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Kai Kajitani

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deliberately de-emphasizing political and patriotic loyalties in deference to livelihood issues. Just as the conscious effort to de-politicize was and remains a political act by official Hong Kong, so Beijing's current focus on common economic interests—with Hong Kong, Taiwan, Tibet, and dissidents nationwide—is also a deliberate politicized act of nation building. The authors neglect this dimension and they also neglect to note that nationalism has become the CCP's single greatest source of legitimacy now that it has lost its claim to historical infallibility.

This study presents an interesting variation on the deterministic 1990s theme of globalized markets and the liberalizing solvent of middle-class morality. But back in the real world, civil society is being forced onto the defensive as it struggles to maintain the autonomous space that was supposed to safeguard Hong Kong's inherited rights and freedoms. How this same civil society might guide the creation of a new market-based national identity—given the growing pressures to adopt Beijing's mass-based national standard of unconditional loyalty—remains very much an unanswered question.

SUZANNE PEPPER, *Independent scholar*

Yasuyuki MIYAKE 三宅康之, 中国改革開放の政治経済学 (The political economy of China's reform regime). Kyoto: Minerva Publishing, 2006. viii + 243 pp. ISBN: 4-623-04548-X. Price: ¥5,250.

The author is to be commended for his unique approach to the study of the political economy of China. This book focuses on the role of local governments in the decision-making processes of some important economic reform policies since 1979, such as the introduction of the agricultural household contracting system and the reform of the fiscal revenue system and state-owned enterprises.

Chapter one provides a review of theoretical models in the analysis of political decision making. From the numerous models discussed, the author highlights the new institutional theory (rational choice theory) and policy network theory as being the most relevant. According to him, not only do both theories convincingly explicate political pluralism, they are also complementary.

Chapter two explores the decision-making processes involved in the introduction of several reform policies in Sichuan Province, such as the household contracting system (承包) in agriculture and the reform of state-owned

enterprises in industry. Yasuyuki Miyake emphasizes the role of local governments, and he argues that these reform policies would not have succeeded in the province, and subsequently nationwide, were it not for the strong leadership of local political leaders.

Chapter three deals with cities enjoying independent budgetary status (计划单列), in which the central government directly controls big cities, examples of which include Dalian, Qingdao, Ningbo, and Xiamen. This system was first introduced in the 1980s, but was strongly resisted by some provinces, because they feared that it would adversely affect their economic interest and political power. The author concludes that while this policy was abandoned in the 1990s because of various problems, the fact that this policy was ever implemented, albeit without success, enabled an evaluation of the role of big cities in the local economy within the context of decision-making processes during the reform era.

In chapter four, Miyake identifies a series of fiscal reforms since the 1980s, which arose from different courses of action undertaken by political actors with different views about the market economy. The power to veto, which is the power of local governments to say “no” to requests from the central government, is the main focus of this analysis. For example, the “tax assignment system” (分税制) was originally introduced in the 1980s, but this market-oriented fiscal system was rejected because of strong resistance from some local leaders. Zhu Rongji, champion of the pro-market camp, however, successfully overcame the resistance and introduced the tax assignment system in 1994, by controlling macroeconomic policy on the one hand and by being receptive to the reservations of the local leaders on the other hand.

The final chapter concludes that the relationship between the central and local governments is characterized by interdependency, in that economic growth as the political goal of the central government could only be realized through competition among local governments for economic and political resources which the central government provides. Miyake insists that it seems to be quite difficult for China, in view of its size, to be governed under a unitary system, and he criticizes the strong aversion of the Chinese leaders to federalism, a consequence of the tradition of unitary government (大一统). According to the author, although China’s political system in the reform era can be characterized as being very open and decentralized, it is quite fragile.

The book makes an important contribution in several ways. First, it tries to describe the complicated processes of economic reform, by focusing on the role of local governments and leaders. In this regard, the key figure is Zhao

Ziyang, then Chairman of the Chinese Communist Party, whose downfall came about in 1989 because of his support for the student protest on Tiananmen Square. Zhao was a strong advocate of market-oriented reform and, as the local leader of the Party in Sichuan Province in the 1970s, he carried out some important reform policies in Sichuan, which were replicated in other areas in the 1980s (known as the “Sichuan experience”). Second, through the analysis of decision-making processes, this book successfully bridges the disciplines of social science and area studies.

The role of township or village governments in rural areas, which was emphasized in earlier studies on China’s economic development such as Jean Oi’s “local state corporatism” model, remains unexplored in this book. In my opinion, Miyake’s study focuses on the relationship between central and local in detail, but it does not deal sufficiently with the relationship between urban and rural.

This book seems to evaluate the series of economic reforms by Zhu Rongji very positively, especially the successful introduction of the tax assignment system. However, some researchers have pointed out that this new tax system has not brought the desired effect and that economic inequality has been increasing since 1994. Hopefully, the author will undertake an evaluation of the merits and demerits of the fiscal reform as it has evolved since then.

KAI KAJITANI, *Economics, Kobe Gakuin University, Japan*

David SHAMBAUGH, *China’s Communist Party: Atrophy and Adaptation*. Washington, D.C. and Berkeley, CA: Woodrow Wilson Center Press and University of California Press, 2008. xiv + 234 pp., with notes and index. ISBN: 978-0-520-25492-3 (hc). Price: £23.95.

With its 73 million members, the Chinese Communist Party (CCP) is the largest political organization in the world. Whereas communist parties in the former Soviet Union and Eastern Europe have collapsed, the CCP has not only kept, but also increasingly strengthened its grip on power. China’s rapid rise has enabled the CCP to extend its influence throughout the world. The West is uncertain about the CCP’s ability to survive China’s ongoing socio-economic transformation and become democratic. Despite the significance of the CCP, it has been marginalized by the scholarly community. China scholars have for many years overwhelmingly focused on other actors such as governments, civil society, and nongovernmental organizations (NGOs).