

Between the Centralization of Authority and Effective Governance: The Institutional Logics of Governance in China

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[Technological revolution] why Europe and West, and why not China?

David S. Landes (2006:3)

It was China's unique destination to preserve as a civilization long after other ancient civilizations had perished; and this perseverance involved not fossilization but a series of rebirths.

Philip A. Kuhn (1980:11)

Situating these two quotations in the long Chinese history—from the Chinese dynasties, to the Republican era, and to the era of the People's Republic—and especially in the context of the impressive economic growth and the ongoing great transformation of the Chinese society since the 1980s, we are confronted with a series of intriguing and significant questions: Compared with other ancient civilizations, why has the Chinese civilization survived the turbulent and long history? Why has China experienced both impressive economic developments but also long periods of stagnation in her history? Why has there been such a burst of tremendous energy in China in the last few decades?

China, and especially contemporary China, has presented many puzzles for social science inquiries. Let us turn our gaze at the 60-odd years of short history of the People's Republic of China. On the one hand, one is impressed with the

commanding role of the Chinese state in governing its vast territory characteristic of diverse and unevenly developed regions, and in engineering the rapid economic growth in the last three decades. On the other hand, contemporary China has also witnessed a series of persistent and recurrent political and social phenomena: at the macro-level, cycles of centralization and decentralization characterized relationships between the central and local governments; top-down political campaigns periodically generate policy twists and turns in different arenas; the rhetoric of political education, in different forms and shades, has run through the entire history even when it has long been ineffective and met with resistance of all kinds; the rationalization of legal institutions and of public administration has been limited and long stalled. At the micro-level, problems in governance, such as the ineffectiveness of policy implementation, deviation and collusion

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at the local level, have been attacked repeatedly, but they are stubbornly resilient and will not go away.

The problems and issues outlined above always manifest themselves in specific circumstances, each having its own form and content, with its own rhythm of occurrence. As such, each can be examined and discussed on its own right. Indeed, there have been sizeable, separate literatures on these specific issues—the central-local government relationships, political campaigns, selective and collusive behaviors in policy implementation, so on and so forth. But the persistence and recurrence of these phenomena lead us to ask a further question: Are there some stable mechanisms and processes that underline and interconnect these occurrences in different areas? Put it another way, are there some institutional logics that systematically produce and reproduce these diverse phenomena? A further, related question is this: Is there a theoretical explanation, a broader perspective, that can explicate the interconnections among these apparently disparate issues and phenomena in different forms, across different arenas and situations, and in different points in time, that would shed light on the underlying institutional logics, such that, so to speak, to see the forest beyond the trees, to trace the origins by following the streams?

These larger questions have motivated the main theme of this article—the institutional logics of governance in China. The evolution of a nation state, its strategies and capacities in problem solving and in response to crises, relationships between central and local governments,

and between the state and society, all these have been built on a set of institutions. These stable institutional arrangements have shaped the ways problems are solved, induced corresponding microbehaviors, and to a great extent dictated the key features and trajectory of governance in a society. We refer to those recurrent, predictable, and often causal, relationships based on these institutional arrangements as *the institutional logics of governance*. Here, the term “governance” mainly refers to governance by the Chinese state; that is, we highlight the prominence and indeed the decisive role of the state in governing China, today as well as in history. Sociologist Charles Tilly once described the mechanisms in political processes as follows: “They consist of recurrent causes which in different circumstances and sequences compound into highly variable but nonetheless explicable effects”(Tilly 1995:1601). This description fits our view of the institutional logics well. That is, these stable institutional arrangements serve as the mechanisms in shaping the larger trends and provide the repertoire of strategies leading to predictable courses of action. But the realization of the concrete responses varies contingent on specific circumstances. In other words, those diverse, apparently disparate but recurrent phenomena are manifestations of these underlying institutional logics.

We examine the institutional logics of state governance from a specific perspective—the organizational approach and, in particular, pay special attention to the role of the Chinese bureaucracy. Let us first summarize my main arguments as follows. The key characteristic of

governance in China is *the centralization of authority* over its large, diverse territory. That is, the central authority—be it the emperor in history or the ruling party in the modern times—has had the paramount and ultimate authority over the population as well as the vast, diverse territory, encompassing all arenas and all corners of the society. Starting from this premise, we argue that one—perhaps the central—fundamental tension in governing China is between the centralization of authority and effective governance. By *effective governance*, we mean the capacities of local authorities in problem solving, such as tax collection, conflict resolution, and public goods provision. The fundamental tension can be characterized as follows: The centralization of authority tends to centralize decision rights and resources upward toward the center; in so doing, it weakens the capacities of local authorities (local governments or authorities on other bases) in problem solving, and hence weakens effective governance at local levels. Attention to effective governance requires the allocation of decision rights and resources toward local levels with better information. But in so doing, local authorities have a tendency to—or are interpreted as having a tendency to—deviate from the central authority, to cause the loss of control, thereby undermining the centralized authority. This fundamental tension is inherent in the historical organization of the Chinese society; and an equilibrium can be reached only temporarily over time. We submit that the institutional logics of governance, together with the stable institutions and the repertoire of governing strategies, have been developed in

response to challenges and crises caused by this fundamental tension. In other words, an inquiry into the fundamental tension provides clues for us to understand the institutional logics of governance in China.

Over the long Chinese history, the centralization of authority relies on two key institutions as the pillar of governance: the Chinese bureaucracy and a unified official ideology. Schurmann (1968) argued that organization and ideology were two key organizing mechanisms of the Communist movement in China. These two mechanisms have had far reaching impacts in the long Chinese history. But in the course of political changes in modern China, especially in contemporary China, both mechanisms have met multifaceted challenges: both the bureaucratic form of governance and the official ideology have become increasingly incompatible with diverse, multiple demands in the society. In response, a series of mechanisms arose and evolved to meet these challenges: (1) the dynamic of loose-coupling between centralized policymaking and flexibility in policy implementation; (2) the ritualization of political education; (3) the use of political campaigns as a corrective mechanism to tighten up central-local couplings from time to time so as to deal with local deviations.

Specifically, the loose-coupling institutional arrangements, such as administrative subcontracting between the central government and local governments across administrative levels, make it possible for the local governments to adopt flexible implementation and collusive behaviors to alleviate the fundamental tension at the local level. The ritualization of political education,

while has no effect to revive the official ideology, plays an important role in maintaining the symbolic authority of the central government, making the loose-coupled institutional arrangements viable. Top-down political campaigns provide an important means for the central authority to tighten up the couplings between central and local authorities from time to time, so as to reset the limit to local flexibility. In so doing, the Chinese authority has been struggling to keep a delicate, at times precarious, balance between the two sides of the fundamental tension through processes of continuous fluctuations and adjustments.

Although these mechanisms have alleviated the fundamental tension from time to time, they are in essence incompatible and run counter to the grand trend of state building in modern society, breeding further tensions and crises. First, the governance process evolves in shifts between centralization and decentralization, between symbolic power and substantive intervention, and between the loss of control and reining in local deviations. These recurrent twists and turns periodically introduce shocks into the political process, making it precarious and risking the tendency toward crises and chaos at a large scale. Second, the institutional logics of governance outlined above put constraints on the potential and direction of institutional innovation, setting the limit to the rule of law, the rationalization of bureaucracy, and to professionalization processes, casting a long shadow of uncertainty in the future of China's institutional transformation.

Before we turn to elaborate our discussion

on the themes outlined above, let me first provide an outline of these key elements. We have sorted these issues and phenomena into three categories in sequence: First, some phenomena are the manifestations of the fundamental tension at different levels and in different arenas, especially those associated with the twin institutions of bureaucracy and official ideology. Second, other phenomena reflect the emergence of institutions in response to the fundamental tension. Third, still other phenomena are the outcomes or unanticipated consequences of such response strategies. These outcomes in turn feed back to the fundamental tension and the effectiveness of these response strategies. Our following discussion is organized in the same sequence: we will first explicate the fundamental tension between the centralization of authority and effective governance; we will then turn to discuss three response mechanisms gradually taking shape over the course of historical evolution: the variable coupling between centralized policymaking and flexible policy implementation; the ritualization of official ideology, and the weapon of political campaigns as a corrective mechanism in adjusting the coupling between central and local governments. Finally, we discuss the consequences of these response strategies and the challenges and crises in China's institutional transformation.

Centralization of authority and effective governance: The fundamental tension

All nation states face the competitive pressure for effective governance, in terms of economic and social development, problem solving,

and public goods provision. The challenges for different states vary with their ecological environments, scales of size, and modes of governance—the institutional arrangements of governance. In brief, other things being equal, the specific mode of governance adopted or inherited affects the advantages and disadvantages of a nation state and the challenges it faces. The mode of governance in a society is not chosen at will; instead, it is often deeply embedded in a society's historical evolution, characteristic of path dependency (金观涛, 刘青峰 2011, Finer 1997, Levi 1988, Tilly 1975). In this study, we focus on the specific forms and institutions in the state governance of China.

State governance is organized around two themes: one is the relationship between central and local authorities; the other is the relationship between the state and society. The key characteristic of the centralization of authority, together with the vast and diverse regions and territories, makes the former the most salient theme in governing China. The centralization of authority in the hand of the emperors and his delegates over the entire territory has been the central characteristic of governance in Chinese history, as the ancient expression more than 2,000 years ago put it: "all the territory is under the rein of the emperor; all humans are the subjects of the emperor" (《诗经·小雅·北山》). Historian 西嶋定生 put it: "The Chinese emperor's power reached all corners of the society. It denies the existence of any revelry with equal footing—there cannot be more than one emperor under the sun. This is the essence of the emperor's power. That is, by its very nature, wherever the emperor's power

reaches, it owns" (西嶋定生 2004, p. 43). The evolution of the Chinese state has created a country with vast territorial space, diverse and unevenly developed regions and cultures (谭其骧 1986, 周振鹤 1997). In the long Chinese history, the institutions of governance have integrated these diverse regions and populations, together with natural disasters and crises therein, into a coherent political and social entity. Although the institution of the empire had a fundamental breakdown in the early 20th century, the inherent tensions have not been fundamentally resolved in the subsequent successions of ruling parties (金观涛, 刘青峰 1993). Moreover, "on the basis of the legitimate claims of ethnic equality, citizen rights and people's republic, the modern state has re-organized individuals under the state-dominated collective institutions in the name of revolution, liberation and legitimate rights, thereby granting the modern state further, direct control over individuals" (汪晖2003:96). In this larger context, what organizing mechanisms does the central authority rely on to maintain the integration of the nation? How do these organizing mechanisms affect the behaviors and outcomes of state governance? These questions provide the port of entry for us to look into the contradictory role of the centralization of authority in China's governance.

The scale and load of governance

One serious challenge in governing China is the scale and the load of governance involved over a vast territory and a huge population. Here, the scale of governance refers to both the spatial coverage and the actual responsibilities the state assumed over the territory and the citizens

residing on it. In comparative studies of governance, scholars often make broad strokes of comparisons across these nation states without careful attention to the scale of governance involved. For example, Singapore has a territory and population roughly the size of a mid-sized Chinese city. South Korea has a population only two-third that of Jiangsu Province in China. The size of the territory of China is roughly that of the entire Europe, with twice the population. In other words, the scale and challenge of governance in China is equivalent to those of governing the entire Europe. By emphasizing "scale" in governance, we want to highlight the key role of *organizations* in governance. It is in light of the scale of governance that those specific organizing mechanisms move to the central stage of an inquiry into how China is governed.

In contemporary China, as in Chinese history, the Chinese bureaucracy has played a vital role in governance, implementing top-down policies and linking diverse regions toward the center. A nation state cannot be built forever on coercive power or political repression but needs to gain the acceptance and following of its citizens. It accomplishes this goal by a series of integrative mechanisms and institutional arrangements. For example, institutions and resources are needed to organize peasants into communes, or to reallocate resources across different regions and areas. Mechanisms of conflict resolution are needed to address tensions and conflicts among social groups. Like other formal organizations, government organizations also face transaction costs in coordination and management, information

gathering and processing, and incentive design and implementation. These issues become intensified and amplified in a bureaucratic setting characteristic of monopolistic power, limited internal labor markets for officials, and the upward accountability system.

Social science research has already called attention to this set of issues. Economist Alesina and his colleagues (Alesina and Spolaore 1997) examined the relative advantages and disadvantages of the nations of different sizes in economic development, social organization and public goods provision. They found that nations of large size have incurred higher governance cost due to the diversity of groups and cultures within the territory, but have the scale advantage in market activities. That is, large nations facilitate economic development and lower the fixed cost of certain public goods (e.g., defense). But in the globalization of world economy, they noted, small nations can effectively make use of international markets, and hence are not necessarily disadvantaged in economic growth. Economists also conducted research on the scale and control of industrial organizations, and developed cost benefit analysis of bureaucratic organizations. These studies emphasize the cost of political influence and negotiation within organizations (Milgrom and Roberts 1988). McAfee and McMillan (1995) argued that members of an organization possess private information due to their positions and roles in organizations, and they use such information to engage in rent seeking, as the authors put it: "Rent, we shall argue, are the lubricants that make it possible for a hierarchy to function" (p. 402). Loss

of efficiency occurs due to use of private information in negotiations and organizational diseconomy of scale. Along with the increasing size of the organization, the chain of command lengthens, private information disperses, and the problem of information asymmetry worsens, leading to the loss of efficiency. In the context of the Chinese history, historian Ray Huang (2001, 2006) noted the gap between the scale of governance and the lack of effective mechanisms in governance. From the vantage point of historical geography, historian Ge Jianxiong (1994) also observed the high cost of spatial dispersion and the ensuing difficulties in the transmission of information and command in the Chinese empire. Put it simply, the scale of governance has been a constant challenge that haunted the Chinese rulers.

Scale of governance in a society is not a constant but varies with the trajectory of historical evolution, institutional arrangements, and the mode of governance. First of all, the scale of governance is contingent on the physical size as well as population size in a nation. These two go hand in hand: The larger the size and more populous it is, the larger the scale of governance. Different regions in culture, climate and uneven economic developments, put additional burdens and challenges on the nation state—natural disasters or other crises may be present or absent in a particular region, but they surely have a constant presence in a nation of vast territories and a large population. Moreover, along with the high interdependence of modern economies, the pluralistic development of cultures and values, and the diverse participation of citizens in social and

political life, all these add more complexities, and starker challenges, in governing China.

Moreover, the scale of governance is contingent on the mode of governance. Different modes of governance lead to different allocation of responsibilities at different levels and localities in authority relationships in a society. Contrast the mode of centralization versus that of federalism in governance. In the former, all localities are under the control of the central authority, which shoulders the comprehensive tasks of all responsibilities, through the intermediate and local governments. This means that the central government must provide solutions to those problems and pressures that come from all corners and all arenas in a society. In a constitutional federalism, on the other hand, local governments take responsibilities for those issues and problems within their own jurisdictions, the scale and load of governance become dispersed accordingly. We can see glimpse of such variations in the rural institutions in the history of the People's Republic of China. In the era of the People's Commune, the state took control of the procurement and planning of agricultural activities, putting farming decisions, the supply of factor resources, and procurement all under the planned economy. As a result, the state incurred considerable organizing and coordination cost. In the decollectivization era, villagers have the decision rights over farming and sale of their produce, governments no longer are responsible for the returns of farming activities or fluctuations in prices. The scale and pressure of rural governance upon the state has been greatly reduced. These historical changes

show that the specific forms and contents of governance varied across historical periods, so did the organizational burden and challenges accordingly.

The scale and the cost of governance are major challenges to state building and political reform. The core institution in response to such challenges is the Chinese bureaucracy, which shoulders the responsibility of implementing state policies and administrative directives from the top-down process. For this reason, an organizational perspective and attention to the Chinese bureaucracy provide a useful lens by which to make sense of the institutional logics of governance in China.

The fundamental tension: The centralization of authority versus effective governance

Given the formidable scale of governance, the centralization of authority in China inevitably introduces a separation between policymaking at the center and policy implementation at local levels, which gives rise to ***the fundamental tension*** between the centralization of authority and effective governance. Here, the centralization of authority means that, in the broadest sense, the central authority at the very top has legitimate decision authority over all corners and in all aspects of the society, as embodied in centralized policymaking processes, the power over resource allocation and personnel mobility, and in particular the arbitrary power to intervene at any time in any processes. Effective governance refers to the capacities in problem solving, policy implementation, and public goods provision at local

levels. The fundamental tension between the two can be summarized as follows: The extent of the centralization of authority is achieved at the expense of the effectiveness in local governance. That is, the centralization of authority places decision rights and resources further away from those levels that have more accurate information and capacities in problem solving. Conversely, the strengthening of local governance capacities implies the expansion of local authority, which often leads to —or is interpreted as—deviations from the center, thereby becoming an acute threat to the central authority. The intensity of fundamental tension depend on two factors: one is the scope of governance, the other is the center of gravity in resource allocation and authority. The broader the scope of governance, or the more resources and decision rights are centralized upward, the heavier the burden of governance, and the lower its effectiveness. Under these circumstances, the tension between the two manifests in the form of a lack of initiatives at the lower level. On the other hand, the decentralization of authority may strengthen the capacities in effective governance, and the tension takes the form of deviations and the loss of control from the center's vantage point. The extent of the fundamental tension varies across historical periods. As such, the fundamental tension induces the rise and fall of challenges and crises as well as a series of response strategies and their consequences.

In the Chinese history, the rulers have constantly facing the threat of the collapse of the empire in forms of separatism, foreign invasion, or local rebellion, as well as stagnation under

centralization and the loss of control accompanying decentralization. And tensions in relationships between the central authority and local governments have run through the entire history. A large number of scholarly studies have examined different aspects of state institutions in Chinese history, from the formal structure of the central government, to local government institutions, rules and regulations, and the selection and transfer of officials, among others. From the practice of governance in China, the following two mechanisms are especially salient: First, the bureaucratic organization that carries out the top-down directives and policies, thereby ensuring the consistency of local practice with the central authorities. Second, an official ideology that emphasizes the centrality of the higher authorities, generating and reinforcing the concentric tendency toward the center among government officials and across regions(陈旭麓 1991, 金观涛, 刘青峰 2011). To put it simply, the Chinese bureaucracy and the official ideology are the two pillars of the centralization of authority: The former includes the hierarchical order of government organizations from the central government down to subordinate government agencies at different levels of the government apparatus; the latter consists of the set of cultural expectations between the state and citizens, reflected in the shared values inside the government and without, and throughout the nation. The analysis of the two institutions shed light on the organizational basis of the centralization of authority.

The Chinese bureaucracy

Bureaucracy is the fundamental organizational form of the modern state. According to Weber(1978), bureaucracy is a distinct form of organization, characteristic of a clear delineation of authority in the hierarchical order, whose directives are carried out by rules and procedures, and personnel receives professional training and embark on professional career. All these increase efficiency in decisionmaking and implementation. In contrast to the traditional organizational form such as family, kinship or community, bureaucratic organizations are the central organizing mechanism in contemporary society. Sociologist Coleman (1982) observed that, along with the rise of corporate persons in contemporary society, a large number of public affairs are carried out by bureaucratic organizations—they make and implement public policies, deliver social welfare, public safety and provision of other kinds of public goods, also regulate economic activities, such as market transactions, contracts and capital flow. Wilson (1975) pointed out that modern society has a tendency, in developed as well as developing countries, to gradually transfer political power to bureaucratic organizations. Because of this, Galbraith (1984) argued that formal organizations are the major source of power in contemporary society. As an organizational and historical phenomenon, bureaucracy can be examined from different lenses. Our focus is on the organizational mechanisms of the bureaucracy and their roles and consequences in governing China.

At the core of the centralization of authority in China is this: The central authority holds the

supreme and ultimate power in all areas and processes. In practice, power is especially centralized in the areas of resource allocation and personnel management (周黎安 2008, Landry 2008, Schurmann 1968). For example, the central government holds the authority in personnel management, rule making and decision rights in the evaluation, selection, and mobility of officials all over the nation. In terms of resource allocation, the central government has tremendous power in extracting, mobilizing and allocating resources. The top-down resource redistribution further reinforces the central authority control over different regions, groups, and citizens on the other. In Chinese history, the characteristic of the centralization of authority already appeared in different forms over time (瞿同祖 2003 [1962], 吴宗国 2004). But in contemporary China, the centralization of authority has reached an entirely new level—the extent of the its reach, the depth of its penetration, the scope of its coverage, and the frequency of political mobilization, dwarf all other regimes in Chinese history. The centralization of authority needs a huge bureaucratic organization to maintain and implement state policies, enforce rules and regulations, which demands elaborate coordination in organizational design.

Nevertheless, the centralization of authority encounters problems of principal-agent relationships in bureaucratic organizations, such as divergent goals, interests and information asymmetry. These problems can be alleviated to some extent through bureaucratic check and monitoring mechanisms, or different forms of delegation such as the administrative subcontracting system

(周黎安 2008) or the multi-centered forms of governance (吴稼祥 2013). For example, in Chinese history, Ming Dynasty was highly centralized in power, but as Wu Zongguo (2004:5) put it, the key characteristic of Ming Dynasty was decentralization rather than centralization, due to the expansion of participants in the decision making process in the central authority, the increase of the administrative authority and the formalization of procedures in administrative affairs. In routine administrative affairs, the emperor did not need to show up; the administrative procedures can operate without the presence of the emperor. The bureaucracy has its own organizational structure, behavioral patterns, and inherent tensions. At the same time, these formal structures were not constant but evolve and make adjustment over time, and are implemented flexibly in interactions across different levels of the bureaucracy and among different government agencies, showing diverse processes and outcomes. Central-local government relationships are also by no means a simple command relationship; rather, central and local governments involve in extensive negotiations in the policymaking and implementation process (Lieberthal and Lampton 1992, Shirk 1993). But it is worth emphasizing that the ultimate authority is in the hand of the top leaders, whereas the authority of the local governments is delegated from the top-down process. Although the Chinese polity has gone through tremendous changes, the basic authority relationships have remained intact, so has the fundamental tension.

Official ideology and political education

Facing diverse cultures, local customs, and group interests over a vast territory, the Chinese bureaucracy—or any other organizations—alone cannot effectively carry out the wills of the centralized authority. Indeed, as Turner (1960) put it: “Every society must cope with the problem of maintaining loyalty to its social system and does so in part through norms and values, only some of which vary by class position” (p. 859). The centralization of authority needs other mechanisms to reach out and integrate different levels and corners of the society. The official ideology leading to the recognition and obedience of authority has provided such a mechanism. In Chinese history, the Confucian culture has long played such a role. The civil examination institution (*keju*) in official selection led many potential officials to go through the “professionalization” process through the learning of Chinese classics, acquiring the shared knowledge and behavioral norms and role expectations. At the societal level, peasants’ everyday life was infused with the cultural expectations of hierarchical relations between father and son and analogously between the emperor and his subjects, which provided the cultural foundations for the centralization of authority. Not surprisingly, the selected doctrine of the Confucian culture had long served as the official ideology in Chinese history (陈旭麓 1991, 黄仁宇 2006, 王亚南 1981). Historically, traditional life styles based on isolated farming activities and the limited reach of the Chinese state had diffused tensions at local levels and, most of the times, avoided direct confrontations between the state and grassroots

society.

In the early years of the People’s Republic, the state temporarily but effectively replaced the role of the Confucian culture with the Marxist ideology to unify the values within the ruling party, and further extended it as the official ideology that governed China. Contemporary China has gone through continuously various kinds of political education, such as political mobilization and the routine sessions of political studies. At times these activities took place within the tightly controlled party organization or in a specific area; at other times they took the form of mass mobilization across different corners of the society. Although the areas may differ and specific targets may vary, all these activities tended to use the official ideology as a mobilizational mechanism; in so doing, they reinforced the official ideology. In this sense, these political campaigns can be seen as efforts to establish, maintain and reinforce a shared value system centered on the centralization of authority. While the Confucian culture and the homogenous peasant economy provided the basis for long-term stability in Chinese history, the official ideology in the People’s Republic has been maintained, repaired, and reinforced through a series of thought reforms, political campaigns, and other large-scale “mass movements”.

Let us use one example—the implementation of the family planning policies—to illustrate the role of the bureaucracy and that of official ideology in governing China. Since the late 1970s, the Chinese government imposed a series of family planning policies all over the nation. The

implementation has lasted so long (for more than 30 years), at such a large scale (involving every government agencies and work organizations of all kinds where there are individuals within fertility ages), in such a broad scope (nationwide down to every family), and with such an impressive record (the official claim of 400 million fewer born in 30 years), this is a rare “success” story from the vantage point of the Chinese government. First, although this policy was implemented with certain variations in both the specifics and degrees of enforcement across regions, overall the enforcement has been sustained and effective, reaching millions of families across different work organizations in different regions. Second, until recently this policy had been carried out in a relatively consistent way over 30 years of history, during which time China had experienced tremendous changes in political, economic and social changes. Third, the fundamental impacts of the policy are also obvious. The rapid change in fertility rate and the increase in single child per family are evident by now.¹⁾ In this sense, the family planning area can be claimed to be a “successful” case of effective state policy implementation under the centralization of authority.

What are the mechanisms that have produced this impressive “success”? The most salient characteristic in this area was the heightened bureaucratic mobilization. First, from the central government down to the lower-level governments (down to villages and residential committees), there has established a large, stable

bureaucratic machine specialized in the family planning area. Second, strong incentives are implemented, such as the “one-item veto” policy—if this one item, i.e., the goals of “family planning” task, were not met, all other accomplishments by the local government would be nullified in performance evaluation. Those local governments that did not meet the targets were penalized severely; and officials whose families violated the family planning policy were kicked out of civil service. Third, a series of stringent measures were adopted in the implementation processes, such as heightened mobilization, decomposition of goals into measurable indicators, level-by-level monitoring and inspections, intensive inspections and evaluations, which gave rise to the so-called “pressure-driven system of implementation” (荣敬本, 崔之元, 王拴正, 高新军, 何增科, 杨雪冬等 1998, 王汉生, 王一鹤 2009, 周雪光, 艾云 2010). Third, in accordance with the measures above are large-scale and persistent propaganda and educational mobilizations, political studies, and educational programs organized in work organizations and villages, in the forms of slogans, banners, news media, and TV programs. Clearly, the operation of the centralization of authority depends on the stable bureaucratic organization together with the exercise of political education mechanisms, which has effectively mobilized and sustained the attention of key officials at all levels. This example makes clear that the centralization of authority in China is not mere symbolic, but it is built on the basis of institutional arrangements

1) The rapid decline in population growth is well recognized and acknowledged. There are considerable debates among scholars as to the causes and the consequences of such a decline (王丰, 蔡泳, 2010)。

in organizations, resource distribution and ideology. On the other hand, this case also make clear that these mechanisms incur significant costs in administration, human resources, social mobilization, and government attention. This means that such large-scale mobilizations in policy implementation can only take place selectively, occasionally, and often limited in scale.

Indeed, the centralization of authority has faced tremendous challenges in the effectiveness of bureaucracy and official ideology as the governing mechanisms. First, one key mechanism is the centralization of policymaking, and reinforced through top-down inspections and evaluations on a routine basis. It is not difficult to imagine that, were local authorities allowed to have the official authority to revise tow-down policies based on local circumstances, in the long run, the central authority would be questioned and challenged, its legitimation and effectiveness will be weakened, and the centralization of authority would run into crises. On the other hand, the more rigid and inflexible the central authority is, such as the centralization of resources or personnel power, and in policymaking, the less likely that its policies will fit the diverse local circumstances, thereby undermining the effectiveness of local governance. In many instances, such centralized institutional arrangements not only incur huge costs that are not sustainable, but also cause tremendous disasters, as evident in those episodes such as the Great-Leap-Forward era and the Cultural Revolution (周飞舟 2003, Yang 1996). The vast territory, the uneven economic development, and the diversity of local customs, all present serious

challenges to the will of the centralized authority, as shown in the discrepancy in institutional arrangements among centralized policymaking, the diversity of local problems, and the capacities of local authorities in problem solving. The fundamental tension looms large between the centralization of authority and the effectiveness of governance.

Second, the limit of bureaucratic organizations. Coase (1937) raised this fundamental question: If markets can allocate resources efficiently, why do we observe the presence of organizations? A related question is: If formal organizations can increase efficiency by reducing transaction costs, why cannot all economic activities of the whole nation be put within one large formal organization? The failure of the planned economies in socialist societies in the 20th century is such an example. Transaction cost economics pointed out that markets and formal organizations incur their own respective transaction costs. For example, transaction costs in formal organizations involve that of coordination and incentive provision, etc. As the degree of complexity increases in a society, the costs of management and coordination increase in an exponential manner. Organization research has long examined various problems and costs in bureaucratic organizations. First, bounded rationality often leads to problems in goal setting, organizational processes, and incentive design (Cyert and March 1963, March and Simon 1958); second, principal-agent problems lead to the separation of authority, responsibility, and incentives among the agents, such that they cannot take a long-term view of their responsibilities

and positions; on the other hand, asymmetric information gives the informed party (usually the local officials) advantage in negotiations, leading to their considerable autonomy in real operations (Jensen and Meckling 1976, Wilson 1989). Third, the coalition and interests formed on the stable basis of organizations add new problems in communication and coordination. The central authority has inherently limited capacities in personnel evaluation, monitoring, and appointment, due to organizational size, managing capacities, and political loyalty. These issues are present in all kinds of bureaucratic organizations, but they are amplified and intensified in the Chinese bureaucracy due to the large size, complex structure, monopoly status, and lack of check and balance mechanisms (黄仁宇 2001). Li-an Zhou (周黎安 2008:67) discussed this set of issues in light of the principal-agent relationship:

The central government, by centralizing all power, needs to accomplish two main tasks: first, the provision of public goods to all citizens so as to maintain the long-term stability under its rule; second, to ensure that there is no abuse of power in the delegation of power to lower-level agents so that the central authority's directive can be implemented without distortion. These two goals are at odds to each other. On the one hand, to better provide public goods, power should be delegated to local governments, because the latter has better information about the preference of local citizens on public goods. From the point of view of public service provision, the ruler

should decentralize as much as possible. On the other hand, because local officials' goals and interests are different from those of the central government, it is difficult to monitor their behaviors, and the decentralization of authority is likely to induce abuse of power or even the diversion of power from the central authority. Moreover, the more the power is decentralized to the lower level, the more difficult the monitoring and inspection, the greater the threat that power is abused. So, in terms of monitoring and control, the ruler should centralize as much as possible.

Third, the official ideology has been challenged and weakened along with the increasing diversity in contemporary society. Indeed, official ideology has been facing erosion on multiple fronts. First, the Confucian culture was devastated by the critique and rebellion advocated in the Mao era, especially in the Cultural Revolution years, which cast serious questions on traditional values and political indoctrination. More importantly, the diverse interests and views emerging in contemporary society have altered the social foundation of the homogenous values and norms in the official ideology. In a sense, the transformation that China are experiencing today is an echo of the view on shift from mechanic solidarity to organic solidarity Durkheim's (1984 [1893]) writing. As more and more professionals work in horizontal organizations, as citizens live in a society of pluralistic values and preferences, as scientific training and professional judgment have become everyday practice, these life styles of

contemporary society inevitably run counter to and incur tensions with the official ideology based on a centralized authority. Such tensions were already evident in the 19th century (Levenson 1965), and they have perpetuated to date, with no satisfactory resolution in sight (李泽厚 2004).

Here, we have witnessed the fundamental tension between the organization of the centralized authority—in terms of bureaucratic organization and official ideology—and effective governance in everyday problem solving. From the vantage point of the former, the centralized authority need to be maintained by tightly-coupled organizations and ideology, reflected in the centralization of power and resources, and perpetuated and reinforced in the everyday process of policy implementation. But from the logic of effective governance, however, there is a need to strengthen the capacities of local governments by decentralizing power, resources, and capacities to lower-level officials who have better information. But this logic undermines the basic principle of the centralization of authority, thereby inducing the tension and conflicts between the two. This fundamental tension has become more salient and acute along with the development and differentiation of contemporary Chinese society.

Mechanisms of Response to the Fundamental Tension

The fundamental tension is inherent in the particular governance choice of governance in China, and within the structure of the present political regime there is no satisfactory, permanent solution to this tension. Instead, the regime

has tried to make continuous adjustments, seeking some temporary balance between the two in the dynamic process. As a result, there has emerged a series of response mechanisms in the evolution of political processes in China. These response mechanisms are the focus of our discussion in this section. Although these response mechanisms ran through Chinese history, our discussion here will largely focus on those episodes and events in the post-Mao era.

Response Mechanism 1: Variable coupling between centralized policymaking and flexible implementation

As noted before, there have been tremendous differences across arenas and regions in China in terms of economic development, resource distribution and local customs. By its very organizing principle, however, centralized policymaking cannot give due attention to these local variations. Consequentially, there need be institutional arrangements that allow local governments to adapt to local circumstances in the implementation process, that is, some degree of loose coupling between centralized policymaking and flexible implementation. This is the core process in state governance: The central authority is embodied in local governments' acceptance, obedience and implementation of centralized policymaking; at the same time, local deviations are allowed around the neighborhood of the main theme of the top-down policy, thereby adapting to local circumstances and strengthening problem solving capacities. In this sense, effective governance is reflected in the flexibility that local

officials adopt in the implementation of centralized policymaking. Here the organizational paradox is: the more centralized the policymaking process is, the more flexible the implementation process is (周雪光 2009). That is, the more centralized the power, the larger the gap between its policy outcome and local circumstances, and hence the more likely that it has to allow greater deviations in local implementation.

Administrative subcontracting has been a key institution in China's governance in this regard. Li-an Zhou (2008, 周黎安 2014) proposed and discussed the institutional arrangements in light of the economics of information and incentives. In this institutional arrangement, the central government puts different administrative affairs (social order, employment, economic development, and public goods provision, etc.) in a package and delegates to the lower-level governments, and delegates local officials' appointment, evaluation and management to the their direct supervising agencies. Cao Zhenghan (曹正汉 2011) discussed the advantage of this governance mode for the ruler's risk diversification and political stability. As other scholars noted, this institutional arrangement existed in history (Huang 2008). To a great extent the administrative subcontracting system has alleviated the fundamental tension: the symbolic power sustains the image of a central authority, while the power in implementation and in personnel management is delegated to the level with the most relevant information.

Yet, administrative subcontracting is only one aspect of the governance processes in China. It is well recognized that local governments

possess tremendous power and resources in the implementation process. But the key logic of the centralization of authority is that the central government (or the supervising agency) has the arbitrary power to intervene in the implementation process. In practice, flexible implementation is not stable but varied with circumstances and with interactions between the central and local governments (周雪光 2009, 周雪光 2014). The central government may direct attention allocation of local officials through formal or informal means such as political mobilization, personnel flow and project arrangements, disrupting or rearranging the priorities in the agenda of lower-level governments. For example, Skinner and Winckler (Skinner and Winckler 1969, Skinner 1985) observed that, between 1950s and 1970s, the central government had 11 rounds of top-down policy intervention. Zhou Feizhou (2009) found that in pushing for the great-leap-forward campaign, Mao Zedong forced local officials to follow his advocacy by a series of efforts to replace provincial leaders (周飞舟2009). In recent years, there has been a large literature on the behaviors of local governments, especially of those that have direct contact with ordinary citizens. These studies found that local officials are under the tremendous pressures to follow all kinds of directives in their routine work (欧阳静 2011, 吴毅 2007, 张静 2007, 赵树凯 2010). These similar behaviors among local officials in different areas and regions show that, administrative subcontracting cannot provide an stable basis for the relationship between the central and local governments, and it cannot buffer local flexibility from top-down

arbitrary intervention. Qu Jingdong et. al (渠敬东, 周飞舟, 应星 2009) discussed the evolution of central-local government relationship in the reform era, especially the evolution of the administrative state since the 1990s. To a great extent the evolution of these relationships reflected the tension and adjustment between the ownership rights of the central government and the governance practice of the local governments. In this sense, it is *variable coupling*—at times loose-coupling and at other times tight-coupling—that characterizes central-local government relationships.

We can make sense of those salient behavioral characteristics of local governments in this light. For example, many scholars noted “*bian-tong*” (变通)—flexible adaptation—in policy implementation (孙立平, 郭于华 2000, 王汉生, 刘世定, 孙立平 1997). These flexible adaptations reflect deviations of local officials from official rhetoric or formal institutions in policy implementation processes, “it is a semi-formal ways of operation between formal and informal processes; or more accurately, it is the informal operation of formal institutions” (孙立平, 郭于华2000); that is, to accomplish the top-down tasks by means of local mechanisms (应星 2001). Sociologist Liu Shiding(刘世定 1996) focused the interaction between formal and informal institutions and discussed how local governments dealt with issues regarding township enterprises through local and flexible tactics. In light of what is discussed above, the widespread of these flexible behaviors indicates the distance and loose-coupling between top-down policies and local conditions, between formal and informal institutions, between official

rhetoric and local knowledge, and between formal authority and the informal authority based on the cultural nexus of power (Duara 1988). To a great extent the effectiveness of governance in local governments in problem solving is reflected in the use of those behaviors and rhetoric that are local, social, and informal.

We can understand the collusive behaviors among local governments in this light, too. Zhou (2009) pointed out the tensions between uniformity in policymaking and flexibility in implementation, and between symbolic state and local governance in the governance processes in China. In this larger context, to a great extent collusive behaviors among local governments have softened such tensions and shocks due to the flexible implementation of top-down policies across regions. Zhou (2009:74) wrote:

“A large number of so-called collusive behaviors reflect local officials’ efforts to get jobs done through flexible implementation of state policies. Given the diverse economic, historical, and institutional conditions across localities, such behaviors can be re-interpreted as effective adaptive strategies under the bureaucratic protection of their immediate supervising agencies. Seen in this light, ‘collusion’ (i.e., local flexibility) in implementation has strategic implications for understanding the coexistence of a symbolically strong state and effective governance at the local level. On one hand, we witness a symbolic state, where all major decisions have to be made by a centralized authority and reflected in uniformity

in policy making; on the other hand, the adaptive mechanisms reflected in 'collusion' allow effective local adaptation as a mechanism of remedying problems that plague centralized decision-making processes. In this sense, collusion may unwittingly act as a corrective and a countervailing force to the centralization of decision-making authority in China."

Be it flexible adaptation or collusion, such behaviors imply a challenge to the institutions of centralization of authority, because they give prominence to those mechanisms outside the realm of formal institutions, and they undermine the effectiveness of the central authority in routine work environment, and replace it with local, social relations. The variety of local adaptation points to the distance and tensions between uniformity in policymaking and effectiveness in governance. In this sense, effective governance is achieved at the expense of the centralization of authority.

Response mechanism 2: The ritualization of official ideology

In the last three decades of the post-Mao era, another subtle but significant change in the state building process is the ritualization of official ideology and the related activities in political (moral) education. To maintain the integration of diverse and large territory like China's, no organizational apparatus alone—be it the formal bureaucracy, the administrative subcontracting, or flexible adaptation—can accomplish the mission successfully. The limitation of organizing capacities gives

importance to the integral role of official ideology. If local officials have to be given the real authority in governance and flexible implementation, then it is ultimately critical to ensure that they follow the will and perspective of the central authority in their discretionary behaviors. As is well known, from "governance by morality" to political education in contemporary China, the constraints on local officials' behaviors are realized through the mechanisms of political education/indoctrination. In the short history of the People's Republic of China, political campaigns of rectification and thought reform of all kinds have come in waves periodically, reflecting the top leaders' continuous efforts to strengthen, and repair deterioration in, the shared values and ideology that sustain the centralization of authority.

But the returns have been meager, relative to these tremendous efforts. After the "Cultural Revolution" in which authorities of all kinds were attacked and overthrown, traditional authorities and new efforts for creating new authoritarianism have been declining steadily and irreversibly. In the era of globalization and reform, the banal preaching of political doctrines sits uncomfortably with the pluralistic values in individuals' daily life, with flattened organizational structure, and with the prevailing informal institutions in everyday life. Individuals show disdain toward these political activities and tried to escape as much as possible. As a result, the authority has to rely more and more on formal, organizational constraints, such as officially-dictated political studies and other formal gatherings to carry out these activities of political education. These

organization-based activities have little relevance to individuals' daily life and behaviors, and become the rituals that they have to participate from time to time. For example, in the hall of the local government compounds, one often sees slogans and commentaries written by the local cadres—gestures showing the outcomes of political education. Cadres and professionals put aside their work and professional judgment to participate political education sessions, repeat those official rhetoric in public ceremonies.

Another source of the ritualization of political participation is local officials' need to demonstrate their embracement of top-down directives. These local officials have to adopt various strategies such as collusive behaviors in policy implementation, which incurs considerable political risks. Therefore, it is critical for their risk management to demonstrate allegiance with the central authority. As one local official put it, "When the central government issues directives, it is important for us to show receptive attitude, but it is less important to follow through in implementation... but we need to treat those directives from our mediate supervising office seriously." At a countywide meeting of all village cadres, the county party secretary tried to help his local cadres see the light of all these symbolic activities: "Nowadays there are many top-down projects and tasks. You need to make connections to these projects and tasks when you report your work to your superiors. If you have said a great deal of what you have done but made no reference to these designated tasks, then this is not a

good report. This is the key to your report. Your daily work has always been done this way, but you need to make connections to the tasks given from the top when you report what you have accomplished in your routine work."²⁾ Indeed, local officials are very clear about what is "real" and what is "symbolic" among the numerous top-down tasks, and treat those symbolic tasks accordingly. In so doing, the traditional, unifying official ideology has been transformed into the ritualistic practice in daily life.

What are the implications of such ritualistic activities for the centralization of authority? In our view, they are important part of the institutional logics of governing China. This ritualistic institution does not establish shared values in cognition, but produces a set of procedures and rules in symbols and mobilization. In this sense, such ritualistic activities perpetuate and reinforce the symbolic meanings of the centralized authority. Because of this, local flexibility and deviation in behaviors do not become a threat or challenge to the central authority. Moreover, these ritualistic activities do not merely have symbolic values; they also have substantive implications for the integration of the authoritarian state. When individuals follow the ritualistic practice, these activities show the obedience and acceptance of this institution. In other words, these ritualistic behaviors maintain and reinforce the awareness and recognition of the central authority in daily life. The political mobilization mechanisms test and retest their legitimacy and effectiveness in these processes and they reinforce the participants'

2) From the author's fieldnote.

instinct of obeying orders and disciplines. As a result, when political mobilization arises, the obedient behaviors are activated accordingly. To put it simply, these ritualistic activities cultivate the shared knowledge in obedience to authority and activation upon political mobilization. These rituals and ceremonies are the basis of power (Chwe 2001).

The administrative subcontracting institution has eased to a considerable extent tensions in the operation of the institutions of centralization of authority, whereas mechanisms of political education have sustained the symbolic significance of this system. But for the top leaders, such response mechanisms have their own perils. When the government acquiescence or encourage local governments' flexible adaptation, the latter may interpret state policies based on their interests and the ensuing behaviors may lead to further deviations from the intention of the policies. These deviations not only reflect regional differences, but more importantly, they become challenges to the centralization of authority. If no break is put on these deviation tendencies, they may induce the localization of territories and the crises of central authority. Therefore, a key concern in the institutional design is not only to ensure the uniformity in policymaking at the top and also allowing (or giving acquiescence to) flexibility in implementation, more importantly, the central authority must retain the ultimate, arbitrary power to intervene; that is, the capacity to rein in local deviations, to redraw the boundaries of what is appropriate behaviors for the local officials. A corresponding mechanism

of governance—the mechanism of political campaign—arose in the political processes in China, as we see below.

Response mechanism 3: The mechanism of political campaign

Political campaigns are one important response mechanism for the central government to deal with bureaucratic failures and local deviations; that is, to use political mobilizations in the form of “campaigns” to carry out the top-down policy implementations. Consistent with this organizational form are the corresponding institutional arrangements at different levels of local governments: the centralization of authority at each administrative level, low boundaries across offices and areas, low levels in division of labor, and the presence of organizational slack. All these structural features facilitate the mobilization of resources across areas and offices. These organizational arrangements evolved out of long processes of local adaptation to the top-down mobilization efforts. Political campaigns and the mobilizational state have been the central features in China's governance, which have multiple sources (冯仕政 2011). Our focus here is on a specific variant—the political mechanism of mobilization in contrast to the routine mechanism in the bureaucratic administration. Here, political mechanisms refer to those processes in policymaking, resource mobilization, and policy implementation using political means; hence it has arbitrary, non-routine characteristics. Routine mechanisms generate stable, predictable, rule-following behaviors in problem solving in a

bureaucracy. Political campaigns, in contrast, are based on political means, not routine processes.

Political campaign serves as an important mechanism in adjusting tensions between the centralization of authority and local adaptation and effective governance. As we discussed before, the potential crises resulting from this tension manifest as deviations in local officials' flexible adaptation of top-down policies. And political campaign serves as the main corrective mechanism applied in different areas: from the financial order, safety in production, to cleaning in public arenas and anti-corruption campaigns. The key characteristic of political campaigns is that, they disrupt temporarily the routine bureaucratic process, replace it with the process of political mobilization, in order to overcome bureaucratic failures, and to achieve the effects of correcting deviations and reinforcement of the boundaries of appropriate behaviors. As a result, political campaign is an important response mechanism to organizational failure. Political campaign often adopts the form of attention-arousing propaganda and political mobilization, because this facilitates the shakeup of bureaucratic inertia, and transmits effectively the top-down policy intentions and signals to different levels of the bureaucracy and different areas. We often observed that, in the process of political campaigns, individual cases were treated harshly to deter others; but the penalty and targets are often arbitrary and selective rather than systematic and aiming at the complete resolution to these problems. Flexibility and deviation in policy implementation are often the same phenomenon with different labels.

In other words, the same behaviors may be interpreted in diagonally different ways. Once flexibility reaches above certain threshold, it would touch on the nerve of the central authority, and become deviation or even a serious threat. However, the purpose of these political campaigns is not to eliminate such flexibility; rather, it is to redefine the boundaries of flexibility through these political campaigns so as to keep dynamic equilibria over time. Therefore, political campaigns and the mobilizational state are indispensable mechanisms of the centralization of authority.

Here we can see the subtle, interdependent relationships among bureaucratic institutions, political rituals, and political campaigns: The organizational basis of ritualistic activities provides mobilizational mechanisms and processes for political campaigns, incorporating individuals into the process of participation. Ritualistic activities provide legitimacy for political campaigns. The basis of political campaigns is distinct from that of bureaucracy or the rule of law. The former is predicated on the top-down arbitrary power. That is, the higher authority can change the rules of the game at any time without being questioned or challenged, which requires that the higher authority have the ultimate authority. The state needs to keep the capacities to correct local deviations at will. In order to do so, it needs to have the capacities in political mobilization on the one hand, and to provide the shared norms and ideology for such intervention on the other. In sum, flexibility in implementation, ritualization of political ideology, and political campaigns are three main mechanisms in response to tensions

between the centralization of authority and effective governance.

Dynamics of response mechanisms

Thus far, we have discussed a series of mechanisms in response to the fundamental tension between the centralization of authority and effective governance. How are these response mechanisms interrelated to one another? We can look into their interactions in the cycle of centralization and decentralization of decision rights between central and local governments over time. The political cycles of centralization and decentralization have already been widely discussed in the social science literature. Li-an Zhou (2008) sees this as part of the routine structure of the institutional design. Feizhou Zhou (2009) focused on the Great-Leap-Forward period and emphasized the negative consequences of political mobilization in the economic areas (scale of investment, waste in duplicative constructions). Zhou (1992) discussed the political consequences of state-society interactions that contribute to and are affected by the political cycle. Below we interpret this phenomenon in light of the tension between the centralization of authority and effective governance.

The starting point of our observation is the routine stage of state governance, i.e., the phase of loose coupling between uniformity in policy-making and flexible implementation. That is, the central government directs local government's activities through general policy guidelines, but leaves a large proportion of the decision rights to the local level or considerable room in flexible implementation of state policies. This mode

of governance eases the fundamental tension. At this phase, local governments follow the top-down directives in order to gain legitimacy on the one hand, and at the same time take initiatives in problem solving and economic development in their jurisdictions in order to gain effective governance. Therefore, their behaviors are often informal, or collusive with their immediate supervising offices, in order to meet the targets set by the top-down directives through flexible implementation. As a result, diverse tendencies emerge in policy implementations across regions, with greater and greater experimentations and flexibilities, gradually deviating away from the intended state policies.

Such deviations or even confrontations threaten the authority of the central government, leading to the tension or even the "loss of control" of the central government over local governments, thereby triggering the corrective response of political campaigns by the central government. In this process of political mobilization, the central government recentralizes decision rights (personnel, resources) upward, reinforces norms and behaviors on the basis of political lines, and generates a tightly-coupled system. To reorient the bureaucratic machinery, the central government adopts large-scale mobilization to promote its new policies so as to overcome the bureaucratic inertia and resistance. All these efforts lead to the balance of power between central and local governments tilted toward the side of centralization.

Because of the arbitrariness of political campaigns, these corrective measures often induce

unintended consequences. For example, one common consequence in the phase of centralization is immobilism among local officials. That is, because of the arbitrariness of the political campaigns in their targets of suppression, local officials will be extremely cautious and risk averse. There exhibits a low level of activities in different corners of the society. Although this phase stabilizes and reinforces the authority of the central government both organizationally and ritualistically, it reduces the capacities of local governments in problem solving. Moreover, a high level of political mobilization may be effective in a short run, but the cost it incurs is too high to sustain for an extended period of time. For example, in the mid-1990s, the central government put on tremendous pressures in resource extraction from the local levels. But the centralization of resources led to a separation between the control rights over resources by the central government and its capacities in problem solving due to the lack of resources at the local level. The reallocation of resources through vertical lines of authority (such as reforestation, or road constructions) often is inconsistent with the priority of the local governments, leading to the collusive behaviors among local officials in resource transfer. But under the high pressures of political campaigns, local officials are extremely cautious and risk averse, and limited in flexible implementation in local problem solving. Over time, local problems and tensions accumulate, and crises loom large.

Facing these tensions and crises resulting from the lack of effective governance at the local levels, the central government has to readjust its

policies and adopts a series of policies to decentralize decision rights and resources to the lower levels in order to strengthen local governments' capacities in problem solving. In this process a series of new forms emerge, such as regional experimentation, special policies, and directed reforms, etc. In order to rid of the political pressures from the last round of centralization, another political campaign in the opposite direction takes place to encourage innovation and experimentation in different directions. The balance of power between central and local governments is now tilted toward decentralization. As a result, the relationship between the two returns back to the starting point—the phase of routine, loose-coupling relations between uniformity in policymaking and flexibility in implementation.

We have discussed the fundamental tension between centralization of authority and effective governance in contemporary China and the ensuing response mechanisms. These mechanisms play important roles in alleviating the tensions and crises; on the other hand, they also bring with them a set of consequences, such as limiting the rationalization of bureaucratic institutions and the rule of law, and eroding the official ideology in political control. These response mechanisms are incompatible with political processes and state building in contemporary societies, cultivating more fundamental crises and exerting long lasting impacts on the course of political change in China.

Consequences of the Fundamental Tension and China's Future: Discussion

In this article, we have discussed the key features of the institutional logics of governance in China and argued that these logics largely reflect mechanisms of response to the fundamental tension between the centralization of authority and effective governance in governing China. As the fundamental tension has run through China's governance over her long history of civilization and brought upon the territory a set of institutions and governance mechanisms that were distinct characteristics. These characteristics have become especially salient in modern era, as China began intensive interactions with the outside world.

Consider the mechanisms of governance in contemporary China today. The establishment of rule of law has been the proclaimed goal of the ruling party in the post-Mao era but the process has been frustratingly slow. Formally, the legal system has been in place for a long time, but substantive progress in the independence of judicial authority has been stalled from the very beginning. The rationalization of the bureaucracy—rule-following and universalism in public good provision, and the development of professionalism are key mechanisms of governance in regulating and coordinating behaviors in different areas, such as health, education, and journalism, to name only a few, in contemporary societies. Unfortunately, development in both is embarrassingly limited and has experienced many setbacks in the post-Mao era. Why?

Despite these phenomena across a variety of arenas, there is one underlying causes, that is, the fundamental tension between the centralization

of authority and effective governance. All these institutions in governance—rule of law, the rationalization of bureaucracy, and professionalization—undermine the current political configuration. First, these new mechanisms of governance are sources of autonomy and multi-centered governance that present a threat to the centralization of authority and the arbitrary power of the higher authority in intervention at the lower levels. Second, the rule of law and bureaucratic rationalization impose more standardized practice across different regions and areas, thereby greatly reducing the capacities of local governments in their flexible implementation, hence the effectiveness of governance at the lower level. These new institutions of governances are at odds with the institutional logics of governance in China today and the vested interests associated with such logics.

Nevertheless, old institutions of governance in China have run into deep crises in the contemporary era. The Chinese bureaucracy as a mobilizational weapon of the state has been overburdened with all kinds of administrative tasks in implementing top-down directives and in public goods provision, and, in so doing, they have become the center of tensions and conflicts. The official ideology has been in tension with an increasingly diverse society of pluralistic values and norms, and no longer serve as a mechanism of integration in the contemporary society. Political campaigns, though still evoked from time to time, have become less effective and costly, both in terms of resources and attention in mobilization, and in terms of its disruptive effects on

the economy and social life in everyday life. Globalization, extensive interactions with the outside world force China to compete in the international arena not only in economic growth, but also in values, culture and models of governance.

We began this article with quotes from Philip Kun and David Landes, one emphasizing the resilience of the Chinese experience, and the other China's stagnation in technological innovation. Both tendencies exist in the ways that China is governed. That is, the Chinese state has had considerable mobilizational capacities in response to crises, especially in the contemporary era. At the same time, the fundamental tension, coupled with the present institutions, also lead to cycles of change between centralization and decentralization, between mobilization and immobilism, over time.

It is against this larger background that the institutional logics of governance in China discussed in this paper have run into fundamental crises because of their acute confrontation with the diverse, pluralistic society, both domestic and international. How to resolve the fundamental tension and transform China upon contemporary mechanisms of governance is the key to China's future course of development.

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