

# Political Transition in Economic Decentralization: Bargaining Coalition between Central and Provincial Government in China: 1978-1993

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Economic decentralization in China has created autonomous levers for the provincial governments, and it is through bargaining, concessions, and cooperation with the provincial governments that the central government has promoted rapid economic growth. These are the existing cases of coalitional politics within Leninist reform. However, such phenomenal circumstances have not been given serious consideration by most current students of the China's reforms, who usually neglected the irreversible political transitions away from Leninism in Communist countries; nor do my findings support theories of political development, which see political coalitions only as alignments between the state and organized social interests, such as parties and interest groups. The deficiency of both types of explanations prohibits them from correctly explaining new political events in the Chinese economic decentralization.

The question thus raised is: how a coalitional politics is formed between the central government and the provincial governments, through which unorganized social interests are articulated, by provincial institutions, in state policy making in Leninist China? This book answers this question by examining and critiquing competing explanations of political transitions and existing methods of studying

transformations in central-local relationships in China. It applies an interactive dimension in power restructuring approach, and a multi-dimensional policy (fiscal, finance, investment, foreign trade policies) analytical method within the context of political coalitional theory.

It has found that the history of the Chinese political system has been one of the continuous human desires for freedom from the centralized kingdom, and of consistent efforts by the political center to find institutional remedies. Reform experiences suggest that the transfer of economic power from the center to the provinces has established institutional foundations for political coalitions between the central and local governments. The provincial governments, as representatives and articulators of local interests, have been encouraged by an agenda of economic decentralization, and have interacted with the center through informal and formal ways, in bargaining over rational policy. The contradiction between Mao's political legacies and a common desire for reform is largely responsible for such a unique political coalition during this transition. The cases of Guangdong Province and Shanghai Municipality have been utilized to illustrate the general framework and overarching hypotheses of this study.

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