Yongnian Zheng, De Facto Federalism in China: Reforms and Dynamics of Central-Local Relations

Series on Contemporary China – Vol. 7, New Jersey et. al., World
Scientific, 2008, 460 pp.

Christian Göbel

Electronic version

URL: <http://journals.openedition.org/chinaperspectives/4819>

DOI: 10.4000/chinaperspectives.4819

ISSN: 1996-4617

Publisher

Centre d'étude français sur la Chine contemporaine

Printed version

Date of publication: 1 June 2009

Number of pages: 117-119

ISSN: 2070-3449

Electronic reference

Christian Göbel, « Yongnian Zheng, De Facto Federalism in China: Reforms and Dynamics of Central-Local Relations », *China Perspectives* [Online], 2009/2 | 2009, Online since 01 June 2009, connection on 21 September 2020. URL : <http://journals.openedition.org/chinaperspectives/4819> ; DOI : <https://doi.org/10.4000/chinaperspectives.4819>

This text was automatically generated on 21 September 2020.

© All rights reserved

Yongnian Zheng, De Facto Federalism in China: Reforms and Dynamics of Central-Local Relations

Series on Contemporary China – Vol. 7, New Jersey et. al., World Scientific, 2008, 460 pp.

Christian Göbel

- 1 The nature of China's intergovernmental relations is a hotly debated topic. While none of the scholars involved in this debate would deny that a significant degree of decentralisation has taken place in the course of reform and opening, there is still wide disagreement as to whether politics in China can genuinely be characterised as "decentralised." Zheng Yongnian takes a rather extreme position in this debate by declaring China a de facto federalist state, a claim he wishes to illustrate by taking a "behavioural approach" to central-local relations.
- 2 In its eight chapters, the book provides the reader with acute observations and important theoretical insights. However, it also suffers from some conceptual and theoretical shortcomings. For example, the interesting empirical chapters are only marginally related to the theoretical part of the book, and the frequent use of key social science concepts outside of their established definitions sometimes makes it difficult to follow Zheng's argument.
- 3 In the first three chapters, Zheng summarises existing approaches to central-local relations in China, lays out his conceptual framework, and traces the historical roots of "decentralisation" in China. His key concept, "de facto federalism," does not, as one might expect, denote a constitutionally or otherwise explicitly protected division of powers between two levels of government, but rather:
- 4 ...a relatively institutionalised pattern which involves an explicit or implicit bargain between the centre and the provinces, one element in the bargain being that the provinces receive certain institutionalised or ad hoc benefits in return for guarantees by provincial officials that they will behave in certain ways on behalf of the centre. (p. 39)

- 5 The “institutions” embedded in this “structure,” Zheng claims, are “coercion,” “bargaining,” and “reciprocity,” and it is the role of reciprocity in central-local relations to which Zheng particularly wishes to contribute an understanding. Most existing studies, he correctly stresses, emphasise the role of coercion (which he seems to equate with the nomenclatura system) and bargaining in central-local relations, but not of the “norms of interaction” that have formed through repeated bargaining processes. This is undoubtedly true, and there are good methodological reasons for this deficiency. Coercion and bargaining are directly observable actions (though not institutions), whereas the evolution of mutuality between the centre and 31 province-level governments is much harder to fathom. We are in dire need of theoretical and methodological innovations that tackle these difficulties to gain more insights into the black box of elite politics, and Zheng Yongnian’s attempt to make such a contribution deserves high praise.
- 6 Having laid out his conceptual framework, Zheng traces the origins of present-day decentralisation, a term that is generally understood to mean the transfer of rights and responsibilities to subordinate administrative levels. Hence, his definition of the term as “withdrawing national institutions from and reducing the presence of national power in local areas” (p.245) is quite unconventional. Moreover, the concept is stretched to cover not only intra-governmental but also state-society relations (p.42). As a consequence, the boundaries with other important concepts such as privatisation, liberalisation, and state capacity become blurred. The pitfalls of this rather indiscriminate use of key social science concepts become apparent when Zheng repeatedly characterises the Great Leap Forward as “excessive decentralisation.” Applying the above definition would mean that one of the worst man-made disasters in China’s history was the result of the withdrawal of the central state and not, as is commonly held, its excessive encroachment on the lives and minds of China’s rural population.
- 7 After this lengthy theoretical treatise, the author suddenly turns to “thick description” as a method of “interpretation” (xii), leaving the reader to tie the cumbersome theoretical approach to the pleasantly detailed description that follows in chapters 4 to 7.
- 8 Chapter 4 shows how the Jiangsu provincial government used newlywon economic freedom to govern the province “on behalf of the centre” (p.115). Without much central intervention, Zheng shows, Jiangsu was able to flexibly implement growth policies suited to local circumstances. The chapter highlights the crucial role of the Jiangsu provincial government in making collective industry more efficient and in building markets through the decentralisation of economic decision-making in the municipalities as well as through the promotion of horizontal linkages between enterprises within the province and with other provinces. However, Zheng also points out that “the budget plan had to be in line with central policy and the central government still had authority in approving the province’s budget and financial accounts” (p.132). In a similar vein, the chapter shows how the province was quite active in developing an export strategy and rural industry, albeit within the policy guidelines set by the central government.
- 9 Chapter 5 analyses the development of Zhejiang’s relationship with the centre. Again, the author highlights in great detail how the provincial government fostered economic growth within the broad guidelines set by the centre. Zhejiang is a relevant case in this

respect because its economic success was mainly due to its burgeoning private sector and its early and successful export strategy. As in all other empirical chapters, Zheng proves that history matters by tracing in great detail the historical roots of prevalent local ownership forms and the relationship of the province with the centre. And again, much care is devoted to narrating in great detail the locally generated development strategies and their regional differentiation. Unwillingly, Zheng also shows that it does not make much sense to treat the centre as a monolithic entity, which is exactly what his approach implicitly does. He explains how the central leadership was evenly split in the early years of Reform and Opening on the issue of private ownership, and how the Wenzhou model of privatising local industry received only tacit support.

- 10 The case of Guangdong, which is analysed in Chapter 6, is somewhat different from the cases discussed before. Zheng illustrates how Guangdong's development long served as an example for other provinces to emulate, only to be stripped of its prerogatives in 1998. The reason for this turnaround, Zheng claims, is that Guangdong's localism had become "excessive," by which he means the problems of smuggling and corruption (p. 250). In addition, decentralisation came to be perceived as hurting national interests. According to Zheng, it worsened disparities, undermined laws, and stifled innovation. Thus, a "paradigm change" took place, manifested in a shift from decentralisation to "selective recentralisation" (p.259).
- 11 The Economic Cooperation Association (ECASC), which is the subject of Chapter 7, is less an example of reciprocity than of bargaining. Here Zheng shows how the economically weaker south-western provinces formed a coalition, first to better implement central policies, but later to co-ordinate regional development and increase their leverage vis-à-vis the centre. Zheng narrates in great detail how the ECASC overcame internal co-operation problems, became increasingly selfconfident, and learned to play the "minority card" in their collective bargaining with the centre. I found it most interesting that the ECASC received support from the very same leading politicians in the central government who later sat on the other side of the bargaining table (p.345).
- 12 Interesting as these chapters are, they also show how diverse the relationships between the (divided) central government and individual provinces are. This diversity alone makes it difficult to uniformly apply the "de-facto federalism" label to the Chinese polity. However, this challenge is not taken up, and a systematic treatment of the mechanisms that regulate the relationship between the centre and the provinces is found lacking. Moreover, the core assumption of the book that "reciprocity" rather than coercion and bargaining characterises central-local relations unfortunately remains completely unexamined.
- 13 In a similar vein, it seems doubtful that the term "de facto federalism" can be genuinely applied without stretching the well-defined concept of federalism beyond recognition. In the case of Guangdong, for example, Zheng argues that "selective recentralization" actually consolidated de-facto federalism, because it more clearly delineated the separation of powers between the various levels. However, he fails to specify which powers inviolably belong to provinces and which to the centre. Hence, given that the central government has proven itself able to restrict local autonomy in almost any policy field, the concept verges on tautology: de facto federalism (nonintervention by the centre) exists where central intervention has not (yet) occurred.

- 14 Given the strengths and shortcomings of the book, it comes recommended to those who are interested in the various forms of economic governance in the provinces Zheng covers. For those studying central-local relations, it provides a basis from which to further probe the difficult issue of institutionalised reciprocity in China's fragmented polity.
-

AUTHOR

CHRISTIAN GÖBEL

Lecturer at the Institute of Political Science / East Asian Studies, University of
Duisburg-Essen