

**Inside the ‘Red Circle’:
The Production of China’s Corporate Legal Elite**

Jingqi Zhu (Corresponding author)

Newcastle University, Newcastle Upon Tyne, NE1 7RU, UK

E-mail: Jingqi.zhu@newcastle.ac.uk

Yang Zhao

University of Liverpool, Chatham Street, L67 7ZH, UK

Sida Liu

University of Toronto, 725 Spadina Avenue, Toronto, Ontario M5S 2J4, Canada

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Abstract

This article examines the production of corporate legal elite through a systematic analysis of the profiles of the first three cohorts of partners in nine elite corporate law firms in Beijing. We argue that the social production of the Chinese corporate legal elite is primarily an outcome of domestic social factors rather than international factors. It is characterized by *local elite recruitment* from elite universities and *endogenous elite circulation* within the Red Circle firms. International credentials and work experience come only secondary to education and work experience in elite Chinese law schools and law firms for achieving elite status in the profession. Yet, international experience plays a role in promoting gender equality in elite professional service firms. This article contributes to the study of globalization and elite production in professional service firms by investigating how local and global forces manifest themselves in elite production in a major emerging market.

Keywords

professional services firm; law firm; elite production; globalization; China

Introduction

Professional service firms are elitist organizations. From the Magic Circle firms in London to the Wall Street firms in New York, elite corporate law firms are filled with professionals with privileged social origins and degrees from prestigious schools (Smigel 1964). The emergence of this highly exclusive corporate legal elite in the Anglo-American world occurred around the turn of the 20th century and thus it is most closely examined in the writings of legal historians (Abel 1988, 1989; Auerbach 1976; Girard 2014).

In the early 21st century, a new corporate legal elite is rising in the Middle Kingdom, that is, the so-called ‘Red Circle’ law firms in Beijing (The Lawyer 2014). Mostly founded in the early 1990s, these Chinese corporate law firms have become the newest additions to the global legal elite, as some of them (e.g., King & Wood and Dacheng) merged with global law firms (Liu & Wu 2016) while others poached partners from prestigious U.K. or U.S. firms. Caught off guard by their rapid rise in size and status, many Western lawyers and observers are puzzled as to what social factors and processes have shaped the production of China’s corporate legal elite, how their profiles have changed over time, and how globalization of the legal profession has affected their profiles across cohorts. This article is a preliminary effort to solve this puzzle with empirical data.

In 2017, we systematically collected the biographical data of partners in the Beijing offices of nine elite Chinese corporate law firms. This original data source enables us to analyse and compare the first three cohorts of partners in Red Circle law firms in terms of gender, education, and career mobility. Building on the scholarship on lawyers and globalization (Cunha et al. 2017; Liu & Wu 2016; Trubek et al. 1994; D. B. Wilkins et al. 2018), we argue that the production of China’s corporate legal elite remains largely an outcome of domestic social processes rather than international factors, despite the rapid globalization of the Chinese legal profession. It is primarily achieved through two social

processes: (1) *local elite recruitment* from elite universities and law schools; and, (2) *endogenous elite circulation* within the Red Circle firms. Our analyses reveal the impact of local and international credentials on the formation of corporate legal elite in China. On the one hand, degrees from China's top law schools were most pursued and valued by partners in the Red Circle firms. On the other hand, although foreign education and international work experience are only of secondary importance to domestic elite education in China, they remain a popular option for lawyers, especially female lawyers, to strengthen their credentials and enter into the Red Circle. Our data suggest that, over time, international credentials may have contributed to the increasing proportion of female partners in Red Circle firms, thus promoted gender equality in China's corporate legal sector.

Globalization and the Production of Corporate Legal Elite

Neo-institutionalism (DiMaggio & Powell 1983; Meyer & Rowan 1977) argues that globalization creates isomorphic pressures for new organizations to conform symbolically with dominant ideas, rules and practices in the existing organizational field in order to seek legitimacy, power and economic fitness (Meyer 2002), resulting in the global diffusion of business models and ideas. In the corporate legal sector, global diffusion mainly occurs through a process of institutional mimicking, in which new law firms in emerging markets adopt the dominant Anglo-American legal practices or values (e.g., the 'Cravath system') to signal and enhance their institutional membership and standing (Quack 2012; Trubek et al. 1994). However, the spread of the Cravath system and other organizational innovations linked to Anglo-American legal practices is not a simple, uncontested process of diffusion and mimesis (Trubek et al. 1994). There is considerable resistance to the adoption of the global models, as well as many adaptations and decoupling made to fit with the local culture, norms and rules (Dezalay & Garth 2010; Quack 2012; Trubek et al. 1994).

Recent studies on the corporate legal sector in emerging markets also show the complexity in the diffusion of Anglo-American models of corporate legal practice in countries such as India, Brazil, and China (Cunha et al. 2017; Liu & Wu 2016; D. B. Wilkins et al. 2018). On the one hand, since the corporate legal sector in these countries did not emerge until the 1990s, it is not surprising for the founding generation of law firm partners to look to their Anglo-American counterparts in order to establish their legitimacy and standing in the global legal market (Krishnan 2007; Liu 2013). Furthermore, the increasing popularity of overseas legal education such as the LL.M. and J.D. programs in the United States and other common law jurisdictions (Ballakrishnen & Silver 2019; Silver 2006, 2011), as well as the internationalization of domestic legal education in developing countries (Gingrich & Robinson 2017; Wang et al. 2017), has facilitated the global diffusion of legal expertise. An international credential has become an element of ‘global professional capital’ that indicate credibility, legitimacy and status in the global market of legal service (Silver 2011). On the other hand, local history, culture and values remain critically important for the development of corporate law firms in emerging markets. For example, recent studies find that family and communal ties still play a significant role in shaping the corporate legal sector in India (Krishnan & Thomas 2017; Nanda et al. 2017). As a result, the intersection between global and local forces creates a hybrid corporate legal sector in India and Brazil. Likewise, for the case of China, Liu (2008) describes a process of ‘boundary blurring’ and ‘hybridization’ in which local firms become structurally global-looking and foreign firms receive localized expertise. Nevertheless, this earlier study focuses on the interaction between local and foreign law firms with only limited discussion on the emergence of the Chinese corporate legal elite.

The present study builds on this growing literature, with a particular focus on the production of corporate legal elite in the context of globalization. We investigate the social characteristics of partners in elite Chinese law firms and examine the changes over the first

three cohorts. Our specific focus is on gender, education and career mobility as existing literature has identified these as major factors that shape the formation of corporate legal elite (Dinovitzer 2011; Dinovitzer & Garth 2020; Hagan & Kay 1995; Kay & Gorman 2008; Silver 2011).

Gender and elite production

Gender inequality is a pronounced and enduring phenomenon in elite production. In many Western contexts, women are underrepresented at the top level in corporate law firms (Epstein 1981; Kay & Gorman 2008; Kay & Hagan 1998). In U.S. law firms, while women made up nearly half (48.7%) of associates in 2017, they accounted for merely 18% of equity partners (ABA 2017). In a recent study of career progression to partnership in English law firms, Tomlinson et al. (2018) find that female solicitors were 76% less likely to reach partnership and this gender gap was particularly pronounced at large corporate law firms.

Findings from emerging countries, however, offer an interesting contrast to the Anglo-American accounts. da Gloria Bonelli and de Pieri Benedito (2018), for instance, find that women account for up to 30% of the partners in large and medium-sized law firms in Brazil. In India, Ballakrishnen (2013, 2017a, 2017b, 2019) find that, although the legal workforce has one of the lowest levels of feminization in the world (approx. 5%), Indian's new corporate law firms have a better record in promoting women lawyers than both the traditional Indian litigating bar and corporate law firms in the West. Ballakrishnen argues that, thanks to their newness, corporate law firms in India represent 'new sites of innovation' which have not yet as gendered as in traditional law firms or developed countries. Therefore, women can better negotiate their identities and status in their workplaces, increasing their chances to succeed in the firms (Ballakrishnen 2017a, 2017b).

The Red Circle firms in China share many similarities with Indian corporate law firms in terms of gender. China also has a deeply unfeminized legal workforce (Michelson 2013) yet the percentages of female judges and lawyers have been rapidly rising in recent years (Zheng et al. 2017). Furthermore, Chinese corporate law firms constitute what Ballakrishnen terms the ‘new sites of innovation’ (Ballakrishnen 2017b, p.262) owing to their short history. This article seeks to find out whether the gender dynamics observed in India also characterize the corporate legal elites in China and what factors are likely to have influenced these dynamics.

Education and elite production

As early as the late 19th century, elite educational background was believed by American lawyers to distinguish elite practitioners from immigrant and ethnic lawyers who often attended night schools and worked as solo practitioners (Auerbach 1976). As corporate law firms expand, they have actively engaged in internal organizational closure, which focuses on controlling access to high levels of reward and limiting partnership to those who come from privileged social backgrounds and elite schools (Abel 1989; Ackroyd & Muzio 2007; Cook et al. 2012; Dinovitzer 2011; Dinovitzer & Garth 2020).

As both legal education and legal services are globalized in the early 21st century (Silver 2006; Faulconbridge and Muzio 2009; Wang, Liu and Li 2017), the production of corporate lawyers has become increasingly international, involving individual practitioners moving between countries for education or employment (Dezalay & Garth 2002, 2010; Liu 2013). Studies have examined the experience of foreign graduates of U.S.-based LL.M. or J.D. programs and found that the value of this international education is perceived and played out differently depending upon the country to which they return (Ballakrishnen 2012; Ballakrishnen & Silver 2019; Silver 2006, 2011). While Japanese, Korean and Latin

American students regarded the LL.M. as a valuable marker of their language skills and exposure to American law and culture (Silver 2006), those returned to Germany and India did not benefit as much from their international credentials (Ballakrishnen 2012; Silver 2011).

For the case of China, studies have shown that overseas legal education and practice experience are much valued in the hiring processes of Chinese law firms (Liu 2008; Michelson 2007; Silver 2011). Graduates from prominent institutions in advanced economies are considered to have better training and potential than those from domestic universities. In particular, their bilingual and multicultural backgrounds are seen as essential professional skills that enable them to develop an international clientele (Liu 2008), to provide sophisticated advice in transnational contexts (Silver 2011), and, under some circumstances, to keep a distance from state and local influence (Michelson 2007). By closely examining the education background of partners in elite Chinese law firms, this article attempts to find out how many partners obtain international educational credentials and which types of education experience are the most prominent for elite law firm partners.

Career mobility and elite production

Since the invention of the Cravath system, the career path of lawyers in big U.S. corporate law firms has been patterned into a promotion-to-partner tournament (Galanter and Palay 1991; Galanter and Henderson 2008). This tournament is centred on internal development and promotion within the firm, while lateral movements were rare until the 1960s (Burk & McGowan 2011; Galanter & Palay 1991; Smigel 1964).

As law firms grew and their market environment changed, lateral movements between elite firms have become more common for both partners and associates after the 1970s (Galanter and Henderson 2008). Firms increasingly look to hire new partners and associates laterally in order to upgrade or enlarge the specialties and localities of their

services, which encourage lawyers to move from firm to firm. According to Galanter and Henderson (2008), these changes mark the shift from the classical partner-to-promotion tournament to an ‘elastic’ tournament, featuring falling promotion rates, longer associates’ time to partnership and the introduction of lower tiers of partners such as nonequity partners (see also Burk and McGowan 2011). Homegrown status and in-house training are no longer as important as before to the production of the corporate legal elite.

In the context of China, Liu (2008) illustrates a typical career path of young Chinese corporate lawyers in the 2000s, with a particular focus on their mobility between local and foreign law firms in China. With a large number of foreign law firms entering the Chinese market in that period, many lawyers started their careers with a leading local firm for three to four years as associates, and then switched to a foreign firm, with the expectation of returning to a local firm as partners in a few years. This study extends Liu's (2008) study by examining the career movements of partners in the Red Circle firms and investigating whether their career trajectories have any parallel to the mobility patterns of associates.

Overall, this study contributes to our understanding of globalization and corporate legal elites by empirically examining and comparing the characteristics of professional elites across three early cohorts. Such an analysis is made possible by the short history and fast growth of China's corporate legal sector. This enables us to identify the continuities and differences between different cohorts of corporate legal elites in terms of gender, education and work experiences, and to examine how global and local factors have played out over generations. By focusing on China, a major emerging market for professional services, we provide an alternative perspective from the dominant Anglo-American scholarship on the global-local dynamics in the production of corporate legal elite.

The Context and Data: Chinese Corporate Law Firms

Corporate lawyers are new members of China's social and economic elites. The Chinese legal profession was only revived in 1980 after the Cultural Revolution and, until the late 1980s, most law firms in China were state-owned and few specialized in corporate transactions (Liu 2011). With the state policy to privatize professional services in the 1990s (Michelson 2007), the first generation of Chinese partnership law firms emerged in major cities such as Beijing, Shanghai, and Shenzhen (Liu 2006, 2008). While Shanghai is often perceived to be China's primary business centre, the majority of elite Chinese corporate law firms are headquartered in Beijing thanks to their proximity to both central government agencies and large state-owned enterprises (Liu & Wu 2016). Like many civil law jurisdictions, legal education in China starts from the undergraduate level. Since their partnerships were formed in the 1990s, the elite Chinese corporate law firms have actively recruited lawyers from elite Chinese law schools as well as international law offices in China (Liu 2008; Stern & Li 2016). By the 2010s, many elite law firms have employed hundreds or even thousands of lawyers in multiple offices across China, and they are further differentiated into several organizational species, such as global generalists, elite boutiques, local coalitions, etc. (Liu & Wu 2016).

From June to October 2017, we hand-collected data on partners of nine elite corporate law firms in Beijing. These nine firms are Jun He, King & Wood Mallesons, Zhong Lun, Haiwen, Fangda, Jingtian & Gongcheng, Tongshang (Commerce & Finance), Dacheng (Dentons) and Grandall. All of them belong to the most elite group of Chinese law firms, often labelled the Red Circle law firms. The boundary of the Red Circle firms, however, is not as fixed as the five Magic Circle firms in London. There is no consensus among Chinese lawyers on exactly how many and which firms are within or outside this elite group. Accordingly, we sampled the nine firms according to their variations on three main criteria: (1) size (large, medium, or small); (2) areas of practice (general practice or specialized

boutique); and (3) global orientation (global or local). Arguably, there are other major corporate law firms in Beijing that we did not include in the study, such as Tian Yuan, Han Kun, FenXun, Jia Yuan, etc. Except for Fangda, which has two similar-sized offices in Beijing and Shanghai, we also did not include corporate law firms headquartered in Shanghai, such as AllBright and Llinks, as the focus of our study is on Beijing, where the majority of elite Chinese law firms are headquartered. Taken together, the nine firms that we selected provide a good sample of the most elite corporate law firms in China.

For each firm, we collected the biographical data of all partners (including all levels of partnership) from the firm websites and their individual profiles on LinkedIn. Since the information displayed on some firms' websites and LinkedIn profiles was entered by individual partners on a voluntary basis, underreporting is a possibility. Nevertheless, by supplementing some missing data through online search, we were able to collect comprehensive biographical data of 895 partners from the nine firms¹.

Among the 895 partners, we are able to identify the start year at law firms of 504 partners. We categorize these partners into three cohorts based on the year when they started law practice: (1) the *Founding* cohort who started practice in a law firm before 1995 (158 partners), (2) the *Transitional* cohort who started between 1995 and 2000 (139 partners), and (3) the *Millennial* cohort who started after 2000 (207 partners). The most senior partner in our sample began his practice in 1983 and the most junior partner started in 2011.

The cut points at 1995 and 2000 were chosen to reflect the three developmental stages of Chinese corporate law firms. Many elite corporate law firms in Beijing were founded as partnerships in 1992-1993, when partnership law firms were first permitted by the

¹ Sample size varies slightly across analysis due to data availability in certain variables.

Ministry of Justice². Consequently, lawyers who started practicing law before 1995 are likely to be the founding members of these law firms. During 1995-2000, corporate law firms in China grew rapidly but their size remained relatively small and their businesses were not as complex as in the early 21st century (Liu 2008; Liu and Wu 2016). After China's accession into the World Trade Organization in 2001, Chinese corporate law firms have experienced unprecedented growth in both domestic and international markets. Until 2002, no Chinese law firm had more than 200 lawyers in total (Liu 2006). By 2015, the largest Chinese law firm Dacheng had over 4,000 lawyers in 51 offices, including 42 office in mainland China (Liu & Wu 2016). It is in this regard that we term partners who started practice corporate law between 1995 and 2000 the 'Transitional cohort' and those who entered the field during its boom the 'Millennial cohort'.

Gender

We first present the gender ratio of partners of the three cohorts in Table 1. Over time, the percentage of female partners in our sample has increased steadily and significantly from 19.6% in the Founding cohort to 40.2% in the Millennial cohort. In general, women partners at Chinese elite corporate law firms enjoyed greater representation (31.6%) than they are at large U.S. (22.7%) and U.K. law firms (29%) (Catalyst 2018). At the time of our data collection in 2017, Haiwen, one of the most prestigious boutique law firms in China, had more female partners (11) than male ones (10).

-----TABLE 1 HERE-----

Our sample firms are arguably 'new sites of innovation' (Ballakrishnen 2017b) so that women are less disadvantaged and have opportunities to navigate and negotiate with

² The only exception is Jun He, which was founded in 1989 as a 'cooperative' law firm (*hezuo she*), a transitional organizational form between state-owned and partnership law firms (Michelson 2007).

their firms. The data enable us to test whether female and male partners' international experience in both work and education affects their potential of success in the Red Circle firms. In terms of foreign education, we find that the larger proportions of female partners in the later cohorts correspond to the increasing percentage of female holders of a foreign degree. Notably, the proportion of female partners who have foreign degrees has almost doubled over the three cohorts (20.7%-27.9%-39.7%), while that of their male counterparts remains mostly unchanged (39.3%-40.9%-38.8%). Table 2 presents a sample mean test between male and female partners. The p-value shows that, in the Founding cohort, male partners were significantly more likely to obtain foreign education than female partners. Such difference became insignificant in the Transitional and Millennial cohorts, however. With more women acquiring education overseas, male lawyers' advantage in foreign educational credentials has diminished. This is to say, over the three cohorts, more women have chosen to pursue a foreign degree, which may have contributed to their greater chances of becoming partners in recent cohorts.

-----TABLE 2 HERE-----

A similar trend is observed in terms of partners' international work experience. This includes work experience in international firms in China or in other countries. As shown in Table 3, the proportion of female partners with international work experience has increased significantly over the three cohorts (13.8%-20.9%-25.6%). In contrast, the proportion of male partners with international work experience has declined (26.1%-18.0%-18.1%). Again, the sample mean test shows that, men are significantly more likely to have international work experience than women among Founding partners. Such an experience gap has diminished in the Transitional cohort. In the Millennial cohort, more women have acquired international work experience than men.

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To conclude, our findings indicate the effects of international experience in education and work on partners' gender patterns in the Red Circle firms. In the Founding cohort, female lawyers had inferior international experience than their male counterparts. However, in the two recent cohorts, more women pursued foreign educational training and international work experience. As shown in Figure 1, women have now achieved the same or even higher level of international experience than men. This trend corresponds with the increasing proportion of female partners in the Red Circle firms and may have contributed to the gender equality in China's corporate legal sector.

-----FIGURE 1 HERE-----

Education

Education is a key variable that structures legal careers and produces elite status in the legal profession (Ashley & Empson 2017; Dinovitzer 2011; Dinovitzer & Garth 2007). A law degree from an elite university is the entry ticket not only to the first job in corporate law but also to partnership. This is also the case in China, though the association between education and law firm partnership has not been empirically analysed until the present study. In this section, we examine the educational background of partners in different cohorts in terms of their levels of education, educational trajectories and international credentials.

As shown in Table 4, the level of education is generally high among partners in our sample. 79.9% of partners hold a postgraduate degree, among whom about 13.6% hold a doctoral degree in law. Across cohorts, the Founding partners have the strongest profiles of qualification, with 17.5% Ph.D., 64.3% Masters and only 18.2% bachelors as their highest degree. In contrast, fewer partners pursued a postgraduate degree in the Transitional cohort

than in Founding and Millennial cohorts. This can be partially explained by the expansion of Chinese legal education and the corporate legal sector in the 2000s, which allowed more undergraduate law students to enter into the profession to fill the positions (Liu & Wu 2016; Wang et al. 2017). As the demand of corporate lawyers stabilized, the value of higher educational qualifications increased, leading to an increase in Ph.D. and Masters in the Millennial cohort.

-----TABLE 4 HERE-----

Domestic education from the top universities in China is a key to success in the Red Circle firms. Table 5 reports the education background of partners in different cohorts based on their first university degree³. Our findings reveal that almost half of the partners in each cohort obtained their bachelor's degree from the 'Big 4' law schools in Beijing: Peking University, China University of Political Science and Law (CUPL), University of International Business and Economics (UIBE) and Renmin University of China. In total, 226 (47.4%) partners obtained their first degree in the 'Big 4' schools, although 22 of them studied disciplines other than law (engineering, economics, etc.) as undergraduates. Peking University alone produced a quarter of all the 476 partners in our sample.

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Foreign education usually comes after undergraduate study for all three cohorts of partners. Most foreign law degrees were obtained at the postgraduate levels (e.g., LL.M. or J.D.) rather than the undergraduate level (e.g., LL.B.). In our whole sample, only 13 partners received their bachelor's degrees outside China. A typical educational path for partners

³ In the majority of cases, partners recorded their bachelor's degree as the first degree. However, in 3 cases, partners only disclosed an education background of master's degree. We removed these three cases for data consistency.

appears to involve undergraduate study in a Chinese university followed by studying abroad at the postgraduate level. Over the three cohorts, the percentage of partners who have obtained at least one foreign degree increase at a moderate speed over the three cohorts, from 34.7% in the Founding cohort to 39.4% and 40.2% in the Transitional and Millennial cohorts. However, even in the Millennial cohort, more than half of the partners have no foreign degree and were educated exclusively in China. Not surprisingly, the United States is the most popular destination for overseas education among partners, with Columbia University, New York University and the University of California, Berkeley being the most popular choices.

To examine the value of international and domestic credentials in partnership in the Red Circle firms, we track the partners' educational trajectories from their first degree to the highest degree (Table 6). In this analysis, we partition partners' education experience into three groups: the 'Big 4' top law schools in China, non-'Big 4' law schools in China, and international law schools. Table 6 shows whether partners pursued a higher degree after receiving their bachelor's degrees and, if so, what type of schools they went to. We find that top Chinese universities, especially the 'Big 4' law schools, were the most preferred choice for legal education among partners. For those who acquired their bachelor's degree from the 'Big 4', 39.4% remained in the 'Big 4' league for a higher degree and 25.9% of them entered the workforce without further education. For those who graduated from less prestigious universities (i.e., non-Big 4 law schools in China), 40.9% of them chose to pursue a higher degree from the 'Big 4' in order to make up for their lack of elite educational background. This indicates that a degree from a top Chinese law school is highly valued in the Red Circle and the production of China's corporate legal elite takes place primarily in the 'Big 4' law schools.

-----TABLE 6 HERE-----

The LL.M and J.D. programs provided by U.S. and European law schools offer an alternative option of higher education for lawyers who have acquired their bachelor's degree in a Chinese university. Obtaining an international credential is slightly more prevalent among those who graduated from top law schools (28.8%) than those who came from less prestigious universities (21.6%). This is probably because the 'Big 4' graduates have more advantages over the non-'Big 4' graduates in the highly competitive application for foreign universities. It implies that an international credential is more likely to be used to enhance the elite status already obtained from the top domestic schools.

Overall, we argue that domestic legal education at top law schools in China plays an essential role in the production of corporate legal elite in China. A degree from top Chinese law schools defines lawyers' choices for further education and is mostly pursued and valued by Red Circle partners. An international credential, whilst useful, is less prioritized in partners' legal education. This echoes our finding that the percentage of foreign degree holders only increase slightly across the three cohorts despite the rapid globalization of Chinese corporate law firms.

Career mobility

Table 7 presents partners' first job after university graduation, including the Red Circle law firms, non-Red Circle law firms, international law firms, public sectors and universities. Our data show that partners in the Founding generation came from highly diverse backgrounds. More than half of the partners (53.2%) worked outside the corporate law field. Among them, 34.8% worked in the public sector, including courts, procuracies, and government offices at national, provincial and local levels. The remaining 18.4% stayed in universities undertaking research and teaching after their graduation and then joined the bar later. Some of them kept their faculty positions and worked as part-time or 'specially

appointed' lawyers in the 1990s (Michelson 2007). Among the other partners (46.8%) who entered the corporate bar after graduation, the majority of them first joined non-Red Circle law firms (35.4%) while only a small number of partners were employed in either the Red Circle firms (5.1%) or international law firms (6.3%).

-----TABLE 7 HERE-----

The diverse background among the Founding-cohort partners can be explained by the late emergence of China's corporate bar. Except for Jun He, which was founded in 1989 as a 'cooperative law firm' (Liu and Wu 2016), all the other Red Circle firms in our sample were founded as partnership law firms in the early 1990s. Therefore, the early cohort of corporate lawyers accumulated work experience in other firms and work settings and then entered into the corporate bar during its formation in the 1990s.

The diversity in work experience declined sharply in the Transitional and Millennial cohorts. Only 18.0% of partners had experience outside the corporate bar (i.e., in the public sector or universities) in the Transitional cohort and this percentage further dropped to 7.7% among the Millennial partners. This means that as Chinese corporate law firms develop, their professionals are increasingly produced and reproduced within the field of corporate law rather than outside of it. There is also a general tendency of elitism in the reproduction of corporate lawyers. An increasing number of partners in the Transitional and Millennial cohorts started their career directly from the Red Circle firms and never left this elite circle. In the Millennial cohort, almost half of the partners (45.5%) gained their first work experience from the Red Circle firms. When we look beyond the first job and consider all work experiences each partner has accumulated since his/her university graduation, the same trend appears: a growing number of partners had experiences in Red Circle firms.

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Alumni networks play a crucial role in the partners' work experience. Figure 2 shows the alumni networks between elite firms and elite universities using techniques of social network analysis. Our analysis shows that all our sample firms have developed some preferences over certain universities. For example, Jingtian & Gongcheng has a strong connection with Peking University, with 26 out of its 41 partners graduated from this prestigious law school in China. Graduates from Peking University make up 66.7% of partners in the Founding cohort in Jingtian & Gongcheng and this percentage only slightly declined in the Transitional and Millennial cohorts (63.6% and 61.1% respectively). Peking University alumni also have a strong presence among partners in Jun He (46%) and Haiwen (34%). In comparison, CUPL graduates contribute an average of 17% of partners in each cohort in Dacheng (Dentons). King & Wood's Founding cohort has many alumni from Jilin University (33%), a major law school in northeast China and one of the only two law departments that remained open during the Cultural Revolution (Wang et al. 2017)⁴, but its percentage declined sharply for the Transitional (none) and Millennial cohorts (12%).

-----FIGURE 2 HERE-----

Through this analysis, it is evident that, despite the diverse background of the Founding-cohort partners, Transitional and especially Millennial partners in elite law firms have become increasingly homogeneous: they are likely to graduate from elite universities in China, enter into elite law firms shortly after graduation, practice exclusively in the corporate bar and then move up to the top positions of law firm partnership.

⁴ The other law department is the Law Department of Peking University.

Like what we have found in terms of international education, the percentage of partners who had international work experience, including experience in international law firms in China and other countries, remains stable over the three cohorts (23.4%-20.1%-21.7%). This, again, implies that the value of international work experience stays mostly unchanged, despite the rapid globalization of the firms. There is a strong correlation between partners' foreign education and work experience in international law firms. Among partners who had worked in an international law firm, 79% hold at least a foreign law degree. Our findings suggest that, over the three cohorts, the reproduction system of the Chinese corporate legal elite is increasingly mirroring its counterparts in the Magic Circle firms (Cook et al. 2012) and elite U.S. firms (Garth & Sterling 2017; D. Wilkins et al. 2007). It is a highly domestic and increasingly endogenous process of elite production within the Red Circle.

We have also examined the "homegrown" partners who have never moved across firms. In the whole sample, only 61 partners (12.1%) are homegrown partners who have stayed in one firm since their first job and worked their way up to partnership in the same firm following the tournament system of partner promotion (Galanter & Palay 1991; Nelson 1981). The majority of them (42) are Millennial partners. In particular, Tongshang (Commerce & Finance) and Haiwen possess the largest percentages of homegrown partners — 41% of partners in Tongshang and 36.6% in Haiwen are homegrown — while Fangda has none. In line with Liu and Wu's (2016) observation, the high ratios of homegrown partners in Tongshang and Haiwen suggest that these two elite boutique firms adopt a version of the Cravath system in which 'associates are drawn from a few elite law schools and then carefully nurtured to partnership in the firm' (p.49). Nevertheless, for the majority of Chinese law firm partners, moving between firms at the associate level is a common practice.

Conclusion

The production of corporate legal elite is shaped by a multiplicity of global and local forces, with different manifestations across the world. Evaluating the profiles of partners in elite corporate law firms provides insights into the credentials and characteristics that indicate elite status in the global market for corporate legal services. Neo-institutionalism (DiMaggio & Powell 1983; Meyer & Rowan 1977) would expect that, as Chinese corporate law firms increasingly expand overseas and respond to international demands, more values would be placed upon the partners' international credentials and work experience to signal their global standing and credibility. Nevertheless, our study has highlighted that local factors continue to play a prominent role in the elite production in corporate law firms.

In the case of China, we find the production of corporate legal elite is primarily shaped by local factors, in particular the education and work experience in elite Chinese law schools and law firms. In this sense, it resembles the U.S. case more than other Asian cases in that the majority of elite Chinese corporate lawyers are produced domestically and international experience is only secondary to domestic experience for achieving elite status in the profession. There is no evidence of a significant increase in the value of international credentials in the Chinese corporate legal profession, given that the proportions of foreign degree holders only increased slightly over the three cohorts and that the top Chinese law school remained the first choice for prospective corporate legal professionals. Likewise, only a small fraction of partners in our sample had international work experience, and this fraction remained stable across the three cohorts. Nevertheless, our study shows that international experience may have played a role in promoting gender equality in elite professional service firms. As more women acquire international credentials and work experience, their chances of success in elite firms may increase.

Our findings suggest that two social processes are key to the production of the Chinese corporate legal elite, namely *local elite recruitment* and *endogenous elite circulation*.

Local elite recruitment is the social process in which elite professional service firms limit their recruitment from the most prestigious universities in the city or region where the firms are located. As legal education in China starts from the undergraduate level, most elite lawyers obtained their LL.B. degrees from top law schools and, until the late 2000s, when the majority of lawyers in our sample had already begun their legal career, a postgraduate degree was optional for getting a job in an elite Chinese law firm. As Dinovitzer (2011) demonstrates, law degree from an elite institution is a strong predictor of status and financial rewards in the U.S. legal profession. This is also the case for elite lawyers in China. Our analyses further suggest an additional layer to this process, that is, the first university degree from an elite institution is also a significant contributor to elite status in professional service firms. While the majority of elite Chinese lawyers' first degree is also their law degree, even a non-law first degree (e.g., in economics or engineering) from an elite university contributes to the future prospect of getting employment and partnership in the Red Circle firms. This emphasis on elite undergraduate degrees parallels the importance of Oxbridge education for the Magic Circle firm partners in the U.K. (Cook et al. 2012).

Endogenous elite circulation is the social process in which elite professionals accumulate their work experiences within a small circle of elite firms while climbing up the ladder to a partnership. In the history of elite U.S. or U.K. law firms, most partners stay in the same firm to play the "tournament of lawyers" under the Cravath system (Galanter & Palay 1991). It was not until the late 20th century that lateral hiring became common (Galanter & Henderson 2008). For the case of China, in contrast, lateral movements of both associates and partners have been a common practice since the birth of the corporate legal market in the 1990s. However, in the next three decades of this market, there has been a notable trend of increasing endogeneity of law firm partners' work experiences within the Red Circle. In other words, as the Chinese corporate legal market evolves, its elite sector has moved towards

social closure (Abel 1989; Larson 1977), characterized by the increasingly endogenous circulation of elite professionals within the most elite firms.

In conclusion, the field of elite professional service firms is a highly endogenous and exclusive social space. Existing studies have repeatedly demonstrated the enduring class, gender, and racial inequalities in this elite circle in many local contexts (Ballakrishnen 2017a; Dinovitzer 2011; Dinovitzer & Garth 2020; Hagan & Kay 1995; Tomlinson et al. 2019), yet more studies are needed to understand how global and local forces affect the social production of professional elites. In this article, we have used the case of the Red Circle law firms in China to present an empirical inquiry of the social factors that shape the production and reproduction of corporate legal elite in the context of globalization. Our analysis suggests that the global-local ‘hybridization’ in elite production in Chinese corporate law firms contains significantly more local elements than global ones. In particular, local elite recruitment and endogenous elite circulation characterize the social production of elite Chinese law firm partners. International experience, whilst useful, appears to be less significant in the elite production of law firms partners in China than in some other contexts (Dezalay & Garth 2002; Galanter & Henderson 2008).

Despite their rapid growth since the 1990s, Chinese corporate law firms remain young professional organizations. It is foreseeable that, as many of them actively participate in China’s outbound investment and international trade in recent years, the next cohort of their partners will build up more international expertise and experience over time. Meanwhile, as new law schools from elite Chinese universities specialized in science and engineering (e.g., Tsinghua University, Zhejiang University, and Shanghai Jiao Tong University) rise in the rankings (Wang et al. 2017), the dominance of the traditional ‘Big 4’ law schools in the Beijing corporate bar could decline in the future. Nevertheless, the processual logic of elite recruitment and circulation is unlikely to change, as long as the Red

Circle firms maintain their exclusive control over the most high-end corporate legal work in China. Social closure, in other words, is always founded on the basis of jurisdictional control over specific types of work (Abbott 1988).

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Table 1. Gender

This table shows the number of female, male and all partners across three cohorts. The percentage of female partners among all partners in the cohort is reported in the last column.

Cohort	Female	Male	Total	Female % in Total
1. Founding (before 1995)	29	119	148	19.6%
2. Transitional (1995-2000)	43	89	132	32.6%
3. Millennial (after 2000)	78	116	194	40.2%
Total	150	324	474	31.6%

Table 2: Gender and Foreign Education

This table shows the percentage of female and male partners with foreign education across three cohorts. In each cohort, we perform t-test to compare ratio of foreign education in female and male subsamples.

Cohort	% Female with foreign education	% Male with foreign education	t-test (p value)
1. Founding	20.7%	39.3%	0.041
2. Transitional	27.9%	40.9%	0.139
3. Millennial	39.7%	38.8%	0.900

Table 3: Gender and International Work Experience

This table shows the percentage of female and male partners with international work experience across three cohorts. In each cohort, we perform t-test to compare ratio of international work experience in female and male subsamples.

Cohort	% Female with intl. work exp	% Male with intl. work exp	t-test (p value)
1. Founding	13.8%	26.1%	0.058
2. Transitional	20.9%	18.0%	0.695
3. Millennial	25.6%	18.1%	0.111

Table 4: Education Level

This table shows the percentage of partners with bachelor, master and PhD degree across three cohorts.

Cohort	Bachelor	Master	PhD
1. Founding	18.2%	64.3%	17.5%
2. Transitional	23.3%	66.7%	10.1%
3. Millennial	19.4%	67.5%	13.1%
Total	20.0%	66.3%	13.6%

Table 5: Educational Background

This table shows the number of partners of certain education background across three cohorts. The percentage below is the proportion of partners of that education background among all partners in the cohort.

Cohort	Big 4				Non-Big 4				Total
	Peking	CUPL	UIBE	Renmin	Elite (985)	Spec. Law	Other	Intl.	
1. Founding	39 26.0%	21 14.0%	3 2.0%	6 4.0%	24 16.0%	19 12.7%	33 22.0%	5 3.3%	150
2. Transitional	26 19.7%	17 12.9%	12 9.1%	6 4.5%	18 13.6%	6 4.5%	41 31.1%	6 4.5%	132
3. Millennial	54 27.8%	28 14.4%	8 4.1%	6 3.1%	43 22.2%	11 5.7%	42 21.6%	2 1.0%	194
Total	119 25.0%	66 13.9%	23 4.8%	18 3.8%	85 17.9%	36 7.6%	116 24.4%	13 2.7%	476

Table 6: Educational Trajectories

This table shows the number of partners into each category further education after their first degree education. Among partners from the same first degree education background, the percentages of partners that pursue different categories of further education are reported in the last column.

First degree education	Further education	N	% in Total
(1) Big 4 law schools (Total: 386)	N/A	100	25.9%
	Big 4	152	39.4%
	Non-Big 4	23	6.0%
	Intl.	111	28.8%
(2) Non-Big 4 law schools in China (Total: 477)	N/A	66	14.3%
	Big 4	189	40.9%
	Non-Big 4	107	23.2%
	Intl.	100	21.6%
(3) Intl. law schools (Total: 27)	N/A	3	11.5%
	Big 4	3	11.5%
	Non-Big 4	0	0.0%
	Intl.	20	76.9%

Table 7: First Work Experience

This table shows partners' first work experience after their education across three cohorts. The percentage below is the proportion of partners with that work experience among all partners in the cohort.

Cohort	Red-circle	Other	Intl.	Public	Uni.	Total
1. Founding	8	56	10	55	29	158
	5.1%	35.4%	6.3%	34.8%	18.4%	
2. Transitional	34	67	13	21	4	139
	24.5%	48.2%	9.4%	15.1%	2.9%	
3. Millennial	94	72	25	10	6	207
	45.4%	34.8%	12.1%	4.8%	2.9%	
Total	136	195	48	86	39	504
	27.0%	38.7%	9.5%	17.1%	7.7%	

Figure 1: Gender, Foreign Education and International Work Experience

This figure shows the ratios of female (solid) and male (dashed) partners with foreign education (triangle) and international work experience (square) change over the three cohorts.

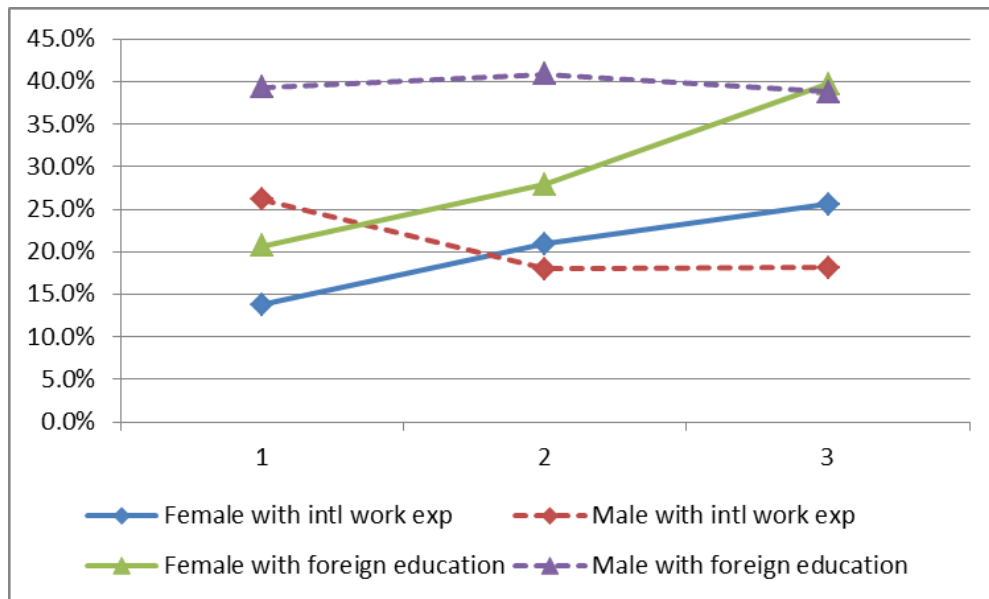


Figure 2: Alumni Networks between Elite Law Schools and Elite Law Firms

This figure shows the flow of partners from elite law schools to elite law firms over the entire sample period.

(The lighter nodes on the left side stand for universities that partners graduated from. We show the six most common alumni background [Peking, CUPL, Renmin, UIBE, Jilin and Fudan]. The darker nodes on the right represent the nine law firms in our sample. The connections from universities to law firms show the education background of partners in each law firm. The thickness of the connection is proportional to the number of partners from each university. The size of node represents the number of partners associated with that university or law firm.)

