

BOOK REVIEW

**Centrifugal Empire: Central-Local Relations in China. By Jae Ho Chung. New York: Columbia University Press, 2016. X, 232 pages. USD 60.00. ISBN: 978-023-1176-20-0.**

*Book Review by Giuseppe Gabusi.*

**W**hy is China a unitary state? Why has federalism never taken hold in China? Why is China divided in only 33 province-level units, considering its huge – almost continental – size? To these old and fascinating questions Jae Ho Chung’s *Centrifugal Empire* tries to give an answer by looking at how the People’s Republic of China has managed to organize the political division of the territory in continuity with all the – not always successful – imperial attempts to hold the country together. Chung looks particularly at “perceptual undercurrents (i.e., national identities of local governance), as well as their behavioral manifestations” (p. 3), especially in the post-Mao era, which have shaped the Chinese Communist Party’s (CCP) mindset when dealing with issues of local governance. In particular, the author outlines how historical memories of territorial fragmentation, warlordism, and local fiefdoms have generated in the Communist elite a true obsession for the complete control of a unified country. How in contemporary China the center and the localities have been coping with this historical legacy is the central theme of the book.

“Local units” in China include provinces (and province-level units like centrally administrative municipalities, ethnic minority regions, and the special administrative regions of Hong Kong and Macao), prefecture-level cities and prefectures, county-level cities and counties, and towns, townships, ethnic minority townships, and street-level administrative offices. Since these units are all part of a centralized state, the central government shapes the different levels of the administration, their hierarchies and their respective jurisdictions according to the perceived needs of the state. For this very reason, post-Mao decentralization – which has allowed local economies to thrive – has never meant loss of control by Beijing. Chung speaks of post-1978 “de-centering” coupled with

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selective recentralization, with the notorious case of the 1993 fiscal reform as a typical example of the latter. China's success story in the last 40 years owes much to competition among localities, each of them fighting to attract funds, foreign investment, and economic opportunities, often also by circumventing central rules still nominally in force. Localities have thus become more aggressive vis-à-vis the center, but at the same time Beijing could not resort back to the top-down, ideological, principal-agent kind of approach that Mao adopted in his heyday, precisely because the central government needed economic growth at the local level for its political legitimacy. Therefore – within overall continuity in the need to keep local administrations at bay – the pursuit of economic development and growth has changed in a way the center/local relationship.

In fact, it is precisely at this political economy junction that center/local dynamics meet state-society interactions. According to Chung, Beijing's perceptions of local bureaucracy are of three type: as agents, representatives or principals. The reform era has somehow weakened the role of localities as loyal and diligent executors of the center's wishes and policies. However, the author reminds us that this image has often represented a mythology, as even in the 1960s and 1970s Mao's ideological grip on power did not prevent local officials from cheating (for instance, on statistics) if those actions were necessary to keep their power positions while at the same time allowing *some* degree of autonomy. Conversely, decentralization and 'segmented de-regulation' - a concept well articulated by David Zweig in his *Internationalizing China* (2002) – encouraged local governments to proactively present Beijing their own autonomous instances and demands – a relatively quite new behavior in China's recent history. Moreover, since China's governance – even though authoritarian in nature – relies on some degrees of support from the population at large, having local administrations perform the role of representatives is of crucial importance for the center: in this way, the periphery conveys all sorts of signals (from expectations to complaints, and from necessities to suggestions) that Beijing should respond to in order to maintain political and social order in the country. This role is certainly crucial for 'hearing the pulse' of society, but especially in times of factional infighting at the center, local officials could exceed their role and try and carve out a leadership role for themselves, in the name of local collective interests, thus triggering a firm crackdown from Beijing. The rise and fall of Bo Xilai in Chongqing some years ago might well be a case in point.

Indeed, even after the dilution of ideological discipline, Beijing has several instruments to rein in the excessive protagonism of local officials. For a start, as preventive mechanisms, like in traditional China the center keeps the power to demarcate territories and jurisdictions through artificial boundaries, "to prevent the rise of localism embedded in common dialects, cultures, and customs cultivated over long periods of time" (p. 77). The Communist Party has added to that the personnel system as an extraordinary mechanism of control, since personnel collectively represents – as explored in Susan

Shirk's *Playing to the Provinces* (1993) – that very *selectorate* which ultimately shows his loyalty to the center, and indeed to the top echelon of the party elite, chosen every five years in the Congress. Moving officials from one position to another entails an incentive system of rewards and punishments which can be as effective as a Maoist framework requiring to keep the ideological Party line (one can find here echoes of Zhang Yongnian's *Organizational Emperor* – 2010). Instruments of control can also be of investigative nature, be them leaders' 'inspection tours' (kaocha, 考察) that have seen Mao, Deng, Jiang, Hu and Xi all touring the country "just as the Qianlong Emperor of the Qing dynasty journeyed out of the Forbidden city six times" (p. 80), or be it the CCP's Discipline Inspection Commission or the "central inspection group", the latter established in 2003. The central government enjoys also the power to change the rules of the game any time it needs to do so – and it really did it in 1993 when with the tax reform it reneged on a previous promise to keep the status quo until 1995 – and it keeps supervision over at least twenty-eight key policy domains, from taxation to banking, and from industrial and commercial management to national and public security. And yes, suppression as a last resort is always available: that is the reason why it is so important for Beijing to prevent the People's Liberation Army from developing local ties and loyalties.

Chung explores also the gray areas, the interstices where localities find their way to advance and implement their agendas, exploiting the limits that the system sets for their discretion. But under what circumstances is this attempt successful? The author elaborates a hypothesis based on three elements: policy scope, policy nature, and degree of urgency. Only if policy scope is selective, the nature of the policy involves resources, and the matter is not urgent, localities will enjoy high discretion (and total time taken by the central government to intervene would be long). On the contrary, if policy scope is encompassing, the nature of the policy regards governance issues, and policy implementation is urgent, local discretion will be low (and the central government would waste no time in making its voice heard). Then, the hypothesis is tested in a few cases such as regional development policies, the administrative separation of the island of Hainan (now a province) from Guangzhou, the 1993 tax-sharing reform, the household responsibility system, and the case of social stability maintenance. This last issue is obviously of the uttermost importance, since social protests occur mainly at local level against local decisions, and if on the one hand they are useful 'relief valves' (when contained), they can threaten the regime stability (when they become widespread), signaling a potential governance malfunction.

Beijing has often responded to this challenge – apparently not with the expected success – by increasing fiscal transfers. The problem is that this kind of "vertical support" not always works in tandem with the logic of the political economy of horizontal networks, which have always been met with suspicion by Beijing. Chung devotes an entire chapter to this potential clash, finding that "the center's vertical intervention may often prove

unsuccessful, as Beijing is generally likely to value a political logic (i.e., sustaining a political status quo and seeking administrative convenience) more than an economic rationale, often overlooking the centrality of reciprocal incentives for cooperation” (p. 140). The author offers a possible solution to the conundrum: “reviving natural economic territories” and letting horizontal links and networks to flourish in the economy. It remains to be seen if the central leadership is confident enough to trust localities to such an extent, considering the historical fear – if anything, strengthened by the collapse of the Soviet Union in the early 1990s – of the breaking up of the country.

In the conclusion, Chung points out that of the three traditional menaces to China’s unity – “foreign aggression, the rise of alternative military forces, and peasant rebellions” – only the last one is significant in the XXI century, as the number of collective protests has skyrocketed in the recent past, and most of them have been directed against local officials, which enjoy the lowest level of trust among the Chinese public. The localities tend to be allocated greater responsibilities with less financial and material resources, thereby opening up the space to “institutional decay” and the “emptying” of the state which actually seems to be a trend across the globe: “The fast-expanding influence of local clans over the basic-level party and state units, particularly in the rural areas, as well as the infiltration of bad elements in the grass-roots apparatus, poses a crucial question of governance. Is the center’s capacity to rule stretching down effectively to the sub-county and grassroots levels so that key societal demands are met satisfactorily?” (p. 144). The resilience of the Chinese authoritarian framework, therefore, should not be taken for granted.

*Centrifugal Empire* is a highly readable book, and does its best when combining the bigger picture in historical perspective with the wealth of policy details and institutional frameworks – less so when listing the (absolutely necessary) technicalities of the administrative reforms of the latest years. Page after page, *Centrifugal Empire* becomes a constant source of inspiration and thoughts on China’s governance, and it reveals how the very evolution of the perpetual tension between the center and the provinces – “Heaven is high and the Emperor is far away”, as the old saying goes – is at the core of any possible speculation on China’s future. Finally, it confirms Chung’s authority on this topic, and it should be compulsory reading for anyone interested in the evolution of the PRC. It is a pity then that the publisher’s choice to relegate all the notes to the end of the book wastes part of the wealth of resources lying behind it.