Introduction

China’s leadership under Xi Jinping has witnessed fundamental changes in its administrative hierarchy and subdivisions with a major focus on centralization. Xi’s consolidation of power and marginalization of factional voices within the government through initiatives such as the anti-corruption campaign have so far proven to be potent. His efforts to reassert central control are driving the administration to usher into a new era of industrialization and urbanization, enabling China to modernize and fulfil its two centenary goals of (a) establishing a moderately prosperous society by 2021 and (b) establishing a “strong, affluent and modern country” by 2049. At the same time, Xi’s efforts to focus on urbanization and industrialization is supporting economic development, which is allowing China to attain its core objectives,¹ and the overarching goal often described as the “Chinese Dream” of national rejuvenation.

However, the centralized control of Xi whose policies have enabled the reduction of powers and discretion of local governments, as well as the establishment of new forms of monitoring and sanctioning in the administration, is bringing in elements of stagnation, rigidity, and inequality. Further, the Covid-19 pandemic has proved to be one of the biggest challenges to Xi’s leadership and authority since he assumed power in 2012. The centralization of power and his capability to ensure stability and control are now being questioned and condemned as China was unable to suppress the Novel Coronavirus from spreading outside its territory. Moreover, the outbreak highlighted the lack of transparency and

• China under Xi Jinping has witnessed systemic changes with emphasis on central control, urbanization and industrialization.

• Policies such as the National New-Type Urbanization Plan (2014–2020) have enhanced urbanization in China by reaching a rate of 60.6 percent, with a 11 percent increase from 2010.

• Initiatives such as the anti-corruption campaign have enabled consolidation of power and have re-emphasized on central control.

Xi Jinping and the Administrative Hierarchy and Subdivisions in China

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openness of the Chinese authorities, with early warnings by scientists and medical professionals being dismissed or suppressed. A major test for China’s leadership and capacity of governance also develops as the pandemic brings in enormous costs with a slowdown in China’s economic growth. Weighing these simultaneous developments which are taking place as China enters a new era, this paper will explain the systemic changes in China’s administrative hierarchy and subdivisions under Xi, and the capacity of the current leadership to meet greater governance challenges.

The Administrative Structure of China

The administrative hierarchy and the subdivisions have been one of the prime features of China’s political system which is organized from the central level through the provinces and autonomous regions, to prefectures, counties, and townships (Figure 1). The townships and villages remain the lowest administrative units in China. However, the latter is not a part of the formal administrative structure of the state and are regarded as self-governing units according to the 1982 PRC constitution. At present, there are 34 provincial-level administrative regions in China, including 23 provinces, 5 autonomous regions, 4 municipalities, and 2 special administrative regions.

Since 1949, China’s administrative divisions and hierarchy have witnessed profound alterations, shaped by its national and regional security considerations: political stability, promotion of economic and social development, stimulation of urbanization and industrialization, as well as the distribution of power from the center to the subsequent hierarchical divisions, respectively. Its administrative structure, over the seven decades of its formation, has experienced periods of centralization and decentralization on the one hand, and overlapping periods of urbanization and industrialization on the other. Prior to the leadership of Xi Jinping, three distinct periods are discernible.

Phase I

China under Mao Zedong was primarily agrarian, while administrative reform was shaped by planned industrialization through state-owned manufacturing. The administrative hierarchy under Mao was majorly characterized by centralization, as power flowed down the streams of government. In terms of urbanization, China’s strategy through its first five-year plan (FFYP 1953-57) was modelled on the Soviet growth strategy (SGS). The emphasis was mostly placed on the urban areas as the state policies and benefits largely favored the urban dwellers. At the same time, Mao’s approach towards urbanization, remained restrained, emphasizing restrictions on rural migration to urban areas, suppression of urban consumption and rural industrial programs. This led to only about 20 percent of the Chinese population living in urban areas, enabling the deepening of the urban-rural disparity in China.

However, this approach changed towards a more balanced urban-rural perspective after Sino-Soviet relations became strained post-1957 which led China to reject the Soviet model of urban-industrial growth. Thus China opted for simultaneous development of agriculture and industry. Nonetheless, even as China tried to provide equal emphasis on the rural and the urban growth while witnessing economic progress with a 28 percent rise in GDP, it fell short of the targeted growth due to insufficient industrialization policies, while the majority of the population of the country remained rural. This called for major
reforms to be undertaken and gave way to the Deng Xiaoping era.

**Phase II**

During the reform period under Deng, systemic changes were introduced in China’s administrative structure which was supported by the need to succeed at urbanization and industrialization. Importantly, this period from 1978 to mid-1990s was largely characterized by decentralization of power to local governments, though there were waves of centralization to respond to the new market economy flexibly. Decentralization was needed for the development of non-state firms, opening up of cities to attract foreign investments, creation of Special Economic Zones (SEZs), and the establishment of joint ventures to reinforce rapid urbanization.

Policies and opportunities such as Township and Village Enterprises (TVEs)\(^{14}\) and equal employment opportunities in both urban and rural sectors were also implemented.\(^{15}\) Moreover, greater emphasis was put on a system which would make migration between the rural and urban areas relatively flexible. This policy change affected and altered the social systems of China, such as the hukou system.\(^{16}\) The hukou - China’s household registration system - acted as a means to control the population; restricting the rural exodus to large cities. This system between 1949 to 1978 generated a gap between the urban and the rural population, creating an environment of differential opportunities. However, massive economic crises due to the Great Leap Forward and the Cultural Revolution led to a need for less conservative and more pragmatic policies under Deng Xiaoping.\(^{17}\) Nevertheless, migrant workers...
living in cities continued to maintain their rural hukou due to little, or no access to urban social security and benefits, while the reduced focus on rural areas exacerbated regional inequalities.

**China’s administrative structure under Xi Jinping was categorized by a recentralization of power over local governments and a deepened focus on urbanization and industrialization**

**Phase III**

Re-established central authority was needed to redress the increasing disparities between the urban and rural areas, prevalent under the previous leaderships. The Hu Jintao administration, in this regard, deepened many of the policy changes which were undertaken under the Jiang Zemin administration, particularly with renewed focus on rural areas. Jiang, with his desire to build a "well-off society in an all-round way", sought to reverse the trend of the widening gap between industry and agriculture by developing the rural economy. This was a major part of Jiang's “Three Represents” theory which focused on the development of the rural economy, as well as speeding up urbanization in China. The administrative structure under Jiang Zemin re-emphasized the removal of barriers between the rural and urban areas and allowed a rational and orderly flow of rural labor to the urban areas. Moreover, policies of integration, development and expansion of township, village enterprises, and the rural service sector were initiated with efforts to open up rural markets along with developing the urban market systems.

Taking forward Jiang's initiatives, Hu Jintao aimed at "Establishing the New Socialist Countryside" in 2005 and declared rural development a leading goal for China in the 21st century. Hu aimed at balanced, coordinated and sustainable urban and rural development by emphasizing on industrialization, innovation, and technology on the one hand, and modernization of agriculture to further develop the rural areas, on the other. He also aspired to "build a moderately prosperous society" by improving the socialist market economy and changing the growth model, deepening economic structural reforms and integrating urban and rural development. Most importantly, the leadership aimed to deepen reforms in the administrative system by delegating more powers to lower levels; and at the same time, improve the mechanism of checks and balances to monitor abuses of power.

With an endeavor to recentralize power, the Chinese central government in this phase controlled many levels of administration which were earlier the competency of lower ranks of the government. This enabled the central government to reduce the practice of creating urban districts at the cost of rural areas. However, with an increase in economic development, China also faced considerable amounts of corruption in the party's system. The amelioration of the problem demanded centralized governance, which, even as China under Jiang Zemin and Hu Jintao desired to achieve, the administrations were assessed for having weakened central control.

**China’s Administrative Structure Under Xi Jinping: Recentralization and Deepened Urbanization**

Given the state of affairs where governance was deemed not so centralized, China’s administrative structure under Xi Jinping was categorized by a recentralization of power over local governments and a deepened focus on urbanization and industrialization. Notably, this comprised of a reduction of power and discretion from subsequent levels of governance in the administrative structure. This included the implementation of new forms of controls, checks and balances in the government, and the initiation of planned urbanization enabling the transformation of rural areas, thereby setting Xi’s governance apart from its predecessors.
To better understand China's administrative structure under Xi, it is imperative to look at the initiatives under the current leadership which are redefining China's political process and enabling the Communist Party of China (CPC) to embrace what it views as "Socialism with Chinese Characteristics in a New Era."

**The Anti-Corruption Campaign**

The anti-corruption campaign undertaken by Xi Jinping reasserted central control by rooting out the widespread corruption in the Chinese government. In fact, since 2012, 414,000 officials have been disciplined for corruption, with 201,600 officials prosecuted in court.27 The campaign implicated at least 100 high ranking officials including PLA officers, senior executives of state-owned companies (SOEs), national leaders, Politburo members, Politburo Standing Committee members and more.28 Some notable figures to have been disciplined are the former Politburo Standing Committee member Zhuo Yongkang, former Politburo member Sun Zhengcai, former Central Military Commission officers Xu Caihou and Guo Boxiong, and the former chief of the General Office of the CPC Ling Jihua.29 This campaign was noteworthy for retributing both incumbents as well as former national leaders, especially as the leadership scrutinized past and present abuses of power. Importantly, the anti-corruption campaign, which has lasted for a long period of time, enabled Xi to impact the administrative structure of the country and ensure the sustainability of his leadership by buttressing centralization of power. It further led Xi to secure his rule and sustain CPC's authoritarian resilience over the PLA by maintaining stable and balanced civil-military ties. Xi attacked the prevalent corrupt elements at the highest levels of the military leadership to ensure a strong PLA, capable enough to defend China externally as well as internally.30

In brief, the anti-corruption campaign played a significant role in legitimizing the CPC's leadership over the Chinese society; which, due to massive intra-party corruption was losing its acceptability. It must be noted that the legitimacy and supremacy of the CPC remain linked to the restoration of China's historical glory as a powerful nation, as one of its primary objectives.

In this context, Xi's efforts to eradicate corruption by reprimanding and restraining the party cadres was a result of the desire to reinstall CPC in its rightful position. The campaign, if anything, acted as a catalyst to achieve Xi's political ambitions and further consolidate Xi's position and authority.

**National New-Type Urbanization Plan (2014–2020)**

The recentralization of power under Xi Jinping ushered China into a new era of urbanization and industrialization; at the same time, it pushed China towards achieving its centenary goals. A key initiative for achieving this goal was the introduction of the National New-Type Urbanization Plan (2014–2020) (NUP) which marked a substantial departure from the country's "institutionalized two-tier, rural-urban dual structure" as a part of the hukou system.31 The plan outlined five primary goals:

- To promote the orderly conversion of rural migrants into urban residents
- To optimize the layout and form of urbanization
- To enhance the sustainable development capacity
- To promote integration of urban-rural development
- To reform the system and mechanism of urban development
Primarily, this plan targeted multiple facets of urbanization as well as placing focus on the "people's aspect" with the stated objective of enabling a "healthy development of urbanization throughout the country." To carry out these developments, it aimed to grant 100 million new urban hukou while extending urban social benefits such as health and education to another 100 million people over six years.  

As a development goal of the plan, the intent was for 60 percent of the country's population and 45 percent of the hukou population to live in urban areas by 2020 while reducing the gap between the aforementioned percentages from 18 percent in 2013 to 15 percent in 2020. The plan also called for a relaxing of the hukou restrictions not just for small cities, but also for medium and large cities.

At present, according to the National Bureau of Statistics (NBS), the number of urban residents stand at 848.43 million in 2019, increasing from 665.47 million in 2010. With a similar trend, the number of rural residents stands at 551.62 million in 2019, decreasing from 674.15 million in 2010. Subsequently, the rate of the urban population under the Xi administration reached an all-time high with 60.6 percent in 2019, with an increase of approximately 11 percent from 2010 and 25 percent from 2000 (see Figure 2). There has also been a renewal in the desire to expand the conversion of counties to county-level cities and urban districts.
The administration is also working on the implementation of a plan to create 19 city clusters, a few of which would cross several provinces. These would be comprised of:

- The Beijing–Tianjin–Hebei Delta combining a region known as “Jing–Jin–Ji”.
- The Yangtze River Delta in coastal China crossing Shanghai.
- The Pearl River Delta including most of Guangdong as well as parts of Guangxi and Fujian.
- The middle reaches of the Yangtze River linking Hubei with Hunan and Jiangxi.
- Chengdu–Chongqing area reuniting the two parts of Sichuan.

Out of the above, three of the clusters- Pearl River Delta, the Yangtze River Delta and the Beijing–Tianjin–Hebei Delta are planned to become the most innovative and globally competitive of all the other clusters, spawning urbanization and economic development to a great extent. The rest of the 16 city clusters (see Figure 3) are aimed to emerge as eight medium-sized and eight small-sized clusters producing less economic development. Nonetheless, the Yangtze
River Delta and the Chengdu–Chongqing cluster are planned to eventually become the three largest, of what they have termed, “world-class city clusters.”

The much-touted Chinese politics in the "New Era" would prevail with a greater focus on its administrative structure

The development in these areas is planned to be coordinated so that these regions can further integrate in order to speed up the urbanization process. The process would be stimulated with the promotion of cross-provincial cooperation, regional economic integration to diffuse growth outside of large cities, and the gradual reduction of urban-rural inequalities. Significantly, the Yangtze River Delta is planned to be linked to China’s flagship infrastructural initiative under the Belt and Road Initiative (BRI), connecting China’s domestic initiatives with its global development goals. Moreover, the development of big city clusters is expected to provide significant opportunities to enhance innovation and industrial development by focusing on initiatives such as Made in China 2025. Indeed, the developments and initiatives undertaken by the Xi administration imply significant changes to the administrative hierarchy and subdivisions of the government.

Future Perspectives

Prominent changes in the balance of power between central and local governments through recentralization are bound to affect the administrative structure of China, at least gradually. Moreover, absorption and urbanization of rural migrants, further integration of rural and urban areas, and the establishment of new mega-city clusters to support China’s core goals of economic growth enhancement and increased domestic demand are expected to have significant impacts on China’s economic, political, and social landscape. With this aim, the leadership is prone to challenges which would test the leadership’s political governance capability.

Firstly, Xi’s elevation to the “core” of the party by inducting his political thoughts and ideas into the CPC constitution post the 19th National Party Congress, and the removal of the two-term limit on the presidency by the National People’s Congress, has effectively reiterated Xi’s authority over the party, as well as upon China as a whole.

However, even as Xi strengthens his centralization efforts curtailing the autonomy of the local governments, these initiatives have curbed innovation in the administrative hierarchy and subdivisions while bringing in elements of stagnation, rigidity, and inequality. With a political climate outlining the leadership’s core policies, diversion and creativity have become a challenge. More so, as the omnipresent anti-corruption campaign with its disciplining records restrictions to the discretions of the local governments, the lack of holistic administrative functioning becomes an issue. That being said, even as a recentralized political structure is reducing local discretion, local governments are continuing to engage in new forms of innovation on a smaller scale by designing initiatives that would alter the existing programs in response to local governance problems. In this regard, deliberative mechanisms in Zhejiang, direct elections in Sichuan, and the original special economic zones on the coast could be taken as examples of potentially transformative and innovative experiments.

Secondly, Xi’s planned urbanization, even if it acts as a catalyst for China to achieve its national goals, might require detailed specifications to assess how these initiatives would work at different levels of the administration. As China transforms the hukou system by absorbing migrants to urban cities, there remains a risk of overpopulation in large cities as new jobs have less probability of arising in smaller cities with higher business transactional costs. As the central government expresses its desire to transfer counties to cities or urban districts, there also remains a potential for new clusters to emerge, requiring new forms of trans-provincial governance. Further, as the CPC at the Third Plenum pledges to let the market play a decisive role in the Chinese economy, it enables the government to bring a more balanced outlook to the administration, further impacting China’s administrative hierarchy and subdivisions.
Most importantly, Xi’s centralized leadership is experiencing challenges at home and abroad with the Covid-19 pandemic facilitating an economic and health crisis. In this context, China’s administrative hierarchy and subdivisions with its planned urbanization drive are expected to witness a transformation. The post-Covid-19 period is expected to bring in substantial political, economic and social challenges for China and Xi, particularly as the country and the leadership face the brunt of global criticisms against its handling of the Novel Coronavirus, threatening the CPC’s regime stability and China’s goals to achieve its core objectives. Nonetheless, how these developments will be steered and what the politics of the future would look like with the alterations to the current global order due to the pandemic, remains an open question. What is certain is that the much-touted Chinese politics in the "New Era" would prevail with a greater focus on its administrative structure.

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Xi Jinping and the Administrative Hierarchy and Subdivisions in China

Endnotes


6. Ministry of Foreign Affairs of the People’s Republic of China (fmprc), no. 4


8. Ibid.


12. Kam Wing Chan, no. 10


14. Township and Village Enterprises (TVEs) have played a significant role in the development of the Chinese economy since the economic reforms of 1978. TVEs cover the enterprises collectively ventured and run by rural communities in townships and villages, or closely associated with them. One of the most striking features of TVEs were that by 1995, these enterprises had overtaken the state-owned enterprises (SOEs) in terms of the total value of the production. Thus, becoming the single largest contributor to China’s industrial production. Please read, Xiaolan Fu and V.N. Balasubramanyam, “Township and Village Enterprises in China”, Journal of Development Studies, February 2003, pp. 1-3; Sun Laixang, “Ownership reform in China’s township and village enterprises”, Stephen Green and Guy S. Liu (eds), Exit the Dragon? Privatization and State Control in China, pp. 90-110.


19. Three Represents was an important socio-economic theory enshrined in the CPC constitution at the 16th Party Congress in the year 2002. The aim of this theory was to facilitate social, economic and cultural progress in China and enhance the party membership to include private entrepreneurs, redefine its societal role, remodel its core principles and institutionalize the CPC rule. Please read, Jia Hepeng, “The Three Represents Campaign: Reform the Party or Indoctrinate the Capitalists”, Cato Journal (Washington), 24 (3), Fall 2004, pp. 261-75; “Important thought of Three Represents written into CPC constitution”, China Daily, November 14, 2002, at https://www.chinadaily.com.cn/en/doc/2002-11/14/content_241254.htm

20. Ministry of Foreign Affairs of the People's Republic of China, no. 18


23. Ibid.

24. Ibid.


28. Ibid.


33. Ibid, p. 5


35. Xinhua, “China’s urbanization rate hits 60.6 pct”, http://www.xinhuanet.com/english/2020-01/19/c_138718450.htm#:~:text=19%20(Xinhua)%20%20%20The%20rate,previous%20year%2C%20official%20data%20showed

36. Ibid.


39. Ibid.

40. Yu Jiaxing and Anna Ahlers, “What Does Xi Jinping’s Top-Down Leadership Mean for Innovation in China?”, ChinaFile
Xi Jinping and the Administrative Hierarchy and Subdivisions in China


43. Kam Wing Chan, no. 32, p. 6

Other Sources

Figure 1: "Administrative Hierarchy and Subdivisions in China", Ministry of Foreign Affairs of the People’s Republic of China (www.fmprc.gov.cn)

Figure 2: "Percentage Change of Population in China", Shares of the Urban and Rural Population in China (2000-2019)

Figure 3: "China's City Cluster Plan", The data has been sourced from China-Briefing (www.china-briefing.com); the map has been made by the author.