

## 1 Introduction

The Chinese Communist Party (the party) aims to complete the transition to a socialist market economy by the year 2010 and to develop China economically to the level of a middle-income country by the middle of the 21st century. The question that arises is what impact economic development with marketisation will have on China's political system. This is probably one of the most important issues for researchers of modern Chinese politics.

There are two approaches to considering the effect of economic growth and marketisation on the political system. The first is an approach from the societal level. This pays attention to the social effects of marketisation and growth, such as the pluralisation of interests and the advent of a middle-class with heightened political consciousness, and investigates the possibility of an eventual pluralisation of politics. Influenced by research on Eastern Europe where one-party rule collapsed, there has been a lively discussion in the 1990s about the advent of civil society in China. One such study was conducted by Gordon White, Jude Howell and Shang Xiaoyuan, who examined China's budding civil society from a sociological perspective (White, Howell and Shang 1996).

The second approach analyses changes to the state or party, and discusses their causes and future developments. Studies by native Chinese scholars residing and working in Japan have recently attracted attention. Tang Liang has elucidated the relationship between the state and the party and how it has been reformed, while Zhao Hongwei has discussed the nature of China's political regime and identified central–local relations as its major characteristic (Tang 1997; Zhao 1998). My study focuses on changes in the role of the party and its organisational and personnel systems. I shall investigate the interrelationship between the three dynamics of marketisation, changes in the political and economic role of the party, and developments in central–local relations.

Party–state and central–local relations have entered a new phase in the era of marketisation. At the Third Plenum of the Eleventh Party Central Committee in 1978, the party switched its central activity from class struggle to economic development. The Plenum communiqué criticised the defects of the

# Managing Central–Local Relations During Socialist Marketisation *A Changing Role for the Chinese Communist Party*

**Akio Takahara**

IDS Bulletin Vol 30 No 4 1999

economic management system, blaming the over-concentration of power at the centre and in the party (Chinese Communist Party Central Documents Institute 1982:6–7). The communiqué argued for enlarging the economic powers of the localities and enterprises, and for altering the situation under which the party substitutes for the government and the government substitutes for the enterprise. Since then, except for a period after the 4 June Tiananmen Protest in 1989, the basic orientation of reform has been to decentralise power to localities and enterprises and to do away with the party's interference in administrative and economic activities. Judging by common sense, it seemed these were the natural requirements of marketisation.

Since 1993, however, progress towards marketisation has brought about a new development in central–local and party–state relations. First, macroeconomic control by the centre has been reinforced, since the localities and enterprises took advantage of the acceleration of reforms and embarked on reckless projects in pursuit of their own development, causing serious imbalances in the national economy. At the same time, policy-makers mobilised the party system to enforce discipline among the localities. The role of the party in marketisation was gradually reasserted, and the central economic work conference in December 1998 even called specifically for the strengthening of party leadership in economic activities (*People's Daily*, 10 December 1998).

Thus, after the advent of reform and opening-up, the reduction of the party's power and decentralisation took place hand-in-hand; since 1993, however, the party's leadership and supervision has been reinforced as part of the measures to strengthen central control. While the contradiction between socialism and the market economy has sharpened along with marketisation, there has emerged an ironic situation in which the party organisation has to be called in for the smooth management of the market economy.

The major aim of this article is to analyse the political economy of this development and investigate the role of the party in the marketisation of modern

China. In the following analyses, I shall examine the politics of marketisation in the first half of the 1990s, focusing on the interaction between marketisation, changes in the party's role, and developments in central–local relations. Then I shall investigate the reassertion of the party's role since the eruption of the Asian financial crisis, and discuss some specific measures which appear to embody a modern Chinese resolution of the contradiction between socialism and the market economy.

## 2 The Politics of Marketisation in the First Half of the 1990s

The strengthening of the party's political and economic role has happened twice since the advent of reform and opening-up. First, there was an attempt to strengthen party leadership in all areas of politics, economy and society after the 4 June Incident in 1989. There was no more official talk of separating the party and government, and party groups<sup>1</sup>, which had been abolished in some of the central ministries, were revived. In addition, it was decided to reverse the decline in the role of party organisations within enterprises and to reinforce the party's leadership of mass organisations. Also, the new leadership emphasised the importance of a planned economy and attempted to reinforce central control over the economy through planning.

In early 1992, Deng Xiaoping embarked on his 'southern tour' to reverse the setback of reform. Deng successfully called for a bold promotion of reforms and consequently there was a surge in marketisation and opening-up policies. However, although growth was accelerated, serious imbalances emerged in the macroeconomy caused by over-investment in some sectors by local authorities and enterprises. To tackle this problem, since mid-1993 Zhu Rongji has attempted to strengthen macro-control of the national economy through the establishment of fiscal and monetary systems. Nevertheless, it has proved difficult to enforce discipline among the localities and enterprises through conventional means. Thus, the second expansion of the role of the party was introduced in the context of progress in marketisation and the strengthening of central control through fiscal and

---

<sup>1</sup> Party groups are the party organisations that are established in non-party organs and function as the *de facto* leadership of those organs.

monetary means. In this section, I shall review the development of arguments and conflicts over reform policies at the centre since the late 1980s and clarify the difference in the political and economic settings in which the two expansions of the party's role took place.

## 2.1 Late 1980s – early 1990s: a setback in marketisation

The party's role was enlarged after the 4 June Incident in 1989. This was a reaction against the programme of political system reform adopted by the Thirteenth Party Congress in 1987. The programme, drafted under the auspices of Zhao Ziyang, included specific measures to restrict the role of the party. These included: abolishing party organisations that functionally overlap with government organs; gradually abolishing party groups in government departments; (preventing the Party Committee for Discipline and Inspection handling cases relating to legal and administrative regulations;) establishing a civil service system, and putting an end to the party's appointment of officials and leaders of mass organisations and state enterprises. While the party organisations of some enterprises had been under the vertical leadership of higher-level party organs, a decision was made gradually to switch their leadership to the local party committee. This was considered conducive to the separation of party and government.

The arguments of Deng Xiaoping and Zhao Ziyang for a separation of party and state included their assertion that this would not only improve administrative efficiency but actually strengthen party leadership. They argued that if the party engaged in 'front line' administrative work, it was likely to become directly involved in various contradictions. Therefore, it could play the role of managing the overall situation and coordinating various interests and ideas only if it stood aloof and above administrative work. At the same time, it could effectively provide supervision and prevent bureaucratism only if it kept some distance from the government. Deng and Zhao also asserted that party leadership meant political leadership, namely, making important policy decisions and recommending candidates

for important posts in state organs. In fact, such arguments for the separation of party and state were not directly related to marketisation. For instance, they had also been made in the Soviet Union since the 1970s (Hill 1984). In the view of Deng and Zhao at the time, however, swift marketisation had been hampered by the bureaucratism of the swollen state-party apparatus, and political reforms, including the separation of the party and the state, were indispensable for the promotion of economic reforms (Deng 1993:176–80).

It was inevitable that these attempts at political reform were met with opposition from within the party. For instance, the Party Central Organisation Department, which is in charge of personnel affairs, produced a document in 1988 claiming that conditions were not yet ripe to implement a civil service system (Chen 1990:119).<sup>2</sup> According to Jiang Zemin, who assumed the post of party General Secretary after the 4 June Incident, many comrades of the organisational front had resisted the mistakes of Zhao Ziyang, who had weakened party leadership (Liao *et al.* 1991:997). Premier Li Peng went further and asserted that Zhao had actually tried to eliminate the leadership of the party (Liao *et al.* 1991:998). Thus, many of the measures adopted at the Thirteenth Party Congress were reversed. Party groups in government departments were revived, party committees within enterprises were again endorsed to take part in important decisions concerning enterprise management, the party's leadership of mass organisations was reinforced, and the shifting of enterprise party organisations from under the leadership of the party organisations of upper-level administrative departments to that of local party committees was halted. Ever since this reversal, the separation of party and state has not been officially discussed except in some localities experimenting with reform of party and government organs (Central Committee for Organisation and Staff 1993:377–405).

As for economic reforms, price reforms were frozen from the autumn of 1988 and stringent fiscal and monetary policies were implemented. As a result, inflation was contained, but the growth rate declined and failed to pick up, despite the relaxing

---

<sup>2</sup> According to Chen this document was drafted under the order of Song Ping, the then director of the department.

of monetary policy. At this point, conflict emerged over the appropriate approach to achieving a more efficient distribution of resources. Some argued for the strengthening of directive planning and central control over investment and goods, while others insisted on promoting marketisation. The former option became dominant among the top leadership and in academia. At a time when socialist regimes in Eastern Europe were collapsing, the argument became influential that difficulties in those countries, as well as the mistakes of Zhao Ziyang, all stemmed from setting marketisation as the goal of reform. Deng Xiaoping repeatedly refuted the argument that identified the planned economy with socialism and the market economy with capitalism. From April to September 1991, however, organised criticisms were levelled on writings that were based on Deng's remarks (Wu 1992:22–3, 137–8).

In sum, marketisation, the role of the party, and central–local relations from the late 1980s to the early 1990s were as follows. Deng Xiaoping and Zhao Ziyang promoted the separation of party and government, and of the party and enterprise management, with a view to strengthening party leadership and overcoming the bureaucracy that was hampering marketisation. Also, they decided to cancel the leader–follower relationship between the party organisations of upper-level administrative bodies and those within the subordinate enterprises, in order to reinforce the command of local party committees vis-à-vis the command of vertical departmental systems. Within the party, however, there was strong resentment against these reforms especially in the Organisation Department, whose vested institutional interest was at risk. Among the six members of the Politburo Standing Committee, newly selected in the wake of the 4 June Incident, General Secretary Jiang Zemin, Premier Li Peng, Vice-Premier Yao Yilin, and Director of the Central Organisation Department, Song Ping, were in favour of the reversal of the policy to separate the party and the government. Li Peng, Yao Yilin and probably others supported the implementation of a centrally planned economy. Thus, expansion of the party's role and reinforcement of central control by planning, rather than marketisation, became mainstream policy.

## 2.2 After 1992: progress in marketisation

Deng Xiaoping acted with a sense of crisis over the reversal of reform policies when he made his inspection tour in January/February 1992 of Shenzhen and Zhuhai, two of the three Special Economic Zones in Guangdong Province. He called for the liberation of thinking from the shackles of ossified ideology and for the acceleration of bold reforms, with a view to defining the political keynote for the Fourteenth Party Congress to be held in the autumn. Since the domestic propaganda department was under the influence of anti-reform forces and uncooperative towards Deng, it was the Hong Kong media that first reported Deng's tour and his remarks. The localities, which had been suffering from lagging economic growth, responded strongly and in February seventeen provinces declared they would accelerate reform (Ling 1998:187). In March, the centre did a political about turn, and the Politburo issued a communiqué fully agreeing with Deng's remarks. The Fourteenth Party Congress in October declared for the first time that the target of reforms was to establish a socialist market economy. On the other hand, there was no change in the judgement that those viewpoints and measures that questioned, negated or weakened the leading role of the party were all fundamentally mistaken. The pre-4 June policies which restricted the role of the party were not revived.

The remarkable progress in marketisation in the wake of Deng's so-called southern tour brought about a staggering rise in the economic growth rate. The rate of increase in GDP was in double-figures for four consecutive years from 1992 to 1995.<sup>3</sup> On the other hand, local leadership at various levels engaged in the reckless development of their localities with no consideration for macroeconomic balances, resulting in the overheating of the economy. For instance, not only provincial-level localities but county-level localities nationwide constructed so-called development zones with a major aim to attract foreign capital. There were 1900 of them by September 1992 (*Daily China News*, 1 October 1992). The localities also liberally granted permission to establish non-bank financial institutions, which, together with financial malpractices such as

---

<sup>3</sup> In percentages, they were 14.2 in 1992, 13.5 in 1993, 12.6 in 1994 and 10.5 in 1995.

illegal inter-bank loans and careless lending, caused financial disorder. As a result, inflation was aggravated, government bonds were left unsold, and a number of national construction projects were not implemented because the localities diverted the funds for their own purposes.<sup>4</sup> The localities actively promoted and in many cases implemented development projects that contributed to enhancing growth and employment in the region. In particular, they were keen to carry out projects that increased their revenue. A sense of competition was strong among the localities, which each insisted that their economy was not overheated even though others' were (Wen Hui Bao (Hong Kong), 5 July 1993; Ling 1998:323).

Faced with this situation, Vice-premier Zhu Rongji took the initiative and sought the implementation of bold reforms. In early 1993, a conflict of opinion between premier Li Peng and Zhu about the pace of reform was brought to light. At the closing session of the national meeting of local bank and insurance firm managers in January, Li argued that specialised banks had to continue providing unprofitable loans to achieve policy aims, while Zhu insisted that they should swiftly separate the investment banks for policy purposes from the commercial banks (*People's Daily*, 18 January 1993). It was at this sensitive time that Li took sick leave, and Zhu took over and brought in monetary and fiscal measures to strengthen macroeconomic control. For instance, control of the People's Bank over the localities was strengthened by further restricting the provincial branches' ability to allocate credit. It was also decided that loans from the People's Bank to specialised banks were to be made mainly from headquarters and only loans for the purchasing of agricultural products were left to the provincial branches. The central bank system was provided with a legal basis by the China Central Bank Law of February 1995. The Commercial Bank Law, promulgated in July that year, stipulated the independent status of the former specialised banks which were now expected to be more prudent in making their loans. Also a bold step was taken in reforming the fiscal and taxation systems to suit the needs of a market economy. An epoch-making measure was the 1994 tax reform which aimed to

increase central revenue. The centre had failed to bring it in for ten years and it was only made possible at this time after Zhu Rongji persuaded local leaders one-by-one (Takahara 1997).

From the above analysis, we can see that economic policy shifted from one which paid great attention to planning to one which promoted growth with the direct participation of local authorities, and then to one which paid utmost attention to maintaining macroeconomic balances by central control through fiscal and monetary systems. It is worth noting that central control through non-planning methods was supported by personnel policies. In July 1993, for example, Vice-Premier Zhu Rongji gained an additional office by replacing Li Peng's supporter, Li Guixian, as Governor of the People's Bank. In July and August that year, ten work groups, whose members included the director and deputy-directors of the central organisation department, were dispatched by the Party Centre and the State Council to twenty provincial-level localities to inspect and press for the implementation of central directives (Wen Hui Bao (Hong Kong) 15 July 1993; Zheng 1994: 1, 55; Ling 1998: 322). At the same time, the Director of the Central Commission for Discipline and Inspection also personally led an inspection team to particularly problematic localities (*South China Morning Post*, 15 August 1993).

Thus, while some people were arguing for the strengthening of macroeconomic control through legislation, in order effectively to implement macroeconomic control over the national economy, where 'rule by person' prevails over 'rule by law', and where the party fully controls personnel affairs, there was little choice but to rely on the party system to enforce discipline. That is, as reform policy developed from a pattern that emphasised the promotion of economic growth by entrepreneurial localism to one that paid more attention to achieving macroeconomic balances and efficiency by financial centralism, there was a greater need to mobilise the organisational and personnel system of the party, in place of the underdeveloped legal system, to enforce economic discipline among the localities.

---

<sup>4</sup> For instance, only 20% of the funds actually reached the key construction projects of the Ministry of Electricity by June 1993. The projects were to cost 10.2

billion yuan in total, while not a single yuan was provided to the 22 key construction projects of the Ministry of Coal.

### 3 The Asian Financial Crisis and the Reinforcement of Party Organisation

The question of the maintenance of financial order attracted attention once again after the so-called Asian financial crisis. The economic and currency crises of the Asian countries that erupted in 1997 were regarded first of all as financial crises by the Chinese. In this section, we examine the establishment of a new party organisation, the Central Financial Work Committee (FWC), which was assigned a significant new role in the process of marketisation.

The economic and currency crises in Asia, triggered by the Thai Baht crisis in July 1997, struck the Chinese leaders who had been trying to emulate the rapid growth of the NIEs and ASEAN countries. In particular, since the cause of the crises was identified to be in the financial area, they were urged to come up with effective measures to tackle the latent financial crisis in China. In fact, as early as August 1996, Jiang Zemin and the Central Leading Small Group on Finance and Economics had received the work report on financial risks and their solutions (*People's Daily*, 14 January 1999). In February 1997, the Party Centre decided to draft a document and hold a special meeting on preventing financial risks. The first conference jointly convened by the Party Centre and the State Council after the Fifteenth Party Congress was the National Financial Work Conference in November 1997.

The specific problems of China's financial system were as follows (*People's Daily*, 21 November 1998; *People's Daily*, 25 December 1998). First was the high percentage of bad loans. The percentage of bad loans of the four state-owned commercial banks, that is the Bank of Industry and Commerce, the Bank of Agriculture, the Bank of China and the Bank of Construction, was 24.4 at the end of 1996, and rose to 29.2 by the end of June 1997 (Li 1998).<sup>5</sup> Second, there were cases of illegal financial institutions and non-financial institutions engaging in finance. Third, there was too much speculation in the stock market. Fourth,

a lack of supervision and personnel management led to financial crimes and misdemeanours or incompetent behaviour, resulting in losses to the financial institutions.

The causes of these problems included the following: the soft-budget constraint of state enterprises had not been reformed and the loans that they had taken out were regarded as fiscal allocations which did not have to be repaid; the financial institutions themselves lacked a sense of risk; the system of supervision and management, including the legal system, was not developed in the financial sector; and local authorities intervened in the activities of the financial department, which, in principle, were under the vertical control that extended from the centre. Such intervention undermined the independence and effectiveness of the People's Bank in implementing financial policies and supervising the financial sector (*People's Daily*, 21 December 1998).

The financial reformers led by Zhu Rongji attempted to solve these problems by introducing further reform. According to Dai Xianglong, current governor of the People's Bank, the most serious lesson they learnt from the Asian financial crisis was the need for a sound banking system (*People's Daily*, 17 January 1998). Therefore, three significant reform measures were adopted in 1998. First, in order to standardise the relationship between the government, the bank and the enterprise, a bold reform of the central government was implemented and a number of ministries in charge of production and circulation abolished. A similar reform is to take place in the provincial- and prefectural-level localities in 1999 and in county- and township-level localities in 2000. Second, with a view to enhancing managers' operational independence and their awareness of profits and losses, the commercial banks were no longer subject to the lending quota defined by the People's Bank, and were to manage their loans using indicators such as the debt/asset ratio. And third, in order to get rid of local intervention and enhance the authority and supervisory independence of the Central Bank, the provincial-level branches of the People's Bank were abolished and nine regional branches, each

---

<sup>5</sup> Li is a member of the Economics Group of the Central Policy Institute, the think-tank of the Party Centre, and her data should be more reliable than others'. According

to Li, the percentage of bad loans in Thailand was 7.9, and that in Indonesia 17, much lower than in China.

covering two to five provinces, were established (*People's Daily*, 16 November 1998).<sup>6</sup>

Also worth noting was the establishment of the FWC and the Financial Institutions System Party Committees, which aimed to establish a vertical command system extending from the centre to the local branches of the financial institutions (*People's Daily*, 22 June 1998; *Outlook*, 6 July 1998: 28). The FWC, which is stipulated as an agency of the Party Central Committee, is not directly engaged in financial work itself. Its terms of reference include securing the thorough implementation of the policies and instructions of the party and the State Council; appointing and removing, in cooperation with the central organisation department, those cadres in the financial department whose posts are under central management; supervising the leading cadres of the financial department at various levels; and coordinating the opinions of party committees in financial institutions and local party committees. The former party groups in the financial institutions were concurrently upgraded to party committees, by which a chain of command was established linking party committees from the FWC at the top to the local branches of each financial institution at the bottom layer of its organisational hierarchy. There would be vertical command in personnel affairs as well. However, in appointing the leading cadres of the nine regional branches of the People's Bank and those of the provincial-level branches of other financial institutions, the opinions of the local party committees at the branch sites were sought. Moreover, the FWC was to act as an intermediary if the local party committee did not agree with the views of the party committees of the financial institutions.

Thus, the financial centralists who held the upper hand in policy-making heightened the sense of crisis in the face of the Asian financial crisis and the aggravation of China's financial problems. At the same time, they shrewdly took advantage of the crisis and promoted systemic reforms to strengthen central control. Significantly, an important method that was adopted by the central leadership to

achieve this was the reinforcement and mobilisation of party organisations. That is, while the scale and role of finance, a core element of the market economy, increased substantially, it became obvious that the economic and legal systems to support the orderly functioning of the financial system were lacking. In order swiftly to make up for this defect, there was no better way than to mobilise the party organisations which were the most effective instrument for maintaining the discipline of localities and financial institutions.

#### 4 Conclusion

Twenty years after the advent of reform, an authoritative answer has not yet been given to the most important question of what the leadership of the party should look like in a market economy. On the one hand, those who attach great importance to efficiency and to the economy insist that the role of the party should be separated from those of the government and the enterprise, and that the party should concentrate its efforts on the coordination of various interests, stand aloof from daily work, preside over the overall situation and strengthen its supervision over government officials and enterprise managers. On the other hand, there are others who believe power and politics to be more important, fear the undermining of party leadership and the socialist system by marketisation, and argue for the maintenance of party leadership over the government and the enterprise as in the days of the planned economy. The Jiang Zemin administration is unable to decide which position to take, since the socialist market economy which they aim to establish is supposedly a system in which party leadership, public ownership and the market coexist. As is clear from the above analyses, however, there is a growing gap between political and economic principles in practice. We cannot but point out that there is an inherent contradiction in Deng Xiaoping theory.

We should not forget that marketisation is also making an impact on another important area of the political system, namely, central–local relations. The tug-of-war between the centre and localities over

---

<sup>6</sup> The nine new regional branches (and the provinces that they cover) are as follows: Tianjin (Tianjin, Hebei, Shanxi, Inner-Mongolia); Shenyang (Liaoning, Jilin, Heilongjiang); Shanghai (Shanghai, Zhejiang, Fujian); Nanjing (Jiangsu, Anhui); Jinan (Shandong, Henan); Wuhan (Jiangxi, Hubei, Hunan); Guangzhou

(Guangdong, Guangxi, Hainan); Chengdu (Sichuan, Guizhou, Yunnan, Tibet); Xian (Shaanxi, Gansu, Qinghai, Ningxia, Xinjiang). The Department of Business Management and the Department of Chongqing Business Management of the headquarters are in charge of Beijing and Chongqing, respectively.

power and interest was of course taking place regularly under the planned economy. This was intricately related to the relationship between the party and the state. In the days of planning, the strengthening of party leadership vis-à-vis the government meant the strengthening of the power of the local party committee against the vertical departmental system of the government. In accordance with the transition from plan to market, however, there emerged a new combination of central–local and party–state relations. As far as central–local relations were concerned, there was a new pattern of conflict. The tug-of-war was fought between financial centralism on the one hand, which aimed at achieving macroeconomic balances by stronger central control, not through planning but through fiscal and monetary policies, and entrepreneurial localism on the other, which placed priority on measures that were advantageous to regional development and increased local revenue and employment. Under this situation, the financial system failed to function properly due to the intervention of localism. The central leadership, which was particularly concerned with the impact of the Asian

financial crisis on China's frail financial system, established a vertical leadership system in the financial sector through a reinforcement of the party organisation.

Vice-premier Wen Jiabao, who was appointed secretary of the FWC, called this a measure that summed up China's experiences in modernisation and established and perfected her modern financial system (*People's Daily*, 26 June 1998). The key question was how to enforce discipline among the localities and economic and financial institutions in the transition from plan to market, in which macroeconomic control of the centre was to be implemented, not through administrative directives, but through indirect means. In addition, the management of personnel, admittedly the most effective leverage for enforcing discipline, is still under the firm control of the party. In the light of this reality, it can be said that establishing a vertical leadership system of the party at the core of a market economy, namely, in the financial system, was in a sense a modern Chinese way of settling the contradiction between socialism and the market economy.

---

## References

- Central Committee for Organisation and Staff (ed.), 1993, *The Great Trend of Administrative Reform in China* (in Chinese), Beijing: Economic Science Publishers.
- Chen, Y., 1990, *China: Ten Years of Reform and the Democracy Movement in 1989* (in Chinese), Taipei: Lian Jing Publishers.
- Chinese Communist Party Central Documents Institute (ed.), 1982, *Selected Important Documents since the Third Plenum*, (in Chinese) Beijing: People's Publishers.
- Deng, X., 1993, *Selected Works of Deng Xiaoping*, Vol. 3 (in Chinese), Beijing: People's Publishers.
- Hill, R.J., 1984, *Political Reforms in the Soviet Union* (translated into Japanese), Tokyo: Sekai Shisohsha.
- Li, X., 1998, 'To look at the hidden financial danger in our country from the East Asian financial crisis' (in Chinese), *Reform*, No. 3:31–9, 86.
- Liao, G., et al. (eds), 1991, *The Encyclopedia of Modern Chinese Politics* (in Chinese), Changchun, Jilin Province: Jilin Wenshi Publishers.
- Ling, Z., 1998, *Ups and Downs: A Memorandum Book of China's Economic Reform* (in Chinese), Shanghai: Eastern Publication Centre.
- Takahara, A., 1997, 'The development of central–local relations and the sense of crisis among the Chinese' (in Japanese) in S. Amako (ed.), *Is China a Threat?*, Tokyo: Keisoh Shoboh:198–219.
- Tang, L., 1997, *Party–State Relationship in Modern China* (in Japanese), Tokyo: Keio University Press.
- White, G., J. Howell, and X. Shang, 1996, *In Search of Civil Society: Market Reform and Social Change in Contemporary China*, Oxford: Clarendon Press.
- Wu, J., 1992, *Planned Economy or Market Economy* (in Chinese), Beijing: China Economic Publishers.
- Zhao, H., 1998, *China's Multilayered Centralised Regime and Economic Development* (in Japanese), Tokyo: University of Tokyo Press.
- Zheng, L. (ed.), 1994, *Analyses of Macroeconomic Policies, 1993–94* (in Chinese), Beijing: China Planning Publishers.