Administrative Reform in China: Past, Present, and Future

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Public administration has enormous implications for government’s capacity to cope with both internal and external pressure. China’s old-fashioned ruling style has not been able to meet the nation’s development needs. Since the early 1980s, China has launched six administrative reforms in order to solve the socioeconomic problems associated with rapid economic development. The five completed reforms discussed in this paper were relatively brief experiments that involved the reduction or expansion of the government with only short-lived impacts. Although none of the reforms shook the foundations of the bureaucracy, they evolved in terms of orientation, depth, and implementation. Political constraints have been among the most significant impediments to political reform with the implication that creating a favorable political environment is critical for the success of ongoing and future reforms.

Introduction

Administrative reform has been universally recognized as an integral part of the development process (Caiden 1978). In order to meet the challenges of rapid socioeconomic changes and domestic and international pressure, China has launched a series of administrative reforms since 1949. The first three reforms were orchestrated in order to run the planned economy more efficiently through streamlining and downsizing of the State Council during 1954–56, 1959–61, and 1968–70 (Drewry and Chan 2001). Those reforms were shaped by several models and considerations, all tending toward stronger central government, including (1) Marxist theories on socialist governance, (2) the Soviet Union’s governmental practice, (3) the traditional Chinese administrative model and political culture, (4) experiences of revolutionary struggles during the war time, and (5) the need for practical achievements (Zhou 1996). During this period of “political economy,” all the administrative reforms were centered on political movements and class struggles (Qiao 2003).

The past three decades of “economic politics” (Qiao 2003) saw another six administrative reforms (1982, 1988, 1993, 1998, 2003, and 2008), which were significantly different from the three earlier reforms in terms of depth,
scale, sophistication, and implication because they reflect the elevation of economic development as the nation’s most important goal. In spite of different objectives and focuses, they are logically coherent (Wang 2006). During this era, China strove to maintain legitimacy and stability as the Cultural Revolution and the collapse of Eastern Europe shook Chinese confidence in the socialist political and economic system. Globalization gradually became another force driving China to enhance its competitiveness. Despite difficulties, China achieved dramatic economic growth of over 9 percent per year. Public administration has developed along with the economy, but has evolved far less satisfactorily. With goals not fully met and achievements having only short-term impact, none of the reforms could claim any real success. Among various explanations for the failures of these administrative reforms, the author finds political control one of the most significant. Political control over public administration is routine in China. The occupation of critical positions by the Communist Party (CCP) in the government guarantees its supremacy over it. The CCP tends to back the status quo, as administrative reforms are likely to constrain Party power. The lack of political support for administrative reforms has therefore become a problem.

Administrative reform is regarded as the lower end of political reform and upper end of economic reform (Wang 2006). Political and economic realities jointly determine the scale and extent of administrative reform. In response to a changing world, the focus of reform has gradually shifted from structural reconfiguration to functional readjustment. Meanwhile, reform has become less passive and reactive, and increasingly oriented towards problem-prevention. China is now in the middle of a new reform to improve the government’s capacity to meet multiple challenges integral to its future development. Examination of past administrative reforms has serious policy implications for future administrative reforms. For this reason, this paper will detail the history of past reforms, beginning with a discussion of their causes, followed by a description of their implementation and results. The author reaches a cautiously optimistic conclusion, believing that moderate political reform should be encouraged as a crucial precondition of administrative reform.

The Impetuses of Administrative Reform

Administrative reforms do not occur randomly; their complex evolution has multiple causes, such as fiscal pressure, shifts in social values, and globalization (Straussman and Zhang 2001). Yang (2004) stresses three major factors that explain China’s reforms: changing economic conditions, internal politics and shifts in political leadership, and crisis. Songtao Xu (2006), China’s former vice minister of personnel, attributes administrative re-
forms to economic transition, globalization, political and social change, and the quest for efficiency. All the above, as Moon and Ingraham (1998) believe, can be classified as either internal or external pressures. Having considered the existing literature, the author finds that the six most recent rounds of reform were driven by two impetuses – social and political stability (internal) and globalization (external). The former was the main impetus behind the first two reforms. These reforms followed a period of turbulence, and the CCP thus considered upholding its own legitimacy a paramount priority. As China became increasingly involved in global trade and politics and enmeshed in the process of globalization, the CCP promoted administrative reform in the attempt to meet the nation’s new challenges and responsibilities. This is not to say, however, that political and socioeconomic stability did not remain paramount concerns. For example, the CCP Central Committee reaffirmed its commitment to a harmonious socialist society in October 2006. These two considerations – stability and globalization – are the bases of the most recent administrative reforms, as shown in the next section.

Social & Political Stability

The ten-year Cultural Revolution not only had a deleterious impact on the economy, but also thoroughly destroyed the public administration system (Tang 2004). This chaotic experience still fresh in their minds, the Chinese people as well as their leaders were afraid of instability more than anything else (Lan 2001). The old ruling style based on loyalty no longer meshed with the new social reality. The public’s trust in the government had declined because of large-scale corruption, low efficiency, and lack of accountability and responsibility (Zhang and Zhang 2001). The CCP was intensely conscious of the failure of communist parties in Eastern Europe, and it studied those examples carefully with an eye to preserving its own power. One lesson, which accorded with China’s own experience, was that economic reform and growth are essential to maintaining social stability, which, in turn, is the key to retaining political power (Fewsmith 2004). Therefore, the government undertook administrative reform to complement its new economic policies and tried to provide a stable environment to encourage economic recovery.

The reforms did not always achieve the desired results. During the 1990s, the growth of the private economy was very rapid. Between 1989 and 1998, the number of people working in the non-state sector grew four times. A middle class began to form, incorporating 15 percent of China’s population. At the same time, large disparities in income began to appear and grow. The “peasant” class shrunk from about 70 percent to about 50 percent of the populace, but its absolute numbers actually increased. The traditional
working class was the biggest loser of the reform era, as the number of people working for state-owned enterprises decreased substantially and reemployment was very difficult for them. These trends generated social frustration and a growing social protest movement associated with peasant and labor discontent. These changes gutted traditional understandings of Marxism-Leninism (thus undermining the legitimacy of the government) and created new social forces outside the CCP’s direct control (Fewsmith 2004). These socioeconomic frustrations explain “why stability is the number one priority for current leaders of China” (Lan 2001; Zheng 1999).

**Globalization**

Globalization means more and almost borderless competition, which implies that the investment and innovation of a given country are no longer constrained by national borders and that international competitiveness must become the primary concern of government, as in the case of China. The heavy-handed intervention of government in the economy in the recent past has proven inconsistent with a market economy and free trade. In order to attract and retain foreign investment within its territory and to promote economic growth, the Chinese government has been under continuous pressure from inside as well as outside to adopt policies and practices consistent with global trends and practice (Ngok and Zhu 2007).

Thus, globalization impacts the government as much as the economy for the simple reason that the economy is not able to compete unless the government changes its relationship to the economy rather significantly (Fewsmith 2004). Despite three decades of reform, Chinese officials remain far too likely to interfere with the economy — to uphold regional blockages to keep out goods and services from other regions, to tax businesses, etc. Globalization, particularly the rules of the World Trade Organization (WTO), requires enormous changes in Chinese governance because the WTO demands transparency and an end to government subsidies in most instances. Most of all, globalization enlarges the scope of competition, which means that various regions in China will be forced to compete with each other as investment environments. Those regions in which there is less government interference, less corruption, and more services provided to business will do better. Globalization also means competition to recruit and retain the best people, precisely those who are most mobile. So those areas that make life more comfortable for skilled personnel will do better over the long run and that generally means government becoming more responsive to the demands of the emerging middle class. Such pressures will affect everything from cadre recruitment in the CCP to the way government operates (Fewsmith 2004). In sum, China can strengthen its com-
petitiveness only by administrative reform and enhancing government performance (Dong and Yang 2007).

**Administrative Reform in Recent Years**

Over-administration, which compelled economic activity to adapt to administrative convenience, increasingly retarded economic development (Falkenheim 1980). Thus, a global administrative reform movement was vigorously undertaken (Kettl 2000). Since 1982, six rounds of administrative reform have been launched in China – 1982, 1988, 1993, 1998, 2003, 2008 – with a new initiative emerging roughly every five years. The six reforms were different in focus, scale, and result, but relatively coherent and incremental in nature, with later reforms largely responding to the inefficiency and failure of the last and to the particularly socioeconomic problems of the moment. All six reforms are discussed and considered here against the background by the two major impetuses introduced in the last section.

**The 1982 Reform**

The national economy was for the most part stagnant during the ten-year Cultural Revolution. The central government subsequently decided to shift its attention to economic growth. Since China was in an early phase of market-oriented reform, there was less emphasis on the need for the state to withdraw from direct management of the economic sector than there was on the need to restore its authority. Therefore, the first reform was largely a structural reconfiguration that attempted to downsize and streamline the government.

This reform consolidated economic management mainly by combining departments with similar responsibilities; meanwhile, it enhanced coordination and supervision. This reform lowered the total number of agencies from 100 to 61 in the State Council, from 60 to 50 in the provinces, from 40 to 30 in the autonomous regions, and from over 40 to about 25 in the counties and cities (Yang 2003). Human resource rearrangement was part of the organizational changes, including the elimination of vice-leader positions, the imposition of age limits on government positions at every level, the capping of the number of posts, and the establishment of a retirement system that terminated the practice of life-long tenure. Vice premiers were reduced from 13 to 2. The ministry level leaders were reduced from around 540 to 180 (Straussman and Zhang 2001). More than 30,000 veteran cadres retired, 145 of whom were ministerial-level officials (Lan 2001). As a result, the staff of the State Council was reduced from 51,000 to 30,000. In province and autonomous regions, the number was reduced from 180,000 to
120,000. Counties and cities reduced 20 percent of their employees (He 2007). The age of ministry-rank bureaucrats fell from 64 to 60, and the age of bureau-level officials from 58 to 54 (Straussman and Zhang 2001). In addition, the government sought to hire people who were reform-oriented, young, knowledgeable, and specialized (Lan 2001). The percentage of college-educated officials jumped from 37 percent to 52 percent (Worthley and Tsao 1999), and there was a general increase in education level.

This was the first large scale administrative reform since China adopted its “Reform and Opening-up Policy” (gaige kaifang 改革开放) in 1979. Although impressive in terms of statistics, it was very incomplete and superficial. The reform primarily reorganized departments while retaining the root organizational structure (Lan 2001). In the end, the number of employees wound up exceeding the fixed number of posts. Reform policies were increasingly difficult to implement in local governments as over-decentralization fostered localism and excessive power of the counties and cities. As a result, the basic structure and system of governance based on the planned economy remained largely intact and the government swelled again during the following years (Ngok and Zhu 2007). The government remained dominant and resistant to more fundamental reform.

The 1988 Reform

By the eve of the 1988 reform, the total number of departments and agencies had increased to 72, with an addition of 82 provisional organs at the central level (Christensen et al. 2008). The bloated inefficiency of the government structure at all levels had greatly handicapped the progress of the newly launched economic reform. Of Shanghai’s 71 agencies, for example, nearly one-third were devoted to economic planning or directly managing industry (Burns 1993). With organizational restructuring clearly having failed to resolve the problems of the old politico-administrative system, a new round of administrative reform became necessary. The 1988 reform focused on transforming the function of the government by divorcing the government from state-owned enterprises and separating the Party apparatus from the administrative apparatus (Lan 2001).

The first important policy adopted was the “three fixes” (sanding 三定). The initiative had three objectives. The first was to fix the functions (zhi-neng 职能) of the public sector, which involved determining the necessary functions of the state and its organs at different levels. The general aim was to reorganize the functions of government and to decouple government and industry. The second objective was to fix the administrative organs (jigou 机构) with a view to cutting down the number of state and Party organs at central and local levels. This entailed determining which functions the state should oversee and which should be delegated to the private sector.
The third objective was to address problems of staffing (bianzhi 编制). This entailed determining the type and number of posts needed to support the essential functions and the administrative organs (Brodsgaard 2002). Some of government’s economic functions were transferred to various economic organizations such as professional associations. In general, the “three fixes” enhanced decision-making, consultation, supervision, and flow of information. The reform downsized the number of organs in the State Council from 72 to 65 by the end of 1988 (Ngok and Zhu 2007). The number of staff was reduced by over 9,700, or about 20 percent of the total (He 2007), with both increases and decreases in different departments and agencies. Even so, opposition from the bureaucracy and the Party cadres as well as unfavorable economic conditions such as high inflation limited the implementation of the 1988 reform, especially at local levels. The tug-of-war between the reformers and the conservatives created many administrative loopholes resulting in rampant corruption (Lan 2001). The chaotic situation after the 1989 Tiananmen incident terminated this ambitious reform. Nonetheless, the “three fixes” remained an underlying principle of subsequent administrative reforms.

The 1993 Reform

The 1988 administrative reform lacked permanence. According to the Secretary Bureau of the Central Administrative Office (2002), by the end of 1991, the number of employees in government and party organs of the country reached as high as 9.3 million with an additional 24.66 million working in public service units (shiye danwei 事业单位); the total cost of the public sector in 1991 accounted for 37 percent of the state’s financial expenditure. Moreover, the cadres had devised a number of coping strategies for the restructuring proposals. One of the most popular was to take leading positions in private enterprises without leaving their government positions (Burns 1993).

In early 1992, former leader Deng Xiaoping paid a visit to a few southern cities, including Shenzhen, the most successful Special Economic Zone. During the tour, Deng stressed the importance of economic development and encouraged the Chinese people to further open their minds to bolder and faster development. He also pointed out that a market economy is not synonymous with capitalism and that socialism also has its own form of market. Those far-reaching statements signaled more reform to come. The 14th Congress of the Communist Party in the autumn of that year officially ratified a “socialist market economy” in China, while also ratifying a reform of the “administrative system” to loosen the ties between government and private enterprise.
In accordance with the idea of a socialist market economy, the reform strengthened macro-control and supervision departments, consolidated departments of social management, limited government oversight of commercial details and direct management of private enterprise, smoothed interactions between departments of the State Council, rationally divided responsibilities and authority in order to avoid overlap and repetition, and downsized staffs attached to the departments. Based on careful pilot projects involving the Ministry of Light Industry and the Ministry of Textile Industry, the initiative lasted three years (Tang 2004). Following the reform, according to He (2007), the number of organs under the State Council was reduced from 86 to 59, and the employees of the central government were reduced from 36,700 to 29,200, or by 20 percent. In the provinces and autonomous regions, the number was reduced from 76 to 56; in municipalities (zhixiashi 省辖市), the number was reduced from 100 to 75. Counties and cities also downsized the government to a certain extent. Employees at all levels of government were reduced by about 2 million or by about 23 percent. In addition, substantial progress was made toward enhancing the professionalism of the civil service with the introduction, in 1993, of recruitment examinations. The first law governing the civil service – Provisional Regulations on State Civil Servants (Guojia Gongwuyuan Zanxing Tiaoli 国家公务员暂行条例) – was enacted the same year (Ngok and Zhu 2007).

While there were mergers and cuts, ministries and agencies largely continued as before and performed much the same function. The departments in charge of economic management were not reduced as significantly as expected, as authorities had pledged that no staff would be dismissed as a result of restructuring. Many were absorbed by public service units, economic enterprises, or local governments, or were sent for retraining. The objectives of the 1993 Reform were not completely achieved due to a lack of political skill and effort (Christensen et al. 2008) and the limits of the reform itself. For example, employment in government and political parties had actually increased from 9.3 million to 10.6 million by the end of the reform effort (Burns 2001).

The 1998 Reform

During the ninth Five-Year Plan (1996–2000), China’s reform initiative entered a new phase and faced new problems, such as rising unemployment, poor performance of state-owned enterprises (SOEs), deficient domestic demand, rampant corruption, an increasing gap between the poor and the rich, and increasing regional disparity (Ngok and Zhu 2007). Further transformation of governmental functions was needed to boost the economy and solve those problems. In March of 1998, the ninth National
People’s Congress (NPC) passed a new administrative reform plan. The plan officially had three principle objectives: setting up an efficient, well-coordinated, and well-regulated administrative system; creating a corps of highly competent and professionalized administrators; and gradually evolving an administrative system compatible with Chinese society and the socialist market economy (Ngok and Zhu 2007).

The 1998 reform was particularly intent on strengthening the macro-control of the government. The existing comprehensive departments, such as the State Economic and Trade Commission (SETC), were transformed into macro-control departments and granted new functions accordingly. The specialized economic departments were turned into state bureaus under the leadership of the SETC through downsizing, corporatization, and mergers. With more and more social problems deriving from the market-oriented economic reform, the government rethought its responsibilities and capacity in the field of social services, in particular, social security. A Ministry of Labor and Social Security was established based on the former Ministry of Labor with a view to unifying the administrative structure for the provision of social security. The booming market economy also fostered unlawful activities such as speculation, illicit transactions, and production and sales of counterfeit or substandard quality commodities. Instead of managing markets directly, the Chinese government committed itself to regulating the market and maintaining market order through efforts to strengthen law enforcement and supervision departments (Ngok and Zhu 2007). In the period of between 1998 and 2000, “one-stop shopping” centers (yizhanshi fuwu zhongxin 一站式服务中心), which made it possible to apply for administrative approvals through a single office, were established. At first their aim was to attract foreign investments by making it easier for foreign firms to do business by simplifying local rules and regulations, but later their aim was to provide Chinese residents with better service (Christensen et al. 2008).

Yang (2007) provides statistics that demonstrate the unprecedented scope of the 1998 reform. Within the State Council, the number of ministry-level departments fell from 40 to 29, while the total number of personnel was cut from 33,000 to 16,000, amounting to roughly 47.5 percent of the workforce. At the provincial, municipal, and county levels, the number of government agencies was reduced, respectively, from 55 to 40, from 45 to 35, and from 28 to 18. Altogether, 1.15 million administrative positions were cut and 430,000 employees were laid off. Over 200 functions devolved from the central government to local governments, SOEs, and societal intermediary organizations (shehui zhongjie zuzhi 社会中介组织). Over 100 other functions were transferred or consolidated within the State Council (He 2007). Meanwhile, the central Party and government agencies relinquished control over 530 enterprises they had previously owned or con-
trolled; the army, armed police, and judicial agencies ceded 6,408 operational enterprises to local governments; the army ceded 297 enterprises to the private sector; government bureaus ceded 242 research and 101 design institutes to the private sector; and the state placed 94 coal factories and 174 affiliated organizations under local control.

The 1998 reform represented the government’s first attempt to redefine its own function as opposed to merely reducing its size and scope (Lan 2001). The reform accomplished a good deal, but there were still certain problems. The government’s narrow focus on business and commercial considerations and the general inefficiency of the government were unchanged; in fact, governmental expenditure increased by 20 percent in the first year of the reform. Some major business decisions were still subject to administrative control, while the selection and use of SOE executives were still subject to the traditional cadre-management system. It is also unclear whether the reform significantly improved the practices of government employees (Yang 2007). Nevertheless, it had been the most successful reform to date, creating a basis for future reforms (Tang 2004).

**The 2003 Reform**

Despite the 1998 reform, a well-functioning administrative system suited to a market economy was still not in place. There existed no institutional mechanism to harness the power of the government in relation to the increasingly globalized economy. The fragmented management regime resulted in a disconnection between the internal market and the external market, domestic trade and foreign trade, and import and export quotas, as well as weak and disorderly responses to disputes with foreign trade partners. Against this background, China joined the WTO in November 2001 and launched a new round of administrative reform in March 2003, when the fourth generation of Chinese political leadership came to power.

The main tasks of the 2003 reform were to deepen the management system of state assets, to improve the macro-economic control regime, to strengthen the financial regulatory system, to integrate domestic and foreign trade, and to enforce the food safety and production safety regulatory regimes (Ngok and Zhu 2007). To achieve these tasks, the components of the State Council would have to be restructured. According to Ngok and Zhu (2007), a new State Assets Supervisory Commission was established to manage state assets. This State Commission has the centralized authority to administer the property, investment, and personnel of the SOEs directly under the State Council and to guide SOE participation in international markets. A new Banking Supervisory Commission was created to strengthen the inspection of all banks and other financial institutions and to manage increasing financial risks in a vastly globalized economy. A new
Ministry of Commerce was created out of the old State Economic and Trade Commission and the Ministry of Foreign Economy and Trade. This new Ministry aimed to establish an integrated market and trade regime within the framework of the WTO. Similarly, the State Development Planning Commission was restructured as the State Development and Reform Commission.

The 2003 reform clearly expanded the 1998 reform in terms of building up a well-functioning administrative system suited to the socialist market economy. Nevertheless, the 2003 reform had its own characteristics. To some extent, the 2003 reform can be interpreted as a conscious response to the impacts of economic globalization. It was again about rationalization of economic institutions, but more about fine-tuning than downsizing. It simplified the approval procedure and strengthened the government’s service function. In all, the WTO membership provided new opportunities and new dynamics for further restructuring of the administrative system in China (Christensen et al. 2008).

The 2008 Reform

Prior to the seventeenth Party Congress in October 2007, officials and scholars were locked in a heated debate on the general orientation of the Reform and Opening-up Policy, which would celebrate its thirtieth anniversary in late 2008. Premier Wen brought the debate to a close by publishing an article in The People’s Daily (Renmin Ribao 人民日报) (February 26, 2007). He stated that the Party would remain focused on economic development, while keeping a tight lid on political reform and furthering the Reform and Opening-up Policy. Against this background, the CCP Central Committee issued in February 2008 a resolution titled “Opinions on Deepening Reform of the Administrative System” that states: “Facing the new situation and new tasks, the existing system of administrative management still has some aspects that are not compliant,” for example, insufficient reorganization of government functions, excessive administrative interference in microeconomic operations, and relatively weak social management and public services. Therefore, a new round of administrative reform was declared “imperative” (Xinhua News Agency, March 5, 2008). The second session of the eleventh NPC approved the new reform initiative in March 2008.

This so-called sixth administrative reform was informed by notions of a Chinese form of socialism, the thought of Deng Xiaoping, and the theory of “Three Representatives” (sange daibiao 三个代表). It aimed to build a service-oriented and law-abiding government and, more generally, a relatively perfect socialist administrative system with Chinese characteristics by 2020 (Xinhua News Agency, March 5, 2008). It aimed also to make China’s ad-
ministrative structure relatively stable and end the frequent reshuffling of offices after eight rounds of major reforms (Dong et al. 2010). It established a five-year plan to facilitate several specific long-term goals: (1) accelerate the functional reorientation of the government, (2) promote government organizational change under the principles of simplicity, consolidation, and efficiency, and (3) build an administrative system mindful of the Constitution and laws, and appropriately supervised to ensure both efficiency and legality. In all of these respects, the 2008 reform extended and augmented previous reforms.

It is too early to assess this on-going reform. What is clear is that the reform has not been without controversy. Dong et al. (2010) studied China's adoption of the Western “super-department” – a key theme in the 2008 reform. They conclude that this was a case of “superstitious learning” and “biased contextualization” in which the symbolic – as distinct from instrumental – purpose of borrowing a Western reform idea for domestic use was the predominant feature. In consequence, opponents of the restructuring in the ministries and agencies were able to resist it, either by obstructing its implementation or cynically cooperating on the belief that it would run into trouble later on. This may explain, for example, why the architects of the reform were unable to merge the Ministry of Transportation (one of five new super departments) with the Ministry of Railways.

**Reflections on Thirty Years of Reform**

Notable in this three-decade-long period of reform is the rather brief interval between major reform thrusts and the constant oscillation between governmental reduction and expansion that characterizes it. Some scholars argue this is an unhealthy approach to administrative reform, while others argue that it was inevitable and by no means particular to China. Despite these differences in assessment, we can make some relatively objective observations.

Because party politics and administration are so enmeshed in China, administrative reform is construed as a component of political reform (Wang 2006). As distinct from the practice in Western democracies, the CCP manages the civil service system directly (Burns 1993), controlling the appointment of political civil servants through its committees within the People's Congress. It also controls key administrative personnel and career civil servants by screening based on political standards. Although “separating the party from government” has been a slogan since 1987, this ideal has never been materially realized. One explanation is that administrative reform is closely linked to economic reform and economic reform is inextricable from politics. Xu (2006) views “the administrative reforms as an important part of our political system reforms and [also as] conditions of
setting up market economic system. . . .” Jiang (2007) goes further and conceives administrative reform as the joint between political and economic reform. The purpose of administrative reform, one might say, is to resolve the increasing contradiction between political reality and economic reality. The impetus behind administrative reform is primarily political authority motivated by economic exigency.

The CCP considers administrative reform an extension of economic reform, but its own political conservatism and an incomplete commitment to market economics have resulted in the inconsistent momentum of administrative reform. In reality, the CCP has taken an incremental evolutionist approach by which it balances political values and economic considerations, so that politically sensitive developments may delay and interrupt administrative reform (Moon and Ingraham 1998).

Evolution of Reform

Administrative reform is a process of consistent evolution to meet social, political, economic, environmental change or citizen expectation (Zhang and Zhang 2001). In terms of the theme and focus, China’s administrative reform can be divided into two and a half phases according to Wang (2006). During the first phase from the early 1980s to the mid-1990s, the reforms were focused on restructuring governmental organizations. Although transforming the roles and responsibilities of government was the main topic of the 1993 reform, emphasis still fell on organizational changes. In 1998, administrative reform entered the second phase, setting in motion the aforementioned transformational changes. Chinese administrative reform remains in this phase, but it recently began to enter another phase, whose primary objective seems to be restraining bureaucratic behavior and increasing the productivity of public organizations (Wang 2006). Measures like the Administrative License Law in 2003 (Xingsheng Xuke Fa 行政许可法), The Program for Comprehensively Implementing Government Administration in Accordance with the Law in 2004 (Quanmian Tuijin Yifa Xingzheng Shishi Gangyao 全面推进依法行政实施纲要), Civil Servant Law in 2005 (Gongwuyuan Fa 公务员法), Law on the Supervision of Standing Committees of People’s Congress at Various Levels in 2006 (Geji Renmin Daibiao Dahui Changwu Weiyuanhui Jiandu Fa 各级人民代表大会常务委员会监督法), and requirements concerning transparent administration all indicate this new phase. The outcome of the 2008 reform will show whether or not China is already embarked on this third phase.

The reformist style has changed also, evolving from a reactive to a more anticipatory approach. In early 1980s, the initiation of administrative reform was a reaction to existing administrative problems. From late 1980s to the early twenty-first century, the Chinese government initiated admin-
Administrative reforms in an adaptive way. That is, the purpose of reform was to adapt the administrative mechanism to economic reform, the social environment, and technological advances. For example, China joined the WTO in 2001 to take advantage of fair trade treaties and avoid potential business disputes that were previously resolved outside the WTO’s legal framework. Wang (2006) argues that the Chinese government has recently begun to implement reformist measures more proactively, shaping reforms based on the vision, goals, and values of the society and the public administration. An example is the long-term goal announced by the 2008 reform – the achievement of a relatively perfect, indigenously Chinese administrative system by 2020.

Weaknesses of the Reform

The end result of administrative reform must be some kind of permanent transformation for the better in terms of the objectives of the reformers (Caiden 1968). Admittedly, China’s administrative reforms restrained the overgrowth of governmental organizations and staff (although not always reduced them), transformed government functions, and improved public-private relations. But the results were oftentimes temporary, unstable, and incomplete, as shown in the preceding section. Therefore, it is more than worthwhile to study the weaknesses of the administrative reforms and how they were undermined.

First, the reforms paid too much attention to restructuring, especially at the central level. The most important action of each round of reform was removing, establishing, or integrating organizations and cutting down the size of staffs (Wang 2006), while in many cases organizations and staffs were downgraded rather than eliminated (Worthley and Tsao 1999). The importance of transforming roles and responsibilities of the government was recognized in the late 1980s, but in practice they were not transformed in line with rules and principles of a market economy. Cutting the number and size of governmental organizations produced results, but these results could not be sustained (Wang 2006). Restructuring is still one of the most important objectives of the 2008 reform, although this is not expected to be the case after 2020.

Second, reforms were initiated and implemented in a top-down manner. Most reforms were formulated by the top-level of government with very limited input from local governments and the public. Those reforms implemented by government at local levels largely responded to the commands and requirements of the central government. Given the vastness of China and great discrepancies between localities, this centralized approach tended to result in plans that were either too general or too specific to be adapted to widely differing local realities (Wang 2006).
Third, a sound legal basis was missing. China’s legal system, and its public administration in particular, is incomplete. Rule of man (renzhi 人治), as opposed to rule of law, has been a tradition for thousands of years. As a result, many actions of reform were formulated and implemented out of the willingness of leaders, most common in local governance. Thus far there has been no effective way to check this tendency (Dong and Yang 2007). Each round of administrative reform lacked accompanying laws to guarantee enforcement, instead depending on administrative directives to guide reform efforts (Zhang 2006). Lacking a legitimate legal basis, these reforms tended to be discarded after several years (Wang 2006). The 2008 reform is expected to improve the administrative rule of law (xingsheng fazhi 行政法治) through a series of measures. A related question is how much the court system has affected China’s administrative system. China passed the Administrative Litigation Law (Xingzheng Susong Fa 行政诉讼法) in 1989, which provides channels by which the citizens can sue the government. In spite of its enforcement for over two decades, the best evidence suggests that its deterrent effect has been modest. While the number of suits brought under the law has grown from under 10,000 per year in 1989 to over 100,000 per year in the 2000s, the law’s implementation has been hounded by interference and feigned compliance. For example, more than 30 percent of suits end up being withdrawn every year, mainly by the plaintiff for a variety of reasons; meanwhile, less than 20 percent of the suits have been upheld by the court since the mid-1990s (He 2009). Not surprisingly, the law has been widely regarded as a “frail weapon” that has not greatly reduced administrative arbitrariness (O’Brien and Li 2004). Since China’s judicial system remains deeply embedded in politics (O’Brien and Li 2004), the court system has had very limited impact on the administrative system. Lastly, Dong and Yang (2007) note that inefficient provision of public goods, lack of political participation, and excessive bureaucracy also tend to hamper the success of administrative reform.

Discussion

Various agendas, predictions, priorities, suggestions, and tendencies swirl about the prospect of additional administrative reforms. Tang (2004) believes China must improve macro-control, develop both the economy and society while balancing growth and stability, strengthen legal structures, simplify administrative procedures, and refine the civil service system. Dong and Yang (2007) would like to see various shifts in governing style: from regulatory to service oriented, from totalitarian to limited, from the rule of man to the rule of law, from rowing to steering, and from pyramidal to flat (by reducing the levels of government). Wang (2006) lists six tasks as priorities for administrative reforms in the near future: strengthening ac-
countability, increasing transparency, passing laws governing administrative procedure, implementing performance management, encouraging public participation, and allowing the emergence of nonprofit organizations. Using a more theoretical framework, Zhang and Zhang (2001) suggest a shift from the state-centered governance paradigm to the citizen-centered governance paradigm and call for restructuring the relationship between government and citizen, government and market, government and enterprise, government and society, central government and local government, executive and legislature, and state governance and global governance. Scholars widely share their opinions.

Those proposed measures may answer “what” and “why” and perhaps even “how,” but they neglect an important prerequisite for them fully to take a hold. The prerequisite is the kind of political reform that would reduce resistance to administrative reform. This does not mean that China has to engage in sweeping political reform before it experiments or implements a variety of administrative reforms. In fact, administrative reform may help initialize bureaucratic independence and make political reform more feasible (Moon and Ingraham 1998).

There is already a body of literature that recognizes the correlation between political and administrative development. In his study of the resistance to major administrative reforms in five South Asian states (India, Pakistan, Bangladesh, Sri Lanka, and Nepal), Khan (1991) concludes that the lack of commitment on the part of the political leadership has been the key reason why reforms have failed. Sun and Gargan’s research reveals that Taiwan’s administrative strength is a function of the interplay of three factors – the political environment, state-of-the-art public administration, and high-quality public administrators – particularly the first two (1993). Quah (1991) finds that Singapore’s administrative reforms have been relatively successful partially because of strong political sponsorship of the reform effort. These studies confirm Caiden’s argument that administrative reforms are most likely to succeed if they have relatively high levels of political support (1988). With respect to the reinventing government movement specifically, Gargan (1997) observes: “Within a regime, the relation between management practices and political variables is causal and the causal order is from political to management.” History supports his conclusion that “the stature of the management practices and administrative structural arrangements . . . is determined by prevailing political regimes and the associated attitudes and ideologies of those holding power.” Moon and Ingraham (1998) propose a Political Nexus Triad (PNT) model, according to which administrative reform is initiated by its interaction with politics, bureaucracy and civil society. Applying this model, they identify China as a politics-dominant PNT, in which bureaucracy is completely politicized and the influence of civil society is minimized. Their finding indicates that
China is in greater need of a supportive political environment than many other nations.

Deng Xiaoping realized the importance of political reform two decades ago. He argued that without political reform, economic reform cannot be implemented. He made it clear, however, that political reform must go forward under the CCP’s leadership, as the CCP is the ultimate source of government power and the final guarantor of political stability. Like its economic reform, China’s political reform has no guiding model: the leadership defines political reform on its own terms and establishes the goals of political reform in the context of economic development and its own political interests. Any political reform, therefore, has to enable the party-state to maintain the sociopolitical stability required by its economic development efforts, while strengthening its own political legitimacy and dominance (Zheng 1999). For these reasons, China’s political reform has been very incremental and small scale. Since the fall of the Soviet Union, China has often been cited as an example of “economic reform without political reform” (Zheng 1999). This is an overstatement, but it shows how far political reform has lagged behind economic reform.

This conditional, incremental approach to political reform produced an enmeshed relationship between politics and administration. The CCP and the government are organizationally parallel but are substantially unitary, and the CCP secretaries are the de facto leaders at various levels of government (Yang 2007). Indeed, the CCP bureaucracy is at least partially a permanent component of the government bureaucracy (Aufretht and Bun 1995). In many cases, it functions as an outright executive branch, engendering such problems as micro-management, redundancy, inefficient decision-making, and lack of administrative independence. The Party sets general policy and appoints and promotes government officials, while the subordinate bureaucracy implements and oversees policy (Denigan 2001). The Party also reinforces China’s informal politics, clientelism, and authoritarian governing style, making the problem of corruption worse (Yang 2007). Once the CCP – the real power holder – opposes it, administrative reform is effectively blocked. Despite central demands in October 1998 and April 1999 that the provinces cut their staff, twenty-two provinces were still refusing to do so as of May 1999 (Zweig 2001).

Given the Chinese political regime, administrative reforms alone cannot succeed in creating a well-functioning public administration. Periodic administrative reform is not enough to transform the oversized, politicized, and highly intrusive administrative system. Nor can periodic administrative reform guarantee a smooth market transition and successful integration with the global economy (Ngok and Zhu 2008). China’s political system requires its own reform in order to accommodate drastic changes resulting from the economic reform (Zheng 1999) and to allow more room
and support for long-term, well-planned administrative reform. Though the 2008 reform is still in the process of implementation, another two rounds of reform have already been announced. Their outcome will determine China's administrative future, at least through 2020. In any case, China has a long way to go in its effort to establish a modern public administrative system. Future research should outline the advantages of political reform, both for its own sake and for the sake of fostering institutional support for administrative reform.

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