

## The Logic of Governance in China

Drawing on more than a decade of fieldwork, *The Logic of Governance in China* develops a unified theoretical framework to explain how China's centralized political system maintains governance and how this process produces recognizable policy cycles that are obstacles to bureaucratic rationalization, professionalism, and rule of law. The book is unique for the overarching framework it develops; one that sheds light on the interconnectedness among apparently disparate phenomena such as the mobilizational state, bureaucratic muddling through, collusive behaviors, variable coupling between policymaking and implementation, inverted soft budget constraints, and collective action based on unorganized interests. An exemplary combination of theory-motivated fieldwork and empirically-informed theory development, this book offers an in-depth analysis of the institutions and mechanisms in the governance of China.

XUEGUANG ZHOU is Kwoh-ting Li Professor of Economic Development, Professor of Sociology and senior fellow at Freeman Spogli Institute of International Studies at Stanford University. He publishes widely on topics related to governance, state-making, government bureaucracy, and social inequality in contemporary China.

# The Logic of Governance in China

*An Organizational Approach*

XUEGUANG ZHOU

*Stanford University*



**CAMBRIDGE**  
UNIVERSITY PRESS

Cambridge University Press & Assessment  
 978-1-009-15942-5 — The Logic of Governance in China  
 Xueguang Zhou  
 Frontmatter  
[More Information](#)

## CAMBRIDGE UNIVERSITY PRESS

University Printing House, Cambridge CB2 8BS, United Kingdom  
 One Liberty Plaza, 20th Floor, New York, NY 10006, USA  
 477 Williamstown Road, Port Melbourne, VIC 3207, Australia  
 314–321, 3rd Floor, Plot 3, Splendor Forum, Jasola District Centre, New Delhi – 110025, India  
 103 Penang Road, #05-06/07, Visioncrest Commercial, Singapore 238467

Cambridge University Press is part of the University of Cambridge.

It furthers the University's mission by disseminating knowledge in the pursuit of education, learning, and research at the highest international levels of excellence.

[www.cambridge.org](http://www.cambridge.org)

Information on this title: [www.cambridge.org/9781009159425](http://www.cambridge.org/9781009159425)

DOI: 10.1017/9781009159418

© Xueguang Zhou 2022

This publication is in copyright. Subject to statutory exception and to the provisions of relevant collective licensing agreements, no reproduction of any part may take place without the written permission of Cambridge University Press.

First published 2022

*A catalogue record for this publication is available from the British Library.*

### *Library of Congress Cataloging-in-Publication Data*

NAMES: Zhou, Xueguang, 1959– author.

TITLE: The logic of governance in China : an organizational approach / Xueguang Zhou.

DESCRIPTION: Cambridge, United Kingdom ; New York, NY : Cambridge University Press, 2022. | Includes bibliographical references and index.

IDENTIFIERS: LCCN 2022020686 (print) | LCCN 2022020687 (ebook) |

ISBN 9781009159425 (hardback) | ISBN 9781009159401 (paperback) |

ISBN 9781009159418 (epub)

SUBJECTS: LCSH: Bureaucracy—China. | Political culture—China. | Politics, Practical—China. |

BISAC: SOCIAL SCIENCE / Sociology / General

CLASSIFICATION: LCC JQ1512 .Z8868 2022 (print) | LCC JQ1512 (ebook) | DDC 352.6/30951—dc23/eng/20220701

LC record available at <https://lcn.loc.gov/2022020686>

LC ebook record available at <https://lcn.loc.gov/2022020687>

ISBN 978-1-009-15942-5 Hardback

ISBN 978-1-009-15940-1 Paperback

Cambridge University Press has no responsibility for the persistence or accuracy of URLs for external or third-party internet websites referred to in this publication and does not guarantee that any content on such websites is, or will remain, accurate or appropriate.

## Contents

<i>List of Figures and Tables</i>	<i>page</i> vii
<i>Preface</i>	ix
<i>List of Abbreviations</i>	xiii
I Introduction: The Logic of Governance in China	I
PART I THE LOGIC OF GOVERNANCE: INSTITUTIONS AND MECHANISMS	
2 The Chinese State and the Chinese Bureaucracy: A Weberian Lens	3I
3 Modes of Governance in the Chinese Bureaucracy: A Control Rights Theory	53
4 Campaign-Style Mobilization as a Mechanism of Governance	8I
PART II THE LOGIC OF GOVERNANCE AND GOVERNMENT BEHAVIOR	
5 Bureaucratic Bargaining in the Chinese Government	105
6 Collusion among Local Governments	13I
7 “Muddling Through” in the Chinese Bureaucracy	164
8 Inverted Soft Budget Constraints and Resource Extraction	19I
PART III THE LOGIC OF GOVERNANCE AND CHINESE SOCIETY	
9 The Road to Collective Debt: Bureaucrats Meet Villagers	209
10 Multiple Logics of Village Elections	24I

11	Unorganized Interests and Collective Action	274
12	Conclusion: The Logic of Governance and the Future of China	301
	<i>Glossary</i>	317
	<i>References</i>	319
	<i>Index</i>	339

## Figures and Tables

### Figures

1.1	The conceptual framework	<i>page</i> 4
2.1	Three pillars in Weber's comparative institutional analysis	34
3.1	Principal–supervisor–agent three-level relationships	56
3.2	Structural location of the Municipal Environmental Protection Bureau (MEPB)	65
3.3	Proportion of acceptance of the MEPB claims by the Provincial Environmental Protection Bureau (PEPB) and the Ministry of Environmental Protection (MEP)	69
3.4	Chemical oxygen demand (COD) reduction level accepted by the PEPB and readjusted by the MEPB for each county, 2008	72
3.5	SO <sub>2</sub> reduction level accepted by the PEPB and readjusted by the MEPB for each county, 2008	73
5.1	A sequential game of bureaucratic bargaining	113
7.1	Structural location of the Municipal Environmental Protection Bureau (MEPB)	173
7.2	Cumulative percentages of accomplishment in COD reductions among County Environmental Protection Bureaus (CEPBs), 2006–2010	175
7.3	Cumulative percentages of accomplishment in SO <sub>2</sub> reductions among CEPBs, 2006–2010	175
7.4	Cumulative percentages of accomplishment of COD reductions among MEPBs, 2006–2010	186
7.5	Cumulative percentages of accomplishment of SO <sub>2</sub> reductions among MEPBs, 2006–2010	187

8.1 Comparison of Kornai's soft budget constraint (SBC) and inverted SBC models	193
8.2 The analytical scheme of the inverted SBC model	196
9.1 Debt payment schedule in Uphill Village	232
10.1 Boxplot of share of turnout and competitiveness	258
10.2 Changes in authority relationships over time	259

**Tables**

3.1 A framework for control rights and modes of governance	62
9.1 Sources of debts/cash payments for material, equipment, and labor (Uphill Village)	223

## Preface

This book reports my decade-long research effort to understand this basic question: How China has been and is governed. And this intellectual journey that led to this book also witnessed the dramatic changes that China experienced during this period. This research began in 2004, when a colleague friend introduced me to an agricultural township in northern China and I got acquainted with local officials and villagers there.

Between 2004 and 2015, I visited this township several times each year, staying one week to a few weeks each time. During my visit, I stayed in a guest room in the township government courtyard together with other township cadres and staff members, and interacted with them from early mornings into evenings. I went with local cadres on their daily routines: attending meetings, implementing policies, responding to crises, or carrying out village elections. I also went to nearby villages and got to know many villagers and village cadres there. Through these activities I gradually gained firsthand experience in and a deeper understanding of policy implementation at local levels and the practice of local governance. During this period, I also worked with several graduate students and other colleagues on government behaviors in other areas.

This research experience offers me a bottom-up perspective to examine larger issues about interactions between policy making and implementation; between the central and local governments; and among state policies, local officials, and grassroots society, and ultimately the logic of governance in China.

The journey of my research took place amidst tremendous changes that China has experienced over the last two decades. I was especially fortunate that I conducted my fieldwork in those years when China was



experiencing the grand trend of opening up to the outside world, after China joined the World Trade Organization (WTO) in 2001. This larger environment provided the favorable opportunity for my research and facilitated my interactions with the local cadres and villagers.

In those years when I immersed myself in my fieldwork, I began to publish most of my research findings in academic journals in China, as I wanted to engage in discussions and debates in a striving research community on government behaviors. I collected these publications and integrated them into a book manuscript in the Chinese language in 2013, and in the following year it was accepted for publication at Sanlian Shudian, a prestigious academic press in Beijing. The book manuscript had to wait for three more years before it got approval and went into print in March 2017. The first printing of 7,000 copies were sold quickly, and the press was planning to reprint by May. But the reprint was halted for undisclosed reasons, and eventually my book was “unselfed,” a coded term meaning that it was not allowed to be reprinted or circulated. And the press returned all copyrights associated with this book to me.

This book, now in the English language, is based on the aforementioned book in Chinese published in 2017. But most of the materials are revised and rewritten into English for the first time.

Throughout this research process, I have accumulated many debts to many friends, colleagues, and institutions that helped me along the way. I am most grateful to those villagers and local cadres in the township of my fieldwork. When I first arrived, I was a stranger and an outsider to them. Over the years, we got to know one another well, and I gained their acceptance, trust, and friendship. They helped me in many ways and educated me about their everyday life experience, their views of the world, and the actual processes of problem-solving and policy implementation at the grassroots level. Regrettably, to protect their anonymity I cannot record their names here and express my gratitude to them.

Over the years, I received valuable comments, critique, and support from many colleagues and friends in China. They are Cai He, Cao Zhenghan, Chen Guoquan, Chen Jiajian, Chen Nabo, Di Jinhua, Feng Shizheng, He Yanling, Huang Jin, Huang Xiaochun, Li Lianjiang, Li Lulu, Li Qiang, Li Youmei, Liu Shiding, Liu Yuzhao, Ma Jun, Ouyang Jing, Qu Jindong, Qiu Haixiong, Shen Yuan, Shi Puyuan, Tian Kai, Tian Xianhong, Zhang Jing, Zhang Xiang, Zhang Yonghong, Zhao Dingxin, Zhao Shukai, Zhe Xiaoye, Zhou Feizhou, and Zhou Li-an. On the other side of the Pacific Ocean, I presented my work at various conferences and workshops at Columbia University, Harvard University, the University of

Michigan, Stanford University, the University of California's Berkeley, Los Angeles, and Irvine campuses, and so on. I thank the participants at those presentations and especially Karen Eggleston, Mark Granovetter, Kevin O'Brien, Jean Oi, Leonard Ortolano, Minxin Pei, Scott Rozelle, Andy Walder, and Yingyu Ye. I am especially indebted to my mentors James March and John Meyer, who had strong intellectual influence upon the organizational approach adopted in this book.

I want to especially thank Ai Yun at Central University of Finance and Economics in Beijing and Lian Hong at Sun Yat-sen University in Guangzhou. They are my former students, now colleagues and friends. My research project intersected with their dissertation research, and I have learned a great deal from their research. Some findings reported in this book were first jointly published with them.

My intellectual journey spans several institutions that have provided a great academic environment for my research: Hong Kong University of Science and Technology, Duke University, and Stanford University, as well as a fellowship year at the Stanford Center for Advanced Studies in Behavioral Sciences (2008–2009). Over the years, my fieldwork research has been supported by several funding sources at Stanford: the Asia Pacific Research Center (APARC) in the Freeman Spogli Institute for International Studies, Center for East Asia Studies (CEAS), Presidential Fund for Innovation in International Studies, Hewlett Faculty Fund, China Fund, and UPS Fund. In addition, I am grateful to Nancy Hearst for her superb copyediting assistance. I thank Sara Doskow, my editor at Cambridge University Press, and editorial assistant Jady Fauconier-Herry, who guided me through the publishing process.

I am grateful to my wife, Zhaohui Xue, who has supported my intellectual journey, tolerated my long absence from home, and always shared my excitement and curiosity in research. Without her encouragement and persuasion, there would not be the English version of this book. Finally, I thank my mother, Tang Xiulan, who nurtured my intellectual curiosity as I grew up and set the example for me in her life of continuous learning, and to whom I dedicate this book.

## Abbreviations

CCP	Chinese Communist Party
CEPB	County Environmental Protection Bureau
COD	chemical oxygen demand
CSM	campaign-style mobilization
ISBC	inverted soft budget constraint
MEP	Ministry of Environmental Protection
MEPB	Municipal Environmental Protection Bureau
PEPB	Provincial Environmental Protection Bureau
PREV	Paved Road to Every Village
SBC	soft budget constraint
SLCP	Sloping Land Conservation Program
SO <sub>2</sub>	sulfur dioxide
TVE	township village enterprise