



The Chinese developmental state: standard accounts and new characteristics

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Abstract To what extent can the theory of the developmental state (DS) illuminate China's development? This paper argues that the Chinese state reflects the standard accounts of the DS, but the conventional wisdom of the DS alone cannot capture comprehensively the features of Chinese development. In all aspects of standard accounts of the DS, China's development embodies new characteristics. It is the Chinese DS with these new characteristics that has brought about China's economic success. Consequently, the Chinese DS broadens the traditional concept of the DS and explores a new way for the development of some countries with similar social and economic backgrounds, particularly the economies in post-socialist transformation.

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Introduction

Since the early 1980s, when China's 'opening up' reform began to dismantle the state-planned system and the social transformation became remarkable, studies on China's rise have boomed. One common argument is that the rapid development of China in the post-Mao era has been inspired by its Eastern Asian neighbours' developmental state (DS) model and their achievements in post-WWII reconstruction (Nee *et al.* 2007). After the 1997 Asian financial crisis, many scholars argued that the Asian DS ended (Pang 2000; Wilson 2003), and neoliberalism and the Washington Consensus (WC) then guided the development of Asian economies and the world. Countries that have actively propagated and have been deeply affected by neoliberalism and the WC policy toolkit seemed to be most severely affected by the 2008 financial crisis. In contrast, some Asian countries with the DS tradition, particularly China, have comparatively decoupled from the impact of the crisis and played an incrementally more important role in global governance. Therefore, it is



argued that ‘the claim that the era of the developmental state is over appears to be completely unfounded’ (Hayashi 2010: 65). Thus, an important question is to what extent the theory of the DS can illuminate China’s development.

Two competing interpretations have emerged — one championing the DS and the other questioning its applicability to China and exploring alternative explanations. The former, though using different terms like the ‘helping-hand state’ (Frye and Shleifer 1997), contends that Chinese development shares the core elements of the DS (White and Wade 1988; Knight 2014; Hayashi 2010). In sharp contrast, and more powerfully, the latter group consists of three subgroups that are located elsewhere on the spectrum of market–state relations. One is a conventional market-friendly view on East Asian economic development that espouses market-oriented macroeconomic stability and noninterventionist development policies. This view appeared early in the World Bank’s *World Development Report 1991*, but was also partially overturned by another report of the World Bank — *The East Asian Miracle: Economic Growth and Public Policy* (1993) — which admitted the interventionist nature of East Asian economic development and is a watershed in the market–state debate (Aoki *et al.* 1997). Since then, the state-led development approach in East Asia has attracted significant attention, which gradually formed the second subgroup discussed below. A more recent work of the first subgroup is Lardy’s *Markets Over Mao: The Rise of Private Business in China* (2014), which attributes China’s extraordinarily rapid growth since 1978 primarily to ‘the freeing of the private sector and the shrinking of the state’ (*ibid.*: ix). This subgroup of views has ultimately crystallised in the Washington Consensus.

The second subgroup emphasises the crucial role of the state in economic development, but contends that the Chinese state is a ‘regulatory state’ (Shue 1995; Yang 2004), ‘corporate state’ (Hsu and Hasmath 2013; Lee 1991), ‘entrepreneurial developmental state’ (Oi 1995; Duckett 2006), ‘market-facilitating state’ (Howell 1993; Ma 1999), or ‘dual developmental state’ (Ming 2000) instead of a developmental state. There are different focuses and argumentations within this subgroup. For example, the ‘regulatory state’ emphasises regulations and regulatory institutions in governing the economy (Yang 2004). The ‘corporate state’ focuses on licensing industrial power from national authority to enterprises in exchange for their cooperation in extracting resources from the economy (Lee 1991; Ma 1999). The ‘entrepreneurial state’ captures the unique feature of the entrepreneurial interests (profit-making) of local governments, along with its role as agents of the central state (Blecher 1991; Duckett 1996). In comparison, the DS emphasises embedded autonomous market–state relations, an effective and meritocratic bureaucracy, effective policy intervention guided by a pilot organisation and others as summarised below.

Furthermore, some scholars focus on the variety of interests within the Chinese state. Riskin and Carl (2007) has argued that the state in China is being pulled in different directions by a variety of interests, including the interests of bureaucracy



itself, a growing middle class, private entrepreneurs, working people, foreign investors, international economic organisations and state enterprises. Howell (2006: 273) concludes that ‘the Chinese state is best understood as polymorphous, assuming multiple, complex forms and behaviours across time and space, and defying reduction to a unitary actor’.

Standing in the middle of the state/market dichotomy, the third subgroup, including the market-enhancing view (Aoki *et al.* 1997), aims to find an alternative to the abovementioned diametrically opposed views on the role of state. The market-enhancing view challenges the ideas of regarding ‘government and the market as alternative mechanisms for resource allocation’ and emphasises ‘the role of government policy to facilitate or complement private-sector coordination’ (Aoki *et al.* 1997: 1). The Sino-Capitalism view highlighted by McNally (2012) can also be subsumed into this subgroup, in the sense that it contends that Chinese economic reform made use of hybrid strategies, including market-oriented, rules-based, inter-personal networked and statist strategies. This type of eclectic view on complex issues appears to be a popular trend since it usually caters to more epistemic interests and thus arouses relatively less criticism. Nonetheless, it does not necessarily have more explanatory power or reflect the realities more correctly in any sense. It is indisputable that both the market and the state are indispensable to China’s economic rise, but the dispute is about which plays a more dominant role. It is too ideal to argue that the two are equally important. State–market relations are in flux rather than static. Strong states tend to cultivate market forces and thus seek political legitimacy from the resultant economic development. In contrast, expansion of market forces constrains state capabilities. Therefore, dominance swings between state and market.

In contrast to the three groups of views, this paper argues that the Chinese development approach reflects the standard accounts of the DS, but the conventional wisdom of the DS alone cannot capture comprehensively the features of Chinese development. The argumentation draws on the existing literature, news reports and documents from the Chinese government and major international organisations (IOs), and employs a qualitative way of comparing Chinese development with the standard accounts of the DS abstracted from the classic DSs — Japan and South Korea between the 1950s and 1980s. In all aspects of the standard accounts of the DS, China’s development embodies new characteristics, including a more obedient or oppressed civil society and the Chinese state’s broader connection with it; the duality of the top-down political concentration and the bottom-up economic decentralisation; new legitimisation strategy; broadened development vision; a network of pilot agencies and a ‘new normal’ of slower growth. It is the Chinese developmental state with these new characteristics that has brought about China’s economic success. Consequently, the Chinese DS broadens the traditional concept of the DS and explores a new way for the development of some countries with similar social and economic backgrounds.



To begin, this paper reviews the evolution, definitions and characteristics of the conventional DS and summarises its standard accounts from three perspectives: developmental structure, roles and outcomes. The standard accounts provide criteria for re-evaluating the extent of the DS model in China's development. Subsequent sections provide evidence to illustrate that the Chinese state reflects these standard accounts of the DS, but also has different characteristics. The final conclusion summarises the developmental state with Chinese characteristics.

Literature review on the developmental state

Evolution

The concept of the developmental state was first conceptualised by Johnson (1982). Johnson explained the highly successful post-war reindustrialisation and reconstruction of Japan by delving into the role of the Japanese economic bureaucracy, particularly the famous Ministry of International Trade and Industry (MITI), and the collaboration between the state and big business. Although this concept of the developmental state had not appeared until the early 1980s, its theoretical origin can be traced back to Friedrich List, who proposed a state-led development approach for Germany to catch up with Great Britain (White and Wade 1988). Its empirical origin can be found in the early development history of currently industrialised economies, such as the United Kingdom, the United States and France (Caldentey 2008; Chang 2002; Ormrod 2003).

Discussions and disputes about the concept have been continuous since it was put forward. Far from being confined to the study of Japan's development, the DS model has also been extended to study many other economies, Asian and non-Asian. At the outset, the DS studies mainly focused on major East Asian economies, such as South Korea (Haggard and Moon 1983; Amsden 1989), Taiwan (Gold 1986) and Singapore (Lim 1983), or they were conducted at the East Asia regional level (Wade 1990). Japan and South Korea between the 1950s and the 1980s are considered the two initial and classic DSs. The concept of the DS was subsequently refined to capture the development trajectories of socialist states like China and Vietnam (Howell 2006), by distinguishing capitalist and socialist DS (White 1984), as well as democratic and nondemocratic DS (Leftwich 1998). Since the late 1990s, some non-Asian economies, such as France (Loriaux 1999), Finland and Austria (Vartiainen 1999), Botswana (Mbabazi and Taylor 2005), Costa Rica, Mauritius and Chile (Sandbrook *et al.* 2007), and some African countries like Côte d'Ivoire, Malawi, Kenya, Tanzania, Rwanda, Ethiopia and South Africa (Edigheji 2011; Kelsall 2010), as well as Israel (Levi-Faur 1998), have been labelled 'developmental'. The DS model was treated as a good solution to underdevelopment and an effective way for African and Latin American developing countries to



catch up with the industrialised economies (Evans 1998). As Stubbs (2009) claims, in the late 1980s and the 1990s the analyses of the DS climaxed.

However, with the advent of the 1997 Asian financial crisis, the DS model became suspect in Asia. Some argued that the Asian DS model and financial globalisation were in conflict (Cerny 1997) and that the Asian financial crisis signified the end of the DS (Pang 2000). Shortly after the 1997 crisis, however, the East Asian region rebounded to become the fastest-growing region in the world. The pacesetter of this round of growth is an emerging China.

Definitions and characteristics

Despite studies on the DS model over three decades, few definitions were put forward and no consensus has been achieved. ‘In many cases scholars who use the concept simply lay out what they see as its main characteristics rather than simply defining it’ (Stubbs 2009: 5). Although no consensus definition has been reached, there are some concise ones, such as Johnson (1982), Castells (1992) and Beeson (2009). More recently, the distinction between developmental structures and developmental roles (Fritz and Menocal 2007; Vu 2007) has contributed to a better understanding of the DS. Developmental structure refers to state capability, while developmental roles mean development vision and the actual operationalisation of the vision. Drawing on the distinction, Routley and Laura (2012: 8) considers that ‘a developmental state has sufficient state capacity to be effective in its targeted areas and has a developmental vision such that it chooses to use this capacity to work towards economic development’. Even economic success *per se* is usually treated as an indispensable condition for the DS, despite some criticism (Fritz and Menocal 2007; Mkandawire 2001).

These definitions emphasise institutional, relational or ideational elements (Stubbs 2009), but the three ingredients are essentially intermingled in explaining the success of classic developmental states (Japan and South Korea). In the ideational dimension, the DS alludes to a type of development ideology, or ‘a general policy orientation on the part of the state’ in Beeson’s (2009: 11) words, paralleled with others like neoliberalism or the Washington Consensus. In practice, this particular development ideology or policy orientation is transformed into specific initiatives or practices through particular state institutions and their relations with the market and civil society. Incorporating the three ingredients, this paper treats the concept of the DS as a particular development ideology with distinct features in state institutions and state–market/civil society relations. The distinction between developmental structure and developmental roles contributes to a better capturing of these unique features of this development ideology.

From the perspective of developmental structure, strong state capacity, characterising ‘embedded autonomy’ (Evans 1995), an effective and meritocratic bureaucracy, and strong state legitimacy, is the first and foremost feature of the DS.



Embedded autonomy stresses both the embeddedness of the state in civil society and the rationalisation of the state bureaucracy. From the Marxian class–state dimension (degree of embeddedness) and the Weberian state structure dimension (degree of rationalisation of state bureaucracy), states are categorised into four ideal groups: developmental state, bourgeois clientelist state, overdeveloped post-colonial state and predatory state (Wright 1996). The developmental state has the highest degree of embeddedness and rationalisation. Embeddedness refers to the close connection of state bureaucracies with civil society and particularly business communities. The embeddedness ensures the active participation and response of private sectors to state intervention (Caldentey 2008). The rationalisation of the state bureaucracy means that states are relatively autonomous and thus not captured by rent-seeking groups and interest groups. Autonomy is viewed as a key factor for the effectiveness of bureaucracy (Musamba and Charity 2010). This embedded autonomy is both a precondition for and a characteristic of the DS (Evans 1995).

Related closely to embedded autonomy is an effective and meritocratic bureaucracy. In an effective meritocratic bureaucracy, civil servants tend to be more professional and more detached from interest groups, which ensures the autonomy of the state (Fritz *et al.* 2006). In such a political system, political advancement is assessed through examination and, more importantly, achievement. Through meritocracy, the development vision of the state can be effectively transmitted to national and local political elites and eventually transformed into national and local policies. Meanwhile, the rationality and meritocracy of bureaucracy by no means aims at insulating the state from civil society, but rather creates a close relationship through the connection between bureaucratic elites and private sectors. The close relations between the state and business communities have been a vital aspect of the state's ability to control and coordinate the private sector with the aim of achieving growth (Moon and Prasad 1994; Routley and Laura 2012).

A less explicit but crucial part of the developmental structure is strong state legitimacy. Earlier developmental states, whether democratic countries like Japan or authoritarian countries like Singapore and South Korea before its democratic transformation in the mid-1980s, all had a strong and legitimate basis. The legitimacy has economic, political and ideational sources. The economic source is the successful developmental outcome, mainly aggregate economic growth and significant increases in the standard of living. The political source includes both progressive measures, such as democratisation and empowerment, and regressive measures like political exclusion of certain groups (Leftwich 1995). The ideational source refers to state-sponsored or popular nationalism and traditional culture and values, such as Confucianism.

From the perspective of developmental roles, a consensus development vision characterising a political leadership oriented towards development and the actual operationalisation of that vision through effective policy intervention guided by a



pilot organisation are the other key features of the DS. Strong state capacity is mostly utilised to promote economic growth through state intervention in the economy of the DS. A political leadership oriented towards development means a strong commitment of political leaders to developmental goals and a strong sense of national development motivated by regional competition, nationalism and the desire to catch up with the industrialised countries (Fritz *et al.* 2006; Fritz and Menocal 2007). These outweigh personal enrichment and/or short-term political gains. As a result, economic development is treated as a national project and top priority. The development outcome is both a solution to other social problems and a major source of legitimacy of incumbent governments. Lastly, the way in which the developmental states utilise their capacity to promote economic growth is mainly through policy intervention led by a pilot organisation, like MITI in Japan and the Economic Planning Board in South Korea. The development vision and the corresponding policies formulated by the meritocratic bureaucracy are usually implemented through a bureaucratic apparatus or a pilot agency, which aims to oversee and guide the specific development process.

Contentiously, developmental outcomes are usually implicitly treated as the third feature of the DS. The initial studies of the DS focused on fast-growing economies, particularly Japan and South Korea and subsequently Asia's Four Tigers, and intended to abstract a development paradigm from their success. Therefore, as Fritz and Menocal (2007) claimed, it is easy to identify developmental states, once the developmental outcomes have become visible. However, this risks eliminating some countries with developmental structure and roles but without developmental outcomes due to unforeseen external shocks. There are 'failed developmental states' in Herring's (1999) terms. 'This produces a definition of a state as developmental if the economy is developing, and equates economic success to state strength, while measuring the latter by the presumed outcomes of its policies' (Mkandawire 2001: 290–1). Despite the risk of it being tautological to define states as developmental based on evidence drawn deductively from the performance of the economy, development outcome is still an implicit criterion for the DS in many empirical studies (*ibid.*). For example, all 27 economies identified by (Routley and Laura 2012) as developmental and potential developmental states experienced or have been experiencing fast economic growth.

The standard accounts of the DS are summarised in Table 1. Subsequent sections draw on these specific criteria to evaluate the Chinese state and explore its new characteristics. In the end, it is revealed how China's development model modifies the conventional developmental way and broadens the concept of the DS.



Table 1 Standard accounts of the developmental states

<i>Dimensions</i>	<i>Characteristics</i>	<i>Criteria</i>
Developmental structure	Strong state capability	Embedded autonomy Effective and meritocratic bureaucracy Strong state legitimacy
Developmental roles	Development vision	Political leadership oriented towards economic development
	Actual operationalisation of that vision	Effective policy intervention guided by pilot organisation
Developmental outcomes (?)	Economic growth	Successful economic performance

Political and economic (de)concentration

Strong capacity of Chinese central government

The Chinese central government develops and maintains strong capacity to pursue economic development. A major critique of the Chinese developmental state is that state capacity is decreasing due to a high degree of decentralisation and rising localism (Howell 2006). This view exaggerates political decentralisation and overlooks some counterforces. By virtue of the unique cadre and personnel management system, the local governments are actually political agents of the Chinese central government, despite the certain degree of decentralisation of economic management. This cadre and personnel management system, featuring strong administrative control and a target responsibility system (TRS), ensures the compliance of the lower-level governments with the mandates or policy objectives of the upper-level governments (Brødsgaard 2012; Tsui and Wang 2004).

The central administrative control of China has been strengthened. China has long strived to complete its state administrative staffing system, the so-called *bianzhi* in Chinese (Brødsgaard 2002). This Chinese *nomenklatura* system aims to maintain strong administrative control of the central government over the local (Chan 2004). Although many subordinate problems arise, such as the lack of accountability and transparency in the decision-making process, in reality, this system has been operating effectively, at least in terms of fulfilling the purpose of exercising ‘control over the entire administrative apparatus and its cadre corps from central to local level’ (Brødsgaard 2012: 76). Huang’s (1996) early research proposed some criteria to assess the central administrative control over the provinces in China. These criteria include regularity of personnel changes, administrative uniformity across provinces and tenure characteristics. He argued that more incremental and routine personnel changes, high uniformity of the structure of provincial party and government institutions, shorter tenures of local officials and negative correlations between tenure of party and government officials



together lead to the conclusion that the administrative capabilities of the Chinese central government in the late 1990s had been increased (Huang 1996). Based on these criteria, China's central government consolidates or at least maintains its strong administrative control over the local.

First, the smooth and effective provincial personnel change (or cadre rotation and transfer) is an indication of the strong administrative control by the central government. Between 2003 and 2009, the number of cadres transferred around China between cities, counties, provinces and central party and government departments reached 2302 million (Information Office of the State Council 2010). After the 18th National Congress of the Communist Party of China (CPC), nearly half of the ministers of provincial Organisation Departments, which control local personnel assignments, were changed (Zou 2014). Although it may have resulted in various negative impacts on government administrative effectiveness and efficiency, the frequent and large-scale personnel change at least shows the firm administrative control of the centre over the local.

Second, 'entrenched localism is associated with long tenures of local officials; conversely, shorter tenures are *prima facie* evidence that localism has abated' (Huang 1996: 663). The tenure of party and government leading cadres was legally specified as a term of five years and at maximum two consecutive terms. In the new century, however, the average term in office of provincial governor and secretary of provincial party committee (top two provincial leaders) is far shorter than five years. Since 2000, for example, some provinces, such as Hebei and Shanxi, have had six provincial governors, with an average term of office of less than 3 years. The average term of office in lower-level governments and party committees is even shorter and more irregular (Liu and Sun 2011). This situation has brought about many related problems, such as corruption, distorted bureaucratic philosophy and negative impacts on local social and economic development.¹ Nonetheless, the problems do not weaken the strong administrative control of the central government; rather, they are its consequence.

Third, although the recent waves of provincial government restructuring catered to more locally unique situations, which have indeed brought certain autonomy to local governments, the administrative uniformity² among provinces and the centralisation of administrative power have not, by and large, changed radically. In 2008, the Chinese central government called for the fifth round of provincial government restructuring since reform began. This is known as the 'giant department reform'. Following this call, local governments made their own reform proposals and reported to the central government for approval. This reform has given local governments the greatest autonomy (People's Daily 2009). For instance, local governments can establish certain departments and agencies based on the local situation, and the specific form, number, name and order of local government departments and agencies are no longer strictly required to be in line with the central government. As a result, the administrative uniformity among



provinces has lowered slightly.³ Nonetheless, local reform proposals must be approved by the central government before implementation. And the central government sets the basic rules and a unified framework of reform in the first place, and these are actually restructuring local government and pushing it towards a unified form — the so-called ‘giant department’. In this sense, the strong administrative control of the centre has not been weakened by the streamlining and restructuring of local governments.

The strengthened administrative capacity is largely a result of China’s administration and civil service system reform, which was initiated in the late 1970s with the purpose of promoting economic development; it was accelerated in 1993 as the Chinese government adopted the Provisional Regulation on State Civil Servants, and recently it was crystallised in the Law of Civil Servants (2005). This wave of reform, as a crucial part of China’s ‘opening up’ reform, promulgated a series of laws and regulations concerning selecting, appointing, training, evaluating and supervising party and government cadres. Central to the cadre and personnel management system is the target responsibility system (TRS). The TRS clearly stipulates the major targets that leaders or cadres should achieve within their tenure of office. The central government makes grand policy objectives, which are subsequently filtered down to the provincial governments as specific targets. Provincial governments then assign these targets to subordinate governments, departments and individual cadres. These targets are usually quantified and specified in responsibility contracts (*zerenshu*), which are signed by individual leaders or cadres. Rewards or penalties are mainly based on the fulfilment of those targets stipulated in the responsibility contracts. Performance based on the responsibility contracts is crucial for individual political careers of both members of major political factions and non-members (Choi 2012).

Although, in a broad sense, the governance capacity of the Chinese state is arguably lower than that of the classic DSs, Japan and South Korea, the Chinese state has demonstrated its talent and strong capacity in promoting economic development, which is the core criterion of a DS. According to the World Bank,⁴ the governance quality of the Chinese state measured by six dimensions (voice and accountability, political stability and lack of violence, government effectiveness, regulatory quality, rule of law and control of corruption) is much lower than that of Japan and South Korea. Such indicators are widely used to question the existence of a meritocratic bureaucracy in China. However, two points should be noted here. First, China has established a meritocratic administration and civil service system over past decades through trial and error. Second, this system might bring many problems, such as corruption, fragmented economy and ‘image projects’, and insufficiently considered broader social goals like poverty alleviation, social equality or sustainable development, but it is successful in terms of promoting economic development by ‘providing an effective system in the formulation and implementation of reform policies’ (Liou *et al.* 2012: 109). The TRS, for example,

as a system of incentive contracts, ‘align[s] the interests of local cadres with the preferences of upper-level government and ultimately the centre’, ‘provide[s] the lever through which upper-level governments can affect the allocation of fiscal resources at the local level’ (Tsui and Wang 2004: 81), and consequently contributes to China’s economic development in general (Zhou 2007). The standard account of the DS also focuses, exclusively or at least largely, on the economic development dimension of the meritocratic bureaucracy in classic DSs rather than on broader social goals. In this sense, China has a meritocratic bureaucracy at least in the field of economic development. Despite the strong administrative control and the meticulously designed bureaucratic management system, in practice some discrepancies between the central and the local governments still exist, particularly in terms of the specific ways of development catered to local situations. This has led to a major innovation of the Chinese DS.

Controlled economic decentralisation

A major distinction of China compared to classic developmental states is its huge and diverse territory and population, which results in ‘regionally decentralized authoritarianism’ (Xu 2011), namely political concentration with a certain degree of decentralisation of economic management. Specifically, local governments may take varied and even conflicting measures in pursuing local economic development. Some scholars, such as Howell (2006), employ this as the main evidence against the notion of a Chinese developmental state. However, this new feature of China’s economy is really a transformation of the DS model in Chinese conditions.

The top-down political concentration and state-led development are accompanied by the bottom-up economic decentralisation and locally based development. In McNally’s (2012: 744) words, the Chinese economy ‘combines top-down state-led development with bottom-up entrepreneurial private capital accumulation’. Economic decentralisation is constrained by the high political concentration discussed above. Local governments have been given increasing autonomy and even compete with each other in boosting local economies, while the central government sets up macro objectives and makes a roadmap for local governments. The strong administrative control and the incentive-based management system ensure compliance of the local governments with these macro objectives, to a large extent. For example, the central government holds a Central Economic Working Conference annually, which sets the tone for economic policies for the following year. Major provincial leaders are all required to attend and then convey the major purport of the conference to the local. The 2014 conference emphasised a ‘new normal’ of slower but more sustainable economic growth in 2015. Local governments actively responded and oriented local economic policies toward this objective, but the specifics of local policies varied (Yuan and Ni 2015).



In addition, fiscal decentralisation, which has usually been treated as a vital source of economic decentralisation and localism (Breslin 1996; Nordhaug 2012), is actually an incentive of building up a reform coalition (Knight 2014), a driving force for the economic development and, consequently, a source of political legitimacy for the party and the government. In the early reform process, fiscal incentives in the specific form of granting local governments rights to retain revenue, particularly ‘extrabudgetary’ revenue, encouraged them to promote economic development, which in turn legitimised the reform process (Knight 2014). The reasons for the positive relationship between fiscal decentralisation and economic development are multifaceted. They include the informational advantages of local governments in allocating resources and providing public goods and services catering to the local needs (Bahl and Linn 1992; Shah 1994), and the improvement of local enterprises’ efficiency (Qian and Roland 1996). Many scholars provided empirical evidence for the positive relationship (Chu and Zheng 2013; Ding 2007; Lin and Liu 2000). In this sense, fiscal decentralisation has largely contributed to the legitimacy of the party and the government’s leadership via promoting economic growth. Meanwhile, fiscal decentralisation has generated negative impacts, such as land seizures of local governments and overcapacity. Despite these problems, economic decentralisation centred on fiscal decentralisation has been accompanied by a strengthening of China’s unitary political system (Huang 1996; Zhang and Xiaobo 2005). It represents an initiative strategy of the central government to manage and promote the decentralised territory, rather than an uncontrolled increase in local powers. Therefore, the duality of the top-down political concentration and the bottom-up economic decentralisation is a distinct feature of the Chinese DS.

State legitimacy

Consolidated legitimacy of the Chinese state

The legitimacy of the Chinese state has been consolidated. Although some have long pointed out that rising social and ideological problems might have weakened the legitimacy of the Chinese party and state (Howell 2006), the ‘authoritative resilience’ has been maintained through various legitimisation strategies. Economic growth and nationalism were two conventional sources of the Chinese regime’s political legitimacy and still have considerable leverage in the new century (Holbig and Gilley 2010). According to a report from the National Bureau of Statistics of China, in the 35 years since the inception of China’s economic reform in 1979, the average GDP growth rate was 9.8 per cent (People’s Daily 2013). The economic aggregate was enhanced from the 10th in 1978 to the 2nd among world economies in 2010. In the post-2008 financial crisis era in particular, China has been a major engine of the world economy and has contributed more than 20 per cent annually to

the world economic growth. This economic success verifies the feasibility and effectiveness of the way that the party and the state have employed, and has raised the living standards of the Chinese people. Meanwhile, this has enhanced China's international status, such as in the global financial governance system (Zhang 2013). Arguably, the domestic prosperity and the enhanced international status have solidified the regime of the Communist Party and the state.

Nationalism is another key legitimisation strategy. Chinese nationalism is a mixture of state and popular nationalism (Wang and Yongnian 2008). State nationalism has its roots in the 'the official cultivation of a well-behaved "patriotism" and national sovereignty instrumentalized by the Chinese party-state as an ersatz ideology' (Holbig and Gilley 2010: 402). This state-sponsored nationalism is intended to legitimise the CPC's regime. In contrast, popular nationalism results mainly from 'the uncertainties produced by the pluralisation and marketisation of social life, ruptures in the process of socialisation and the building of personal identities, mounting pressures in the fields of education and employment, and the ensuing sensibility toward nationalistic myths' (*ibid.*: 402). Many social issues, such as regional imbalance, corruption, the yawning wealth gap and environmental degradation, can easily make the popular nationalism 'grow out of control and cause a destructive mentality of aggression' (Holbig 2011: 22). Consequently, nationwide resentment, in the specific form of social protests and other social crises, would impinge upon the legitimacy of the Chinese party and state.

In response to such resentment, the party and the state have made an unusually agile effort to counter the impact of social crises and reclaim legitimacy. The recent anti-corruption campaign is a case in point. Chinese courts convicted and punished 31,000 criminals in 29,000 cases of embezzlement, bribery and breach of duty in 2013, including several serious cases such as Bo Xilai, the former party chief of the Chongqing Municipality, and Liu Zhijun, the former minister of railways (Zhou 2014). It is noteworthy that this anti-corruption campaign is apparently clear of political opportunism (Moses and Russell Leigh 2013). In other words, anti-corruption is no longer a strategy to decapitate political opponents, but aims at 'party renewal — an effort to change the general behaviour of officials by pointing out the sleaze that has slipped into Party ranks' (*ibid.*). This anti-corruption drive moved into high gear in 2014. By January 2015, 63 officials above vice provincial or ministerial levels have been placed under investigation over the last two years, including one national-level official Zhou Yongkang and three deputy national-level officials Xu Caihou, Ling Jihua and Su Rong (China Daily 2015). This unprecedented crackdown on corruption resonates with the public and, consequently, contributes to consolidating the legitimacy of the Chinese party and state. In a survey initiated by the *China Youth Daily* and Tencent.com, nearly 96 per cent of the roughly 211,272 netizens supported the anti-corruption wave (An and Baijie 2014).



New legitimisation strategies

In addition to economic growth and state-sponsored nationalism, China also adopts new strategies of legitimisation, compared to the classic DSs. South Korea, for example, relied on four sources of political legitimacy in its heyday as a DS: economic growth, nationalism, security/ideology (anticommunism) and democracy (Kim 2011). Along with the former two, China has also incorporated ideology and democracy into its legitimisation strategy, but in different ways. First, China's official ideology is related to socialism and traditional Chinese culture. Ideology provides a moral basis and evaluative norms for judging state legitimacy (Easton 1965; Holbig and Gilley 2010). China's official political ideology is socialism with Chinese characteristics, which describes the economic transition from the central plan to the socialist market economy and the ideological transition from conventional Marxism–Leninism to 'postsocialism' (Litzinger 2002). The CPC has propagated some theoretical concepts based on the sinicised socialism to reinforce its role as a ruling party, such as 'Three Represents', 'Scientific Outlook of Development', 'Harmonious Society' and, most recently, 'Chinese Dream'. Whether or not the official ideology reflects China's economic and political realities is subject to ongoing debate, but it does serve as a vehicle to consolidate the legitimacy of the Chinese state. Chinese cultural tradition, particularly Confucianism, has been drawn on by the party/state as an alternative strategy to legitimise party rule. Some even claim that the basis of China's legitimacy is changing from socialist ideology to national cultural heritage (Madsen 2014).

Second, political structural reform or political institutionalisation, containing bureaucratic efficiency, the empowerment of people's congress, the rule of law, inner-party democracy, incorporation of new social groups, consultative democracy and electoral democracy (Holbig and Gilley 2010), is another strategy of legitimisation of the Chinese party, which tends to be ignored by scholars in Chinese studies (Heberer and Schubert 2006). This democracy, however, is not the South Korean way of democratisation, but aims to increase 'authoritarian resilience' (Nathan 2003), mainly by establishing and improving a meritocratic political system, or political meritocracy, with roots in the traditional political culture and philosophies. As Holbig and Gilley (2010) have concluded, the strategy of legitimisation of the party and the state is shifting from the economic-nationalistic approach to an ideological-institutional approach. Overall, macro-indicators of legitimacy in China suggest relatively strong overall legitimacy compared to most regimes in the Asian region 'even if alternative measurement approaches — based on either alternative causal functional forms or on behavioural data — offer reasons for thinking legitimacy is more fragile' (Holbig 2011: 32).

State–market/society relations

Embedded autonomy of the Chinese state

In the post-Mao reform, the state–market relationship, in particular the bureaucrat–entrepreneur relationship with a burgeoning private sector, has undergone dramatic changes. Meanwhile, the totalitarianism of Mao’s regime and the pluralism in the primary stage of reform (1978–1993) never vanished completely, but continue to influence the post-Mao state–market/society relationship. This blending has resulted in complex state–market relations in post-Mao China. This has spawned literature on various models, such as the ‘democratisation’ model, clientelism and neo-traditionalism, and state corporatism.⁵ With the deepening of China’s reform, the legacy of the central planning economy has been fading away and the Chinese state embodies embedded autonomy.

The relations between bureaucrats and entrepreneurs in state-owned enterprises (SOEs) and private enterprises should be distinguished. At the outset of China’s economic reform (1978), SOEs represented 77.63 per cent of overall industrial production (OECD 2009), and all SOEs were under the strict administrative control of the central and/or local governments. To date, the top executives of central SOEs, including party secretary, chairman of the board and CEO, are still appointed by the Organisation Department of the Communist Party. This institutional arrangement ensures the ‘embeddedness’ of state bureaucrats in these enterprises, but risks turning them into fiefdoms of the state. However, this clientelist or paternalistic relationship between the state and SOEs inherited from the central-plan economy has changed dramatically since the ‘opening up’ reform in the late 1970s. On the one hand, the relative importance of SOEs has declined (World Bank 2013) and will continue to decline with the rise of the private and other non-state sectors. The SOEs’ share in production performance has declined enormously to about one-third of the production of the Chinese economy in 2009 (OECD 2009). The state sector’s share in the total number of industrial enterprises slumped to 4.5 per cent in 2010 from 39.2 per cent in 1998, while the SOE share in total industrial assets and in employment, respectively, fell from 68.82 per cent and 60.5 per cent in 1998 to 42.4 per cent and 19.4 per cent in 2010 (World Bank 2013: 104). On the other hand, the party and the state have been streamlining administration and delegating more powers to SOEs by improving enterprise governance and establishing market mechanisms mainly in the first stage of the reform (1978–1992) and introducing modern enterprise systems primarily in the second stage (since 1992) (Yu 2014). Consequently, the SOEs are obtaining more managerial autonomy and efficiency from the unswerving efforts of the Chinese authority at fostering market mechanism. As a result, the clientelist or even paternalistic relationship between bureaucrats and entrepreneurs in SOEs has turned into, or has been turning into, an embedded autonomous one.



In contrast, private entrepreneurs established a close connection with state bureaucrats at various levels, mainly via a *guanxi* network. The *guanxi* can be differentiated into familial and instrumental (Jacobs *et al.* 2004) or according to levels of affection (Wank 2002). These connections and the state–business relations built on them are generalised as ‘Guanxi capitalism’ (McNally 2011). ‘Guanxi capitalism’ plays a crucial role in ‘realigning the interests of state and capital in China’, it yields idiosyncratic benefits to some private Chinese firms, and it also bridges ‘the logics of freewheeling capital accumulation and authoritarian control in a state dominated economy’ (*ibid.*: 1). Consequently, *guanxi* capitalism, on the one hand, results in the embeddedness of the state in the private sector via complex personalised connections between state bureaucrats and private entrepreneurs, and, on the other hand, it puts the state at risk of being captured by interest groups. In this sense, while SOEs are gaining autonomy from the state, the state bureaucracy attempts to maintain its autonomy against the capture of the private sector by institutionalising the legal, political and market structure and cracking down on corruption. As McNally (2007: 17) have observed, *guanxi* has become a developmental force by overcoming ‘a lack of institutional infrastructure and destructive abuses of government power’. It has thus embedded the state in the private sector. However, the increasing institutionalisation of legal and economic rules emphasises the importance of legal standards and contractual obligations and, meanwhile, ensures the relative autonomy of the state.

More broadly, the Chinese government claims to have cultivated a new state–market relation, which was recently set as the ‘decisive role’ of the market in allocating resources, assisted by a limited and effective government. This new relation consolidates rather than weakens the embedded economy of the Chinese state for two major reasons. First, the decisive role of the market in allocating resources further liberates enterprises, particularly SOEs, from the old paternalistic relations with the government. Since the mid-1990s, guided by the principle of ‘grasp the big and let go of the small’ (*Zhua Da Fang Xiao*), numerous small and medium-sized SOEs have been restructured and/or privatised. Large SOEs’ management is separated from government functions (*Zheng Qi Fen Kai*). Although many problems still exist in SOEs, such as corruption, low efficiency and dependency on government, the market-oriented reform of SOEs has indeed reinvigorated China’s economy. Consequently, another counter-argument of the Chinese DS claims that it is market-oriented development policies and rapid liberalisation that have brought economic development (*e.g.* Lardy 2014). However, the ‘decisive role’ of the market does not simply mean a (neo)liberal government and a laissez-faire market. The sheer size and scope of the state sector, including more than 150,000 SOEs and 104 trillion yuan total assets (Li and Lihui 2014), give the Chinese government a huge market intervention capacity. Additionally, the market mechanism itself is subject to heavy state intervention through (partially) controlling credit allocation, currency issue, exchange rate,

capital flow and even the GDP growth rate. Therefore, neither a dominant market as in neoliberal states nor an omnipotent state as in the central plan economy era captures China's contemporary development. Instead, embedded autonomy generalises China's effort towards exploring the balance between market power and state control.

State–civil society relations: a new facilitating factor

Early studies on the classic DSs focused on their state–market relations, particularly the state's relations with industrial elites, and ignored other social groups. As Evans (Evans and Peter 2008: 7) observes, 'civil society as a whole was excluded from the process of "state-society synergy"'. Some scholars who overemphasise the authoritarian and socialist nature of the Chinese state tend to overlook the function of civil society in China's development. China's civil society has indeed been long under state control and repression. However, this does not mean it has no impact on China's development. Instead, in addition to the particular state–market relations discussed above, China's development is largely attributed to a facilitating state–civil society relationship.

First, a weak civil society is formed and redirected to serve capitalist interest and thus promotes economic growth (Aoki *et al.* 1997). The diverse interests that emerged out of China's social transformation and market reform required the party state to promote new forms of association to bridge the relations between state and society, 'facilitate the development of the market and demonstrate its commitment to capitalist reforms' (Howell 2012: 281). Howell's (2012) study shows comprehensively how the Chinese state's approach to civil society was driven by the need to create a favourable social and political environment for capitalist interests in the four main cycles of civil society development since the late 1970s. An example here is labour organisations. The All China Federation of Trade Union (ACFTU) is the only legal organisation representing workers, 'existing primarily to serve the CCP, convey its messages and policies to the workers, and spread the "mass line"', rather than to really represent workers' interests (Roney and Tyler 2013). The resultant weak labour organisation and protection make the labour force attractive to foreign investment and enable the formation of a Chinese factory of the world.

Second, a controlled civil society, particularly non-governmental organisations (NGOs), is redirected to supply social welfare and consolidate political stability. The economic reform and social transformation have made China more diversified and pluralised and they have brought forward many social issues and concerns, as mentioned before. To cope with these issues, the Chinese government allows some NGOs to develop and fill the gap between the government and the population under rigid legal and administrative scrutiny. Chinese NGOs thus become a development partner of the Chinese government.⁶ As a result, the Chinese government has established a broader connection with civil society and mobilised more social



forces in securing China's economic development and political stability. As Evans (Evans and Peter 2008) observes, the 21st-century developmental state should interact with a much broader cross-section of society than only industrial elites, on which the 20th-century developmental states focused.

Third, a weak civil society sustains the Chinese DS. Despite the positive role of civil society in economic development and social welfare provision discussed above, a strong civil society beyond the control of a DS may result in social and political transformation, or even revolution. In South Korea, for example, since the 1990s, growing civil society organisations began to take over 'coordination functions that work bottom up, and involve the engagement of ordinary citizens in the development process' (Kalinowski 2009: 54) and finally triggered South Korean political transformation from an authoritarian state to a democratic one and economic transformation from a DS to a more neoliberal one. The significance of the transformation is another topic. From the perspective of sustainability of the DS, a relatively weak civil society under government control is imperative. In sum, compared to the classic DSs, the Chinese state has fostered a more obedient or oppressed civil society and established broader relations with it than the narrow bureaucrats–industrial elites relations in Japan and South Korea. The broader relations have been redirected to assist economic development, supply social welfare and consolidate political stability.

Development vision and operationalisation

The Chinese state ideology and economic growth

The modern Chinese state ideology centres on economic development. The modern state ideology of China in the post-Mao period has two important aspects — socialism with Chinese characteristics and state-sponsored Chinese nationalism in the specific forms of national rejuvenation and the 'Chinese Dream', which are directly or indirectly related to China's development ideology. Socialism with Chinese characteristics, as proposed by Deng Xiaoping, has shifted the priority of the party and the government from the endless political and ideological struggles to economic development, and paved the way for a socialist market economy in China. This official ideology of the party and the state has made economic development a national project, carried out through the unitary political system analysed above. Chinese nationalism is another vital factor that has prioritised economic development. Rejuvenating the Chinese nation entails economic development. The 'Chinese Dream' put forth by the Chinese president Xi Jinping also regards economic development as a prerequisite. Moreover, the self-identity as a developing country that is, and will remain, for a long time, in the primary stage of socialism has prioritised development and provided the Chinese government with flexibility in making economic policies. Thus, economic development has

been conceived as China's national project of and a central task of the party and the government, which, as discussed above, is also the main source of legitimacy of the party and the state. Contrary to Howell (2006), the Chinese state does not lack a sense of nationalism that is mobilised to galvanise broader societal support for its development plan.

The Chinese central authority has created political and fiscal incentives to ensure the compliance of local or personal interests with national interests, by treating the economic performance of local governments and bureaucrats as the most important assessment criterion. Complying with central policy objectives is crucial for personal and institutional survival in China's political system. The cadre and personnel management system and the political meritocracy make the local governments political agents of the central government. The TRS ensures that the lower level complies with the upper level of government. Meanwhile, China's development vision and its operationalisation reveal some new characteristics.

New vision and ways of economic growth

China's vision of economic growth has been broadened. The rapid GDP growth also brings some social issues, particularly environmental degradation, resource depletion, unbalanced development and absence of human rights. These thorny issues discredit, to certain degrees, the GDP performance of China and have urged China's macro-policy adjustment. In the first five-year plan of the new century (2001–2005), the people-first concept was added to the development portfolio. China has been forming a new growth model called the 'Scientific Outlook on Development', which claims to champion people's interests and advocate comprehensive, coordinated and sustainable development (Hu and Jintao 2012). In reality, changes in both central and local governments concerning the GDP-centred development vision are ongoing. In a meeting of the party's Organisation Department, Chinese president Xi noted that China would never assess the performance of an official simply on the basis of their record of boosting the economy, but would also consider their achievement regarding people's livelihood, the development of local society and the quality of environment (Xinhua 2013). Following the dictate of the central government, local governments responded actively to adjust their performance criteria. The Fujian Province, for example, has adopted new performance criteria centred on the development of agriculture and ecological protection in 34 cities and counties (China Daily 2014). More recently, the Chinese authority issued measures for evaluating ecological civilisation construction, in which for the first time environmental protection outweighs economic growth in official performance evaluation (Xinhua 2016).

This new vision may weaken the policy effects of the central government on economic development and, consequently, result in a short-term slowdown of China's economic growth. Between 1995 and 2011, despite the 1997 Asian



financial crisis and the 2008 global economic crisis, China's average GDP growth rate reached 9.67 per cent. Comparatively, between 2012 and 2014, the average GDP growth rate declined, shrinking to 7.6 per cent.⁷ The exacerbating economic environment, such as soaring debt and overcapacity in many industries, was perceived to erode growth to some extent. But it is a fact that during the 1997 regional recession and the 2008 global economic slump the economic environments that China faced were much more aggravated, but economic growth was still maintained at a high level. Therefore, the root reason behind the slowdown is the shift of China's development vision, as mentioned before. More recently, the Chinese government proposed a 'new normal' of slower growth and the structural reform of the supply front to deliberately manage economic growth speed and emphasise economic growth quality (Yuan and Ni 2015). The 'new normal' is not a consequence of the wearing out of the current engines of growth, but 'a crucial rebalancing, one in which the country diversifies its economy, embraces a more sustainable level of growth, and distributes the benefits more evenly' (Hu *et al.* 2015). The change of China's development view has more complicated internal and external reasons, but one consequence is certain: the Chinese authorities have paid more attention to growth quality, environmental sustainability and inequality. This new development vision and the resultant 'new normal' of slower economic growth have become new features of the Chinese DS.

China's economic policy making and implementation rely on a network of pilot agencies rather than a single one like Japan's MITI. Some have argued that the counterpart of MITI in China is the National Development and Reform Commission (NDRC), which is even dubbed China's 'Mini-State Council' (Gore 2011). However, the NDRC is mainly responsible for policy suggestion and development strategy formulation rather than policymaking and implementation. The Financial and Economic Affairs Leading Small Group (FEALSG) is believed to be the final economic decision-making body, while local governments and other central government agencies under the state council are the major apparatuses for policy implementation. China has formed a top-down network of pilot agencies with clear functional specialisation and division of labour as shown in Figure 1. At the top of this network, there are the Communist Party of China (CPC) and, more importantly, the Politburo Standing Committee (PSC), which acts as the *de facto* most powerful decision-making body in China. The CPC and its *nomenklatura* system constitute 'the backbone of the Chinese polity' and function like 'mucilage' to strengthen the 'central authority by creating incentives for party members to adhere to central edicts' (McNally 2007: 117). The Foreign Affairs Leading Small Group (FALSG), also known as the National Security LSG, is presumed to be the most critical foreign policy-making body under the PSC (Jakobson *et al.* 2010), while the FEALSG focuses exclusively on economic policies. Paralleled by, and largely overlapping with, the CPC *nomenklatura* system, the government administrative system is organised hierarchically, from the centre to the local,

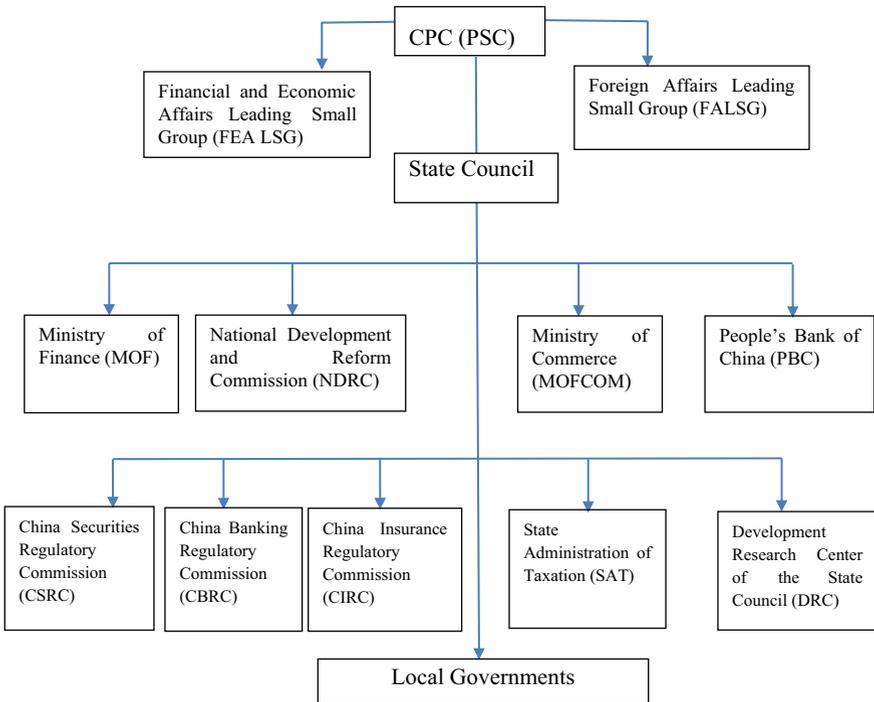


Figure 1 Network of pilot agencies in Chinese economic development.

and constituted by various agencies with specific functions, such as the Ministry of Commerce (MOFCOM) in trade policy and the People’s Bank of China (PBC) in monetary policy. These pilot agencies are centred on the CPC, particularly the PSC, and connected by the two ‘backbones’ — the CPC *nomenklatura* system and the government administrative system.

Compared to the MITI, this network has advantages and disadvantages. This network echoes the duality of political concentration and economic decentralisation. The decision-making power of macroeconomic policies is highly centralised, while the specific implementation is localised and diversified. This innovative arrangement is more suitable for China’s hugely diverse population and territory. Moreover, the main component of the classical DS development was industrialisation and the MITI focused on industrial policy (Bolesta 2015). This monochrome policy is seemingly outmoded in the highly globalised and complicated world economy. The network of pilot agencies has a more colourful policy package pursuing economic development, ranging across all three main sectors of economic activity. Furthermore, it is this network of pilot agencies that has established a



broader state–market/society connection than a simple state–industrial elites connection characteristic of Japan’s case. Lastly, a notable advantage of the MITI is that it can coordinate and integrate conflicting policies by virtue of its prominent position. In contrast, China’s network of pilot agencies may encounter rivalry. A known example is the long-term conflict between the People’s Bank of China and the Ministry of Commerce in terms of China’s exchange rate policy.

Conclusion: developmental state with Chinese characteristics

This paper focused on a long-debated question: to what extent can the theory of the DS illuminate China’s development? My answer is two-pronged. From the ideational perspective of the DS, China’s development model shares with initial developmental states a basic development ideology — state-led development. A survey of China’s realities throughout this paper shows that, in the confrontation between free market and state intervention, the Chinese state tilts more towards the latter although it claims to increase the power of market. The Chinese state has played a leading role in making and implementing development policies and visions, as well as in establishing and maintaining a broad relationship with the market and the society that facilitates economic development and, meanwhile, has inhibited the counterforces against economic development and political legitimacy.

From the institutional and relational perspectives, China’s way of development has the basic features of the DS model, according to the standard accounts of the DS, but reveals some new characteristics. The basic features of the DS are captured from developmental structure, role and outcome, which are measured by six specific criteria: embedded autonomy, an effective and meritocratic bureaucracy, strong state legitimacy, a political leadership oriented towards economic development, effective policy intervention guided by a pilot organisation and successful economic performance (see Table 2). The above analyses in this paper assessed China’s realities in these six aspects and verified the hypothesis that Chinese development embodies the basic ideology of the DS. Nonetheless, this basic ideology is inadequate to explain China’s economic development causally since some new characteristics have emerged in all six aspects when compared to the classic DSs. They include a more obedient or oppressed civil society and the Chinese state’s broader connection with it; duality of the top-down political concentration and the bottom-up economic decentralisation; new legitimisation strategies; a broadened development vision; a network of pilot agencies centred on the CPC, particularly the PSC, and connected by the two ‘backbones’ — the CPC *nomenklatura* system and the government administrative system; and the ‘new normal’ of slower growth.

These new characteristics derive from the Chinese government’s response to the changing domestic and international political–economic context or ‘facilitating



Table 2 Evaluating China's developmental state

<i>Dimensions</i>	<i>Conventional wisdom of the DS</i>	<i>China's realities</i>	<i>New characteristics</i>
Developmental structure	State capability Embedded autonomy	The clientelist or even paternalistic relationship between bureaucrats and entrepreneurs in SOEs has turned, or has been turning, into an embedded autonomous one The <i>guanxi</i> network makes the state embedded in the private sectors. The increasing institutionalisation of legal and economic rules ensures the relative autonomy of the state	More obedient or oppressed civil society and the Chinese state's broader connection with it
Developmental role	Effective and meritocratic bureaucracy	By virtue of the unique cadre and personnel management system, the local governments are actually political agents of the Chinese central government	Duality of top-down political concentration and bottom-up economic decentralisation
	Strong state legitimacy	The legitimacy of the party and the state has not been radically vacillated but consolidated to some extent	New legitimisation strategy
Developmental outcome	Political leadership oriented towards economic development	The modern Chinese state ideology still centres on economic development	Broadened development vision
	Actual operationalisation of that vision	Chinese central authority has created political and fiscal incentives to ensure the compliance of local or personal interests with the national interest	A network of pilot agencies centred on the CPC, particularly the PSC, and connected by the two 'backbones' — the CPC <i>nomenklatura</i> system and the government administrative system
Developmental outcome	Economic growth	China's economic miracle	'New normal' of slower growth
	Successful economic performance		



conditions' in Stubbs' (2009) terms, particularly the process of globalisation, and they do not fundamentally change the ideational nature of the Chinese way of development. However, they indeed broaden the concept of the DS in China by modifying its institutional and relational aspects. This broadened DS model, or the Chinese DS, enhances our understanding of the economic miracle of China and reinvigorates the old concept of the DS in the new era of globalisation. A plethora of analyses referring to China's reforms and transitions under various conceptualisations describe, in essence, a post-socialist transformation. Therefore, the Chinese DS offers a new way for the development of some countries with similar social and economic backgrounds, particularly the economies in post-socialist transformation.

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Notes

- 1 See Liu and Sun (2011) for the negative impacts and reasons for the short term of office in China's local areas.
- 2 Huang (1996: 662) argues, 'all else being equal, the more uniform the Chinese provinces have become, the more centralized is the administrative control'.
- 3 The specific reform proposals and implementation are summarised by people.cn (<http://politics.people.com.cn/GB/1025/9444314.html>). Provincial government structures are shown to be slightly different among provinces.
- 4 See World Bank Worldwide Governance Indicators at <http://info.worldbank.org/governance/wgi/index.aspx#reports>.
- 5 See Pearson (1997) for a detailed analysis of the evolution of these models in China.
- 6 See Gao (2006) on the advantages of Chinese NGOs in providing social welfare.
- 7 Data source: World Bank Database <http://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?page=3>.

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