

## **More Important than Formal Social Tie? Guanxi as the Informal Social Tie in China Ancient Political Structure**

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**ABSTRACT:** Numerous historical recordings, political and academic works denounced the small groups formed by the officials in ancient China political structure. Such small groups were based on the informal social ties, guanxi. However, the small groups were popular in ancient China politics, and rare literatures tried to investigate the positive function of such groups. The aim of this paper is to investigate the positive effect of such groups in the shed of recent research about guanxi. It is found that the small groups were necessary to the benign ecology of ancient politics. When the circle bridges connected the different groups, the whole political structure would be effective. But it is needed to mention that, without the connection of the circle bridges, the cutthroat competition would happen and result in the weakening of the whole political structure. Without the small groups in the political structure, or in other words, there was only one political circle centered the emperor, the initiative of the circle members would weaken and the efficiency would not be achieved.

**Keywords:** Guanxi; informal social tie; formal social tie; China; Political structure;

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### **I. INTRODUCTION**

Guanxi is extremely critical for the ancient China politics. It is an ancient China social networking, and shares certain characteristics with modern Western networking (Zhang & Zhang, 2006). It is a very ancient concept embedded in Confucian tradition in China (Zhang & Zhang, 2006). Some researchers believe such social networking is popular in China and east Asia, for example, Lovett et al (1999), argued that guanxi refers to a network of informal interpersonal relationships, through which the participants exchange favors in the conducting business activities. As a kind of informal social ties in ancient China that permeated in every aspect of ancient China society, guanxi, exerted significant influence on China ancient political structure. In all dynasties of ancient China history, the individuals participated in the politics were influenced by guanxi. Even the emperors in ancient China would be bound by guanxi.

According to the different forms, interpersonal relationships in ancient China could be divided into the formal and informal interpersonal relationships. The former means the official, open and legal interpersonal relationship; the later means the unofficial, private and even illegal interpersonal relationship, which can be called as guanxi, as afore mentioned. The formal interpersonal relationship is based on the legal and official rules, or in other words, in formal interpersonal relationship, the benefit is gained through official and legal measures. However, in guanxi, the benefit is gained through private ways, which does not mean illegal, but can be associate to the illegal ways. In the macro-level, it can be found that formal interpersonal relationship is important, however, when one investigates history in the micro-level, it can be found that the informal interpersonal relationship plays a critical role.

Since the informal interpersonal relationship, guanxi, is critical, the question is, whether guanxi is more important than formal interpersonal relationship in ancient China politics. Although there have been many researches about the guanxi in China, the main researching aspect about guanxi is in the field of management, market and economics. There have been rare research about the function of guanxi in ancient China politics, and no research about the comparison of guanxi and formal interpersonal relationship in ancient China politics.

This paper set out to compare the different functions of guanxi and formal interpersonal relationship. The study proceeds as follows. We start by introduction to the theoretical foundations. Then it will move on to the definition of guanxi in ancient China politics. The next section will compare the difference between informal social tie, guanxi, and the formal social tie in ancient China politics. Relationship of the two kinds of social ties will also be discussed. Furthermore, we report on the results of the analysis.

### **II. THEORETICAL FOUNDATION**

Informal social ties has been regarded as the great tool to serve the welfare of community (Lin, 1999b). It has been discussed in numerous previous literatures. The following theories is two major means to analyze the informal social ties.

Transaction cost economics makes contribution to the economic interaction. In the shed of transaction cost economics, the exchange among individuals can be analyzed, in the antecedent that the individuals are rational and embedded in social structure, seeking the opportunities of benefit. There is a range of different types

of market transactions, requiring different governance modes and institutional foundations(Williamson, 1979). Therefore, it can be found that the governance modes and institutional foundations are critical for the economic transaction. The informal transaction can have low cost. The precondition of cooperative nada honoring contracts contribute to the low-cost and further transactions(Horak& Taube, 2016). In the informal transactions, mutual trust can be nurtured in an effective manner(Burt, 2000).

Social network theory emphasizes that the social ties and connection are more important than the individual(Lin, 1999a). According to social network theory, the individuals should pay attention to the social ties. However, the function of social network is different in different cultural background, taking China and Korea for example(Horak& Taube, 2016). Therefore, when we discuss issues in the light of social network theory, we should notice the cultural background. "Relational embeddedness" is one key concept to the social network. Granovetter(1973) argued that the social ties can be classified according to the relationship intimacy, emotional attachment, the degree of trust, the time invested and the reciprocity. Granovetterbelieved that the weak social ties play more important role than the strong social ties in the individual or organization development. Weak ties is said to bridge the unconnected social network(Coleman, 1988). To social individuals, the network diversity is important. In one company, if the manager pays more attention to the informal ties with peers only, the informal ties value will be reduced(Burt, 1997). That indicates the informal social ties, including the weak ties, are also critical to ancient China politics.

It cannot end without mentioning the theories about the formal social ties in ancient China politics. The first theory related to the aspect is Confucianism. Confucianism gives the fundamental principle of ancient China politics. It argues hierarchical society centers the emperor. In the pyramid of hierarchical society, the different social classes keep in peace and harmony. In the politic system, the politic structure is featured with man-rule system and the patriarchal system based on the blood relationship; the clan and the country share the same structure(Zeng, 2005). The formal social ties, the politic structure centering the emperor, and the informal social ties, composed the all the social ties in ancient China political structure.

It is interesting to notice the structure of the formal social tie are similar to the informal social tie, in that both of them are based on the Confucianism, which emphasizes the social ties with the family as the core. The nuanced difference between them is that the formal social ties were recognized by the authority, while the informal social ties were prohibited.

### **III. DEFINING GUANXI IN ANCIENT CHINA POLITICS**

Guanxi is a complicated cultural phenomenal in China. According to some researchers, guanxi is a social tie based on the reciprocity(Hwang, 1987; Yang, 1994). In the sense, guanxi is instrumental. However, guanxi is more complicated than described as instrumental. Guanxi is multifaceted in that it is also emotional, moral, and have the factor of etiquette(Guo, 2012). For example, when the political figure tried to promote one of his classmates, who had intimate guanxi with him, in the case, guanxi was not only instrumental as reciprocal, but also contained the affection, emotion, etiquette or even morality. So in the sense, guanxi can be described in many aspects.

Guanxi can be described in the comparison with the social relationships in Japan, Korea and Russia. Compared to Japan, guanxi is family-oriented tie(Thams, Liu, & Von Glinow, 2013). Compared to Korea, guanxi is characterized as purpose-based, rather than cause-based social relationship in Korea, yongo(Horak & Taube, 2016). Compared with Russian social relationship, guanxi is more of the social relationship related to kinship and other "traditional" social forms than that in Russia(Ledeneva, 2008), blat, although both of guanxi and blat had played a critical role, informal social relationship, as the complement to the rigid planned economic system, and both of them advanced social cohesion and trust(Fitzpatrick, Sheila. 2000.). Just as the informal social relationships in Japan, Korea and Russia, guanxi is the informal social relationship featured with unique China culture.

In order to discuss the definition of guanxi, it is necessary to analyze the guanxi'sorigin from the perspective of Confucianism. Confucianism believes that human world is fundamental relationship-oriented, so building the strong and orderly social relationship can achieve the economic and social stability(Luo, 1997;Yeung & Tung, 1996). The Confucianism is the foundation of guanxi culture in China. The implicit mutual obligation, reciprocity and trust formed the antecedents of guanxi in China(Yang, 1994). Under the Confucianism hierarchical social system, the guanxi based on Confucianism thought keep the social harmony and stability. For example, Confucianism defined the five critical and cardinal relations: emperor-official, father-son, husband-wife, elder brother-younger brother, and friend-friend(Confucius. 1915). Confucianism emphasizes the harmony of family members' relationship is the prototype of non-family members' relationship(Ho, D. Y. F. 1998). The father-son relationship is the prototype of emperor-official relationship; the elder brother-young brother relationship is the prototype of friends' relationship. The process also be duplicated in the familiar social relationship or the other social relationship with distinct, as such social relationships are similar with the family relationship and blood relationship(Jacobs, J. B. 1982&Tsang, 1998). As a permeated social culture in China,

especially in feudal ancient China, Confucian social culture influenced the social relationship in ancient China. In other words, guanxi is the result of Confucianism culture.

In the shed of Confucianism, It can be concluded that guanxi is a multifaceted cultural phenomenon bound with Confucianism. Guanxi has the genes of family member relationship characteristics, and such genes are inherited by other kinds of social relationships in China, especially guanxi.

#### **IV. THE COMPARISON AND RELATIONSHIP OF INFORMAL SOCIAL TIES AND FORMAL SOCIAL TIES IN ANCIENT CHINA POLITICS**

It is necessary to mention that the formal social tie and the informal social tie is same in nature. Both formal social tie and informal social tie, the guanxi, are formed on the basis of Confucianism. The family member personal relationship is the core of such two kinds of social ties. However, when such social tie is recognized by official, that social tie is called as formal social tie; when the social tie is not recognized officially, it will be the informal social ties. Generally, the emperor regarded the social ties which facilitated his reign as the formal social ties. While the other kinds of social ties as the informal social ties.

The formal social tie is the official social tie in ancient China. For example, the emperor and the government instituted the law to make sure the interpersonal relationship is the formal social ties. On the contrary, they deemed the other kinds of social ties as the informal social ties, because the other kinds of social ties would threaten their reign in their opinion. Although the formal social tie is recognized officially, it is still on the basis of the Confucianism, in that the formal social ties deemed the emperor as the core of the whole social tie. In other words, the emperor was deemed as the father of the patriarchal clan, if the whole country was the clan.

There were numerous academic and politic works about the informal social ties in politics(Hu, 2012)). Almost all of such informal social were deemed as the threat and adversity to the whole politics and government. OuYangxiu, the renowned literary and political figure in Song dynasty in China, argued that the informal social ties in government had been existed from very ancient times(Pengdangzhishuo, ziyouyouzhi)(OuYangxiu. PengdangLun). Because of the informal social ties, the small political groups came into being. The officials got together because of the same homeland, or the teacher-student relationship, similar opinions in politics, *et al.*The groups conflicted with each other in the pursuit for the interests. About two thousand years ago, there were conflicts of the small political groups. In every dynasties of ancient China, there were conflicts of such political groups. Therefore, the political conflicts of the small groups in ancient China dynasties were phenomenal. So there were numerous academic and political works about the conflicts. The basis of the conflicts is the informal social ties. In other words, those works about the conflicts addressed on the problem of informal social ties. Most of the works denounced the conflicts, because such conflicts caused the damage to the whole empire and politics(Hu, 2012).

In order to prevent the forming of small political groups, many measures are taken in ancient China. For example, the new appointed official should not work in his homeland, because the official had many informal social ties in his homeland, and such informal social ties would hinder the integrity and justice of his administration. Many political works also called on to prevent the small political groups.

However, informal social ties also had its necessity in ancient China politics. For example, the emperor would made use of the different political groups to achieve balance of his reign in some cases. Even though in many cases, the conflicts of the small political groups harm the whole political structure and reign of the emperor, the informal social ties, guanxi, was still necessary.

Luo and Zhang(2016) described the small group with the phrase “small circle”, which means the ego-centered group similar to the family relations(J.-D. Luo et al., 2016). In the group, the core members have the pseudo-family roles; familiar ties form the protective belt between the core members and the outsiders; the outsiders include the ordinary acquaintances or strangers(Jar-Der Luo & Yeh, 2012). Superficially, the groups, or small circle in the whole political structure divide and separate the whole political structure. However, we should discuss such problem in different situations.

When the small circle are in conflict with each other and has connection with each other effectively, the separation among the whole structure will weaken the whole structure. When the small circle has the effective communication, or connection with each other, the whole structure will get improved(J.-D. Luo et al., 2016). The connection among the isolated circles is called as the circle bridge(J.-D. Luo et al., 2016). Circle bridge plays a key role in connecting the different circles. In such kind of structure, the different small circles will compete with each other to gain the allocation and favor from the core of the whole structure. On the other hand, because of the circle bridge, the different small circles will cooperate with each other. So the whole efficiency of the structure will get improved. However, if there is no small circle in the whole structure, or in the other words, there is only the core of the whole structure, how about the efficiency of the whole structure.

In the case that there is no small circle in the whole structure, the efficiency of the whole structure will be very low(J.-D. Luo et al., 2016). There will be no competition and cooperation in the structure, so the efficiency will be very low.

The theory about the small circle in the whole structure gives some inspiration about the analysis of the informal social ties in ancient China political structure. In the healthy political structure, in order to get the emperor's favor and resource allocation, the small groups formed by the officials would cooperate and compete with each other efficiently. On the other hand, if there was no small groups on the basis of the informal guanxi, there would be no obvious efficiency in the whole structure.

Therefore, it can be concluded that the small groups formed by the officials is necessary to the whole political structure in ancient China. The rules that to prevent the small groups of the officials was adverse to the efficiency of the whole structure in the condition that the groups cooperate and compete with each other. It is another case, however, if the different small groups of officials did not have effective connection, did not cooperate and compete with each other. In such case, the groups would compete with each other violently without cooperation. Until now, we have discussed about the informal social ties, or guanxi, in the whole political structure of ancient China. Then how about the function of the formal social ties in ancient China political structure.

As aforementioned, same as the informal social tie, the formal social tie is also based on the Confucianism, which means the formal social tie functions familiar with the informal social ties. According to J.-D. Luo(2016), the whole structure of one big circle has the core, or the leader. The leader has the members with close guanxi with him or her. The ones who have not so intimate guanxi with the leader form the protective belt between the core and the outsiders. The outsiders are composed by the acquaintances and strangers. The guanxi possessed by the emperor was the formal social tie in ancient China politics. However, just as the leaders of the different small groups, the emperor also should cope with the different members of in his circle with due care. Without question, the core members of the emperor or the leaders of small groups would gain the favoritism more easily. In the sense, the small groups and the whole circle structure in ancient China politics functioned similarly.

Without the small groups in the whole structure of ancient China politics, the circle with the emperor as the leader could not function well. In the precondition that the different small circles connected, cooperated competed with each other, the circle centered the emperor and the circles centered the different sub-leaders depended on each other. All of the them composed the benign ecology in ancient China politics. However, It is needed to mention that the benign ecology can only be achieved with the effective communication. That is, the circle bridges should exist for the communication among the different political groups. If there was no circle bridges among the groups, the violent and cutthroat competition would happened. Then the whole political structure weakened. So it can be concluded that the whole political structure and the small political groups depended on each other in ancient China politics.

## V. CONCLUSION

This paper set out to compare guanxi, the informal social tie, and the formal social tie in ancient China politics. Guanxi is often regarded as the informal social ties, however, in nature, the formal social tie in ancient China was also a kind of guanxi. Nevertheless, the emperor tried to deny the informal social tie in officials, especially the small groups formed by the officials on the basis of guanxi, because the emperor was afraid of the threat posed by the small groups of the officials to the royal reign. But the fact is, on the contrary, the small groups would facilitate the whole political structure in the condition that the small groups competed and cooperated with each other. The benign competition and cooperation among the different groups should have the antecedent of circle bridges, which could connect with the different groups. Without the circle bridges among the different groups, the cutthroat competition would happen and result in the weakening of the whole political structure. So in the sense, it can be found that, in most cases, the small groups formed on the basis of guanxi constituted the benign ecology in ancient China politics.

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