondly, they're for the school. So they're yours to use, but they're our assets – and that was unacceptable to them. And that's when we stopped serving in that community.

The computers are almost like a metaphor...of what goes bad when you start having money get involved in these things. Because computers to the local people meant "money." They can sell them, and make money. They can use them for business, and make money, and they could use them for training, and make money.

They thought, what's the point of having all these computers in there for 6th graders when they could be used by adults for economic purposes. You have to admit, there is nothing wrong with that line of thinking.

Here, Bud is bringing several very important, new perspectives to this study of An Shang. First, Bud is suggesting that An Wei, who is well versed in the real-world necessities and practicalities of pushing these kinds of projects through in China, was forced to do things that the American side would have found unacceptable – had they known about it. In one instance, this involved charging universities in Xi'an for the conversational English classes that the American volunteers were supposed to provide for free. GV found this unacceptable, because money was being collected for services that were being done by “volunteers.” Bud admitted, however, that An Wei’s control in this specific matter was also limited – a condition in China that is explained well by study by Tan and Snell, which examines the differing moral considerations between foreigners and mainland Chinese in the workplace – Tan and Snell found that in a relational society such as China, where an individual’s authority is small in the context of their greater social network, relational or guanxi-related considerations tend to significantly impact moral judgments – that is to say, personal relationships will trump common moral or ethical considerations from time to time.⁹ In their study, the foreign managers made it clear that they understood the importance of maintaining important hierarchical relationships and

⁹ Tan, Doreen, and Robin Stanley Snell, 2002. "The Third Eye: Exploring Guanxi and Relational Morality in the Workplace". *Journal of Business Ethics*. 41 (4): 361-384.

connections with key personages, but did not “construe these as entailing morally binding obligations of the kind that would arise in guanxi relationships.”¹⁰

This study provides a good example of how the differing business-related ethical standards held by Westerners and Chinese could lead to a series of misunderstandings between An Wei and GV. Bud Philbrook very well may have failed to realize at the outset that An Wei would be forced to adhere to not one, but two sets of standards during the course of this project – the American standard, and the Chinese standard, and also that An Wei would not be able to be completely upfront and transparent with either. In any case, it is safe to assume that Bud Philbrook became aware of this throughout the course of the project.

Recognizing this, Bud also suggests that it is conceivable that a certain portion of the \$250,000 donation was in fact used to buy the cooperation of local officials, in spite of the fact that it had been agreed upon that none of these funds could be spent on anything but the actual construction of the school – which meant that this money could only be spent on the physical materials and labor necessary to construct the school. Ultimately, however, Bud acknowledges his respect for the difficulty of An Wei’s position, and the fact that An Wei would not be completely upfront about what it would *really* take to accomplish this project in China. Bud’s mention of the computers, as well as the lesson of the computers and funds as a cautionary tale against overfunding development projects, provides a good point of entry for looking at overabundance of capital in the development process on a macro scale:

¹⁰ Tan, Doreen, and Robin Stanley Snell, 2002. "The Third Eye: Exploring Guanxi and Relational Morality in the Workplace". *Journal of Business Ethics*. 41 (4): 361-384.

“Aid dependence can potentially undermine institutional quality, by weakening accountability, encouraging rent seeking and corruption, fomenting conflict over control of aid funds, siphoning off scarce talent from the bureaucracy, and alleviating pressure to reform inefficient policies and institutions.”¹¹

Brian Cooksey, speaking to the same issue, provides even greater detail, citing a study that details the difficulties encountered by aid organization field workers in Tanzania. Cooksey found that one of the foremost problems with project aid is its tendency to encourage theft, waste, and corruption (especially at the local government level) and undermine political accountability. The other claim, which seems to be supported by at least some of the villagers of An Shang, is that, “being answerable to donors rather than citizens, [the organizers of aid projects] resort to harsh or violent means to raise revenues, including corruption...the existence of legal side payments severely distorts incentives and results in a vast over-supply of meetings, trips, training and other non-productive activities.”¹²

In the case of An Shang, it is certainly reasonable to argue that the amount of money proposed to build the school was, in fact, out of scale with what the village really needed – and this is a conclusion that was freely offered by Jim Swiderski, GV’s regional contact for this project, who was in charge of day to day supervision for the vast majority of the time that the school was being constructed.¹³

To elaborate on the hazards caused by the overfunding of development projects, let us provide a hypothetical example of the pitfalls of having more capital than is

¹¹ Knack, Stephen. 2000. *Aid dependence and the quality of governance a cross-country empirical analysis*. Washington: The World Bank, Development Research Group, Regulation and Competition Policy.

¹² Cooksey, Brian, 2003. "Aid and Corruption: A Worm’s-Eye View of Donor Policies and Practices." Paper presented at the 11th International Anti-Corruption Conference, Seoul, South Korea, May 26-29, 2003.

¹³ Swiderski, Jim (Global Volunteers project supervisor in An Shang village), in discussion with the author, July 2010.

necessary. Say that a donor for a project similar to An Shang's school project agrees to fund such a project, but first asks the recipient community to draw up a budget for it. The budget is created, honestly, and the donor not only agrees to what is proposed in the budget, but offers to double it – creating a project that is now overfunded by a factor of two. All of a sudden, the recipient has a new, previously unexpected task that they must now complete: figure out what to do with this extra sum of money. This may require them to divert precious human resources and time to the task of figuring out how to expand the project, or worse, and even more time-consuming, figuring out how to scrap the current project altogether to initiate a different project that conforms to the expanded budget. In all reality – it is simply easier to take the excess resources and pocket them.

This hypothetical example, then, can perhaps help us explain why it is that the village leaders, as well as the villagers, An Wei's kinsmen, and those within An Wei's *guanxi* network, had similar expectations for how An Wei would manage this entire project, or more specifically, the donation sum.

If An Wei had the desire to secure the village leaders' trust and cooperation, An Wei could have easily engaged in China's well-established practice of instrumental gift-giving,¹⁴ which would have given the village leaders the impression that An Wei was willing to incorporate them into his project, and give them a stake in it – as Boss Zhen so successfully did in Li Zhang's study – after all, An Wei intends to complete this project on their turf, in their village, so to speak. It is safe to say that they *expect* to be bribed, as their cooperation in providing access to their municipality is expected. Here, Mayfair

Yang's notable study of *guanxi* in Chinese society can help explain the financial give and take that An Wei was expected to participate in. She writes:

“Guanxixue involves the exchange of gifts, favors, and banquets; the cultivation of personal relationships and networks of mutual dependence; and the manufacturing of obligation and indebtedness. What informs these practices and their native descriptions is the conception of the primacy and binding power of personal relationships and their importance in meeting the needs and desires of everyday life. Such a conception can be found as an underlying cultural assumption shared by Chinese everywhere, on the mainland before and after the Communist Revolution of 1949, in Taiwan, and among overseas Chinese in Southeast Asia. Guanxixue is a ubiquitous theme; it appears in economic transactions; in political and social relationships; in literature, newspapers, academic journals, theater, and film; and in both popular and official discourse.”¹⁵

Yang uses the term “*guanxixue*” in this instance, but the significance is still apparent – the local officials in the village, because of the safe assumption that Chinese everywhere understand this, expected An Wei to “manufacture indebtedness,” as it were, and provide them with a favor or concession equal than or greater to providing access to their land and leadership capabilities.

The villagers, however, while not expecting to be bribed in the kind of ritualized exchange or gift-giving practices that were expected between An Wei and the officials, the villagers had their own set of unmet expectations, which represented another side of the same coin. Mokbul Ahmad's study of the problems that aid workers found themselves up against in Bangladesh provide a very interesting, regionally distinct counterpoint to An Shang. It is worth noting that in both the case of the An Shang villagers, and the farmers in Bangladesh, the aid workers were dealing with rural, agriculturally based

¹⁵ Yang, Mayfair Mei-hui. 1994. *Gifts, favors, and banquets: the art of social relationships in China*. Ithaca, N.Y.: Cornell University Press. Pages 6-8.

communities, where expectations of what the communities stood to benefit by aligning with an NGO were very similar:

“Fieldworkers say that people think that if they become NGO group members or clients they will get money or material relief. Agency relief operations in the aftermath of natural disasters have created this mentality. Before joining, many people ask which benefits they will get and how soon, and are often in a position to choose among NGOs. Many people assume that NGO membership will enable them to get free seeds, poultry, medicine, etc., and demand these as a condition of joining. This unholy competition among the NGOs is a real danger for 'development' at the grassroots and makes field workers' jobs still harder. The recent fashion of micro-cred it has created further competition as members leave one NGO on the grounds that the other NGO gives bigger loans more quickly; a problem I found to be particularly acute in some RDRS working areas.”¹⁶

Here, we can easily see why the villagers, who may very well have had misconceptions about what their village's partnership with GV would be like, would be somewhat surprised when GV, in spite of their purported goal to help the village, embarks on a project that will only benefit *some* people, and leave others by the wayside. While one family with several school age children might think the school is a fantastic idea, another family who no longer have children living in the village might wish that GV would just buy their production team a tractor, instead of asking them to trade their land.

Section Five: Looking Past the Politics of An Shang

We have accounted for the problem that An Wei encountered *within* An Shang village – but given An Wei's political stature, as well as the fact that he grew up in An

¹⁶ Ahmad, Mokbul Morshed. 2002. "Who cares? The personal and professional problems of NGO fieldworkers in Bangladesh". *Development in Practice*. 12 (2): 177-191.

Shang village, it still remains to be explained why An Wei also found himself in conflict with the Fu Feng county officials. The fact that the county officials took notice of An Wei's actions in An Shang provides another very interesting dimension to An Wei's evolving relationship with the villagers. But first, some background on An Wei's political actions within the village must be provided to understand the origins of the conflict with the county government.

Of all of the things An Wei did while working in An Shang, it was clear that the thing he was most proud of was the introduction of the Village Organic Law into An Shang's political structure. The 1998 Village Organic Law, or rather, the *Zhōnghuá Rénmín Gònghéguó cūnmín wěiyuánhùi zǔzhīfǎ* (中华人民共和国村民委员会组织法) is a set of 30 articles regarding self-governance and elections in Chinese villages, which sets the rules and regulations under which Chinese villagers may govern their villages, as well as terms and conditions for village elections.¹⁷ An Wei claims that when he came to the village, and explained to the villagers what the law meant, the villagers were shocked and surprised that there was a national law that guaranteed the villagers' right to vote democratically on who would lead their village. This, An Wei claims, was the beginning of the real political change in the village, the end of the former leaders' long run as the leaders of An Shang village, and the beginning of An Wei's problems with the county leadership – who supposedly had serious objections to An Wei giving the villagers the kind of legal knowledge that would allow them to more easily challenge county leadership. This does, however, track with similar studies and instances of well-educated,

¹⁷ Wikipedia contributors, "Organic Law of Village Committees," *Wikipedia, The Free Encyclopedia*, http://en.wikipedia.org/w/index.php?title=Organic_Law_of_Village_Committees&oldid=344562066 (accessed March 27, 2011).

legally well versed individuals organizing rural communities to advocate for themselves in China, as well as the results documented in these studies – in dealing with the county government, which An Wei blames in part for a significant portion of the official and political resistance to the school, a particularly relevant case comes to mind – which is Ian Johnson’s study of Mr. Ma, a lawyer credited with winning a landmark civil action case on peasant over-taxation in Shaanxi Province.¹⁸ Johnson argues that, in reading the court documents surrounding the case of Mr. Ma, what comes through most is a clear governmental anger towards Mr. Ma for teaching the peasants certain techniques for advocating for themselves legally – or rather, teaching them the elite, bureaucratic legal speak that allowed them to break out of their environment and interact effectively with local officials.

Thus, it is totally understandable why the county leaders, who already have enough problems managing a township populated by villagers that do not trust them, would be furious that someone like An Wei, who comes from the Party, and usually functions at a level of leadership and political power that is far above their heads, is coming to their township – their turf – and telling the villagers how to legally disenfranchise these leaders, who would have been content to leave the political climate in the township exactly as it was. An Wei claims that this was purely because of the way it had facilitated the kind of graft and under-the-table dealings that the township and county leaders had become used to. An Wei supports this claim with an anecdote about

¹⁸ Johnson, Ian. 2008. *Wild Grass Three Portraits of Change in Modern China*. Paw Prints.

the response An Wei received when An Wei invited the county leaders to the first village congress meeting.¹⁹

So, we cannot have that meeting – it is against the will of some of the local officials, because that will harm their personal benefits. For instance, the former leader of the township shouted to me when we have a conversation in his office – “If you make everything open and above the table, what is the benefit for the other village leaders to be leaders?” That means they cannot get any personal benefits. He just said that openly. So, if every village will act like this, how could we manage the whole work?

Here, we see that An Wei has managed to attract the attention of the township leaders in such a way that one might assume to be hazardous to the entire school project.

At this point, it is important to give An Wei credit for accomplishing the incredible feat of actually implementing this law in An Shang village, and overcoming the significant barriers to political change present in an environment such as An Shang village. From the perspective of some of the local leaders, there was no need to develop democracy or political awareness in An Shang village – it would just make their lives more complicated. The Chinese government, however, realizes that this will not stand as China develops, and requires a base of citizens that is both politically informed *and* supportive of the current regime. Jim Swiderski, the project supervisor in An Shang for the bulk of the whole project, provides an excellent explanation of why this is. Jim reminds us that, in looking at the collapse of Communist Russia, the PRC became aware of communism’s real potential to anger a populous to the point of revolution and chaos – and thus became motivated to find a way to grant its people real political participation

¹⁹ Here, the distinction between villager’s committee” and “villager’s congress” is critical: the villagers’ congress is the representative body that An Wei forms under the Village Organic Law, specifically to replace the villagers’ committee, which was comprised of several leaders with whom An Wei had been having difficulties. They are essentially two completely different modes of running the village, the villagers’ congress being the one implemented by An Wei.

through democracy, while at the same time maintaining the Party's ultimate power.²⁰ From the PRC's perspective, the only safe way to do this was to experiment with democracy – just as Deng Xiaoping did with capitalism in Shenzhen. An Shang, then, was a timely, controlled test case for this process of shock-politicization, and learning a new form of political involvement, which An Wei navigated by balancing sensitivity to the goals of the China's central government, and An Wei's brand of legally-justified opposition to the tendencies of China's local, village governments.

Section Six: Concluding Remarks

Looking back at the story of An Shang, one very important insight to keep in mind is the abundance of angles from which the conflict can be perceived. There are so many, in fact, that it almost remains an open question – was it a political battle, or a battle against pro-farming/anti-education feudal thinking, or a financially motivated clan war? Perhaps, this was a battle that was fought on the frontier of China's slow but essential socio-political development. Everyone in this conflict had their angle, and worked as hard as they could to justify it. Bao Pu, a Hong Kong publisher, once said, “The party has no use for objective history” – Feng Tian Suo, Feng Suo Liang, and An Wei all share this limited use for objective history.

In all truth, however, we cannot so easily say who is in the wrong, and who is in the right. This reflects a basic fact about *guanxi*'s ever expanding and contracting ethical guidelines in China, which Xiaotong Fei explains so well:

²⁰ Jim Swiderski (Global Volunteers project supervisor in An Shang village), in discussion with the author, July 2010.

“The degree to which Chinese ethics and laws expand and contract depend on a particular context and how one fits into that context.”²¹

This is at the core of An Wei’s complex act of building the school at all costs. At a basic level, who can argue against public education initiatives in rural developing communities? An Wei, after making a series of calculations about the context that this project fell into, decided that it ultimately be worth the conflict, worth the accusations, and worth the political and social cost to An Shang to build this school. One could speculate that An Wei, in the midst of considering the welfare of the farmers, leaders, the school age children of An Shang, and possibly his own family’s well-being, may have adapted his relationship to the law in order to accomplish this task – and one could also argue that this was indeed the morally correct action, or not.

Ultimately, I believe that this was a battle that was fought for China’s complex, but necessary socio-political development. China has gone through staggering economic reforms, and from an economic standpoint, the foundations for an extremely formidable and complex economic power are all there – but the economic solutions have neither solved nor ameliorated China’s political problem. If anything, China’s economic reforms have only made its political problems worse. This is something that rings true at every level of government, all the way down to the case of An Shang village – where one individual’s power to wield a considerable amount of private economic power caused the complete disruption of An Shang’s village politics. This is only one side of the coin, however. The other side is the fact that this kind of disruptive uprooting of village governance systems and village kinship power dynamics is a taste of things to come, and

²¹ Fei, Xiaotong. 1992. *From the Soil: the Foundations of Chinese society*. Berkeley, CA: Univ. of California Press.

a necessary growing pain during China's experiment with its new approach to social politicization. An Wei, for all his complexities and shortcomings in the eyes of those who opposed him, was very much a visionary in his aptitude for judging the political zeitgeist at China's various levels of government, his talent for interacting and currying trust and favor with international leaders and organizations, and his motivation to accomplish something that few people in the world, however like-minded they might be, could actually do – An Wei's rare collection of political connectedness, intercultural literacy, and excellent language and interpersonal skills made him a uniquely suited individual for the task of politically reconstructing a Chinese village while simultaneously building a school in it. It is indeed impressive that An Wei was able to create a symbiotic relationship between constructing the school in An Shang, and playing his part in implementing an important national policy in China, and accomplish all of this in one fell swoop. If anything, An Shang was lucky to have an individual as talented and informed as An Wei at the helm of one of its major developmental phases. One might wonder, then – is this the microcosm, or model of development, that the PRC wants for China in years to come? Perhaps not, because of its potential to disrupt, or worse, to be perceived as an unfulfilled promise for a better tomorrow. On the other hand, maybe this is in fact what the PRC has intentionally engineered: in the end, it was the Party that ultimately held the power to decide the future of An Shang, and it was also the Party that was able to provide a positive development in the village, while guaranteeing its own existence. This should not detract in any way from An Wei's personal achievements in bringing about positive change and political reform in An Shang, however, as it was ultimately An Wei who saw the potential use his membership in the Party to this end.

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