

addressing scholars of Chinese and comparative law, the book makes excellent reading for students of law or Chinese studies taking an introductory course in Chinese law.

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China's Public Finance: Reforms, Challenges, and Options

Shuanglin Lin. Cambridge: Cambridge University Press, 2022. 430 pp. £29.99 (pbk). ISBN 9781009096843

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The salience of public finance in understanding governance and politics is long recognized in the field, but public finance is arguably one of the areas most clouded by poor transparency and access, especially in developing countries. The challenge is often more than a lack of data; the unevenness and unreliability of available data makes analysis highly tenuous and assessment misleading. Extant literature on public finance in China has focused mostly on the analysis of specific revenue or expenditure dimensions and policies. Such analyses are instrumental to the incremental accumulation of knowledge, but they fall short of an integrative assessment of the state of public finance in China. Reports by the World Bank on the fiscal system have contributed a substantial portion of the literature. Prepared in collaboration with the Ministry of Finance of the Chinese government, these reports offer important insights into the maze of data and, sometimes, into the bureaucratic practices used in the management of public monies. However, the involvement of the government has also impacted the scope – and sometimes the dissemination – of the analysis. Shuanglin Lin's new book, *China's Public Finance*, makes an important contribution towards the pursuit of holistic, and independent, review.

The book consists of 12 chapters. Chapter one, an overview, takes the discussion of China's contemporary public finance back into history, before outlining the main focus and structure of the book. Section 1.1 succinctly reminds readers of the historical traces of several contemporary budgeting principles and norms in China – e.g. the preference on low taxation, the concept and prevalence of implicit taxation, and the normative emphasis on balanced budgets – in the long years of imperial statehood. Chapters two to five detail the revenue side, with an overview of trends and patterns across time in chapter two, and focused discussions on the development and reform trajectory of the major revenue items in chapters three to five, covering VAT tax and consumption tax on goods and services, individual income tax and corporate income tax respectively. Chapters six to nine address developments on the expenditure side, with an overview (chapter six), and detailed discussions of infrastructure development and financing (chapter seven), social security finance (chapter eight) and healthcare finance (chapter nine). Chapter ten reviews the growing government debt. Chapter 11 discusses the critically important area of the central–local nexus in public finance, a topic relatively well documented in the literature. Chapter 12 concludes the book with a review of the public finance challenges for achieving sustainable and equitable economic growth.

The book mostly draws upon data from official sources and is written with a sophisticated understanding of the subject matter gained after decades of in-depth research, including consultancies and collaboration with the Ministry of Finance (the author directs the China Center for Public Finance at Peking University). The result is a work with a delightfully systematic structure and

clearly laid out data pulled from diverse official sources, explained and summarized in layman terms addressing grounded questions. For instance, the opening discussion of the historical roots of key budgetary principles in chapter one is an especially perceptive addition to the literature – I hope that Lin will elaborate this part in a future, book-length work. Chapter two on the overview of government revenue explains the four major parts constituting the entirety of government revenue in contemporary China (the general fiscal revenue, government funds, social insurance contributions, and revenue from state-owned capital), explicates their relative shares and development and reform trajectories over time and discusses major issues and problems in each of the parts. Readers will learn about the rises and falls of the respective part of the government revenue and the underlying reasons for them. For example, the “extra-budget” was once a major constituent in the government revenue dating from the 1950s; its proliferation after the 1980s started the incessant efforts to improve its management and incorporation into the “in-budget” side of government revenue during the late 1990s to early 2000s, until its elimination in 2011 (p. 42). Government funds became a new ascendant category of government revenue thereafter, accounting for over 40 per cent of general fiscal revenue as of 2019 (p. 47, table 2.4) and about one-third of total government revenue (p. 52, figure 2.4), and in particular the revenue from land sales which accounted for 84 per cent of revenue from all government funds in 2019 (p. 45, table 2.3). Another spark of delight is Lin’s discussion of government debts in chapter six as part of the overview analysis of expenditure pattern and structure, and in chapter ten on local government debts. The reader is reminded of the omission in much of the discussion on government expenditures of the resultant “off-budget” expenditure financed by the expanding local government debt (pp. 171–172). This part of expenditure, which is getting increasingly large, is absent in official statistics on government expenditures but can only be “figured out by the annual increase in total local government debt” (p. 172). The examples can go on. A major strength of the book is that whilst its wealth of data requires dense reading, the narrative is clear and ably assists the reader in navigating through the maze for better comprehension of the big picture.

In the author’s words, this book “demystifies many enigmas of China’s public finance and presents an easily understandable context to readers” (p. 20). The importance of readability cannot be overemphasized – students of public finance and government will benefit from it and seasoned observers of China will enjoy the perceptive analysis. I have profoundly enjoyed reading this book and learnt a great deal from it.

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A Hierarchical Vision of Order: Understanding Chinese Foreign Policy in Asia

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A Hierarchical Vision of Order: Understanding Chinese Foreign Policy in Asia revolves around a topic that has fascinated, and continues to fascinate, many scholars: the relationship between