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Beyond Coercion: The New Politics of Conflict Processing in China

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Abstract Coercive capacity matters for keeping stability of authoritarian regime. Yet governing conflict is more than deployment of coercion. State response to contentious politics can be classified by the form of power it uses to direct challenging behaviors. This paper suggests a typology of conflict processing mechanism and uses it to illustrate the diversity of China's domestic security strategy and detect new signs of conflict management beyond coercive actions. The focus is an emerging social engagement approach—a conceptually distinct process through which contentious behavior is transformed by intermediate agencies. Despite its limits in handling large-scale conflicts, this approach of conflict resolution is able to contribute to regime stability from below by demobilizing and depoliticizing local and issue-based contentions.

Keywords Conflict processing · Social unrest · Social engagement

1 Introduction

Post-reform Chinese society features various social discontents and unrests, ranging from peasant resistance, labor unrest, environmental activism to homeowner mobilization. This constitutes a major exogenous challenge to the governability and legitimacy of the ruling Party-state. Officially defined as "mass incidence," social unrest has been increasing at an alarming rate in the context of rapid marketization and urbanization. From 1993 to 2005, the number of mass incidences had grown tenfold (to 87,000). An estimated number of public protests went further between

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180,000 and 230,000 in 2000 (Göbel and Lynette 2012).[1] Against this background, keeping stability (*wei wen*) has become a pressing political agenda in China.[2]

A flourishing body of literature has recognized the rise of stability maintenance regime in China, with scholars addressing the origin, organizational structure and consequences of domestic security system (Wang and Minzner 2015; Benney 2013, Wang 2014; Su and Xin 2010; Feng 2013; Xie 2012, 2013). Scholars tend to emphasize the organizational expansion of coercive sector as well as the phenomenal growth of funding for domestic security. The fact that Chinese Party-state is preoccupied with coercive apparatus in maintaining stability has been widely viewed as a bulwark for China's authoritarian developmentalism (Yang 2017).

States, democratic or authoritarian, create coercive institutions in attempts to secure sociopolitical order, to reach "unity in diversity" (Przeworski 2011). Yet governing conflict is more than deployment of coercive apparatus. Conflict processing mechanisms can be defined by various types of power that are exercised to obtain social compliance. This paper builds on this assumption and suggests a broader framework to map the patterns of conflict processing in China. In particular, I explore the nature and dynamics of a non-coercive form of conflict governance characterized by social engagement through intermediate institutions. Despite their limits in handling large-scale contentions, they help contribute to regime stability from below by generating a buffer zone through which social grievance can be negotiated and depoliticized.

This paper proceeds as follows. In the next section, I present an overview of the emerging fragmented contentious society since the 1990s. Then I offer an analytical schema about three mechanisms of state responses: coercion, exchange and engagement. I also identify the attributes of each mechanism and the conditions under which they occur. This is followed by an investigation on policy orientation of the Chinese state during the Hu-Wen era (2002–2012), with a focus on how social engagement emerges and functions at the local level. I conclude with a discussion about the new politics of conflict processing and its implication to the surprising resilience of Chinese Party-state.

1.1 A Fragmented Contentious Society

Since the opening and reform in 1978, China's leadership has emphasized economic development instead of class struggle and Maoist mobilization politics.

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[1] "Mass incidents" is officially defined as any kind of planned or impromptu gathering that forms because of "internal contradictions," including "mass public speeches, physical conflicts, airing of grievances or other forms of group behavior that may disrupt social stability." In practice, definitions by journalists, public authority and researchers can be different (Freeman 2010). A social protest having over 500 hundred participants is usually calculated as "large-scale mass incident" (Chen 2004: 32).

[2] Definitions of stability have been various and diverse. It constitutes a major concern in comparative politics in 1970 s, when scholars were preoccupied with political decay, crisis and violence in modernization process. Ake (1975) argues that political stability occurs if members of society restrict themselves to the behavior patterns that fall within the limits imposed by political role expectations. This follows that a political community is stable as far as societal conflicts are peacefully processed. For a classical review on political stability, see Hurwitz (1973).

Subsequently, there has been a systematic decline of socialist social contract in the process of market transition. A new set of neoliberal economic discourses and values, such as material incentives, efficiency, productivity and profit orientation, has been crystallized in the post-socialist context. With the commodification of land and labor, as well as the erosion of existing social security nets of pensions, housing and health care, the livelihood and security of segments of the rural and urban working class have been negatively impacted.

Concomitant with these transformations is a tremendous growth of social unrests in both urban and rural sectors (Tanner 2004; Li, Liu and O'Brien, 2012; Tong and Lei 2013). A research report on "large-scale mass incident" with more than 500 participants shows that there were 548 large-scale mass incidents between 2003 and 2010, and a significant upsurge occurred in 2007 and 2008 (Tong and Lei 2010:489, 2013:10). In addition, contentions have spread into a wide range of social spheres and are constituted by groups including workers, peasants, environmentalists, journalists, homeowners, feminists, religious communities, ethnic minorities, AIDS activists and human rights advocates, among others. Furthermore, many protests have become more radical and well organized. As Li and O'Brien (2008: 22) shows, protest leaders have emerged and are able to "lead the charge, shape collective claims, recruit activists and mobilize the public, devise and orchestrate acts of contention, and organize cross-community struggles."

Over time, there have been three identifiable waves of social unrests: the first wave occurred in late 1990s, which was mainly caused by large-scale state-own enterprise restructuring, bankruptcies and labor right violations. Between 1994 and 1999, the number of laid-off workers increased from 3 million to 11.7 million (Cao et al. 1999). Since the early 2000s, hyper-urbanization has brought a new wave of unrests caused by abuse of collective land ownership rights and housing issues. A concurrent wave of identity-based mobilization can be observed during this period of time. This is evidenced by a growth of environmentalism in China, which is centered on green agenda, life quality and post-materialist values (Liu 2013; see also Sun and Zhao 2008; Tong and Lei 2010). In addition, episodes of "ethnic mass incidence," notably the street rioting and targeted inter-ethnic violence in Lhasa (March 15, 2008) and Urumqi (July 7, 2009) signify a rising ethno-cultural consciousness and ethnic tension (Hillman and Tuttle 2016).

While the link between social unrests and the regime stability is hardly disputable, whether and how these conflicts can erupt into substantial political dynamics in China is the focus of increasing debate (Chen 2012).[3] Despite that post-reform Chinese society has become growing vibrant and contentious, it remains highly fragmented. Two notable characteristics of contentions in China can be recognized. First, most activisms are "policy-based," instead of being politically organized aiming at regime change (O'Brien and Li 2005; Ho 2001). Second, without encompassing a normative outlook and having a strong organizational base, most mobilizations remain localized and issue-based. Instead of formulating a social

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[3] Questioning that social unrest will immediately undermine regime stability, Lorentzen (2013) claims that informal toleration and even encouragement of small-scale, narrowly economic protests can be an effective information gathering tool for maintaining authoritarian control.

cleavage that can drive political transition, these conflicts constitute a "fragmented contentious society" that could stimulate state penetration and even reproduce the legitimacy of the overarching regime.

1.2 Mechanisms of Conflict Processing

What are the mechanisms of conflict processing by which Chinese state might exert over a contentious society? Previous researches as well as media discourses tend to portray a confrontational relationship. Indeed, the Party-state leadership has an enduring consciousness in elaborating its coercive sector—including extensive intelligence networks and specialized police and paramilitary units in order to contain contentious challengers and avoid political and social crisis. Regime-specific factors certainly matter—the Leninist predisposition makes ruling elites wary, at best, and hostile, at worst, to any mobilizing processes that function outside of its control (Saich 2000).

This explanation of state response is conceptually coherent and empirically supported. However, substantial evidence suggests that coercive response does not exhaust the ways in which state actors process social conflicts under authoritarianism. State responses to contentious society have actually evolved over time and varied significantly by localities, issues and level of government (Cai 2008; Lee and Zhang 2013).[4] Protests are frequently tolerated as long as they are localized, unorganized and issue specific (Perry 2001). In general, local government has an immediate pressure and responsibility to prevent contentions and conflicts from being politically organized. The upper-level government, in contrast, might take a tolerant stance by blaming lower-level government.

To comprehend the complexity of state response, Przeworski (2011, 2012) has offered a schematic typology of mechanisms by which conflicts can be processed: monistic mechanisms and pluralistic mechanisms. Monistic mechanisms imply a combination of exhortations to unity, repression and cooptation, while pluralistic mechanisms, typically those pluralistic elections, rely on institutional frameworks that process conflict according to rules that can structure, absorb and regulate conflicts. In this line of inquiry, conflicts can be regulated by systems of collective bargaining as well as judicial systems that could individualize conflict. In Prezeworski's words:z

> "We now know that political institutions can cope with conflicts, that conflict can be structured, regulated, and contained, that purely procedural rules can be effective in processing conflicts without relying on force, that political opposition may in fact improve the quality of collective decisions, that choosing governments through reasonably competitive elections is the only way of fostering political freedom in divided societies" (Przeworski 2012: 24)

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[4] For example, protests by state-own enterprise (SOE) workers have typically had favorable outcomes because their actions have been "forceful" and widespread. In contrast, protests by laid-off workers from relatively small urban collective enterprises have not been responded with substantial policy adjustments, as they are unable to become a perceivable threat to legitimacy and stability (Cai 2010).

Table 1 A typology of conflict processing mechanisms

	Organization forms	Mechanisms	Cost for state
Coercion	Security apparatus	Imposition, repression	High
Exchange	Clientelistic network welfare regime	Accommodation	Medium
Engagement	Intermediate organization	Persuasion/mediation	Low
	Legal agencies	Individualization	
	Pluralistic election	Deliberation	

Can one expect some viable conflict processing mechanisms in an authoritarian context where both collective bargaining system and liberal pluralistic elections are weak or even nonexistent? According to Prezeworski, handling conflicts aims at reaching consensus and pursuing "unity in diversity." Obviously, there are a variety of mechanisms of conflict processing stemming from difference forms power: coercive, utilitarian and normative (Etzioni 1975, 1997). Coercive power relies on force and sanction to make control. Utilitarian power depends on remuneration or extrinsic rewards to control lower-level participants. Normative power functions through allocation of intrinsic rewards. All three types of power can be useful in obtaining subordinates' cooperation in political process.[5]

This paper takes step in this direction by developing an integrated framework on the spectrum of conflict processing. I suggest that government, assumed to be maintaining political order and seeking a continuation of the status quo, can make three ideal types of responses when confronted with a sociopolitical contention: coercion, exchange and engagement. Table 1 outlines their major definitional differences in terms of organizational form, functioning mechanisms and cost for the state.[6]

The first and most obvious category is *coercion* by which political authorities generate compliance from the subjects with threat and punishment within their territorial jurisdiction. Coercion shows "an effective form of power in extensiveness, comprehensiveness and intensity" (Wrong 1979). Central to this mode of action is the mobilization of security and police sector, which may dissolve the opposition and deter future protest by raising the cost of collective action coordination (Edmond 2013). It may also convince political leaders that it is easier to settle the matter by force instead of conceding power or engaging disputants through alternative approaches.

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[5] Similar distinction can be found in Kenneth Boulding (1989)'s classification of productive, destructive and integrative form of power and William Gamson's (1968) typology of inducement, constraint and persuasion. Charles Lindblom (1977) also claims that power can be exercised through authority, persuasion and exchange.

[6] The analysis of cost in this paper is in line with the literature on the growth of domestic security regime, which is largely measured by government spending in relevant organizational sector and programs. Cost incurred by each type of strategy certainly has different manifestations. For example, some repressive strategy adopted to address domestic challenges may be reprehensible to the international community, which would bring about international pressure.

In an *exchange* scenario, the state accommodates a contentious society with materialistic benefits. It demonstrates the essence of utilitarian power. As Lindblom (1977) postulates, "exchange" means that one must give up something in return for action. At the micro-level, exchange is often associated with private side payment and benefits. It typically functions through a vertical political–material exchange relationship or clientelistic network—"a relationship based on political subordination in exchange for material rewards" (Fox 1994: 153). At the policy level, the exchange scenario can take the form of programmatic redistribution. Researchers on welfare regime have suggested that, by offsetting the effects of poverty and inequality in society, access to public services and welfare benefits becomes a major means for addressing political and social instability (see for example, Svensson et al. 2012). Enacting welfare policies can improve the living standards of citizens and co-opt the political opposition and therefore decrease the incentives for contentious mobilization. In other words, as the level of the government investment in welfare policies (i.e., education, health and social security) increases, the likelihood of sociopolitical conflict onset declines significantly (Taydas and Peksen 2012).[7]

Whereas both coercion and exchange can be effective in preventing contentions from being politically and collectively organized, they are relatively costly as being devised through an outside-in approach. The cost of choosing a violently repressive strategy is relatively high for the state, not only in financial terms, but also because of the possible violent escalation and radicalization of contentious community that may even collapse the current government. As Etzioni (1975, 1997) aptly analyzed, the exercise of coercive power often ends up with "alienative involvement" in which targets react with confrontation and hostility. Welfare provision, essentially a form of utilitarian power, usually results in "calculative involvement"—participants may adhere to collective unity for maximizing personal gain. Therefore, without involving change in the target actor's underlying preferences, the operating of these two mechanisms is unlikely to be sustainable.

Given this fact, an "*engagement*" approach characterized by a purposeful, facilitative process of interest articulation and deliberation may be more appealing. Engagement takes many forms, from electoral participation to legal mobilization to social involvement. Politically, pluralistic election is a key mechanism to conflict processing. Credible electoral processes offer a means of channeling social conflict into respectful and peaceful deliberations. Whether or not there is an electoral engagement certainly depends on the availability of a legitimate election rule as well as functional oppositions. In addition to this, much can be said about the merits of legal engagement in individualizing conflicts. As grievances are framed with legal rights and channeled through legal mobilization, contentions become depoliticized.

Furthermore, engagement occurs in social setting. This implies that conflicts can be subjected to persuasion and social interaction, which would help socialize the grievances and prevent them from being escalated politically. This approach of

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[7] The rationale of giving citizen a stake in the nation by providing housing and other welfare for the sake of social stability can also be found in the experience of Singapore, see (Chua 2002).

conflict processing is not only favored by a typical "soft authoritarian regime," which relies more on the means of persuasion than on the means of coercion (Schatz 2009), but is also deeply grounded in Confucianism in the Chinese context, which values harmony over overt conflict, and collectivity over individualism. As noted by some observers, the practice of community-based mediation demonstrates a soft approach of conflict management, in which cultural preference for mediation is congruent with regime's preference for order and stability (Wall and Blum 1991).

Simply put, whereas coercion implies imposition, exchange means induced compliance, managing conflict through engagement shows a conceptually distinct mechanism by which confrontational behaviors can be transformed by political, legal and social interventions. In particular, the social engagement approach would call for a particular role to be played by intermediate institutions—a plethora of intermediate organizations and networks functioning between state power and social forces (Read 2009). These agencies constitute a growing important building block of state's "infrastructure power" that can penetrate and transform social contentions from below.

It should be noted that these mechanisms emerge and function under different conditions and should not be viewed as isolated to each other.[8] The regime may turn to material exchange and engagement when coercive control appears to be too costly, and engaging strategy would arguably become more effective when combined with coercive sanctions. In practice, most rulers under authoritarianism employ all three types of power and could lead to some hybrid form of social control. Interestingly, coercion might take a new shape by embracing social relations in the Chinese context. This follows that activists and protest communities can be tamed through a pattern of "relational repression" in which a state-sponsored work team based on activists' social ties can be assembled to collapse the mobilization (Deng and O'Brien 2012).

Each scenario of response is likely to be relevant and effective in different issues settings. While coercive measures are instrumentally useful for raising the cost of collective mobilization that are politically organized and large in size, they tend to be less effective and more problematic in addressing issues that are sporadic and small size. Facing a "fragmented contentious society," where most contentions are localized, weakly organized and issue-specific, ruling elites are more likely choose to decentralize and individualize social conflicts through exchange and engagement mechanisms, instead of repressive measures.

1.3 Sticks, Carrots and Beyond

The Tiananmen Incident in 1989, as well as the outbreak of the many violent popular protests in the late 1990s, has triggered a "stability mentality" among Chinese leadership, which is both reactive and proactive. The Chinese Party-state has been seizing and retaining the initiative in managing sociopolitical challenges

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[8] The studies on state response and particularly state repression have coalesced around a set of explanatory factors. Findings are mixed regarding the role of regime type, economic development and demographic configurations (see Davenport 2007).

through ideological, institutional and policy reforms. In the late 1990s, guided by the "three representatives" theory, the Party-state aimed at co-opting new elites from private entrepreneurs, who might otherwise present a political counterforce in the course of marketization. Since 2000s, the stability mentality has been manifested in the agenda of "harmonious society building," which explicitly addresses the growing social inequality and unrests. In this evolutionary trajectory, both sticks (coercive measures) and carrots (welfare provision) have been extensively applied in resolving conflicts.

Coercive capacity remains important for the making of authoritarian sociopolitical order. In the Chinese context, the CCP's political and legal sector was significantly revitalized after the Tiananmen Incidence, followed by an initiative called "Comprehensive Management of Public Security" (CMPS) in 1991. CMPS was designed to mobilize a range of party and state institutions and utilize multifarious means to eradicate factors that endanger stability. The domestic security sector was further strengthened after the *Falun Gong* Incident in 1999, which triggered the establishment of "the Leading Small Group for Maintaining Stability" at each level of government. Under this new framework, various legal, administrative and social resources are brought together aiming at resolving conflict more effectively. These institutional changes promoted an integrated model of state accommodation to social unrests.[9] Together, these dynamics gave rise to a notable securitization of local governance in China, evidenced by rapid growth in the public security expenditure and the emergence of social stability as a core element of cadre evaluation mechanisms (Wang and Minzner 2015; Wang 2014).[10]

The Hu-wen administration has also been struggling for social stability and political support by delivering social policies and welfare schemes, which reflect a political nature of "populist authoritarianism" (Dickson 2005; Tang 2016). Increasingly, economic concessions and materialistic compensation have been applied to address social contentions on a broader canvas. For example, in responding to rural resistance, the central government has issued edicts urging local government to lighten burdens on the rural poor. In 1998, laws were passed to firm up peasants' land rights by extending their land contracts for another 30 years, which was firstly granted by the household responsibility system. The introduction of the Minimum Standard of Living Scheme (MSLS) in 1997 for city dwellers was mainly for reducing the dissatisfactions of laid-off workers. The implementation of the rural MSLS in 2007 aimed at minimizing conflicts between land-losing farmers and local governments.

An iconic strategy of stability building through welfare and benefit provision can be found in the "socialist harmonious society building program." Firstly proposed by the Hu-Wen administration during the 2005 National People's Congress, the idea of harmonious society shows a deliberate state response to the problem of social inequality. According to the official statement, a harmonious society would result in

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[9] This certainly includes the system of "letters and visits" (*xinfang*), an administrative system that allows citizens to make complaints about local officials to higher levels of power, which to some degree functions as an alternative to formal legal institutions (Minzner 2006).

[10] It was estimated that the expense on domestic public security spending has been increased by 13.8% between 2010 and 2011. In 2011, the spending reached 624,421 billion yuan, more than China's defense spending for the same period (Chen 2011).

lasting stability and unity, it should feature "democracy, the rule of law, equity, justice, sincerity, amity and vitality," and it will "give full scope to people's talent and creativity, enable all the people to share the social wealth brought by reform and development, forge an ever closer relationship between the people and government." (Xinhua 2005). Under Hu-Wen administration, harmony became a popular slogan in many policy fields. They addressed welfare needs of those social groups that had been marginalized and neglected in the process of rapid economic liberalization. As a "hegemonic project," the harmonious society building has an explicit aim to mitigate the growing social unrests, and in particular, to secure worker's acquiescence to the capitalist development (Hui et al. 2011).

The growth of coercive sector and social policy interventions is accompanied by an increasing preoccupation with legal engagement. This is largely in tune with the rhetorical emphasis on rule-by-law from the 1990s. As Peerenboom and Xin (2009) suggested, rule of law is not incompatible with the Party-state regime, albeit not taking a liberal–democratic form. Legal process has been comprehensively applied in areas of labor disputes and housing-related conflicts. As a matter of fact, with the Labor Contract Law coming into force in 2008, more and more labor disputes have been directed into legal channel and the numbers of labor arbitration and litigation cases have increased dramatically (Tang 2009; Trevaskes et al. 2014).[11]

To sum up, these strategies of conflict processing, ranging from coercive response to welfare provision and to legal engagement, have been combined to help the Party-state adapt to a growing contentious society. However, they are not without challenges. For coercive interventions, it remains paradoxical that stability budgets and growing social unrests are coexisting and even mutual reinforcing. In some poor areas, a heavier financial burden has been caused by public security investment as the new funding initiative engenders demands for matching funds from local government to complete designated projects (Xie 2013). Since stability has been established as a core in the local accountability system, local governments are motivated to use special funds to "buy over" potential protestors, known as "using *renminbi* (the currency of the people) to deal with contradictions within *renmin* (people)." Such a strategy is enormously costly and it encourages more contentious actions for quick compensation, ending up with a "vicious circle"—the more the authorities institute efforts to maintain stability, the more unstable society becomes (Sun et al. 2010).

Welfare provision and legal engagement have helped depoliticize many challenging issues, in particular labor tensions and rural contentions. However, as reflected by Chan (2008), China's welfare intervention is aimed at reducing the tensions between poor people and the state rather than to promote social justice, which has widened social exclusion. When it comes to legal process, it is frequently confronted with a challenge of

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[11] In addition to addressing social problems through welfare programs and legal interventions, grassroots democracy has also been advocated in the harmonious society program. The idea of village self-government and election was formally embraced in the 1982 Constitution and institutionalized by the Organic Law of the Village Committees (experimental) in 1987. There has been enormously uneven implementation of village committee election. Although the election, by increasing congruence between village leaders and their constituents and by shifting the base of community power structure from top-down coercion to bottom-up participation for the common good of the community, may theoretically contribute to community stability, there has been enduring problem of implementation, and the election stability nexus is far from clear.

enforcement. For example, many local officials maintain a close and even collusive relationship with employers and thus undermine the strict standard of labor right protection. As a result, they have "undermined legal institutions and judicial justice, derailed legal reform, compromised the universal values of human rights and democracy and undercut the vital sources of regime legitimacy" (Feng 2013:12).

1.4 Social Engagement in Action

This section empirically examines the social engagement approach—a creeping tactic of conflict processing in urban Shanghai. To begin with, engaging intermediate organizations as a new form of service delivery and social control has been part of the Chinese political discourse since the 1990s. A concept of "social management" was raised and elaborated in the 16th and 17th CCP Congresses in 2002 and 2007. It became a focus at the Fifth Plenary Session of the 17th Central Committee in 2010, with the resolution articulated that the general principle of social management is "party leadership, government responsibility, social coordination and public participation" (Yu 2011).

In this context, local governments have increasingly resorted to social organizations and community networks in preserving stability (Fewsmith 2012). This is justified by a critical reflection on the "carrot" and "stick" strategy in stability maintenance, as noted by a former leader of the Civil Affairs Bureau in Shanghai Municipal Government:

> "We must know that some unrests are associated with ethnicity and national security, some might be driven by Western political ideology, but most others are not. Discontent residents and workers complain about economic suffering and demand an investigation and solution by higher levels of government. They might appear as 'trouble maker', but they are not asking for a quality change of our political system…why shall we bother to call for policing to make social order? Do we have enough police force? Dispatching police should not become a habit of our cadres. Too much government intervention will not be affordable in the long run, and it could only trigger wider instability and distrust. We might learn to settle these disputes by facilitating their problem solving and by using social resources as much as we can. We should think seriously about the role of voluntary and professional social organization in the making of social harmony."[12]

Such an orientation has further encouraged many community-level experiments.[13] For example, Jing'an, one of Shanghai's most prestigious downtown

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[12] Interview May 13, 2005.

[13] Social engagement strategy would necessitate a role played by various forms of non-state actor, including the state-led Residents Committee (RC) as well as mass line organizations such as women's federation, union federation and youth league, which have been charged with the political role of organizing youths, workers, women and members of other social sectors. In the late 1990 s, the Chinese government began to revitalize the RC system in the scheme of "urban community building." RC was strengthened to engage community activists for delivering social services, mobilizing political support and mediating neighborhood conflicts (Liu 2008). They are, however, often attached to and controlled by the administrative state and fail to execute a larger social function.

areas, developed a strategy of contracting with NGO's and community organizations to process social conflicts. From July 2007 to December 2012, these organizations have successfully mediated 2577 labor disputes and have solved the wage payment dispute for 2117 migrant workers, and 165 other significant community conflicts caused by urban gentrification (Shanghai Administration Bureau of NGOs 2014).

A remarkable social engagement approach can be found in the practice of "Bai Wanqing Volunteers Initiative" (BVI) in Shanghai. BVI was set up by Ms. Bai Wanqing in 2006, a retried cadre and community organizer in Jing'an area.[14] The program was registered and supported by Jing'an sub-district government as a pilot model of promoting social harmony through social organization. Since its establishment, BVI has become a viable conflict mediation center, where a wide assortment of community disputes was settled successfully. BVI, as articulated by Ms. Bai, is a new approach to social harmony:

> "As a community social organization, we have no legal and administrative power, but we posse the capability and obligation to building community ties, and we may function as a bridge between government and victims. I believe that many social conflicts are caused by policy inconsistence and implementation problems, but victims have their problems that are often invisible to government. People tend to be confrontational and even irrational when dealing with government, but not with us. People can always come to us and share their grievance and perspectives; we may bring them to government and negotiate a better solution. There are always more solutions than problems. And, people will of course take radical actions if being isolated and played by bureaucratic procedures. More important, if these victims are self-isolated in the corner, it would only reinforce their confrontational and radical attitude. Without good communication and solid community ties, there will be no possibility to reach a mutually satisfactory agreement for any dispute."[15]

Such a conscious positioning helps BVI obtain support and trust from both the local government and discontent group. In 2008, Ms. Bai was commissioned by the Jing'an district government to help deal with the case of "abnormal petition" by Ms. Jiang, a housing right activist who claimed being under compensated as her old townhouse was demolished for urban redevelopment purposes. The case became even more complicated and intractable with the sudden death of Ms. Jiang's husband after the demolition. Ms. Jiang thus devoted most of her time in organizing

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[14] Bai Wanqing herself was recruited as a "send-down youth" from Shanghai to Jiangxi Province in 1970. After returning to Shanghai in 1996, she became a director for community public relation at Jing'an street office. According to our interviews, she obviously suffered much from the hardship of send-down experience, but she also developed a strong grassroots mobilizing capacity (Xu et al. 2016). Actually, thanks to the popular Shanghainese talk show "Xin Lao Niangjiu" by Shanghai Media Group, in which Bai helps mediate domestic conflicts publicly, she become an iconic public figure to administer justice and settle social dispute. See "Bai Wanqing: The most popular judge in Shanghai". BBC. December 7, 2010. http://travel.cnn.com/shanghai/life/bai-wanqing-most-popular-judge-shanghai-494929/.

[15] Interview July 13, 2003.

protesters to petition at high-level authorities. As her actions did not follow regular procedures, it caused a "tight spot" and a political burden to grassroots government in Shanghai.

BVI's intervention on this typical extra-institutional dispute started with an investigation about Ms. Jiang's social life. According to Ms. Bai, "We are not trying to tame trouble maker for the government, rather, we try to open new opportunity window for the conflicting parties…. we found she was actually struggling for a reasonable solution which is not totally unacceptable to local government. Meanwhile, some government policies for housing compensation, which were negotiable, were actually invisible to them."[16] Accordingly, efforts have been placed on addressing the communication problem and information gap. After rounds of informal discussion and negotiations, a solution was reached with some reasonable additional compensation aided by a government-sponsored charity fund. Furthermore, Ms. Bai persuaded Ms. Jiang and her peers to join BVI as volunteers. In particular, she was assigned with a role to organize public performance programs for elderly people in poor communities. They offered Ms. Jiang a rare experience of interacting with a group of local artists and volunteers in BVI. Exposure to this community has turned out to be very transformative. In Ms. Jiang's own words, "In BVI, there is a good social atmosphere… we share ideas and trust with each other. My life becomes relaxed, balanced and normalized. I got to know a lot of good friends. I am aware that life is much more than shouting at the government."[17]In May 2011, Ms. Jiang's case was eventually settled with a mutual understanding and reasonable compensation aided by the mediation of BVI.

This story of BVI and the demobilization of Ms. Jiang's contentious behavior may be exceptional, but it is not entirely isolated. Since 2006, BVI has been working for meditation following a consistent strategy of communication and socialization. It has been providing interactive opportunity for the disadvantaged people and creating positive pressure for the government as a broker for effective negotiation. Central in BVI's operation is clearly a unique structure of social interaction—a community setting where perceptions from both sides of dispute can be compromised. From the government's perspective, BVI has been very instrumental in preventing social discontents from escalating into a high-profile event. While it remains to be seen whether this approach of conflict processing can be institutionalized in local governance and can spread to other issue settings, social and voluntary organization's influence on conflict settlement has been well received by many local authorities in Shanghai.[18]

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[16] Interview July 13, 2003.

[17] Interview July 13, 2005.

[18] Bai Wanqing has earned wide social reputation and received many national awards for her excellent mediation and social service, including "Top Ten People for Justice" by Supreme People's Procuratorate (2010), "Outstanding Volunteer in China" by CCP Central Commission for Guiding Cultural and Ethical Progress (2010). In 2012, BVI was named as "Model Social Organization" by Ministry of Civil Affairs (Xu et al. 2016:55–57).

2 Concluding Remarks

China has been facing a myriad of unprecedented domestic security problems as it moved into a market-based society under Hu-Wen's administration. It is without doubts that social transformation can trigger, fuel or sustain conflicts that would challenge regime stability in the context of rapid marketization and urbanization. How can we map state responses to a contentious society in the Chinese context? Without doubting the repressive dimension of conflict management under authoritarianism, this paper claims that a broader typology of conflict processing mechanism can help illustrate the diversity of China's domestic security strategy and detect new signs of governance adaption. While the role of coercive apparatus remains critical, and that the government never lacks coercive and materialistic means in keeping stability, a social sector constituted by intermediate organizations has been emerging and playing a functional role at the local level. Arguably, a more viable conflict resolution must be a local solution reached through a structure of social interaction and community engagement. Social engagement is particularly relevant in mitigating conflicts that are sporadic, weakly organized but can still reach to a point of political impact.

This paper contributes to the understanding of conflict processing under authoritarianism by mapping three sets of conflict processing based on exchange, coercion and engagement. In particular, we focus on the nature and dynamics of the social engagement mechanism, which has been applied in handling small-scale, community-based conflicts. These issues are characterized by weak organizational resources and solidarity and are subject to a new politics of conflict transformation, as can be found in the case of BVI in Shanghai. One of the most notable features of these agencies is their capacity to foster cognitive transformation and interest articulation in a more or less restrictive political context. As such, we would expect that communities with solid intermediate institutions tend to be more stable.

Stability keeping remains a political priority in the post-Hu-Wen era. The remarkable growth of national security consciousness since the leadership transition in 2013 would give new life to stability maintenance. At the organizational level, there has been a decline of influence of the Central Political and Legal Affairs Commission with its director no longer a standing committee member of Politburo. This would pave ways for a more sophisticated approach of domestic conflict processing. Meanwhile, China watchers have witnessed the revival of Maoist ideas and tactics in social problem solving—which advocates that disputes among the people should be resolved by persuasion and education, rather than by coercion and adjudication. With that, one may expect more experiments of social engagement at the local level.

While conflict processing through social engagement is not without limits, it clearly shows some new dynamics of China's governance adaptation. Students of Chinese politics have continued to debate "authoritarian resilience" in which government actors constantly adjust policies and improve their institutional capacities to structure the incentives of those governed in order to secure their compliance and to gain their support. (Nathan 2003; Pei 2006; Thornton 2013; Li

2013; Teets 2013; Heilmann and Perry 2011). The fact that intermediate institutions are engaged in settling community conflicts indicates that the Party-state can continue to adapt from below by generating a social interaction structure. Compared to the conventional modes of stability keeping, this approach of conflict processing seems to be less costly and more sustainable. Of course, its dynamics and effectiveness deserve further examination.

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