

BOOK REVIEW

The Emergence of China's Smart State

Edited by Rogier Creemers, Straton Papagiannas and Adam Knight.
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The Emergence of China's Smart State, edited by Rogier Creemers, Straton Papagiannas and Adam Knight, provides a landscape of digitalized China and its connections with the outside world. It shows the leading actors, the rising issues and novel technologies in China's information economy and societies, and the diverse sub-national contexts in which high-tech sectors are developed. This review selects some chapters to illustrate the impressive contributions of this new compilation.

The first chapter describes one of China's essential digital regulators, the Cyberspace Administration of China (CAC), and is, to my knowledge, the first in-depth analysis of this institution in academic literature. Jamie Horsley and Rogier Creemers present its principal features: its dual Party–state identities, domestic and international functioning, and interactions with other central regulators in China. Unlike Margaret M. Pearson's classic analysis of the problem of newly minted regulators lacking authority (“The business of governing business in China: institutions and norms of the emerging regulatory state,” *World Politics* 57, 296–322), Horsley and Creemers uncover how the CAC rose rapidly owing to resources from the central Party-state and opportunities provided by the proliferation of online content and the need to protect internet users' data. Though the first chapter stresses the heavy hand of the CAC in enforcing content moderation, it is unlikely that the CAC has overtaken the status of the Central Propaganda Department or the National Development and Reform Commission in practice.

Moreover, Horsley and Creemers highlight that the CAC is an evolving department that aims to balance national security and economic development. Thus, coordinating with other authorities, the CAC performs widely and jointly steers the trajectories of the digital economy. Yet, it is too early to evaluate the adoption of some of the regulations cooperatively issued by CAC and other central pioneers. For example, there is recent evidence of more frequent outages from critical digital infrastructures such as Amazon and Alibaba clouds, which shows that critical infrastructure regulations are more needed than ever.

In the specific high-tech sectors, Tim Rühlig, John Lee and Martin Chorzempa offer new knowledge on technology standards internationalization, chips and fintech growth in China today, respectively. Rühlig depicts not only the strengthened capacity of China's technical standardization but also the gap between China and world-leading standard setters. He emphasizes that the market-oriented characteristic of technical standards (*de facto*), though standardization can be classified into government-based, market-based and committee-based categories. Politics matters in standard-setting procedures. In her “Shaping Standardization: A Study of Standards Processes and Standards Policies in the Field of Telematic Services” (Delft University of Technology, 1996), Tineke M. Egyedi argued that norms, values and beliefs are institutionalized in international organizations and procedures, labelled as “standard ideology.” Tim Rühlig extends Tineke Egyedi's work by reminding us of the possibility of the divergence in global standards caused by international

politics. In 2024, the birth of a new operational system for smart devices is a novel example: Huawei's HarmonyOS is thriving within the Sino-US Tech War and in the highly competitive platform market dominated by Android and iOS.

Chorzempa notes the rise of China's fintech and its historical background (e.g. limited credit card usage records) and reveals that "China's lead in fintech has done little" to internationalize the Renminbi (p. 93). That is true, as China is still a developing country without a variety of world-class manufacturing, value capture and other capacities. John Lee's work shows the progress (e.g. the semiconductor ecosystem with vast investments) and drawbacks (e.g. the cutting-edge photolithography) of China's semiconductor sector. Lee stresses the unique features of semiconductors: a foundational technology with global market-based technical innovation systems and top-level manufacturing (e.g. ASML's EUV). Like standardization, RMB internationalization and the chip sector's prosperity are based on robust capacities and high-demand markets. They are not easy to attain for later developers like China, especially when international politics prominently affect their development.

When it comes to China's local level, things are becoming fascinatingly complex. Genia Kostka insightfully reviews national ambitions and provincial outcomes in developing its high-tech sector, with successful and failed cases occurring in diverse contexts. Kostka underlines the essential policy "implementation gap" that occurs between China's central and local governments because of local-level historical institutions, state capacities, comparative advantages, and public-private relations. One of Kostka's focuses is the absence of sustainable state investment, which leads to some high-tech project failures. China's lessons show the importance of local state leadership capacities and resources such as "long-term capital" to the success of high-tech projects. Moreover, local leaders must address the dilemma of choosing between patient investment in high-tech sectors and promotion competition. How to better deliver the national mission is a promising focus in theory for scholars and in practice for local leaders.

Yujing Tan's work provides a successful example, Shenzhen's industrial upgrading, that reveals the importance of building positive state-business relations. In essence, the case of Shenzhen illustrates the co-evolution of the market and the (local) state in this digitalized "compressed" era. The developmental or entrepreneurial local states in China always deserve our serious attention.

Straton Papagiannenas and Adam Knight also echo the "implementation gap" between digitalized China's central designs and local fragmented experimentations regarding credit-system digitalization and smart-court building. Both projects are tailored to local contexts and redesigned by central authorities. They suggest that China's provincial high courts pioneer artificial intelligence tools and cooperate with private platforms such as Alibaba and iFlytek. Yet, they still worry about the lack of a coherent legal framework and procedures like legal interpretation diminishing the credibility of the above intelligent experimentations. As Papagiannenas and Knight note, the main point is that advanced technologies cannot replace human discretionary decision-making.

In short, this new volume depicts intelligent China, its ambitions, advancements, limitations and concerted efforts. It will benefit anyone researching the state's role in developing and disciplining digital markets and technologies as well as the Chinese-style regulatory state in the digitalized era.