Erik Kjeld Brødsgaard, *Hainan – State, Society, and Business in a Chinese Province*

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This work by Kjeld Erik Brødsgaard, professor and director of the Asia Research Center, Copenhagen Business School, rests on a detailed study of Hainan Province in the reform era to paint a vast picture touching on relations between central authorities and provincial and local ones, the island’s economic development strategies, and administrative reforms in China, as well as relations between the state and society. Given the rarity of studies on Hainan Island, especially in the fields of politics and economics, as well as on its recent development, this book represents a major contribution.

The 144-page book (besides notes, bibliography, and index) is divided into 11 chapters. After tracing, in Chapter 1, the contours of the issues treated in the book, the author briefly sets out the geographic, demographic, and historic context of Hainan Island in Chapter 2. In Chapter 3 the author narrates the process that led to Hainan’s elevation to provincial status and its designation as a Special Economic Zone (SEZ).
Chapters 4 and 5 deal with issues related to the island’s economic structure: foreign investment and trade. Chapter 6 throws the spotlight on the Yangpu economic development zone. Chapters 7 and 8 recount the island’s administrative reform experiment with the slogan “small government, big society” (xiao zhengfu da shehui); Chapter 7 examines the “small government” aspect while Chapter 8 focuses on “big society.” Chapter 9 deals with Hainan’s inclusion in the Pan-Pearl River Delta regional development plan. Chapter 10 delves into Hainan’s place in international relations in the South China Sea area. Finally, Chapter 11 consists of a short, two-page conclusion.

There is a major imbalance in chapter lengths, some running to more than 20 pages (chapters 4 and 7), while others are less than five pages long (chapters 2 and 11). Moreover, Chapter 7 consists in part of a chapter from a book on Chinese Communist Party reform edited by Brødsgaard and Zheng Yongnian and published in 2006. Chapters 2 to 4 likewise contain parts of the author’s contribution at the “Perspectives on contemporary China in transition” conference held at the University of London in 1995.

The author spent several spells in China, including in 1998-1999 as Visiting Professor at Peking University’s Research Centre for Contemporary China. He was also Visiting Senior Research Fellow with the East Asian Institute at the National University of Singapore in 2000-2001. He has visited Hainan several times, during which he tapped the expertise of local scholars, especially Liao Xun, then head of the Hainan provincial government’s Research Center for Social and Economic Development and editor of a report on political reform. The author also drew on national and provincial data and statistical yearbooks.

The long-neglected island had been under Guangdong administration after the Communist takeover. In 1988, after protracted discussions, it finally gained elevation to the status of a province and was simultaneously declared an SEZ. As these are recent phenomena, the author was able to study the decision-making process and the numerous and complex interactions among different levels of Chinese administration: the central level in Beijing, the provincial level in Guangzhou, and the local level in Haikou. He brings out the centrality of support from the Party leadership, especially Deng Xiaoping, in the success of this process, which may be divided into several successive phases that mirrored the changes occurring in China during the reform era. Discussions at the national and provincial levels in the early 1980s on the issue of Hainan’s status led to the conclusion that it was necessary to develop the island by extending economic measures similar to those enjoyed by the SEZs, without, however according it that status – a move that would have entailed financial investment on the part of the central administration, something it was not ready to concede. However, taking advantage of favourable measures, local authorities mounted fraudulent operations between January 1984 and March 1985, importing tax-free goods and reselling them at double or triple the price on the mainland. This was uncovered and exposed in 1985. The island’s officials were criticised and punished when the scandal was sorted out. But interestingly, the scandal revealed three different positions taken: outright condemnation by Guangdong authorities, who wanted no part in the affair; a more conciliatory tone from central officials, who wished to avoid discrediting the general reform movement; and finally the position of local authorities in Hainan. The provincial officials were on the defensive, protesting their innocence, claiming that the poor and “backward” province had always been exploited by the mainland. Hainan officials wanted their piece of the cake. Despite the seriousness of the scandal, which
had drawn international attention, the island’s rapid economic development had backers in Beijing, including top-ranking leaders such as then Premier Zhao Ziyang, Party General Secretary Hu Yaobang, and State Councillor Gu Mu. They and other Party leaders visited the island by turns. Subsequently, one of the leaders, Liang Xiang (vice-chairman of the advisory commission of Guangdong Province and former mayor and Party secretary of Shenzhen), proposed elevating Hainan to full provincial status and turning it into a zone for free exchange and circulation of goods and people. This secured support from Deng, who approved the idea during a meeting with Yugoslav leaders in June 1987. It was formalised by Zhao at a meeting of the 6th National People’s Congress Standing Committee, which decided to discuss the proposal during the full NPC session the following year. A preparatory group set up for the purpose proposed Hainan’s elevation not only to provincial status but also to that of an SEZ, as well as an experimental zone for administrative and economic reforms. This received approval on 13 April 1988 with two decisions adopted: declaring the island a province and according it SEZ status. But the 1989 Tiananmen unrest led to a break in the reform movement and had major repercussions on the island’s development. Consequently, even after reforms were back on the rails, the island never regained Beijing’s favour, attention having turned towards other places such as Shanghai.

Starting in 1988, the process of constituting the new province’s administrative machinery also served as a test framework for experimenting with unprecedented reforms in China. This “small government, big society” reform rested on the principle of the need to rationalise administration, reduce personnel, and delegate non-essential functions to society. In this context the aspiration to see the emergence of civil society in China aroused great interest. If successful, it would have been extended to the whole country, as was the case with agrarian and industrial reforms pursued in Anhui and Sichuan respectively after 1978. All this made Hainan an especially interesting reform laboratory worth studying.

In Chapter 7, devoted to this experiment in administrative reform, the authors stress that despite the central authorities’ desire to reorganise the administration and reduce personnel, in fact both state and Party are still reticent in regard to such initiatives, and in Hainan’s case, ultimately did not offer the support and resources necessary to properly carry forward the xiao zhengfu da shehui reform project, despite the great publicity that had been showered on it initially. Moreover, in practice, reducing the number of administrative bodies at the provincial level has also faced the problem of dialogue between central administrative bodies and local bodies, the pared-down Hainan administration no longer having organs corresponding to those at the centre. Finally, the author rightly notes that the main problem with China’s administration lies not so much in the size of its personnel but in their effectiveness. This study also points out the inadequate presence of local officials in key posts, which overwhelmingly were occupied by mainland cadres sent by Beijing. Minority nationalities – in the island’s case the aboriginal Li – were also almost absent in the provincial leadership line-up.

Abundant details pepper the book as regards the island’s political and economic organisation, testifying to the author’s expertise in the subject. These details will certainly interest Hainan specialists. However, it is regrettable that in general the chapters in the book are very descriptive and lack coherent analysis. Moreover, as has been repeatedly noted, interest in the island owes to the relatively recent change in its status and implementation of administrative reforms. It might have been preferable to
reorganise the chapters, which as previously mentioned are of uneven length, around these two themes. That said, this addition to the understanding of Hainan’s economic development and political organisation remains a significant one.

NOTES


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