Contemporary China Studies in Japan: mainstream approaches and challenges

Kazuko Mori

Waseda Institute of Contemporary Chinese Studies, Waseda University, Tokyo, Japan

ABSTRACT

Contemporary China Studies in Japan owes its origin to two different sources. One is the prewar Japanese sinology (Toyogaku), at that time the main source of scientific knowledge on China. Although its influence waned after the war, its relevance cannot be underestimated. The other is Area Studies, a discipline first developed in the United States after the World War II. In the last 50 years, Contemporary China Studies in Japan has yielded great advances in the subfields of Chinese economy, politics, modern and contemporary history, and cultural anthropology, to name but a few. Following China's rapid economic transformation and its rise to great power status, Contemporary China Studies is currently undergoing a massive paradigm shift, thus facing significant challenges that need to be addressed. In author's opinion, the biggest challenges can be grouped under three headings: 1) the trinary structure model of state–society relations, 2) the Asianization of Contemporary China Studies, and 3) the persistence of institutions. The aforementioned fundamental challenges are dealt with in detail in the main section of this study; while in the conclusion, the concept of “state capitalism” and the very nature of Chinese state are discussed.

KEYWORDS

Area Studies; research paradigm; trinary structure model; comparative case studies; the persistence of institutions; state capitalism

1 Introduction

What was the reason behind the conference titled “An Inquiry into China Studies in Japan” organized by the Japan Association for Modern China Studies in 2015? Was it because, in 2010, China overtook Japan as the world’s second-largest economy? Or perhaps, because Sino-Japanese tensions in the East China Sea have been building steadily since 2012, leading to a serious deterioration in Sino-Japanese relations? Right now in Japan, publications and movies on “China threat” are mushrooming, while the discussion on the “coming, imminent collapse of China” continues to rage.

In the light of the above, I have two serious concerns regarding Contemporary China Studies in Japan. The first challenge is to clarify Japanese scholars' methodological stances on such a gigantic, chaotic topic like contemporary China. Perhaps, we are living through a paradigm shift. As Professor Kawashima has so aptly observed, Japanese scholars need to acknowledge the following facts: 1) scholars do not have a monopoly on debating
contemporary China, 2) Contemporary China Studies is no longer uncharted land, and 3) scholars need to reexamine their research purposes and objectives.\footnote{Kawashima, “Chugoku Senmonka,” 1–11.}

My second concern is that our research has become increasingly irrelevant to specialists from other countries. For example, in recent years, there has been a significant decrease in Sino–Japanese academic exchange programs combined with the growing indifference toward Japanese-language publications among Chinese scholars. Wang Xueping, a Japan-based Chinese scholar, laments this state of affairs pointing out that a growing number of Chinese specialists on Sino–Japanese relations conduct their research virtually without referring to Japanese-language publications.\footnote{Wang, “Sogo Tankyu toshite no Kokusai Nihongaku Kenkyu,” 133–139.}

Returning to the subject of the 2015 conference, although several roundtable discussions were held and a wide range of opinions were expressed, our scholarly community did not reach any substantial conclusion regarding the state of the Contemporary China Studies field. It was also my impression that it had become increasingly difficult to generalize about the state of the discipline.\footnote{For a concise introduction to Contemporary China Studies in Japan, see Takahashi et al., Nihon no Chugoku Kenkyu, 4–46.}

The present article is organized as follows. In \textit{Section 2}, I discuss briefly the field of Contemporary China Studies as the subfield of Area Studies. \textit{Section 3} offers a concise introduction to the field of Contemporary China Studies in Japan, with a particular focus on its origin and postwar development. In \textit{Section 4}, I examine briefly the paradigm shift currently underway in the discipline; while in the fifth section, I turn to challenges the discipline is faced with, focusing on three, in my opinion, most important issues: 1) the trinary structure model, 2) the Asianization of Contemporary China Studies, and 3) the persistence of institutions.

\section*{2. Contemporary China Studies as Area Studies}

Contemporary China Studies in Japan owes its origin to two different sources. First, I cannot but mention the prewar Japanese sinology (\textit{Toyogaku}), at that time the main source of scientific knowledge on China.\footnote{See, for example, Kishimoto, \textit{Teikoku Nihon no Gakuchi}.} Although its influence waned after the war, its relevance should not be underestimated. Second, Contemporary China Studies in Japan is a part of “Area Studies,” a discipline first developed in the United States after World War II. As such, in the last 50 years, Contemporary China Studies in Japan has yielded great advances in the subfields of Chinese economy, politics, modern and contemporary history, and cultural anthropology, to name but a few.

Throughout my professional career, I have often been asked whether Area Studies is an independent discipline. My answer to this question is that Area Studies is an “arena” in which different disciplines meet and clash. As I see it, at the arena of China Studies, different academic disciplines cross-fertilize one another with new ideas. Further, while approaching China from the perspective of the social sciences, three issues constantly reappear throughout the research process: 1) a theory, 2) a nation state (national borders), and 3) a language. Thus, my advice to younger scholars in the field is to find a middle way between “it is just a theory” and “it’s all about theory,” between “it is just a matter of language” and “it’s all about language,” etc. The fact remains that,
throughout their professional careers, Area Studies scholars are constantly confronted with the above dilemmas.

Contemporary China Studies is a leading subdiscipline of the field of Area Studies in Japan. The Japan Association for Modern China Studies has over 730 members. Further, among 1150 members of the Japan Association for Asian Studies, almost half conducts research into broadly defined Contemporary China Studies. Together with specialists in linguistics, literature, and art, the number of Contemporary China Studies scholars is well over 1500, the second highest number in the world (after the United States).

Let us now turn to Contemporary China Studies in the United States. Although it still holds a leading position (especially in the subfield of Politics and International Relations), it is now facing the generational transition. In the past few years, a growing number of Chinese scholars have contributed to the field in the United States. For example, throughout the period 2010–2015, “The China Quarterly” (a leading China Studies journal) published 220 research articles, 40% of which were authored by Chinese scholars, while 20% were written in collaboration between Chinese and Western scholars. In other words, two out of three articles were authored (or co-authored) by Chinese scholars and the number is likely to grow further in the foreseeable future. Another important development has been the increase in the theory-oriented studies. Andrew Walder, professor of Political Sociology at Stanford University, described the above process as “the academization of the discipline”.

3. Contemporary China Studies in Japan

Contemporary China Studies in Japan is particularly well developed in the subfields of history (early modern history, history of thought, economic history, modern and contemporary history) and economy, both subfields producing world-class research. In general, Contemporary China Studies in Japan can be characterized as follows.

First, although Area Studies was developed in the United States as a form of strategic studies; in the post-Cold War period, it has become increasingly theory-oriented enterprise. In contrast, in Japan, Area Studies has retained its “practical science” attitude. As Hirano observes:

the postwar Area Studies in Japan drew lesson from the prewar failures while watching closely the trajectory of Area Studies in the U.S., so that it managed to avoid the trap of morphing into yet another type of strategic studies.

Second, scholars in postwar Japan drew a sharp line between the prewar Toyogaku and the postwar Contemporary China Studies. Haunted by memories of the Japanese aggression against China, “redemption-seeking” scholars attempted to reinvent China Studies frequently ending up as fervent supporters of socialist China and its ideology. Given the above, it is not surprising that scholars often failed to maintain objectivity

---

5The number also includes specialists in the humanities.
6Author’s own elaboration based on data provided by the Japan Association for Asian Studies and the Japan Association for Modern China Studies.
7Walder, “The Transformation of Contemporary China Studies,” 338.
8Hirano, “Gurobaru Jidai no Chiiki Kenkyu,” 18.
were driven by emotion and/or displayed a strong ideological bias, thus causing distortion in research results.

Third, Contemporary China Studies in Japan tends to produce theory-weak, descriptive research, which is an obvious legacy of an American-born functionalist approaches (e.g., modernization theory, development theory, etc.) widespread in Japan since the 1970s. The 1990s, on the other hand, witnessed an increase in Sino–Japanese research collaboration and academic exchange, a trend that has been in reverse since the 2000s.

Nowadays, although Japanese scholarship may not be at the forefront of Contemporary China Studies, it nonetheless produced a whole gamut of noteworthy research, two of them being introduced in greater detail below.

Nobuo Takahashi, an editor of the *Handbook of Contemporary Chinese Politics*, expresses concern about the state of the field while offering a way forward. Takahashi urges scholars to reduce their dependence on reference materials, arguing that as a result of such an excessive dependence, Contemporary China Studies in Japan has become a mere accumulation of facts, a scholarly discipline almost entirely devoid of theory. According to the editor, the *Handbook* constitutes the first step in overcoming the aforementioned defects. Regarding the evolution of research orientations in the field of Contemporary Chinese Politics in the 2000s, Takahashi argues that it has

---

**Figure 1.** Research Orientations in the field of Contemporary China Studies in Japan.

*Source:* Based on Takahashi, *Gendai Chugoku Seiji Kenkyu Handobukku*, 4.

---

9Takahashi, “Hajime ni,” 1–14.
evolved from the “macro-level, structure-focused” studies toward “agency-oriented, micro-level” type of research (see Figure 1 for details).

Regrettably, the chapter authors do not follow up on the ideas presented in the Introduction, restricting themselves to the analysis of China Studies research achievements in the United States and its absorption in Japan up until the 1990s. As such, the Handbook not only fails to touch upon the latest development in Japanese scholarship, but it also does not offer any reevaluation of the prewar Toyogaku. Further, it also fails to discuss the obvious achievements of the Japanese postwar scholarship, such as empirical case studies publications and the archive-based excellent historical monographs.

Let us now turn to China Watching, an assessment of the scholarship of “China Watchers” from Europe, Japan, and the United States over the 1990s and 2000s in three specific areas: the Chinese economy, Chinese domestic politics, and China’s foreign relations and national security.10

Tomoyuki Kojima’s chapter offers an overview of publications on Chinese domestic politics in Japan. Kojima notes that Japanese scholars of Chinese politics have long been too politicized in their works (especially during the first four decades of the PRC) and calls for “depoliticization” of the field. Further, he observes that this problem has been less severe in the most recent decades calling for a new generation of scholars to conduct more theory-informed research and break the chains of insularity of Japanese China watchers.11

Hideo Ohashi offers bitter-flavored comments on the study of the Chinese economy in Japan, making the following observations: 1) the study of the Chinese economy is quite independent from the mainstream economic, 2) Japanese scholars prefer to study parts/regions of the Chinese economy rather than treating China as single economic entity, 3) there is little constructive dialog between the theory-oriented research and fieldwork-based studies, and 4) mainly because of language barrier there is little dialog with English-speaking specialists. In Ohashi’s opinion, unless the above issues are addressed properly, it is likely that the study of Chinese economy in Japan might be soon dominated by mainstream economists.12

The chapter by Seiichiro Takagi examines Japanese studies of China’s foreign and security policies. Based on a thorough analysis of Japanese-language publications,13 Takagi identifies the following characteristics of the field: 1) scholars tend to over-interpret basic concepts, 2) almost no work uses interview as a way of obtaining information, 3) most of the works are traditional descriptive analyses, and 4) scholars tend to focus on bilateral relations rather than on multilateral diplomacy, concluding that Japanese scholars fully contribute to the discipline either through empirical case studies research or in the area of diplomatic history.14

4. Paradigm shift in Contemporary China Studies

In the last three decades, China’s international position, driven by annual economic growth rate of over 10%, has risen significantly. This transformation is frequently labeled

---

10 Ash, Shambaugh, and Takagi, China Watching.
11 Kojima, “Studies of Chinese Politics in Japan,” 132–146.
12 Ohashi, “Studies of China’s Economy in Japan,” 50–79.
13 Author lists Tatsumi Okabe, Kazuko Mori, Ryosei Kokubun, Tomoyuki Kojima, Seiichiro Takagi, Satoshi Amako, Akio Takahara, and Yoshifumi Nakai’s publications among others.
14 Takagi, “Studies of China’s Foreign and Security Policies in Japan,” 189–212.
as “unprecedented in world history.” In 2010, China overtook Japan as the world’s second-largest economy, with the Gross Domestic Product (GDP) per capita exceeding 8,000 U.S. dollar. In 2012, the fifth generation of the Chinese Communist Party (CCP) leaders, headed by the Secretary Xi Jinping, came into power sparking the debate on “China Dream” and “first – class power.” It seems that, after 150-year humiliation, China has finally entered the period of prosperity and stability.

Regarding contemporary China, Japanese society (as well as “China corner” in almost every Japanese bookstore) has been divided into two camps: those who support “China threat” hypothesis and those who believe that “China is on the verge of collapse.” Certainly, there exist more balance narratives, but they do not sell well. As to the internet polls, an emotional “China bashing” seems to be a dominant trend.

Contemporary China is a cumbersome object of study. It has at least three identities (China as “socialist state,” as “developing country,” and “traditional China”) which constantly intertwine with each other, so that the scholarly community can hardly catch up with the changes. A current situation can be compared to one that existed in Japan right after the Meiji Restoration (the so-called compressed development phase of the high rate growth). At any rate, it is my impression that scholars do not keep up with recent development, so that the field of Contemporary China Studies has become almost “unmanageable.”

Some scholars argue that contemporary China comprises “four worlds” – from the most developed areas to the poorest villages. Thus, it has become increasingly difficult to discuss China as single entity. To make it even harder, Contemporary China Studies has been burdened with a plethora of “implicit assumption” derived from its historical trajectory and a few seminal empirical studies.

Professor Philip C. C. Huang, an expert on Ming and Qing history, argued at the beginning of the 1990s, that China Studies was “in the midst of paradigmatic crisis.” According to Huang, the field of Social and Economic History is full of empirical paradoxes, including: 1) the paradox of segmented “natural economy” and integrated markets, 2) the expansion of the public realm without the development of civic power, 3) legal formalism without liberalism, and 4) marketization without “civil society.” Further, Huang points out that the unspoken assumptions concerning the process of “modern development” influence not only research on Chinese history, but also that of Contemporary China Studies.

Since the early 1990s, I had chaired several comprehensive research projects on contemporary China. It is thus my observation that methodological approaches to Contemporary China Studies can be classified under four headings: 1) the modernization model based on democratization and market development, 2) the East Asian model of democratization through economic development, 3) traditional (regression) model that postulates the restoration of the Confucian-values system, and 4) the “China is unique” model, which emphasizes

---

15Generational leadership in China is described as Mao Zedong being leader of the first generation, Deng Xiaoping as leader of the second generation, Jiang Zemin as leader of the third generation, and Hu Jintao as leader of the fourth generation.
16Kato, Chugoku Keizaigaku Nyumon, 204–206.
17See, for example, Hu, Diqu yu Fazhan.
18Huang, “The Paradigmatic Crisis,” 318–333.
19“Structural Changes in Contemporary China” (1996–1998; Grant-in-aid for Scientific Research), “Creating New Contemporary Asian Studies” (2002–2006; Waseda University, Center of Excellence Program), and “Contemporary Chinese Area Studies” (2006–2016; National Institute for the Humanities).
the unique characteristics of Chinese civilization. Throughout the rest of this article, I will approach contemporary China through the lens of the East Asian model.

5. Current challenges

As it is with all other disciplines of study, Contemporary China Studies is also faced with significant challenges that need to be addressed. In my opinion, the biggest challenges can be grouped under three headings: 1) the trinary structure model, 2) the Asianization of Contemporary China Studies, and 3) the persistence of institutions. The aforementioned fundamental challenges are dealt with in detail in the following subsections.

5.1. Challenge no.1: the trinary structure model

Following the introduction of the reform and opening-up, in the late 1990s, China entered the period of structural transformation. Around the same time, a large-scale research project titled “Structural Changes in Contemporary China” had begun in Japan. In the process of joint-research (attended by more than 70 scholars), the author’s “trinary structure model” was born.20

China’s reform and opening-up can be subdivided into three stages. During the first stage (the so-called departure from socialism), a shift from the binary social structure to the trinary one had been initiated. In the mid of the 1980s, China’s village autonomy movement resulted in the weakening of the central government direct control over the village-level administration, which in turn gave rise to the “central – provincial – local” trinary administrative structure. Further, an intermediate “neither rural nor urban” zone came into being – small enterprises were open in towns hiring local farmers, which “left the agriculture but remained in the countryside.” The “neither peasants nor workers” social group came into existence. On top of that, state-owned enterprises (SOEs) were turned into profit-making companies but not fully privatized, creating another intermediary zone between the planned and market economy. As a result of the above set of structural transformations, a space of the state and society’s co-penetration was created giving rise to the trinary structure social system (see Table 1 for details).

In the final stage of the reform and opening-up, systemic transformation would occur, including a transition to market economy, private ownership of land, and democratic system of governance. Shortly after the 2008 financial crisis, the author expected China to enter the final stage of the reform and opening-up, my expectations,

---

20 Mori, Gendai Chugoku Seiji, 6–8.
however, failed to materialize. It seems that, for the time being, the trinary structure system is likely to continue. With regard to public ownership of land (a cornerstone of the current system), it is highly unlikely that the CCP will reverse to the private ownership model anytime soon. Thus, the trinary structure model will remain best suited for the analysis of contemporary China in the foreseeable future.

Around the same time, in the mid of 1990s, Huang came up with the notion of “a third realm” – a space in between state and society, in which both sides participate. According to Huang, it is wrong to apply Western-born dichotomous opposition between state and society to China:

Contrary to the vision the public sphere/civil society models, actual socio-political change in China has really never come from any lasting assertion of societal autonomy against the state, but rather from the workings out of state-society relations in the third realm. 21

As an example, Huang analyzes a trinary conception of the Qing justice system: 1) the formal legal system (with its codified laws and official courts), 2) the informal justice system (with its customary practices for dispute resolution by kin/community mediation), and 3) the third realm in between (a semi-institutionalized dialog between administrative posts holders like the township xiangbao and the village paizheng and community/kin mediation). 22

Unlike Mori, Huang argues that the third realm had been already present in China in the premodern era. Following his way of reasoning, the collective (Mao Zedong’s) era saw mainly the “state-ification” of the third realm, whereas the reform era saw its rejuvenation. Also, Huang points out that private enterprises which emerged in the 1990s are strongly intertwined with the Party and the state and cannot be regarded as an independent realm. 23

The concepts of the “trinary structure” and/or ”third realm” have been slowly gaining foothold in the field of Contemporary China Studies. For example, Guo argues that it is misleading to envisage recent reform of the “urban community” (社区)

---

21 Huang, “Public Sphere/Civil Society in China,” 238.
22 Ibid., 226–228.
23 Ibid., 235–236.
administration as an example of “civil society” in China, instead interpreting the urban community as a component of the third realm.24 Another example is that of the “corporatization” (公司化) of the local government. As pointed by Gong, from the 1980s on, the township and village government (including their enterprises) has been shaped at once by central planning from the state and autonomous profit-seeking on the market. Gong points out that they represent “neither administrative units nor private enterprises” situating themselves in between state and society.25 Last but not least, some scholars argue that the third realm serves as a platform for the state–society cooperation, a semiofficial and semiprivate realm of unique characteristics.26

Let us now consider Professor Kato’s concept of “fuzzy institutions” (曖昧な制度) which refers to contemporary Chinese economy. First, Kato praises Mori’s trinary structure model pointing out that it fully reflects the uniqueness of contemporary China and constitutes “the very essence of Area Studies.” Next, he defines China’s “fuzzy institutions” as “a unique set of rules, norms and organizations designed to maximize individual [economic] freedom and profits as well as diffuse risk in the environment fraught with high level of uncertainty”.27 Building on Mori’s idea of the trinary structure (= a realm where the state and society overlaps), Kato defines it as a realm where “both planned [economy] and market, both the urban and the rural coexists,” giving rise to “fuzzy institutions” on which Chinese state capitalism is premised.28 Further, it must be noted that the above institutions came into existence in the process of transition from socialist to market economy. Given the above, Kato posits that by applying the “fuzzy institutions” model, it might become possible to capture the “uniqueness” of Chinese economic system thus making “Chinese Economic Studies” possible.29

5.2. Challenge no.2: Asianization of Contemporary China Studies

The role of “comparison” in the Social Sciences corresponds to the use of “experiment” in Natural Sciences. In my opinion, comparative case studies method has the following advantages.

First, it helps scholars to clarify the object of their study. As noted by Nove, by comparing China and Russia, we might be able to elucidate “whether the Soviet Communist Party’s domination was a result of unique Russian circumstances or rather a result of the very nature of the Communist Party”.30 No doubt, the same can be asked about China.

Second, it allows us to generalize and to define key concepts. As noted by Sartori: “the novelty, distinctiveness and importance of comparative politics consists of a systematic testing, against as many cases as possible, of sets of hypotheses, generalizations and laws of the ‘if…then’ type.”31

24Guo, “Jiedao Gonggong Tizhi Gaige,” 80.
25Gong, “Ping Difang Zhengfu Gongsihu,” 42–47.
26Kang and Wang, “Disan Bumen.”
27Kato, Chugoku Keizaigaku Nyumon, 30.
28Kato, “Aimaina Seido toshite,” 37–38.
29For an exhaustive discussion on the concept, see Nakagane, “Aimaina Seido to ha Nani ka” and Kato, “Chugokugata Shihonshugi.”
30Nove, Stalinism and After, 178–181.
31Sartori, “Concept Misformation,” 1035.
Third, it allows us to think about possible future scenarios through comparison with the precedent cases. For example, by referring to Korea and/or Taiwan’s “democratization through economic development,” we can make assumptions about the future trajectory of China’s democratization.

In my opinion, the most fruitful way to analyze the phenomenon of “contemporary China” is through the comparison with other Asian states. Throughout the duration of the “Creating New Contemporary Asian Studies” project (2002–2006), I had made the following observation regarding the concept of “Asian-ness”: 1) comparing with the West, East Asian politics is characterized by the “mutual penetration of the public and private domains” and inseparability of politics and economy, 2) the persistence of the “relationship” networks, in contrast with the “contractual” type of Western social relations. Also, since East Asian countries did not experience the Enlightenment, their historical trajectory and modern challenges have a lot in common, 3) East Asian political cultures have a lot in common, including collectivism and patron–client relations, 4) due to historical circumstances both East Asian societies and regional society are multireligious and multicultural, tolerant for those with different faiths and different set of values, and 5) as epitomized by the ASEAN Way (common norms, peaceful resolution of conflicts, consultation and consensus decision-making, etc.), East Asian international relations cannot but have “Asian characteristics”.

With regard to a comparison between Western and Southeast Asian political systems, Kobayashi observes: “[a Western-style] analysis of political systems conceived of as a set of interactions between political parties, almost entirely disregards other political agents, thus being an exercise in futility.” When I compare data from different Asian countries, I often amazed at the similarities in party systems between China and the Southeast Asian authoritarian regimes. Specifically, the comparison between the CCP and the Golkar (an Indonesian ruling party between 1973 and 1999) should prove instructive. Figure 2 contrasts the CCP and the Golkar both envisaged as political systems comprising not only the state agencies and the army, but also various social groups.

Golkar, which for 30 years propped up President Suharto’s regime, was not an “ordinary” political party. Shuto, an expert on Indonesian politics, describes Golkar as follows:

Under the Golkar, the government not only (directly or indirectly) controlled all administrative organs and the army, but also incorporated within its realm various mass organization, such as trade unions, farmers’ organization, women’s and youth organizations, etc.

Although as a result of the process of democratization (1998), Golkar became an “ordinary political party,” up until then the Golkar (similar with the CCP) encompassed not only civil servants, the military and local government officials, but also various social organization, thus creating an unshakable power base. Further, the Golkar controlled Indonesia’s People’s Consultative Assembly (its majority oscillated between two-third and three-fourth of the seats). It is clear from the above that both Suharto’s “New Order” and the CCP regime succeeded in constructing party systems that not only permeated the state organs and the military, but also controlled almost every sector of society.

Last but not least, it would be of scientific value to compare the postwar Liberal Democratic Party (LDP)-dominated political system in Japan with the CCP’s system.
thorough mapping out of the “Asian characteristics” of the party systems should not only help scholars to gain a better understanding of the Chinese case, but also help forging new methodological tools for the study of political systems in general.

5.3. Challenge no.3: the persistence of institutions

Throughout 30 years of the reform and opening-up, state policies have evolved but institutions remain largely the same. Up until now, it has been the “new policies old institutions” model.

Let us now consider China’s legal reforms. With regard to the Constitution, two significant revisions were introduced in 2004: 1) the human rights provision stating that “the State respects and preserves human rights” (Article 33), and 2) the revision to Article 13 concerning private property: “Citizens’ lawful private property is inviolable. The State in accordance with law, protects the rights of citizens to private property and to its inheritance”. 35

With regard to property-related law, the adoption of the Rural Land Contracting Law (2003) aimed to increase the security of farmers’ property rights against taking by representatives of the state. The Property Rights Law (2007), on the other hand, addresses issues of state, collective, and private ownership. Although the Property Rights Law acknowledges and protects private ownership (with respect to real and movable properties), the 2008 Law on Enterprise State-Owned Assets strengthens protection and management of the state-owned assets, de facto reaffirming the leading role of the state-owned economy.

35For the bilingual (Chinese–English) version of the 2004 Amendment, see https://www.cecc.gov/resources/legal-provisions/2004-amendment-to-the-constitution-of-the-peoples-republic-of-china.
With regard to electoral law, the reform is still in its initial stage. Although disparity in representation right between urban and rural areas has been growing constantly since the 1950s, the amendment to the Law on Deputies to the National People’s Congress and Deputies to the Local People’s Congresses was enacted just in 2010. Article 14 and 16 of the amended electoral law stipulate as follows:

the number of deputies to the National People’s Congress shall be allocated by its standing Committee on the basis of the population of each province, autonomous region and municipality directly under the central government, and in accordance with the principle that each deputy represents the same number of urban or rural people and the requirement guaranteeing an appropriate number of deputies for every region, ethnic group and sector of society”.

It must be noted, however, that the full implementation of the above amendment will take a considerable amount of time.

It is clear from the above discussion that only in a few cases, policies associated with the reform and opening-up were finalized into law. Key institutions of political and economic systems were laid in the 1950s and enshrined in the 1954 Constitution.

Both the transition to the public ownership system and the institutionalization of the party-military-state trinity occurred in the 1950s. Further, to ensure a smooth operation of the system, the following three channels were created (and have remained unchanged): 1) the Party group made of the state organs’ leaders, 2) the Party internal departments that correspond to administrative, judicial, and legislative organs of the state, and 3) administrative organs’ top-notch personnel controlled by the Party central organization.

The public ownership of land constitutes a cornerstone of the system. In urban areas, land has been owned by the state since the early 1950s; while in rural areas, it has been owned by the rural collectives (农 业 集 团), now embodied in village committees. But what does it exactly mean “the collective ownership of land”? Article 12 of the Rural Land Contracting Law (2003) states as follows:

Where the land owned collectively by the peasants belongs to collective ownership by the peasants in the village, contracts shall be given out by the collective economic organization of the village or the villagers committee; where the land is already owned collectively by the peasants of more than two rural collective economic organizations in a village, contracts shall be given our respectively by the said organizations or villagers groups in the village. 37

In other words, the entity that owns land in rural areas is either the local collective economic organization or the local villagers committee. In the case of urban areas, however, public ownership of land is exercised by the State Council and/or by the land administration departments of local people’s governments (Article 3 and 4 of the Law on Enterprise State-Owned Assets). State and public ownership of land constitutes a foundation of the Party system as well as its biggest assets. Since the establishment of the PRC, the Party has never relinquished the possession of land and will not do so in the foreseeable future. The process of marketization will never reach the ownership of land.

Lastly, I would like to consider the dual family register (hukou) system, which has been in place since the 1950s. Since 2005, in designated areas, a unified urban–rural

36 For the full text, see http://www.gov.cn/zhengce/2015-08/30/content_2922358.htm.
37 For the full text, see http://www.china.org.cn/china/LegislationsForm2001-2010/2011-02/12/content_21907969.htm.
household register system has been implemented on a trial basis. At the moment, however, the distinction between the rural/urban family register (and the “local – outsider” dichotomy that accompanies it) is still valid and as divisive as ever. At this point, it is important to ask why the family register system remains dual while the rationing system (that tied farmers closely to the land) was abolished and people and commodities can move freely between rural and urban areas? The truth is that there is a lot of vested interest in keeping the system as it is. For both enterprises and the military, the cheaper the rural labor is the better. The costliness of the reform process constitutes another obstacle to comprehensive reform.

Looking at the above legal reforms from the vantage point of systemic transformation, it becomes immediately clear that the institutions of the Chinese state have remained largely unchanged. We shall not be misled by the fluctuations in the state policies – the truth remains that although Chinese society has been moving toward the trinary structure model, the land ownership system as well as China’s state-owned economy contributes a great deal to the ossification of the system. That is probably the reason why the process of economic transformation and marketization has not resulted in the regime change.

6. Conclusion: the state in contemporary China

China’s turn toward state capitalism prompts scholars to discuss the role of the state in contemporary China. With regard to Chinese economy, Japanese specialists tend to split into two camps, namely those in favor of “state capitalism” hypothesis and those who emphasize the process of marketization of China’s economy. The former is best epitomized by Professor Kato’s writings, while the latter by Professor Marukawa’s scholarship.\(^{38}\) In general, I am in agreement with much of the thrust of Professor Kato’s work.

Following Deng Xiaoping’s Southern Tour (1992), the process of marketization of China’s economy took off in the mid-1990s and continued throughout the 2000s. However, around 2006, the privatization process had slowed down; whereas, in the key industries and the military sector, the government-owned corporations strengthened their monopoly position. Scholars have described the above mechanisms as “the state advances, the private sector retreats” (guojin mintui 国进民退).

The 1999 Decision of the Central Committee of the CPC on Several Major Issues Concerning the Reform and Development of the State-owned Enterprises defines the scope of the state-owned economy as follows:

- Industries and sectors that need to be controlled by the national economy include: industries that are related to national security, industries that are naturally monopolized, industries that supply major products and services for the public, and pillar industries and backbone enterprises in high and new technology sectors.\(^{39}\)

Further, the Decision defines “important industries and key areas affecting the lifelines of the national economy” as follows: 1) arms industry, 2) power generation industry, 3) petroleum industry, 4) telecommunication industry, 5) coal mining industry, 6), air transport industry, and 7) shipping industry, thus significantly limiting their scope. However, the 2006 Guiding Opinion of the SASAC about Promoting the Adjustment of

\(^{38}\)For a detailed discussion, see Kato, “Kokka Shihonshugi,” and Marukawa, Gendai Chugoku Keizai.

\(^{39}\)For the bilingual (Chinese–English version) of the Decision, see http://en.pkulaw.cn/display.aspx?cgid=23496&lib=law.
State-owned Capital and the Reorganization of State-owned Enterprises not only calls for maintaining the state-owned capital concentration in “important industries and key areas,” but also postulates the state sector’s “relatively strong control” over equipment manufacturing, automobiles, electronics, construction, iron and steel, nonferrous metal, chemical engineering, resource exploration, and science and technology industry. Thus, as Wu Muluan has so aptly observed, in recent years, Chinese central government (through the State-owned Assets Supervision and Administration Commission, SASAC) has succeeded in expanding its control over all strategically important industries. According to the SASAC data, as of March 2012, there are 117 SOEs in China with the number of their subsidiaries well over 10 thousand.

In December 2010, the Unirule Institute of Economics (Tianze Jingji Yanjiusuo), a Beijing-based think tank, published a report titled “Report on Eight Monopolistic Sectors.” With regard to “the state advances, the private sector retreats” mechanism, authors conclude:

“The state advances, the private sector retreats” mechanism is not a separate phenomenon, but a part of a wider trend. It is not a phenomenon restricted to single state-owned enterprise, but involves all companies in the state sector. It is not a phenomenon restricted to industries related to national security, but spreads to industries where free competition is allowed. […] To sum up, the present guojin mintui phenomenon, is a part of the third wave of economic nationalization in China, with the preceding waves having occurred in the 1930s and the 1950s respectively.

What is then the future of China’s marketization? Chinese-style “state capitalism,” due to its vitality and international competitiveness, is likely to remain a defining feature of Chinese economy. Further, SOEs-led Chinese economy has an edge over its competitors in the global market, thus making the “state capitalism” model even more attractive. Regarding the future of China’s marketization, I agree with Miura on the following points: 1) from the CCP’s vantage point, marketization does not necessarily denote “the state retreats, the private sector advances” mechanism. For the foreseeable future, however, “important industries and key areas” identified by the 1999 Decision are likely to remain under the state monopoly, 2) Chinese government does not intend to loosen control over the process of marketization, and 3) Chinese government will continue to encourage state-owned enterprises from the “important industries and key areas” to expand globally.

Having discussed the state capitalism, let us now consider in more detail the very concept of “state.” Who is in charge of China’s state-owned economy? The state administrative organs? Or collective actors behind them (e.g., the CCP, the central government bureaucrats, local governments, etc.)? Is the state run by certain informal group or is it an actor in its own rights?

As explained earlier, I broadly agree with Kato’s assertion that “the current [Chinese-style] state capitalism is a fuzzy economic system.” If this is the case, we need to ask ourselves the following question: what is the nature of Chinese state? Before proceeding

---

40 For the bilingual (Chinese–English) version of the Guiding Opinion, see http://en.pkulaw.cn/display.aspx?cgid=82473&lib=law.
41 Wu, “Zouxiang Guojia Zibenzhui,” 29.
42 Miura, “Chugoku Kokka Shihonshugi,” 25–26.
43 Tianze Jingji Yanjiusuo, “Badahangye Longduan Baogao.”
44 Miura, “Chugoku Kokka Shihonshugi,” 24–25.
to examine the above issue, I would like to point out that, together with three challenges I introduced in Section 5 of this study, the correct analysis of the nature of Chinese state constitutes another significant challenge for researchers in our field.

Martin Jacques, the author of the global bestseller “When China Rules the World,” lists and discusses eight key characteristics that define Chinese state: 1) China is not a nation-state, but a civilization-state, 2) China is likely to define its relationship with East Asia in terms of a tributary system, 3) China has a distinct outlook on race and ethnicity, 4) China operates on a continental canvas, 5) the nature of the Chinese polity is very specific (there is no clear differentiation between the state and society), 6) China’s modernity is characterized by the speed of its transformation, 7) China is ruled by a communist regime but with a strong “Confucian flavor,” and 8) in the foreseeable future, China will be represented by the combined characteristics of both a developed and a developing country.45

Further, regarding the basic differences between Chinese state and its Western counterparts, Jacques makes the following observations: 1) as a basic tenet of Western modernity, democracy is a principal source of the legitimacy of the state. In the case of China, however, the legitimacy of the state is not contingent on democracy, 2) from the vantage point of Western societies (or its members), the state is a kind of “outsider,” an “intruder” into the society. From a Chinese point of view, the state is not an “outsider,” but an indispensable part of the society (which Chinese people envisage as a one, big family), 3) the nature of the Chinese state is highly specific. Its legitimacy deeply rooted in its millennial foundations, its remarkable historic endurance, its strategic skills and internal cohesiveness, and the pattern of state–market relations, all these point to the Chinese state uniqueness.46

To conclude the discussion, I would like to point out that the Chinese state, while moving toward the “state capitalism” model, steadily expands the boundaries of the third realm.

Disclosure statement
No potential conflict of interest was reported by the author.

Notes on contributor

Kazuko Mori, Ph.D., is a Professor Emeritus at Waseda University, Senior Advisor at Waseda Institute of Contemporary Chinese Studies (WICCS), and Visiting Professor at East China Normal University. She received her B.A. from Ochanomizu University and her M.A. from Tokyo Metropolitan University. After teaching at University of Shizuoka and Yokohama City University, she served at Waseda University between 1999 and 2010. Her major interests center on China’s political system, China’s diplomacy, and East Asian International Relations. Her major publications, all in Japanese, include: Ethno-Nationalism in Contemporary China (1998), Contemporary Chinese Politics: A Portrait of a Global Power (1993, 2004, 2012), Sino-Japanese Relations: From the War towards a New Era (2006), Chinese Politics: Understanding Xi Jinping (2016), and Sino-Japanese Relations Adrift (2017). Between October 2013 and December 2014, Professor Mori served as an Executive Secretary for the Association of Scholars Advocating Renewal of Japan–China

45Jacques, When China Rules the World, 417–428.
46Jacques, “Zhongguo Jiang Ruhe Gaibian.”
Relationship. Her honors include: International Sinology Award (2010, China), Fukuoka Asian Culture Prize (2010, Japan), and Person of Cultural Merit Award (2011, Japan).

References

Ash, R., D. Shambaugh, and S. Takagi, eds. China Watching: Perspectives from Europe, Japan and the United States. London: Routledge, 2007.

Gong, X. K. “Ping Difang Zhengfude Gongshihu Qingxiang” [Comments on the Corporatization of the Local Government]. Yanhuang Chunqiu 4 (2011): 42–47.

Guo, W. H. “Jiedao Gonggong Tizhi Gaige he Jieguo Yizhihong Rouxing Kongzhi: Dui Huang Zongzhi ‘Guojia yu Shehuide Disan Lingyu’ Lilunde Kuozhan” [Reform of Urban Community Administration and the State Soft-Control Strategies]. Kaifang Shidai 2 (2010): 60–82.

Hirano, K. “Gurobaruka Jidai no Chiiki Kenkyu: Tokkensei no Soshitsu” [Contemporary China Studies in the Age of Globalization: The Loss of Privilege]. In Gendai Chugoku Chiiki Kenkyu no Aratana Shiken [New Perspectives on Contemporary China Studies], edited by S. Nishimura and H. Tanaka, 16–29. Kyoto: Sekai Shiso Sha, 2007.

Hu, A. G. Diqu yu Fazhan: Xibu Kaifa Xinzhanlue. Beijing: Zhongguo Jihua Chubanshe, 2001.

Huang, P. C. C. “Public Sphere/Civil Society in China: The Third Realm between State and Society.” Modern China 19, no. 2 (1993): 216–240. doi:10.1177/009770049301900207.

Jacques, M. When China Rules the World: The End of the Western World and the Birth of a New Global Order. New York: Penguin Press, 2009.

Kang, X. G., and S. G. Wang. 2015. “Disan Bumen zai Zhongguo Fazhan ji Weilai” [The Place of the Third Realm in China’s Progress and Future]. Ai Sixiang, May 16. Accessed July 30, 2017. http://www.aisixiang.com/data/88137.html.

Kato, H. Aimaina Seido to Chugokugata Shihonshugi [Chinese Socialism as Fuzzy Institutions]. Tokyo: NTT Shuppan, 2013.

Kato, H. “Chugokugata Shihonshugi no ‘Aimaisa’ wo Meguru Ikutsu ka no Ronten” [Further Comments Concerning the “Fuzziness” of Chinese Socialism]. Kokumin Keizai Zasshi 210, no. 2 (2014): 25–39.

Kato, H. Chugoku Keizaigaku Nyumon: Aimaina Seido ha Ika ni Kino Shiteiru ka [An Introduction to Chinese Economy]. Nagoya: Nagoya Daigaku Shuppankai, 2016.

Kato, H. “Kokka Shihonshugi to ha Nani ka” [What is “State Capitalism”?]. In Nijuisseki no Chugoku Keizaihen: Kokka Shihonshugi no Hakai to Kage [China’s Economy in the 21st Century: Pros and Cons of State Capitalism], edited by H. Kato, M. Watanabe, and H. Ohashi, 10–15. Tokyo: Asahi Shinbun Shuppan, 2013.

Kawashima, S. “Chugoku Semonaka no Atsumari toshite” [On the Gathering of Contemporary China Studies Scholars]. Gendai Chugoku Gakkai Njuzureta 44 (2015): 1–11.

Kishimoto, M., ed. Teikoku Nihon no Gyokusho: Toyogaku no Jiba [The Knowledge of Imperial Japan: The Field of Sinology]. Tokyo: Iwanami Shoten, 2006.

Kobayashi, M. “Gendai Seito Riron Saiko: Daunzu-Sartori Model no Genkai.” [A Critical Examination of the Downs-Sartori Model on Political Parties]. In ASEAN Shokoku no Seito Seiji [Party Politics in the ASEAN Countries], edited by E. Murashima, Y. Hagiwara, and I. Iwasaki, 183–214. Tokyo: Ajia Keizai Kenkyujo, 1993.

Kojima, T. “Studies of Chinese Politics in Japan.” In China Watching: Perspectives from Europe, Japan and the United States, edited by R. Ash, D. Shambaugh, and S. Takagi, 132–146. London: Routledge, 2007.

Marukawa, T. Gendai Chugoku Keizai [Contemporary Chinese Economy]. Tokyo: Yuhikaku, 2013.

Miura, Y. “Chugoku ‘Kokka Shihon Shugi’ no Risuku: ‘Kokushin Mintai’ no Saishyo wo tsujite” [The Risk of China’s “State Capitalism”: Revisiting the Concept of “The State Advances, the Private Sector Retreats”]. RIM Kantaiheiyo Bijinesu Joho 12, no. 5 (2012): 1–34. Accessed July 30, 2017. www.jiri.co.jp/MediaLibrary/file/report/rim/pdf/6056.pdf.
Mori, K. *Gendai Chugoku Seiji: Gurobaru Pawa no Shozo* [Contemporary Chinese Politics: A Portrait of A Global Power]. Nagoya: Nagoya Daigaku Shuppankai, 2012.

Mori, K. “Higashi Ajia Kyodotai wo Sekkei Suru: Gendaiaijagaku he no Charenji” [Designing East Asia Community: A Challenge to Contemporary Asia Studies]. In *Higashi Ajia Kyodotai no Kochiku: Aratana Chiiki Keisei* [Constructing East Asia Community: Towards a New Regional Architecture], edited by T. Yamamoto and S. Amako, 1–34. Tokyo: Iwanami Shoten, 2007.

Nakagane, K. “Aimaina Seido to ha Nani ka: Kato Hiroyuki ‘Aimaina Seido toshite no Chugokugata Shihonshugi’ wo Yonde” [What are “Fuzzy Institutions”: Reading Hiroyuki Kato’s “Chinese Socialism as Fuzzy Institutions”], *Chugoku Keizai Kenkyu* 11, no. 1 (2014): 47–59.

Nove, A. *Stalinism and After*. London: Allen & Unwin, 1975.

Ohashi, H. “Studies of China’s Economy in Japan.” In *China Watching: Perspectives from Europe, Japan and the United States*, edited by R. Ash, D. Shambaugh, and S. Takagi, 50–79. London: Routledge, 2007.

Shuto, M. “Indonesia no Seito Seiji” [Party Politics in Indonesia]. In *ASEAN Shokoku no Seito Seiji* [Party Politics in the ASEAN Countries], edited by E. Murashima, Y. Hagiwara, and I. Iwasaki, 3–48. Tokyo: Ajia Keizai Kenkyuyo, 1993.

Takagi, S. “Studies of China’s Foreign and Security Policies in Japan.” In *China Watching: Perspectives from Europe, Japan and the United States*, edited by R. Ash, D. Shambaugh, and S. Takagi, 189–212. London: Routledge, 2007.

Takahashi, G., N. Suzuki, C. L. Li, Y. X. Tang, and H. Tanaka. *Nihon no Chugoku Kenkyu ni tsuite: Beikoku no Chugoku Kenkyu wo Sanko ni* [On China Studies in Japan: With Reference to China Studies in the United States]. Tokyo: Kagaku Gijutsu Shinko Kiko, 2013.

Yake, M. [Jacques, M.]. 2011. “Zhongguo Jiang Ruhe Gaibian Womende Siwei Fangshi: Yi Guojia Wei Li” [How Does China Change Our Way of Thinking: The Case of the Concept of State]. *Aisixiang*, September 17. Accessed July 30, 2017. http://www.aisixiang.com/data/44312.html.