

**INTEREST GROUPS IN CHINA'S POLITICS
AND GOVERNANCE**

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Executive Summary

1. Though China's authoritarian party-state centralizes all power and streamlines its policy-making process, multiple interest groups managed to emerge and exert extensive influence.
2. Of importance is the role of economically driven interest groups in recent years. There are 4 types in this context: institutional interest groups, corporation interest groups, associational interest groups, and anomic interest groups.
3. Powerful groups such as institutional interest groups and corporation interest groups seek privileges or favorable policies through policy-making or through the administrative departments and supervising departments and via their special government and business relationship.
4. One outstanding case is the delay in the passing of the Anti-Monopoly Law (AML) for 13 years by cartel-like corporations and their government protectors. Even in the final draft of the AML, an article explicitly states the superiority of laws or administrative regulations for an industrial sector or a sector over the AML.
5. Associational groups on the other hand are instrumental to mobilizing support for the institutions. As associational interest groups are subordinate to relevant departments, they are policy instruments rather than channels of public articulation. Nonetheless, some associations did play a positive role in local governance.
6. Weak interest groups refer to anomic ones which often resort to violence to articulate their needs ("social protest"). Social protests force the Hu-Wen Government to adjust its public policy toward "new socialist countryside" and "harmonious society".

7. To regulate interest group politics, the Chinese government has taken measures to reduce income disparity. Policies such as granting unemployment allowance, abolishing agricultural taxes and tuition fees, providing medical insurance, increasing servicemen's wages, elevating social welfare of ex-servicemen and building a national network of medical insurance have been adopted.
8. A number of new laws have also been passed. The *Urban Removing Regulation* in 2006 restricts coercive evacuation in cities and the *Property Law* in 2007 enhances ordinary people's property rights.
9. In spite of these measures, much needs to be done before the Party is able to effectively manage the politics of interest groups as they are very much an embedded part of China's politics.