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Tony Saich



POLITICAL GOVERNANCE IN CHINA



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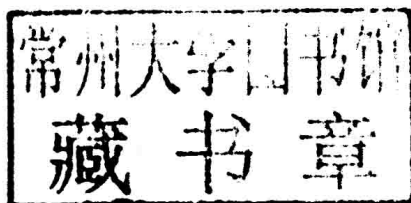
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Introduction

Tony Saich

The study of Chinese politics has evolved significantly over the last three decades. This evolution has gone hand in hand with the years of economic reform that have created a country that looks more like other developing nations and that have opened up greater research opportunities. Not only is more statistical data available but also greater use can be made of survey research, interviews, and fieldwork. This has changed the nature of research on China substantially and has meant that such study is more amenable to comparative research questions. Research projects now may include not only work with Chinese colleagues but also collaborations with 'non-China specialists' who are interested in questions of comparative development and what the study of China might contribute to this broader agenda.

Until the 1970s, research was mainly characterized as 'area studies' with one group of researchers analyzing contemporary China in terms of its historical and cultural legacies. This placed emphasis on questions of continuity and change and the extent to which traditional patterns of authority still influenced the contemporary polity. Research that was not 'Sino-centric' explored the differences between the Chinese communist experience and that of the Soviets, especially those that derived from the Chinese Communist Party's (CCP) revolutionary and cultural heritage (see, for example, Schwartz, 1951). Some tried to include the study of the Chinese Revolution in the broader field of comparative revolutions (Moore, 1966). In so far as Chinese politics were taught, certainly in the United Kingdom, it was as a sub-set of a course on comparative communist systems. This approach also dictated research themes with attempts to apply concepts developed in the study of the Soviet Union to see whether they applied, or not, to the Chinese situation (for example, Goodman, 1984). Given the paucity of materials and lack of access, most 'field' interviews were conducted with refugees in Hong Kong and where the University Services Center in Hong Kong provided an abundant collection of resources. It is true that students from many countries, with the notable exceptions of the USA and the USSR, were able to study in China from the early 1970s, although access was strictly controlled and serious fieldwork was not feasible. The academic community was relatively small, so it was possible to keep abreast of most areas of study and the field was relatively isolated from 'mainstream' political science. Reading a couple of newspapers and journals could make you an expert on almost anything to do with China. Reform tore up this cozy existence: the language changed, publications proliferated, access opened up, and academic specialization became not only possible but also necessary. This collection concentrates on political science writing that has been a product of the post-1978 reform period.

The Study of Chinese Politics

The situation outlined above has been transformed completely with fruitful engagement with questions of comparative development and the involvement of non-China specialists who bring their own comparative research questions to the empirical hunting ground of China. China has become an important area of research for those interested in questions of transitional systems, especially the relationship between an authoritarian polity and a more liberalized economy; one-party political systems; or the East Asian Developmental state. The career incentives for young scholars entering the field pushes research toward a disciplinary focus and away from what might still be thought of as traditional 'area studies.'

However, Elizabeth Perry (Chapter 1, this volume) warns of 'throwing out the baby with the bathwater.' While acknowledging the increasing engagement with comparative questions such as the development of civil society, and the role of property rights in development or democratization, she stresses how China's development experience and its revolutionary experience have still shaped outcomes. Perry notes the importance of how 'retention—and reinvention—of many elements of China's revolutionary heritage [...] have managed to fashion a surprisingly durable brand of "revolutionary authoritarianism."' As a result, she is cautious about the extent to which Soviet studies, theories about 'run-of-the-mill authoritarianism,' and the East Asian Development state are useful comparators. There is a residual impact from Maoist institutions and practices. This has highlighted relevance with the ascent to General Secretary of the CCP of Xi Jinping (in 2012), who has promoted Maoist practices such as the 'mass line' and has been sharply critical of those who completely reject the development experience under Mao Zedong.

O'Brien (Chapter 2, this volume) takes up the theme of the possible trade-offs between more traditional area studies and the discipline of political science. He notes two main trends. First, as we have noted above, there has been a growing disciplinary orientation. Second, the research focus has narrowed to very specific topics and there is hesitation to link this research to larger questions about the nature of the political system and its evolution. There has been a push not only to ignore 'Chinese exceptionalism' but also not to see it as relevant. These trends provide first-rate research but one might conclude that we are getting a good view of the individual trees but we are losing sight of the woods.

This sets a challenge for what a future research agenda might look like. Certainly, the field has been reinvigorated by integration with the disciplines and, given China's importance, this will continue to evolve. However, following the extensive period of fieldwork and the production of many excellent micro-studies, there is a need for a project of synthesizing to tell us what such research reveals about systemic evolution and what it contributes to ideas about transition and authoritarian regimes. Schubert (Chapter 3, this volume) looks at what a research agenda might comprise. He suggests that micro-research might help us shed valuable light on larger questions, in particular regime legitimacy. His article counters a prevalent view that political legitimacy is precarious, that the necessary political reforms to ameliorate this situation are not feasible, and that significant change is only a matter of time (see Chapter 32, this volume, by Rowen). His proposal is to promote a research agenda that looks at specific examples where reforms may be generating or sustaining citizen participation and regime support. Such topics might include village elections, the reform of the local people's congress, and various participatory channels. He concludes that the 'authoritarian resilience' of CCP rule

may be grounded in a critical degree of overall regime legitimacy that has not been grasped by China scholars. We return to the question of 'authoritarian resilience' in the final section below.

The Nature of the Chinese Political System

The reforms have led to considerable debate and confusion about what Baum and Shevchenko (1999) call the 'state of the state' in China. Different views have been expressed in the literature about the kind of system that has evolved and this has been accompanied by discussions about whether the experiences of China's developmental model can be transferred to other developing countries. This has produced a flurry of articles that try to categorize the nature of the Chinese development model by defining its key characteristics. As one would expect, there is no unanimity on this and there has been a proliferation of terms to try to capture the evolving nature of the Chinese system.

Study of the nature of the Chinese system and its applicability to other countries was given a boost by Joshua Cooper Ramo's publication *The Beijing Consensus* (2004). This was a direct challenge to the Washington Consensus as a model for aspiring developmental states to achieve economic take-off. Based on his observations of China's development, Ramo proposed three main features. First, China had displayed a consistent commitment to 'innovation and constant experimentation.' Second, he proposed that the sustainability of development and an equitable distribution of wealth were equally as important as measuring development in terms of GDP per capita alone. Third, developing countries should pursue a 'policy of self-determination' to check the influence of foreign powers and should be especially vigilant to maintain financial sovereignty. The bottom line of Ramo's view is that an authoritarian polity and economic liberalization can coexist to produce effective development. This leads to two particular questions: is the depiction accurate and is China a model for others?

Chen and Goodman (Chapter 4, this volume), in reviewing Ramo's thesis and those of a number of other writers, suggest that their analyses propose that there is a specific model of the relationship between the state, society and the market. By contrast, they suggest that China's success is the result of unique circumstances that might be difficult to replicate elsewhere. They highlight two features of China's developmental trajectory that are important: the size and scale of its huge domestic market and, echoing Perry, the peculiarities of its own historical experiences. They highlight the use of marketization and competition, rather than privatization, as crucial elements in China's success. In addition, they view three factors as important for China's development: the rise of a substantial middle class, the level of state investment in infrastructure, and the operation of a mixed economy.

Howell (Chapter 5, this volume) analyzes China's development in light of the East Asian Development model, a view that has gained traction in the literature. Writers such as Blecher and Shue (1996) and Oi (1989; Chapter 14, this volume; 1999) have used the developmental state as applied to Japan, South Korea, and Taiwan as a starting point for their understanding of how the local state functions in China. Oi develops the notion of local state corporatism, while Blecher and Shue develop the idea of a local entrepreneurial state. Howell rejects the application of the developmental state as a satisfactory characterization of the Chinese political system. Unlike with the other successful East Asian states, she does not view the central state as the prime actor in development. Instead she sees an increasingly fragmented state structure

in operation. In turn, the vacillating legitimacy of the CCP reduces the state's capacity to develop a nationwide strategy that, in turn, has led to the promotion of nationalism as a mobilizing factor. The fragmentation creates an environment where the pursuit of personal and institutional survival overrides the broader policy objectives. In place of the notion of the developmental state, she favors the descriptor of the state as 'polymorphous,' assuming multiple, complex forms that defy reduction to a unitary actor.

Given this fragmentary nature of the state, one key question that arises is what holds the system together? Tsang (Chapter 6, this volume) with his concept of 'consultative Leninism' highlights the key role the CCP plays in ensuring that the political machinery is more resilient in confronting the challenges it faces in a rapidly changing environment. He portrays this system as resilient and as not moving toward a more democratic system. It has evolved from the measures that the CCP took to save itself after the shocks produced by the student-led demonstrations of 1989 and the subsequent collapse of the communist regimes in the Soviet Union and Eastern Europe. The primary objective of the system is to ensure continued CCP rule. Reforms and other governing mechanisms will be adopted and adapted to meet this overriding priority. This has resulted in governance reforms that are intended to pre-empt moves toward democracy; new feedback loops to incorporate public opinion while, at the same time, guiding it; a more pragmatic economic management; and, importantly, the promotion of nationalism as a core belief to bolster (or even substitute for) the diminishing belief in Marxism.

One further crucial question that arises is how the Chinese system has been amended to confront the new challenges. If there has been little institutional or political reform, as some have suggested, then one might see the system as vulnerable to potential collapse. Kellee Tsai (Chapter 7, this volume) rejects the notion that the Chinese political system has resisted change and instead puts forward the idea that there has been significant change from below through the adaptation of informal institutions that have, in turn, led to amendment of formal institutions and constitutional revision. Her study shows how informal practices at the local level paved the way for legalization of the private sector, which had attracted party members into entrepreneurial activities. This was taken up by Jiang Zemin, when he was General Secretary, in his notion of the 'three represents' that was a more inclusive definition of the groups the CCP represented. The CCP was to represent the 'advanced social productive forces, the progressive course of China's advanced culture,' and the 'fundamental interests of the overwhelming majority of the people.' This paved the way for a constitutional amendment that included private sector workers as an integral part of the working class and provided the private sector with greater legitimacy in the economic sphere. She shows how adaptive informal institutions can serve a vital intermediate role in explaining the process of endogenous institutional change in the absence of 'cataclysmic events or institutional collapse.'

Naughton (Chapter 8, this volume) makes the strongest case for not viewing China's development as a model that can be easily copied by others. He acknowledges that certain aspects may be beneficial for other countries to consider but suggests that the totality of the Chinese developmental experience owes too much to conditions that cannot be replicated by others. He views three features that define China's development as unique: the size of the internal market (similar to Chen and Goodman); the shift to labor-intensive development from the earlier state-led capital intensive development; and the retention and adaptation of China's hierarchical authoritarian political system. He highlights six lessons from the development experience, all of which are important but may not be easy for others to copy in their entirety.

These include that, contrary to Washington Consensus orthodoxy, public ownership has not been abandoned and has proved 'reasonably efficient'; competition is more important than ownership; state-led investment means that it can anticipate demand; the state sector can create growth outside of the sector; and managers in the sector can be incentivized.

The Policy-Making Process

While much of the policy-making process remains a black-box, the notion that the system operates solely in a top-down fashion is clearly outdated. We know that there is a much more sophisticated interaction between different organizations at the same level and between different levels of government, but it is difficult to specify the precise nature. There are many instances of the Center issuing policy directives that are resisted or deflected by local administrations. This is reflected in two common phrases: 'The mountains are high and the Emperor is far away' (*shangao Huangdi yuan*) and 'They have their policies and we have our counter measures' (*tamen you zhengce, women you duice*). Yet, it is also the case that local experimentation has played a significant role in national policy development. We saw in the previous section how adaptive informal institutions have contributed to change in national practice. In addition, the important reforms that led to the reversion to household farming began with local experimentation in Anhui province, while the Special Economic Zones, such as in Shenzhen, have been crucial for providing a test bed for controversial labor and industrial reforms.

Thus, local experimentation is viewed by many as a key component of the policy-making process in China. This counters the view of a dominant top-down policy-making process and the more general notion of communist party-states as being extremely inflexible. Heilmann (Chapter 9, this volume) argues that '[t]he combination of decentralized experimentation with ad hoc central interference, which results in selective integration of local experiences into national policymaking, is key to understanding how a distinctive policy process has contributed to China's economic rise.' He calls this process 'experimentation under hierarchy' whereby political elites can benefit from local policy entrepreneurship. The central government then has the crucial role of scaling up the experiment and turning the specific into a more generalizable policy through national laws and regulations.

Montinola, Qian and Weingast (Chapter 10, this volume) also stress the role of the local to explain China's remarkable economic growth. Unlike many countries, they see a special type of institutionalized decentralization they refer to as 'federalism, Chinese style' that is market-preserving. They identify three consequences that follow from this decentralization. First, it fosters competition not just in product markets but also among local governments for labor and foreign capital. This encourages the kind of local experimentation that Heilmann sees as a crucial component of policy-making. Second, it provides local government with the necessary incentives to promote local economic prosperity. Third, this system provides local governments and their enterprises with protection against 'political intrusion' by the central government.

By contrast, Cai and Treisman (Chapter 11, this volume) strongly reject the notion that decentralization has been a major driver of China's economic growth. They claim that the key reforms shaping China's economic growth occurred in the late 1970s and early 1980s before significant decentralization had been introduced. They see much greater engagement of different groups of central leaders in local experimentation. Instead of decentralization, they view

competition between rival factions at the center with local connections that have competing ideological predispositions. Thus, they see central leaders as more willing to promote local experimentation and being in a better position to coordinate such experimentation across regions and to implement it nationwide. Thus, they reject the notion that China's reforms have been shaped by innovative, autonomous local leaders.

Schurmann (1968) was one of the first writers to point out the problem of bureaucratic coordination in what he refers to as 'vertical' and 'dual' rule. The dominance of one rule over the other will affect the implementation of central policy and how authority is exerted. The Chinese refer to these systems as '*tiao*' (branches) and '*kuai*' (areas). Under the former, the line ministry or equivalent exerts a 'leadership relationship' over the units at the lower administrative level. This encourages vertical flow of information, commands, and incentives. '*Kuai*' refers to horizontal linkages and stresses the authority of the party branch/committee at each level. Here, the party at the corresponding level exerts the leadership relationship. The resultant system is one of dual rule as the organization at the lower level is responsible to the corresponding departments of the line ministry at the higher levels as well as to the party committee at the same level. Unger (1987) used this struggle over the tension between the two sets of rule to interpret post-1949 administrative history.

Mertha (Chapter 12, this volume) revisits this key question about lines of authority and decision-making in the Chinese political system. He claims that, in recent years, a process of recentralization to the provincial level has been taking place: what he refers to as 'soft centralization.' While the first period of reforms was characterized by the decentralization of economic and political decision-making to local governments, by the end of the 1990s there had been a partial centralization of key bureaucracies to regulate local governments and reduce 'local protectionism.' This process accompanied the evolution of the early characteristics of a regulatory state in China. This recentralization would undermine the market-preserving federalism that Montinola and colleagues see as driving China's economic growth. However, this shift of bureaucratic control from the township and county to the provincial level has produced unintended consequences that may presage further readjustments in the future.

In terms of policy-making generally, one of the most enduring theories has been that of 'fragmented authoritarianism' first proposed by Oksenberg and Lieberthal (1988; see also Lieberthal, 1992). In their view, authority below the 'very peak' of the administrative system is fragmented and disjointed in a manner that is structurally based and that has been enhanced by reform policies regarding procedures. This means that policies introduced by the center are shaped by bureaucratic agencies that have their own organizational interests and imperatives and also by the regional jurisdictions. As a result, in implementation these diverse interests are incorporated leading to 'incremental change' in the policy arena through the process of bureaucratic bargaining. Mertha (Chapter 13, this volume) then adapts this theory to look at how the authoritarian system has been responding to the increasingly diverse demands of society. While he still sees the theory as the key explanatory factor, he suggests that the policy process has become increasingly pluralized. The fragmented nature of the system allows 'space' for policy entrepreneurs to operate to influence policy formulation and implementation. In particular, he identifies three new types of policy entrepreneur: officials in agencies opposed to a given policy, journalists and editors, and NGOs.

The Nature of the Local State

As is clear from the comments above, reforms have changed the nature of the local state both in terms of its hierarchical relations but also in terms of its relationship to society. Local resources and power structures increasingly determine political outcomes. Within the same province and even within the same county, one can witness dramatically different socio-political outcomes deriving from reforms. The effective decentralization of the fiscal system, more than any other factor, accounts for this local variation. It also explains why there is such inequality in the provision of public goods and services from one administrative jurisdiction to another.

Oi (Chapter 14, this volume) was one of the first to analyze in detail how the incentives provided by fiscal reform had created the conditions for local officials to drive economic growth forward. The break-up of the collectives meant that local governments lost access to agricultural revenue, and the harder budget constraints combined with local governments obtaining the rights over any surplus drove them to look to industrial development. As a result, they became local government entrepreneurs promoting local township and village collective enterprises under what she terms 'local state corporatism.' The local leaders acted as a board of directors in deciding on the investment and distribution of revenues. She suggests that this system of incentives meant that reforms could be pushed forward, generating economic growth without them presenting any real threat to their power.

Since Oi's early work there has been a number of excellent local studies that provide various descriptions of the nature of the local state. As Saich (Chapter 15, this volume) writes, '[t]he tendency for both Chinese and Western scholars has been to dwell on the fusion of political and economic power at local government levels. This has been accompanied in Western writings with an emphasis on property rights relationships.' Financial decentralization is crucial but the resultant structures are strongly influenced by the pre-reform economic structure. Out of this approach comes a categorization of local government forms: entrepreneurial, developmental, predatory, and varieties of corporatism. Saich suggests that two other factors are important in addition to the impact of fiscal decentralization. First, there is the impact of the political contracting system that sets up clear incentives for local leaders to concentrate on certain types of work over others. Second, there is the structure of local society. The nature of the local community and the ties of local officials to that community will also have a significant impact on the nature of the local state. These factors produce a 'patchwork' of different relationships with the precise outcome 'dependent on a location's historical legacy, resource endowment, and leadership.'

Tsai (Chapter 16, this volume) explores in detail the relationship between local officials and the community. She starts with the basic question: why would officials in an authoritarian system provide more than the minimum level of public goods that would be necessary to maintain social stability? She uses the notion of solidary groups that are based on shared moral obligations and interests as ensuring that they fulfill public obligations. These organizations would include village temples and village-wide lineages. For local officials to be committed to the provision of public goods within the community, these solidary groups need to be both 'encompassing' and 'embedding.' Encompassing in Tsai's usage means that they must be open to all under the jurisdiction of the local government with the social boundaries overlapping with political boundaries. Embedding means that local officials are incorporated into the group as members. Where these conditions exist, weak formal institutions for accountability can be

overcome and these unofficial norms will help local administrators to enforce their 'public obligation.'

The role of the township, the lowest formal level of government administration, has been a subject of much discussion, and some have even questioned its value, suggesting that it be abolished. This has not happened to date and is problematic as the township is a major source of employment and of patronage within the countryside. Instead, some townships are being merged and the focus of their work is shifting. With the county being developed as the fiscal center, reforms have attempted to turn township governments into 'service-oriented' agencies and away from being extractive agents of the state. This latter function was drastically reduced by the abolition of the agricultural tax in 2006. Smith (Chapter 17, this volume), in his detailed study of a county in Anhui province, shows how, in reality, the township level of government is being 'hollowed out' by pressures from above and below. From above, there are the needs to attract more investment to compensate for the loss of the agricultural tax; to meet obligations dictated by higher levels of government, enhanced by the 'soft centralization' that is taking place; and to receive inspection teams. From below, many township officials are being seconded to the villages to oversee family planning and to ensure social stability among other tasks. These trends have undermined the government's desire to see the township function as a more effective service provider.

One feature that is implicit and explicit in much of the writing about incentives for local officials in terms of job performance and promotion is the need to focus on GDP growth and local investment tasks. However, despite the prevalence of performance contracts that emphasize these targets, recent research suggests that more traditional factors of loyalty and factional allegiance may be more important, especially in terms of promotion into the CCP's leading bodies. Landry (2008), for example, concludes that exceptional economic performance has virtually no effect on the chances for internal promotion of mayors to party secretary.

Shih, Adolph and Liu (Chapter 18, this volume) in their detailed study of membership of the central committee (both full and alternate members) conclude that the cadre evaluation system and the geographic-based governing system that many have seen as causing local governments to compete with one another to produce high growth rates do not lead to promotion to higher party position. By contrast, they find that factional ties to top leaders play a more substantial role in promotion. In addition, they find that educational qualifications and provincial revenue collection are also important in terms of elite ranking. Thus, they make the important observation that 'promotion systems served the immediate needs of the regime and its leaders, rather than encompassing goals such as economic growth.' If this is true more generally, it contradicts much of the literature (including Saich above) on the incentives for prioritization of activities by local officials.

One final question remains as to how citizens view the performance of their government. Saich (Chapter 19, this volume), through his survey, shows that citizens disaggregate the state when they think about satisfaction with government performance. While they express high levels of satisfaction with the central government, this declines with each lower level of government. Thus, the township government receives the lowest satisfaction ratings; not surprising given the analysis presented by Smith (Chapter 17, this volume). However, interestingly, during the years of the survey (2003–11), satisfaction levels with the work of government have risen, perhaps showing a response to the 'people-centered' policies of the Hu Jintao–Wen Jiabao leadership. Yet, dissatisfaction with the performance of local government

officials remains high with many respondents feeling that they were aloof, close to those with money, and primarily took care of their own interests. In terms of what they wanted their government to focus on, citizens wanted more attention to be paid to services that are related to alleviating the negative impacts of reforms and do not see a strong role for government in overseeing religious belief, or family planning, or being involved in attracting business and investment.

Participation and Protest

The reform program has fundamentally changed the relationship between state and society, opening new channels for participation in the political process. The conscious withdrawal of the state has led to the creation of greater space for citizen engagement and the emergence of non-governmental organizations (NGOs) to undertake services that formerly were carried out by the state agencies. However, this should be interpreted not as the emergence of a more democratic polity but rather as the liberalization of previous regime practices as the party acknowledges that it needs the input of certain kinds of knowledge from different sectors of society and that certain functions can be carried out more effectively by the NGOs. In turn, this has led to both a loosening of the party's grip over society and also the development of new mechanisms of control. The increasingly complex nature of a society in which liberalization coexists with continued party-state control has also led to the rise of new areas of conflict and the creation of new mechanisms and repertoires for dissent, as well as traditional expressions.

One of the most noticeable features of the reform period has been the rise of NGOs (social organizations). By the end of 2012, there were over 450,000 social organizations officially registered with the Ministry of Civil Affairs, while there are millions that are not registered. Saich (Chapter 20, this volume) notes that the space in which these organizations can operate has expanded, and that they now represent the varied societal interests, convey those interests into the policy-making process, and carry out vital welfare functions that the state cannot or is no longer willing to undertake. In turn, this has led the state to develop mechanisms to incorporate these organizations into the control structure of the party-state. He suggests that this has led to attempts to develop a traditional Leninist reordering of the sector with legislation seeking to mimic the composition of government departments and limit horizontal linkages. Yet, control is not absolute, and he suggests there exists a symbiotic relationship through which some of these organizations have developed strategies to negotiate a relationship that maximizes the interests of their members or that circumnavigates or deflects state intrusion. The more complex set of relationships that emerges from this process means that some organizations can have effective input into decision-making and create relationships that transcend traditional Leninist vertical controls.

The trend that Saich identifies of local governments carrying the main burden for the provision of public goods and services has intensified in recent years. The fact that often they have insufficient revenue streams has placed great pressure on them, a pressure that was compounded by the transfer of many social services from the work unit to the state and to society. This has further expanded the space for civic organizations to operate and fosters greater tolerance on the part of local authorities toward their activities and even causes them to engage in co-production. However, as Teets (Chapter 21, this volume) shows in her article and case

study of Beijing and the Shining Stone Community Action, the state has sought to develop new mechanisms of indirect control. Thus, the expansion of civil society leads not necessarily to democratization but rather to better governance and enhanced citizen satisfaction. This gives support to the argument of 'resilient authoritarianism' that we look at in the final section. In addition to the need to provide public goods more effectively, Teets also points to the influence of the model of the Western regulatory state that facilitates the 'transition of governing institutions from a producer function to more of a regulatory function.' The rise of the color revolutions and the Arab Spring served as warnings, and the perceived success of the state-led development in China in response to the global financial crisis (2008–09) set limits to the expansion of the sector. Here she sees the influence of the 'New Left' thinking that has given rise to 'consultative authoritarianism.' This is distinct from corporatism in that it permits a pluralistic society to participate in policy formulation and implementation. Accompanying this is the use of multiple indirect tools of state control. This explains the possibility of civil society development under authoritarian conditions without any necessary momentum toward democratization.

Saich and Teets concentrate, as do many others, on the state response to these new organizations but Thornton (Chapter 22, this volume) suggests that the CCP itself has begun to adapt to influence this emergent societal sector. She suggests that the downsizing of government that has taken place since 1998 has resulted in an 'unprecedented advance of the Party' to fill the space that has been created. This has resulted in the CCP being able to steer civil society to serve its own objectives. While earlier writing has concentrated on government-organized NGOs, she writes of Party-organized NGOs. This suggests that the CCP, far from passively accepting state withdrawal and the rise of a more autonomous social sphere, has actively promoted new mechanisms of social governance. She looks at this phenomenon through a detailed case study of Shanghai where the party has shaped and guided the sector to meet the societal needs as defined by the regime. She estimates that the Party has engaged with and manages over 90 percent of the NGOs in Shanghai through a policy she terms selective 'absorption.' This is part of a general drive to reassert party engagement in an increasingly varied and diverse socio-economic landscape.

The most extensively covered area of citizen participation has been the development of village elections across China. With the abandonment of the communes in the early 1980s and the restoration of the administrative system of counties and townships, formal state power stopped at the township level. This meant that there was no effective governing agency at the village level and numerous reports referred to the rise in conflicts at the local level with no effective mechanism for dispute resolution. Consequently, a program of elections was proposed to elect villagers' committees to form a self-governing mechanism throughout the countryside. This has led to debate about the efficacy of the elections, the extent to which they are genuinely representative, whether they are dominated by traditional social organizations such as clans and lineages, and whether such experimentation at the grassroots level might lead to the promotion of democratic experimentation at more formal levels of the state such as the township level (Saich and Yang, Chapter 26, this volume). Do elections build trust? Who votes and why? What happens once they are elected? These are all important questions that have received attention.

Drawing on surveys conducted in 1990 and 1996, Manion (Chapter 23, this volume) looks at the extent to which the village election program has raised the level of trust that citizens feel