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Questions for Xueguang (周雪光), author of *中国国家治理的制度逻辑：一个组织学研* [*The Institutional Logic of Governance in China: An Organizational Approach* (Beijing: Shenghuo, dushu, xinzhi Sanlian shudian, 2017)]

One of the most intriguing arguments you make in this book is the paradox of centralization. On the one hand, the central government centralizes nearly all power. But at the same time, in practice local governments also possess enormous discretion and can often deviate from the policies and objectives of the central government. This combination of centralization and effective delegation and flexibility helps make the Chinese political system function and deal with the challenges of size, diversity, and governance outcomes. Can you explain this paradox and highlight how it actually has been one of the main reasons for the durability of the Chinese political system during the last two thousand years?

The paradox of centralization stems from the fundamental tensions in China's governance, the central theme of my book. The centralization of authority has been at the very core of the political architecture in China over its vast and diverse territories. In modern times, China has prided itself as a unified nation-state. In fact, however, there have been and still are enormous internal diversities in economic development, culture, and forms of grassroots organization. The imposition of a central authority over such a diverse territory inevitably generates a series of principal-agent problems in information-processing and problem-solving capacity that contemporary social scientists have well recognized and analyzed. Over the course of state-building and nation-building in Chinese history, a set of stable patterned institutional practice, or an institutional logic, emerged in the governance of China. The main goal of this book is to explicate these patterns of institutional practice and develop theoretical concepts and models to analyze and make sense of them.

The paradox of centralization is a key piece in the institutional logic. Historically, the formal structure of the centralization of authority was embodied in the fact that the emperor made all major decisions and his authority extended from the palace to every corner of society, with all officials acting on behalf of the emperor. But this type of centralization was impossible to realize historically due to the poor communications technology, and it is also unattainable in the contemporary era. Therefore, considerable decentralization has been and is widely practiced to allow for flexible and selective adaption to local conditions by local officials.

But this gives rise to a fundamental tension between the centralization of authority on the one hand and effective, local problem-solving on the other. That is, the more centralized authority is in resource allocations and in top-down mobilization, the more likely it is that the capacity of local problem-solving will be weakened. Nevertheless, decentralization efforts often lead to local deviations that undermine, or are perceived to undermine, the central authority.

As a result, the paradox of centralization is embodied in a decoupling of symbolic centralization and practical decentralization. That is, in appearance the central authority makes all major

decisions and holds all power, and the local authorities display symbolic compliance with the center. But in practice, most of the time, the behavior of local officials is considerably more flexible. From the outside looking in, we often observe considerable power at the center, but in reality, local authorities wield considerable power in decision-making, not in defiance of the central authority but with its acquiescence.

Another paradox you observe in the book is that the Chinese governance system relies on a vast bureaucracy to rule but at the same time it must also constantly “rectify” the various flaws in this bureaucracy. Can you elaborate on the tensions embedded in this defining feature of the Chinese political system? How do the central authorities attempt to “rectify” the bureaucratic system?

China is ruled by a vast, multilayered bureaucracy. One estimate is that presently the number of civil servants in China is roughly equal to the size of the entire population of Great Britain. Anyone familiar with the literature on bureaucratic politics can imagine the challenges involved in managing such a large organization. Moreover, institutional personnel flows in the Chinese government show a pattern of what I call “stratified spatial mobility,” whereby local officials tend to remain in the same administrative jurisdiction for a long period of time or they move to the next immediate administrative level. This pattern of mobility provides the institutional basis for strategic alliances at the local levels in terms of selective policy implementation and local adaptation.

These local tendencies become a threat to the central authority in China’s political system. Historically, Chinese rulers developed political tools, such as political campaigns in bureaucratic rectifications in response to bureaucratic inertia or local deviations in policy implementation. In the contemporary era, these campaigns have been honed in and considerably strengthened by the Leninist party organization. Also, when the top leaders change the course of policy, they will use a campaign-style rectification to change the guard, so to speak—that is, to replace the old cohort of officials with a new cohort that is more identified with the new leadership.

The irony is that, because the Chinese bureaucracy is ruled more by political mechanisms such as administrative fiats than by stable rules and procedures, there is considerable arbitrary power in the authority relationship. Thus, there are two trends in the Chinese bureaucracy: one is high responsiveness to political mobilization from the top-down process; the other is organizational immobility when local officials sense the political risk during the period of bureaucratic rectification. In either case, bureaucratic behavior tends to either overreact or to become immobile, forcing the higher authority to change its course of action. These interactions introduce intriguing dynamics in China’s political process, much of which is driven by the interactions between the central and local governments.

You devote significant attention to the concept of “upward accountability.” Can you explain the institutional logic of upward accountability and how it affects policy implementation and personnel management in contemporary China?

This is perhaps the defining characteristic of the Chinese bureaucracy and it is derived from the basis of legitimacy of bureaucratic power. In a political system based on the rule of law, the authority of government officials is legitimized on the basis of what Max Weber calls “legal-rational authority,” and their behavior is most of all bound by rules and procedures. Rules and procedures both regulate the behavior of officials and protect officials from the arbitrary power of the higher authorities.

The Chinese bureaucracy acquires its legitimacy from a different basis (i.e., delegation of power from the emperor historically and from the ruling party in the contemporary era). Therefore, there is considerable exercise of arbitrary power by the top leaders. Indeed, the Chinese bureaucracy is institutionalized to reinforce this central characteristic. We can clearly see this in the personnel management system, where power to allocate personnel is under the tight grip of the higher authorities. This is the basis for the upward accountability system.

As I analyze in the book, to allow for the effective exercise of arbitrary power at the very top, the same arbitrary power of the top leaders has to be delegated to the top officials at each level of the bureaucracy so they can implement the top leader’s marching orders at will. Career prospects and the fate of these officials are in the hands of those higher authorities who act on behalf of the top leaders. This upward accountability system inadvertently produces a system of upward accountability to the immediate higher authority, including a strong alliance among officials at the intermediate bureaucratic levels.

This is a key to understanding the mobilizational nature of the Chinese bureaucracy, in which the behavior of officials is governed more by political mechanisms than by legal-rational authority. Because officials are not protected by rules and procedures, they have to be extremely sensitive to the directives from the higher authorities who hold arbitrary power. Furthermore, the close ties at adjacent levels of the bureaucracy facilitate a strong tendency for collusive behavior among officials in the policy-implementation process.

You point out that although the Chinese system may be enduring, it is also deeply flawed and highly inefficient. What are the most important flaws and the sources and results of such inefficiencies?

As the literature on organization research has long recognized, in any organization there is always a trade-off between adaptability and efficiency. The Chinese system of governance survived for a long time historically, partly because internal changes in economic development and societal pluralism were limited and the Chinese state tried, whether consciously or unconsciously, to impose constraints upon the growth of new economic elements that might disrupt the existing political and social orders. For a long time, local initiatives and development were suppressed to ensure political “stability.”

But the opening of China in modern times, especially during the last four decades, has led to fundamental challenges in the way China has been and is being governed. The increasing complexities of economic and social affairs and the diverse interests emerging from among the growing and evolving civil society demand that their voices be heard and that their interests be represented in the policy-making process. The current political system, with all power centralized at the top and represented by a bureaucratic government organization, is ill-fitted to respond to these increasingly diverse and assertive voices, thus creating increasing tensions and conflicts in various forms and of varying scales.

The phenomenon of “collusion” among government entities and officials is widespread. The result of such collusion often is the deception of higher-level authorities or cover-ups of local-government failures. The higher-level authorities must be aware of such collusive practices. Why is it difficult for the higher-level authorities to address such collusion? What are the governance consequences of widespread collusion?

One lesson I learned from my fieldwork is that collusion among local officials is everywhere, and it is highly institutionalized whereby officials at all levels are aware of it, acquiesce to it, and often participate in it. In fact, collusive behavior is an integral part of how the Chinese governance system works. I explain the underlying logic in the book. There is a strong dualism between symbolic compliance and local adaptability in the institutional practice of governance in China. More often than not, top-down policies tend to be “one size fits all” that do not work well in diverse local conditions. So local officials have to symbolically demonstrate political loyalty to the central authority and comply with top-down policy targets and tasks of various kinds. At the same time, however, they must adopt flexible and adaptive behavior in response to local conditions. The discrepancies between what is said and what is done have to be covered up by collusive behavior. In fact, the higher-level authorities are aware of these discrepancies, they acquiesce to such behavior, and they are often actively involved in it.

In many ways, I see collusive behavior as instances of local adaptations in response to the strait-jacket constraints that the centralization of authority imposes upon the localities.

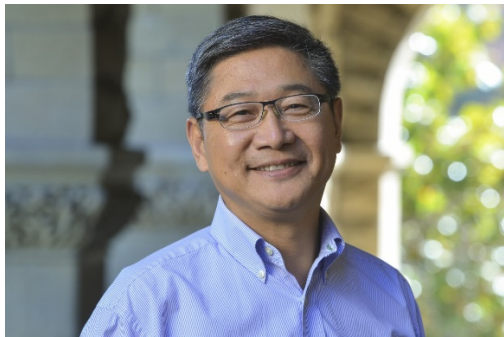
To some extent, such collusive behavior alleviates the fundamental tensions between the centralization of authority on the one hand and effective, local adaptation on the other. But it ultimately sets a limit to how far local adaptation can proceed. The higher authority often resorts to political campaigns to rein in “deviating” local behavior and to reinforce centralization. This leads to the perpetual centralization-decentralization cycles we have seen in China’s political history.

How can this governance system be reformed? What are the most serious obstacles to reform?

One insight I have gained in my decade-long research project is that Chinese governance today has been heavily influenced by its historical legacy, which has been selectively retooled and

reinforced by the Leninist-style party in the contemporary era. In particular, its basis of legitimacy has relied to a great extent on charismatic authority, or “charisma of office,” in the ruling CCP rather than on the basis of rational, legal authority. This defining characteristic induces the state to rely heavily on political control over the media and freedom of speech and on the bureaucratic apparatus as the basis for the exercise of power and to hold the country together. This tendency greatly engenders tensions between the Chinese bureaucracy and the emerging civil society. China will require fundamental changes to shift the basis of governance to rational-legal authority, and thus to alter the perpetual political cycle of centralization and decentralization. I hope that the increasing diversity of society and the voices and demands of various social groups will promote political changes in this direction.

About the Author



Xueguang Zhou is a professor of sociology, the Kwoh-Ting Li Professor in Economic Development, and a senior fellow at Freeman Spogli Institute for International Studies. In the past decade, he conducted fieldwork to understand interactions among state policies, local officials and citizens at the grassroots level. This line of research was summarized in his book *The Institutional Logic of Governance in China: An Organizational Approach* (in Chinese, Sanlian Press, 2017). Professor Zhou currently works with a research team to examine patterns of personnel flow among government offices in the Chinese bureaucracy. He also works on a research project that explores the historical origins of the bureaucratic state in China.