

Cambridge University Press

0521771307 - Between Politics and Markets: Firms, Competition, and Institutional Change in Post-Mao China

Yi-Min Lin

Index

[More information](#)*Index*

- administrative units (*jiguan danwei*), 99n2, 215
- advertisement, 4
- Africa, 181
- Agricultural Bank, 139
- Anti-Corruption Bureau, 2, 211
- arbitrage, 93, 102–6, 200
- asset stripping, 118–20, 168, 170, 187–91, 204
- authority relations, 5–7, 12, 56, 123–5, 131–2, 144–5, 164, 197–9
- autonomy: in enterprise decision making, 33–5, 70, 115–16, 204
- backyard profit centers, 98–102, 130, 140–1, 147, 156–7, 201, 203, 207
- bank loans, 68–9, 83–5, 175, 189
- Bardhan, Pranab K., 19, 180
- bargaining, 11n18, 198; in the reform, 102, 104–5, 155n6, 176–8; under central planning, 7, 54–6, 126
- Bates, Robert, 169, 181
- bending the rules (to get through) (*biantong*), 138
- Bernstein, Thomas, 192, 193n51
- Bhagwati, Jagdish, 204n2
- Bian, Yanjie, 155, 161
- Blecher, Marc, 145
- Bolshevik Revolution, 159
- bonus, 37n35, 125, 133
- borrowing contract: regulation on, 69n5
- bribes, 2, 11, 155n6
- brokerage: of state agents, 110–12, 120, 178, 197
- Buchanan, James, 19n31
- Byrd, William, 7, 28, 160, 174, 186
- capacity: overbuilding and underutilization of, 183–7
- capital goods (*wuzi*), 72–3, 86–7, 103–5
- CESS (China's Entrepreneurs Survey System), 35–6, 67, 109
- Central Discipline Inspection Commission: of the CCP, 2n3, 210
- central planning, 1, 4, 6–8, 24, 32, 47, 53–6, 66, 68, 70, 72–3, 99, 120, 171–2, 181, 197, 204–5
- Chen, Chih-jou Jay, 163, 182n21
- Chen Xitong (Mayor of Beijing), 2, 78
- Cheng Kejie, 2
- China Strategic Holdings (*Zhongce*), 119
- Chow, Gregory, 73
- chronic shortage, 172
- Chu, Godwin C., 154, 161
- civil service, 210
- cleanup campaigns: against profit seeking by officials, 101
- coercion: in transaction, 112–15

Cambridge University Press

0521771307 - Between Politics and Markets: Firms, Competition, and Institutional Change in Post-Mao China

Yi-Min Lin

Index

[More information](#)250 *Index*

- collective enterprises, 27–9, 38–9
- collusion, 15–16, 208; and whistle blowing, 16, 163–6; between officials, 141–4; between officials and managers, 189–90; stable alliances of, 180, 205
- commune and brigade enterprises (*shedui qiye*), 7, 27
- Company Law*, 25n2, 31, 37
- competition, 3–4, 23, 95, 120, 157, 169–70, 195–6; between local governments, 4–5; between regular firms and backyard profit centers, 102–9; economic, 8–10, 34–7, 62, 67, 185; in favor seeking, 18–19, 174–5, 176–80, 188–9, 202–4; unfair, 67, 109
- competitive (dis)advantage: of firms, 3, 11, 21, 68, 96, 120, 131, 151, 169, 177, 198, 203
- concrete benefits: offered to officials in exchange for favors, 152–4, 160–2
- Confucianism, 181
- Congleton, Roger D., 179
- contract: fiscal, 79–80, 131; managerial, 32–4, 57, 93–4, 147, 150n27; revenue, 132–4, 137, 147–8; spending, 134–7
- co-optation: of peers, 16, 141–4, 202
- cooperativization: of urban private industry (in the 1950s), 27
- corruption, 2, 15, 18–19; managerial, 121, 190; retarding effects of, 2, 169, 179, 204, 207n7. *See also* rent seeking
- Cultural Revolution, 27, 49, 125, 127
- deal making (*jiaoyi*): versus cumulative relationship (*jiaoqing*), 161
- decentralization, 12–15, 47, 68–82, 122, 144; fiscal, 5, 131–8, 205
- decollectivization, 172, 205
- defection: from collusive collective action, 202; of grassroots officials, 171, 180, 205
- Deng Xiaoping, 49, 115, 141
- differential treatment: of firms. *See* particularism
- dispersed loci of authority, 147, 211
- disrespect: for law and regulation, 179, 187, 207, 210
- “divide and rule,” 15, 124, 141–2
- dual command chain, 125–6, 141–2
- “dual track price system,” 33, 105
- Duckett, Jane, 145n17
- Eckstein, Alexander, 7
- efficiency, 4, 8n12, 21, 40n44
- elections, 209, 211–12
- Elster, Jon, 2
- embezzlement. *See* asset stripping
- employees: categories of, 31
- “enclave enterprises,” 129–30, 148, 156–9
- encompassing interests, 208–10, 212
- enterprise group (*qiye jituan*), 34
- enterprise scale: criteria for determining, 177n11
- entrepreneurial pursuit: by state agents. *See* backyard profit centers
- entry, 39, 56, 87–9, 106; and fake and standard products, 187; barriers to, 73–5, 173–5
- environmental protection, 174, 179n14, 187, 189n36
- Evans, Peter, 210
- exchange relations, 5–7, 16–17, 56, 66, 131–8, 144–6, 197–9, 203
- exclusive areas: of decisions and actions by local officials, 131, 144–5
- expansionary growth, 133, 186–7, 208
- extra-plan output and sales, 34, 62–5, 72–3, 86, 104–5, 175–7
- “factory director responsibility system” (*changzhang zeren zhi*), 32–4

Cambridge University Press

0521771307 - Between Politics and Markets: Firms, Competition, and Institutional Change in Post-Mao China

Yi-Min Lin

Index

[More information](#)

## Index

251

- favor seeking, 18–19; 161–2, 188.  
*See also* competition  
 “fee-for-service”: arrangement with government patrons, 106  
 fees, 81–2, 114–15, 134, 158, 191–5, 207n6  
 financial discipline, 176n8, 176n9  
 first mover’s advantage, 19, 174–5, 176–8, 195, 203–4  
 free rider, 164n20, 203n1  
 free wining and dining, 143–4  
 Friedman, Milton, 67  
 fringe benefits, 27, 45n55, 49–53  
 funds: budgetary, 14, 70, 100–1, 128, 133–8, 193–4; diversion of, 121, 134, 193–5; off-budget, 14, 70, 101, 128, 130, 133–8, 141, 150, 193–4, 201–2, 207, 210  
 gatekeeper, 96, 173–4  
 gifts, 154, 155n6, 198  
 Gold, Thomas B., 161  
 Gore, Lance, 185  
 gradualism, 9–10; versus big bang, 9n15, 205n3  
 Granick, David, 7, 32, 157n9  
 grassroots governments: basic structures of, 127–31  
 “gray area.” in regulation, 199; of state action, 2n2, 18, 124, 138–41, 145, 202  
 gross domestic product (GDP), 3n4, 24, 170, 211; growth of, 1, 169  
 group cohesion, 164  
 Guangdong province, 28, 177  
 guarantee: for borrowing from banks, 69, 174  
 Guthrie, Doug, 152n3, 206  
 Harding, Harry, 7, 15, 56, 182  
 He Qinglian, 187, 190  
 hierarchy. *See* authority relations  
 holding on to large enterprises and letting go small ones (*zhuada fangxiao*), 190  
 Hong Kong, 30n15  
 Huang, Yasheng, 194, 210  
 Hwang, Kwang-kuo, 160n14  
 incentives: for managers, 5, 56, 104–5, 120–1, 178; for officials, 5, 12, 123–5, 133, 137, 145, 199–200, 207, 210  
 ideological indoctrination, 36, 161  
 independent accounting units, 25n3  
 India, 181  
 individual behavioral traits, 124–5, 141–2  
 industrial reform, 3, 20, 32–8, 172–3  
 industrialization, 24, 54  
 industry: definition of, 24  
 information disclosure: adverse effects of, 156, 163–6  
 institutional barriers: to social exchange, 170, 181–2  
 interest groups: organized, 170, 181–2  
 interest rates, 69  
 investment, 170, 183–4, 186  
 Jefferson, Gary, 4, 10, 40, 45n52, 45n53, 173, 176n9, 205n3  
 Jiangsu province, 28  
 joint household enterprises (*lian hu qiye*), 29n11  
 Ju, Yanan, 154, 161  
 jurisdictions: rural versus urban, 13, 122, 146–50  
 justification: for self-seeking behavior of officials, 16, 138–41, 145, 198, 202  
 kinship networks, 163  
 KMT regime, 25  
 Kohli, Atul, 181  
 Kornai, Janos, 1, 176n8, 205  
 Krueger, Anne, 2, 180  
 Kung, James, 186, 205n3  
*Labor Law*, 77  
 labor practice, 90–1, 187, 189n37  
 land use, 70–2, 85–6  
 Lardy, Nicholas, 191

Cambridge University Press

0521771307 - Between Politics and Markets: Firms, Competition, and Institutional Change in Post-Mao China

Yi-Min Lin

Index

[More information](#)252 *Index*

- latent problems, 23, 169–70, 183, 204  
*Law against Unfair Competition*, 109  
 leaking and draining of state assets (*guoyou zichan liushi*), 119  
 Lee, Hong Yung, 124n5, 126  
 legal-rational authority, 206–7  
 Lei Yu, 163n19  
 Levi, Margaret, 79  
 Li, Lianjiang, 192, 195n51, 211  
 Li, Lin-wei, 30, 117  
 Liang Xiang, 163n19  
 Lieberthal, Kenneth, 7, 56, 126, 182  
 Lin, Nan, 163, 182n21, 211n14  
 Lin Qingsong, 7, 28, 160, 174, 186  
 Lindblom, Charles E., 5, 9n14, 17  
 little coffers (*xiao jinku*), 101, 194  
 local developmental state, 5, 12–16, 144–5, 208–9  
 loss cutting, 19, 112–15, 195–6  
 Lu, Xiaobo, 192, 195n51, 211n13  
 Luo Ji, 2
- Ma Rong, 7, 11, 14, 160, 174, 186, 188  
 Macao, 30n15  
 McDonald's: land lease dispute involving, 77–8  
 McMillan, John, 4n8, 205n3  
 Madsen, Richard, 160–1, 181n16  
 managerial strategies, 176–7  
 manifest behavior (*biaoxian*), 126  
 Manion, Melanie, 15n25, 212  
 manipulation: of state action. *See* favor seeking  
 Mao Zedong, 125, 161, 181n16  
 market, 1, 5, 95, 206; defined, 8–9; economic, 3, 17; markets, 1, 9–10, 21, 32, 47, 205–6; mechanisms, 1, 205; political, 3, 17, 169, 197; “the market,” 9, 17, 99, 120, 205  
 market economy, 9, 47, 67; “socialist,” 4n9, 37  
 marketization, 120, 166; dual, 5–6, 16–18, 46, 122, 183, 195–6, 197–9; economic, 47n1, 56, 66, 198; political, 146, 169, 199
- Marx, Karl, 29n13  
 “material balances” method, 73  
 Meyer, Marshall, 8n12  
 Michelson, Ethan, 17n28, 209  
 “middle prices,” 175  
 Ministry of Finance, 95, 135, 193  
 Ministry of Supervision, 2n3, 210  
 “modern enterprise system,” 25n2, 37  
 monitoring capacity: of the state, 121, 145, 180, 190, 211  
 monopoly, 2n2, 19, 23, 179–81; and value creation, 170, 179–81; in the reform, 172–3, 176; under the plan, 171–2. *See also* competition  
 monopsony, 171  
 Montinola, Gabriella, 5n10, 12, 175  
 mooring (*guakao*), 106–7  
 moral hazard, 16n26, 133n9, 170, 185–7, 208  
 multitier system: of enterprise regulation, 148, 157  
 mutual monitoring: within the state apparatus, 16, 18, 122, 124, 127, 145, 194, 200–1, 210. *See also* collusion; “divide and rule”  
 Myrdal, Gunnar, 2, 169
- national income, 24n1  
 National People's Congress, 99n3, 206, 211  
 Naughton, Barry, 4, 10, 11n18, 12n19, 32n24, 32n25, 40–1, 45n52, 45n53, 56, 67, 172, 176n8, 176n9, 198, 205n3  
 Nee, Victor, 1n1, 10n17, 14, 206  
 neutrality: in state action, 6, 47, 120, 206  
 nonadministrative units (*shiyedanwei*), 99n2, 135–6, 216  
 noninstrumental considerations: in favor exchange, 160–1  
 nonstate enterprises, 20, 24, 27–31, 33, 38–45, 56, 66, 121, 150, 153, 155, 166–8, 173–5, 188, 205  
 Nordhaus, William, 9, 40n44  
 Nye, Joseph, 2n2

## Index

253

- O'Brien, Kevin, 192, 195n51, 211
- Oei Hong Leong (Huang Hongnian). *See* China Strategic Holdings
- Oi, Jean C., 5n10, 8, 11–16, 70, 123, 127, 154, 174, 182, 188
- Oksenberg, Michel, 7, 56, 182
- Olson, Mancur, 2, 169, 180, 202n1, 204, 210
- “one step ahead first” measures, 63–4, 90, 96, 173, 176–8
- “open door policy,” 2
- opportunism: in local officials’ decision making, 124, 144, 201, 211; in social exchange, 161–2, 167
- opportunity cost: for favor giving, 156, 160–1; for sticking to the plan, 62, 203
- organizational health: of the state, 3, 170. *See also* collusion, divide and rule, and monitoring capacity
- organizational politics, 14; in government agencies, 124–6, 141–2; in state enterprises, 163–5, 167
- “outpost” departments, 127–30
- Parish, William L., 17n28, 208
- particularism, 6–7, 21, 151–2, 154, 198, 206; in levies, 92–5; in regulation, 87–92, 173, 177, 187; in resource allocation, 83–7, 173; institutionalized, 7, 47, 198
- pecking order: of enterprise status, 7, 53–4, 66
- People’s Bank, 69, 139n12
- performance variation: between enterprises, 7–8, 40–5, 66, 96, 166–7, 195–6; dichotomized view of, 20–1, 40, 45; indicators of, 40–1
- Perkins, Dwight H., 8n13, 198
- personal networks (*guanxi*), 151; theories of, 155; third party effects in, 151–6, 166–7, 196
- plunging into the sea (of business) (*xiahai*), 115n30
- “policy loans,” 69
- porosity: of the political process, 154, 181–3
- predation: by state agents, 18, 23, 148, 157–9, 170, 190–4, 196, 204, 209
- principal-agent relationship, 5, 16, 41n48
- private firms (*siying qiye*), 29
- privatization, 120, 192, 204, 205n3
- profit rate, 41–2, 44–5, 183, 195–6
- protectionism, 67, 109n22
- public debt, 170, 183–4
- “public” façade: of local state action, 15, 145, 208
- public service: turned into private service, 110–12
- “push and pull” effects, 5, 62, 127, 155n6, 175, 203, 212
- Qian, Yingyi, 5n10
- “ratchet rule,” 54
- “raw material wars,” 4
- Rawski, Thomas, 4, 7, 10, 11n18, 40, 45n52, 67, 169n1, 176n9, 205n3
- rewards and penalties: for industrial firms. *See* winners and losers
- “reimbursement service,” 134
- reimbursement without receipts (*da baitiao*), 89–90
- relative deprivation: sense of, 115n29, 199–200
- rent seeking, 1–2, 18–19, 169–70, 177, 204, 207n7; retarding effects of, 2, 169, 179; versus profit seeking, 19n30. *See also* corruption
- revenue sharing: 79, 131. *See also* contract
- risk: in favor exchange involving the use of state power, 163–4. *See also* collusion
- Riskin, Carl, 54, 73, 122, 172
- rivalry: interpersonal, 14, 126–7, 142, 156, 163–6. *See also* “divide and rule”

Cambridge University Press

0521771307 - Between Politics and Markets: Firms, Competition, and Institutional Change in Post-Mao China

Yi-Min Lin

Index

[More information](#)254 *Index*

- Rose-Ackerman, Susan, 2n2, 18, 169
- Rudolph, Lloyd and Susanne Hoeber, 181
- rural and urban townships (*xiang zhen*), 28n6
- Rural Credit Cooperative, 139
- Sachs, Jeffrey, 9n15, 205n3
- Samuelson, Paul, 9, 40n45
- Schurmann, Franz, 6, 124–5
- self-employed individuals (*getihu*), 29
- self-financed agencies/units, 136–7, 140–1
- self-seeking behavior: of officials. *See* corruption; justification; mutual monitoring.
- shareholding, 30, 33, 37–8, 190–1
- Shirk, Susan, 15, 32, 63, 68, 124, 145, 177, 182, 182n22, 209
- short-term maximizing, 133n9, 185–6, 208–9
- Shue, Vivienne, 145
- Shleifer, Andrei, 180n15
- Singh, Inderjit, 10, 33, 173
- Sino-Foreign Joint Venture Law*, 30
- slack: fiscal, 132; organizational, 7, 54, 126, 176
- “small but complete” (*xiao er quan*), 35
- Smith, Adam, 47, 120, 206
- social exchange: dyadic, 151, 155–6
- social segregation, 181
- Solinger, Dorothy J., 7, 11, 31
- sourcing agent (*caigou yuan*), 50
- Soviet economic aid, 25
- special interests, 181, 209–11
- Stark, David, 1n1
- state building, 209–11
- State Council, 101n7, 115, 192–3, 206
- state enterprises, 20, 24–7, 33, 38–45, 66, 67, 121, 150, 153, 155, 166–8, 175–8, 188–90
- State Industrial and Commercial Administration (SICA), 74
- state-owned enterprises (*guoyou qiye*): versus state-run enterprises (*guoying qiye*), 25, 27
- State-Owned Enterprise Law*, 81
- State Planning Commission (SPC), 72–3
- state socialism, 1, 176n8, 201–2, 206
- State Tax Bureau, 80
- Steinfeld, Edward S., 8, 157n8
- Stiglitz, Joseph, 9
- stock exchanges, 31
- stratification: of industrial enterprises, 54. *See also* particularism; pecking order
- subcontracting and processing agreements (*san lai yi bu*), 30n16
- subdistrict administration (*jiequ*), 127
- substitution of loan for fiscal appropriation (*bo gai dai*), 68
- substitution of taxes for total profit remission (*li gai shui*), 79
- “Sunday engineers,” 58–9, 62
- supervising agency (*zhuguan danwei*), 106
- tanpai* (irregular levies and obligations), 35, 81–2, 192. *See also* fees; three arbitrary levies
- taxes, 13–15, 32–4, 79–80, 92–4, 108, 132–4, 192, 207n6
- three arbitrary levies (*sanluan*), 114, 192
- Tollison, Robert D., 2n2, 18–19, 179
- total factor productivity, 40n44, 42n50
- township and village enterprises (TVEs) (*xiangcun qiye*), 7, 11, 28–9, 69, 122, 149, 157, 174, 186, 192; versus enterprises under township authorities (*xiangzhen qiye*), 28n7
- transient tenures: of local leaders, 130, 164, 208
- trial-and-error process: reform as, 138
- triangular debt (*sanjiao zhai*), 117
- Tullock, Gordon, 2, 19

Cambridge University Press

0521771307 - Between Politics and Markets: Firms, Competition, and Institutional Change in Post-Mao China

Yi-Min Lin

Index

[More information](#)*Index*

255

- Unger, Jonathan, 182n19  
 unified revenue and spending  
   (*tongshou tongzhi*), 79, 82, 132  
 use of funds for pre-specified  
   purposes (*zhuanquan zhuanrong*),  
   75, 77, 89–90
- value creation, 6, 19, 170, 182, 205.  
   *See also* monopoly
- vertical line (*tiao*) and horizontal  
 piece (*kuai*), 126. *See also* dual  
 command chain
- villages: as grassroots administrative  
 units, 127, 211
- village residents committee, 28, 211
- Vishny, Robert W., 180n15
- Vogel, Ezra, 177, 181n16
- Walder, Andrew G., 5n10, 7–8,  
 11–12, 36, 123, 124–5, 127, 154,  
 157n9, 165, 176n8, 181n16, 207
- “Wang Baosen Affair,” 78
- Wang Chaohan, 7
- Wang Hansheng, 7
- Wank, David, 11, 145, 154–5, 174
- watchdog agencies, 2n3, 210
- Weber, Max, 207
- “Weberian bureaucracy,” 210
- Weingast, Barry R., 5n10, 209
- whistle blowing, 16, 163–6
- Whiting, Susan H., 16n26, 182, 186,  
 208n8
- winner and losers, 7–8, 10, 66, 196,  
 200
- “winner-takes-all” rule, 19, 162
- Woo, Wing Thy, 8, 9n15, 40, 205n3
- Woo-Cumings, Meredith, 208
- Wu Jinglian, 105
- Yan, Yun-xiang, 211n14
- Yang, Mayfair, 154–6, 161
- Yang Mu, 8
- Yu, Ying-shih, 181n17
- Zhou Guanwu, 178n13
- Zucker, Lynne, 8n12