Policymaking in China: A Review of Chinese Scholarship*

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Abstract

This essay critically reviews Chinese scholars’ recent studies of China’s policymaking. For many years, this field of study was, for the most part, pursued only by Western scholars. During the past ten years, however, Chinese scholarship in this field has emerged. The increased attention of Chinese scholars to this area of study has enhanced understanding of Chinese policymaking, policy reorientation, and the relationship between policy and finance. However, the current Chinese scholarship has some limitations.

To Chinese scholars, it is somewhat embarrassing to discover that they know less about the Chinese polity and policymaking than their Western colleagues. But for many years this has been the unfortunate truth. Chinese scholars have been virtually silent in the study of Chinese policymaking, while Western scholars have been working in this field for many years. Although Western scholars have done their best and made admirable contributions in this area, their studies are limited in their

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grasp of the complexity and dynamics of policymaking in China. During the past decade, with the rise of a new generation of scholars in mainland China, together with those Hong Kong scholars writing in Chinese, there has emerged a body of Chinese language literature on China’s policymaking. Compared to their Western colleagues, these scholars are in a better position to study China’s policymaking. Their studies are, thereby, worthy of a critical theoretical review. The goal of this essay is to provide such a review.

Our review begins by examining Chinese scholars’ appraisal of the Western literature on China’s policymaking. While admitting the contribution of this body of literature, in the eyes of Chinese scholars, Western studies provide an incomplete description and thus a preliminary explanation of China’s policymaking. Most importantly, in Western studies, only little attention has been paid to changes in China’s policymaking since the end of the 1990s. Dissatisfaction, therefore, has served to push Chinese scholars to embark on their own research into China’s policymaking. In general, their studies fall into three major groups that are reviewed in three sections of this essay. Admittedly, we do not review all of these studies; instead, only those that, according to our selection criteria, have contributed to knowledge development in this field are included. To be specific, our review includes both those empirical studies helpful for opening the black box of China’s policymaking and those improving our understanding of policy orientations as well as policy shifts in China.

1. Western Studies in the Eyes of Chinese Scholars

To a certain extent, Chinese scholars’ recent efforts in studying policymaking in China begin by reflecting on Western studies in this field. For example, Lan Xue and Lin Chen of Tsinghua University classified Western studies of China’s policymaking into three stages of development. In the first stage (roughly from the 1950s to 1960s), scholarship concentrated on examining the role played by political elites in policymaking under a highly centralized authoritarian polity. This line of inquiry tended to argue that policymaking in China was heavily colored by the personalities as well as the ideologies of top leaders. In the second stage (from the 1966–1976 Cultural Revolution to the early 1980s), the focus shifted to power struggles among factions. In the third
stage (from the 1980s to the early 1990s), Western scholarship began to notice the development of formal institutions and their influence on policymaking. The most popular example of such scholarship was the so-called fragmented authoritarianism articulated by Lampton, Liberthal, Oksenberg, and others.\(^2\) Obviously, Xue and Chen neglected the emergence of a new body of Western studies that highlights the role of social elites in China’s policymaking. This gap was filled by Xufeng Zhu, who pointed out that Western scholarship has begun to take notice of a more pluralistic Chinese policymaking that began to emerge in the mid-1990s.\(^3\) However, as Zhu lamented, Western studies continue to interpret relevant changes in China’s policymaking within the framework of fragmented authoritarianism.\(^4\)

While admitting the contribution of Western studies, Chinese scholars in general do not think that Western studies have grasped the dynamics and complexity of China’s policymaking. Xue and Chen argued that because of the selection of governmental bureaucracies as the basic unit of analysis, fragmented authoritarianism as the new model provides too simple an explanation of China’s policymaking. Moreover, this theory has overlooked other significant elements of China’s policymaking: the relationship between the Chinese Communist Party (CCP) and the state and that between the government and the legislature, and the division of governmental functions.\(^5\) Other Chinese scholars even contend that Western studies have not provided an accurate and complete depiction of the real world of China’s policymaking due to the lack of solid information, the influence of ideological biases, and different mindsets between Western and Chinese thinking.\(^6\)

Therefore, while drawing useful concepts as well as lessons from Western studies on China’s policymaking, the Chinese scholarship that has recently emerged has another, albeit still Western, theoretical resource, that is, Western theories of policymaking. The mixture of theoretical sources is apparent in Xue and Chen’s outline of future studies. They first argued that although early Western studies had overemphasized the role of either political elites or factions, policy entrepreneurs did exist in present-day Chinese policymaking. Thus, they called for the study of the role of policy entrepreneurs in China’s policymaking. They then proposed agenda setting for future researches. This clearly shows the influence of Western public policy theories. With the recognition that Western studies have neglected the influence of policy types on policymaking, they urged Chinese scholars to identify policymaking patterns
related to different policy types. Based upon the Western model of fragmented authoritarianism, they realized that it was critical to examine how policy consensus was achieved in such a fragmented process.

The door to a new area has been opened. During the past decade, there has been an increase in Chinese scholarship in this field. In this new academic pursuit, two scholars have played leading roles. They are Professor Lan Xue of Tsinghua University and Professor Shaoguang Wang of Hong Kong Chinese University. Starting roughly in 2001, Lan Xue, followed by a group of young scholars—doctoral students, postdoctoral fellows, and research fellows associated with the School of Public Management of Tsinghua University—began to empirically examine China’s policymaking. While the “Tsinghua Group” mainly focuses its inquiries on the policymaking process, topics touched by Professor Shaoguang Wang are much broader, ranging from the policymaking process to policy orientation and reorientation, social policy, and the financial aspects of public policies.

2. Empirical Studies of China’s Policymaking: Opening the Black Box

Over the past 30 years since the initiation of economic reform in 1978, the state has lessened its controls over the economy and society. Consequently, a market economy has developed, and society has become increasingly pluralistic. In this context, on the one hand, social elites as well as citizens have begun to participate in policymaking, as recent Western studies have noted; but on the other hand, the state has become increasingly resilient and more open to claims from society. It is in this environment that Chinese policymaking has been reshaped. This has obviously provided fertile “empirical soil” for theory building.

2.1 Agenda Setting

Agenda setting is the first step in policymaking. To open the black box of Chinese policymaking, it is vital to explore how the policy agenda is set. Herein, Professor Shaoguang Wang made an admirable contribution. In 2006, based on his long-term observations of the changes in policymaking in China, Wang presented the first theory of China’s policy agenda setting. According to Wang, agenda setting in China can be
Policymaking in China 99

classified according to two criteria: (1) the identity of agenda proposers and (2) the extent of citizen participation. Wang then identified six patterns of agenda setting in China (see Table 1). He argued that as a consequence of socioeconomic changes since the 1990s, there has been an increase in the influence of experts, the media, stakeholders, and citizens in policymaking. Consequently, conventional models such as the shut-door model and mobilization model have been on the wane, and the internal reference model has been institutionalized; more importantly, new patterns such as the petition model and external aid model have emerged and the external pressure model has been used frequently in policymaking. Policymaking, therefore, has become more democratic than it was before. Professor Wang thereby denounced the concept of authoritarianism coined by Western scholars as an “ideological curse” rather than a helpful analytic tool for understanding China’s policymaking.9

Table 1: Patterns of Policy Agenda Setting

<table>
<thead>
<tr>
<th>Agenda proposers</th>
<th>Decision maker</th>
<th>Think tank</th>
<th>Civil society</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extent of citizen participation</td>
<td>Low</td>
<td>Shut-door model</td>
<td>Internal reference model</td>
</tr>
<tr>
<td></td>
<td>High</td>
<td>Mobilization model</td>
<td>External aid model</td>
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Wang’s theory has drawn wide academic interest within China. However, as always occurs with a pioneering study, his theory put forward more questions than it answered. The following questions remain unclear: How, and to what extent, do different policy actors influence policy agenda setting? How do policy actors interact with each other, and how do their interactions affect agenda setting? Recently, Deyu Zhao argued that Wang’s theorizing contained several weaknesses. First, Wang’s theory somewhat overstated the involvement of citizen participation and at the same time neglected the role played by interest groups related to powerful industries and associations. Second, the theory overlooked other important elements affecting agenda setting, for example, decision makers’ ideologies.10

However, Wang’s study has stimulated Chinese scholars’ inquiry into policy agenda setting in China. On the basis of a detailed analysis
of the long and controversial decision-making process regarding the construction of hydropower stations on the Nu River in Yunnan province, Qi Zheng, associated with the “Tsinghua Group,” modified Wang’s agenda setting theory. Based on Polsbian classification of agenda proposers into two major groups—those internal (the government) and those external—Zheng argued that agenda proposers can simultaneously come from both internal and external groups. To him, the Nu River case provides an illustration. In light of this, Zheng proposed a new model emphasizing the cooperation between internal and external initiatives. According to Zheng, agenda setting in the Nu River case went through two distinct stages. In the early stage, policymaking followed the conventional model in which agenda setting was completely monopolized by internal power elites within the government. In 1999, the central government initiated the project. On 14 August 2003, after several years of internal negotiations, the State Development and Reform Commission was ready to make a decision. However, the heyday of the conventional model was over. From September 2003 onward, there arose a nationwide debate on the Nu River project. Besides opponents (e.g., the State Environment Bureau) within the government—an indicator that internal initiation was fragmented—a variety of external actors became actively involved in policy discourse and affected agenda setting associated with the Nu River project. They were experts, environmental NGOs, native citizens, local governments, and even international society. In sum, agenda setting at this stage had begun to be greatly affected by both internal and external agenda proposers. Policymaking was thereby reconfigured to be more open to society.11

The Nu River case illustrates the increase in societal influences on policymaking. Unsurprisingly, it has drawn wide academic interest. Using the framework of the policy network, Chunkui Zhu and Ping Shen analyzed the development of policy networks in agenda setting related to the Nu River project. Particularly, they analyzed the relationship among policy actors, policy resources employed by these actors, and strategies they adopted. They vividly showed how the development of policy networks had shaped the policy agenda and contributed to the improvement of policy outcomes. They also argued that the Nu River case indeed presented a turning point in China’s policymaking; policymaking since this case has become more open, more transparent, and more accessible to citizens than it was before.12 Unfortunately, compared to Zheng’s study, this study did not well address the dynamics of the inter-
actions among policy actors.

Since 1994, China has witnessed a rapid increase in Internet use. As the case study of Yapeng Zhu shows, the development of cyber society has greatly affected China’s policymaking process. In his analysis of the role played by the cyber forum named Treating Each Other with All Sincerity (Gan Dan Xiang Zhao 肝膽相照) in shaping agenda setting related to discriminatory policies toward citizens testing positive for the hepatitis B virus, Zhu contended the cyber forum provided Chinese citizens a hard-won public space for interest aggregation and, more importantly, a cheap way to undertake collective actions. Through this cyber forum the issue became part of the public agenda and then forced policymakers to incorporate societal concerns into the policy agenda. Eventually, new policies were made to end those discriminatory policies. Zhu therefore concluded that the development of the Internet had transformed China’s policymaking and made it more democratic. Nevertheless, he went too far in arguing that policy discourses on the cyber forum closely resemble so-called deliberate democracy. This study obviously refined the external pressure model articulated by Shaoguang Wang.

These studies, to some degree, echo recent Western studies’ emphasis on the role of social elites in the policymaking process. Nevertheless, Chinese scholars’ inquiries provide a more comprehensive and deeper examination of policymaking in present-day China. Unfortunately, the roles of the CCP, the legislature, and industrial interest groups have received at best insufficient attention. Moreover, they seem to have gone too far in arguing that policymaking has become more democratic than it was before.

2.2 Consensus Building

Agenda setting, though vital in policymaking, is not the whole of policymaking. Another body of Chinese studies is noteworthy. While drawing on different cases and emphasizing different aspects of China’s policymaking, this body of studies presents consensus building as the central concern.

In 2006, Ling Chen, then a doctoral student at Tsinghua University, articulated a theory of dual-level policymaking on the basis of her analysis of policymaking related to semiconductor industrial policies. It was contended that policymaking was conducted concurrently at two levels in the policy arena: the bureaucratic system at the formal institutional
level and the *negotiation network* at the social level. The bureaucratic system provides formal rules for policymaking. At this level, policy consensus is developed through a bottom-up and routine process in which policy pressures and ideas go through a process of convergence. First, there is an exchange among bureaucracies, and then policy proposals are submitted to the upper level for decision making. Policy-making at this level is characterized by incremental changes in policy outcomes. The negotiation network refers to informal social networks used by organizations and individuals struggling to influence policy-making. Usually, strong policy advocacies are formed at this level, providing the momentum for new policy initiatives or rescuing policymaking from deadlock. Policy consensus at this level is developed through an up-down and radial process. Usually, the upper level gives a tendentious policy opinion. It then is conveyed to bureaucracies, letting them form a policy consensus. Since the policy attention of the upper-level decision makers is always adrift, policymaking at this level is often punctuated. To Chen, it is the interaction between these two levels that produces policy consensus, resulting in both incremental and punctuated changes. This model provides better theorizing than fragmented authoritarianism because it enables us to understand how consensus is achieved under fragmented bureaucratic bargaining.

Recently, drawing from the policymaking associated with the recent health care reform, Lin Chen, Jing Zhao, and Lan Xue developed a new theory of consensus building. They argued that because of the absence of a democratic political system and policy arena, policy consensus is critical for Chinese policymaking. This is especially true for policymaking in health care, a policy area riddled with conflicts of interests and values. In their framework, the degree of policy consensus is affected by the diversity of policy goals, the extent of policy risks, and the variety of policy proposals. Whenever the value of the three independent variables is large, policy consensus is difficult to achieve. As suggested by the case examined, policymakers in China adopt three strategies to achieve consensus. The first is to internalize policy conflicts among bureaucracies by establishing a higher level of coordination group, that is, the State Council’s Health Care Reform Leading Group. The second is to solicit policy proposals from outside institutes, for example, universities and international organizations, when it is difficult to achieve consensus within government. Policy proposals submitted by external organizations are useful but not a decisive factor. When there is
no consensus among external proposals, the third strategy is employed, that is, compromise and mixture, which greatly affect the final policy proposal. Finally, the formal proposal was publicized to solicit opinions from society and stakeholders, resulting in 190 modifications. Consequently, in the process of consensus building, policymaking was carried out under the principle of compromise rather than competitive selection of the best proposal. The larger the number of governmental bureaucracies and stakeholders involved in policymaking, the more ambiguous the final policy will be.\textsuperscript{15} Obviously, this study contributes to the improvement of our understanding of the strategies policymakers adopt to gain consensus. However, to a certain extent, it fails to highlight the fact that in this process of gaining consensus Chinese policymaking has begun to open up to external actors and society.

Policymaking as well as consensus formation are always inundated with value conflicts, for example, between efficiency and democracy. In this context, Deyu Zhao’s research is noteworthy. Using the recent health care reform as a case study, Professor Zhao examined the role of ideologies in the process of policymaking. According to Zhao, before the 1980s policymaking in China was monopolized by power elites whose ideologies had a knock-down effect on policy choices. This echoes the first generation of Western studies. With more and more actors involved in policymaking during the past three decades, value conflicts have become more observable and, to a certain extent, more fierce. This is especially true in the case of health care reform. With the increase in health care inequality since the late 1990s, the reform of health care policy has become imperative in China. However, to carry out a successful policy reform in a field replete with value conflicts, it is vital to achieve consensus at differential levels of policy arenas. First and foremost, the CCP leadership must come up with a consensus on the choice between efficiency and equity. According to Zhao, this was achieved in 2006 when the CCP leadership openly claimed the ultimate goal of health policy was to ensure equity. At this stage, the CCP played the most influential role. Then, it was the responsibility of the State Council to formulate policy proposals and tools. At this stage, as Zhao said, policymaking would be shaped by bureaucratic bargaining within the fragmented authority. In order to achieve consensus, the State Council established a coordination group. In this context, the stories told by Deyu Zhao are almost the same as those documented by Chen, Jing Zhao, and Xue, though the latter group’s research has provided more
detailed and updated information. Nevertheless, Deyu Zhao has made a notable contribution with his vivid analysis of how various interest groups imposed their influence on bureaucratic bargaining.\textsuperscript{16}

2.3 Policy Actors

The third body of literature concentrates on the study of the behavior of key policy actors. It has, thus, enabled us to begin to understand the micro foundations of policymaking in China.

One group of policy actors that has drawn much attention is think tank policy experts. Since the economic reform, besides official think tanks closely associated with the state, there has arisen a variety of new think tanks. There are four major groups of think tanks: those belonging to service units, those registered as enterprises, nonprofit think tanks run by civil society, and think tanks of universities.\textsuperscript{17} Based on a survey of 301 policy elites of think tanks in 25 provinces, Xufeng Zhu wrote his dissertation under the guidance of Professor Lan Xue. This is the first empirical study systematically analyzing the rise of think tanks and their influence on policymaking in China. Based on his observations of the increasing influence of these policy experts on policymaking, Zhu argued that, in general, policymaking in China has been steadily transformed from a process dominated by political and administrative elites into a new process in which social elites have begun to participate. This new process has, thus, become more open than before.\textsuperscript{18}

Based on his survey data, Xufeng Zhu examined how policymaking transition affects social stratification. In Zhu's framework, following an ascending order in the openness of policymaking, there are three major patterns of policymaking transition: (1) \textit{pretransition}, in which policymaking is monopolized by political and administrative elites, (2) \textit{preliminary transition}, in which social elites begin to impose a certain influence on policymaking, and (3) \textit{policymaking diversification}, in which political advisory and civil society policymaking patterns start to develop and, mostly, intellectual elites begin to enjoy strong voice. In his empirical analysis, Zhu argued that, in general, policymaking had been gradually transformed from the previous pattern dominated by political and administrative elites to a new pattern with participation from social elites. This study enables us to understand the rise of a group of new elites—social elites, particularly think tank experts—in China’s policymaking. It also
adds a new perspective to the study of China’s social stratification.\textsuperscript{19} Unfortunately, the criteria Zhu used to develop the typology of policymaking transition are totally associated with the influence of think tanks. Obviously, this classification is too simple. Using the same data set, Xufeng Zhu analyzed the social capital of think tank elites. He first questioned the popular functionalist definition of the concept of social capital and then redefined it, from the perspective of structuralism, as the network of think tank elites. Naturally, the dependent variable in his empirical model is the network scale held by think tank elites, including subnetworks with political elites, social elites, and the media. Explaining variables include think tank elites’ input on social exchanges, their capacities in knowledge use (measured by education and degree), their stability in career mobility, and administrative ranks. Empirical analysis suggests that all these variables significantly affect the scale of policy elites’ social capital.\textsuperscript{20} This study, indeed, enables us to understand how think tank elites influence decision makers.

The second group of actors receiving attention is governmental bureaucrats. Again on the basis of his think tank data set, Xufeng Zhu analyzed bureaucrats’ capacities in mobilizing policy resources. Zhu correctly pointed out that in the Chinese bureaucratic system, it is not true that bureaucrats at a higher administrative rank naturally have higher capacities in mobilizing policy resources because of (1) the limitation of top leaders’ time and attention, (2) the existence of so-called “structure holes,” and (3) the prominent feature of the Chinese polity, that is, only when it is close to the point of making a decision do top leaders participate in policymaking. Usually, top leaders devolve authority of policy design to middle level bureaucrats. Zhu therefore brought forward a theory named “Policymaking by Bureau Chiefs” (\textit{shizhang ceguo 司長策國}), stressing that the most influential role in policymaking is played by middle-level bureau chiefs. The reason why this group of bureaucrats is most influential is because they can mobilize the greatest amount of resources to support a certain policy decision. Zhu hypothesized think tank elites’ networks with these bureau chiefs contribute greatly to their think tanks’ direct policy influence. This hypothesis passed the empirical test.\textsuperscript{21} However, the empirical test relying on the think tank data set provides only indirect and weak support for this theory of bureaucrats’ influence.

Obviously, Xufeng Zhu recognized the limitations to his think tank
data. To directly examine the role of governmental bureaucrats in policy agenda setting, he conducted a survey of 344 bureaucrats of the Tianjin Metropolitan Government. The survey focus was on bureaucrats’ knowledge use measured by situations where bureaucrats pay attention to a certain issue and then initiate decision making. According to Zhu, there are four types of knowledge use situations: internal knowledge (i.e., suggestions put forward by officials within the government), expert knowledge (i.e., research findings of external experts), popular knowledge (i.e., information or appeals from citizens), and media knowledge (i.e., media reports about a certain issue). The first two types of knowledge are defined as specialized knowledge, while the latter two are nonspecialized knowledge. Any of these situations occurring suggests that decision makers have used knowledge in agenda setting. Variables explaining decision makers’ use of knowledge include (1) decision makers’ capacity in knowledge use, measured by education and the professional title they hold, (2) decision makers’ experiences, defined by how long they hold current positions, (3) organizational function, depending on whether the organizations for which decision makers work are specialized or comprehensive, and (4) hierarchical ranks held by decision makers. It has been found that in agenda setting the education level of decision makers positively affects their knowledge use, but their working experiences negatively affect their knowledge use. Further analysis of these independent variables with four dependent variables that, respectively, refer to the four types of knowledge use shows that decision makers holding different personal characteristics and working at different types of organizations tend to selectively use knowledge.

Using the Tianjin data set, Xufeng Zhu and his coauthor analyzed factors affecting government bureaucrats’ use of expert advisories offered by think tanks. Governmental bureaucrats consulting with policy experts from any of the three types of think tanks—service unit, civil society, and university think tanks—for opinions about significant issues closely related to popular interests indicates that they have used expert advisories. Again, Zhu is interested in how decision makers’ knowledge uses affect their use of expert advisories. Therefore, in his model, bureaucrats’ personal competencies as an explaining variable are defined by knowledge use, which is composed of (1) knowledge unitization competencies (measured by education and training experiences), (2) expert communication competencies (measured by the amount of experts
whom decision makers know), and (3) business competencies (measured by working years at current positions). It was hypothesized that decision makers’ knowledge unitization competencies would have a positive effect on their uses of expert advisories. Communication competencies would have a positive effect on their uses of expert advisories offered by civil society think tanks but an insignificant effect on their uses of expert advisories offered by service unit think tanks, which are closely related to the government. Business competencies would have a negative effect on decision makers’ uses of expert advisories. In general, these hypotheses have been supported by empirical testing.23

Obviously, knowledge use has drawn much attention. Earlier, in 2003, Xixin Wang and Yongle Zhang had examined the use of knowledge by experts (governmental bureaucrats) and popular participation in the making of administrative rules in China. They were critical of the fact that rule making in China is problematic in the sense that it is carried out without either expert rationality or popular participation. In general, they concluded that rule making in China is beset by an insufficient use of knowledge.24 In this context, the inquiries of decision makers’ knowledge uses by Xufeng Zhu are notable since they suggest that knowledge use is not as disappointing as was argued by Wang and Zhang.

To a large extent, the increase in knowledge use is an indicator of the development of policy learning among China’s policymakers. This element has helped China to achieve a successful transition during the past three decades, as Shaoguang Wang recently argued. To Wang, China’s transition since 1978 has increasingly challenged analytical frameworks held by Western observers. Whenever Western scholars predicted China would not find a stone to cross the river, China did eventually find a way out of the challenges it faced. The Chinese success, according to Wang, can be explained by the capacity of Chinese policymakers and policy advocates to adapt their policy goals and tools to the changed environment. And such an adaptive capacity has developed from their learning capacities. Wang identified four learning models according to two criteria: the promoters of learning (policy makers or policy advocates) and the sources of learning (practical experiences or controlled experiments). Using the evolution of health care financing in rural China as a case study, Wang illustrated how Chinese policymakers effectively reacted to newly emerging problems, imbalances, and
difficulties through fine-tuning, altering policy instruments, and adopting a new goal hierarchy, according to lessons drawn from past and present experiences as well as policy experiments. Wang, therefore, concluded that the learning capacities of Chinese policymakers and policy advocates were actually greater than reported by Western scholars such as Heilmann. Also, as illustrated by the evolution of health care financing in rural China, Chinese policymakers adopted all four forms of learning, while Heilmann noticed only one of them. Based on this very high learning capacity, Chinese policymakers have developed a highly adaptive capacity.\(^25\) As shown of late, the recent policy reorientation toward social policy is a good illustration of those capacities.

### 3. The Rise of Social Policy Studies in China

Since the mid-1990s, it has become increasingly clear that rapid economic growth in China has been achieved at the expense of social equity, forcing the CCP to reorient its development policy since entering the 21st century. In 2003, the CCP leadership vowed that policymaking from now on must be guided by the so-called “scientific development concept,” highlighting sustainable development, social welfare, and a person-centered society. In 2004, and then much more formally in 2006, the CCP leadership proclaimed the goal of establishing a harmonious society.\(^26\) This policy shift in development strategy was immediately taken up by scholars with a strong theoretic sensitivity. In 2004, *Chinese Social Science* published a discourse on the relationship between the scientific development concept and social policy, involving scholars from sociology, social work, and social policy. In this minisymposium, Sibin Wang claimed that the announcement of the concept was the hallmark that China has begun to enter into a “social policy era.” Xiulan Zhang pointed out that the announcement of the concept did open a golden period for the development of social policy and then enthusiastically recommended developmental social policy to China’s policymakers.\(^27\) In 2007, Xiulan Zhang and her colleagues provided a comprehensive framework of developmental social policy, and proclaimed the coming of “an era with an equal emphasis on economic and social policies.”\(^28\) Also in 2007, based upon his historical examination of the change of policy patterns during China’s transition since the 1978 economic reform, Shaoguang Wang contended there was a transition from
economic policy to social policy.\textsuperscript{29} In 2008, in the introduction of *Chinese Public Policy Review*, a series edited by scholars at Sun Yat-sen University, it was proclaimed that China had entered into a “social policy era.”\textsuperscript{30} However, recently, Tiankui Jing warned we must be much more cautious in making such a claim. According to Jing, at present it is safe to proclaim that China is moving toward an era of social policy.\textsuperscript{31}

There is a consensus that 2003 was a turning point in China’s development. This year witnessed not only the announcement of “the scientific development concept” but also a weak China heavily hit by the SARS crisis, which demonstrated to the world how fragile the Chinese public health system was. To a certain extent, the SARS crisis served to create a window of opportunity for a fundamental policy shift. It was in this year that Shaoguang Wang published a widely read article, warning of a crisis in the Chinese public health system. He presented a shocking picture of the failure of the Chinese public health system, for example, the paralysis of the hygiene and epidemic prevention systems, health care inequality. The failure was attributed to the blind market worship of the Chinese policymaking circle, which led the state to withdraw from providing social welfare and instead marketize health care. Wang went one step further and questioned the narrow understanding of Deng Xiaoping’s famous statement, “Development is the top priority.” He then contended that development should not be narrowly perceived as one and the same thing as economic growth but a comprehensive advancement of all citizens’ economic and social life.\textsuperscript{32} Also in 2003, Xiulan Zhang and Yuebin Xu criticized that in transitioning from a centralized to a market economy, China’s reforms of previous social policies were problematic. The state had retreated from its previous responsibility of providing social welfare and had inappropriately placed a heavy burden on individual families. They therefore urged the state to initiate a family-based social policy.\textsuperscript{33}

In 2006, the CCP clearly vowed to pursue the goal of building a harmonious society by 2025. The policy shift has now become even more apparent and observable. Unsurprisingly, the 2007 volume of *Chinese Public Policy Review* was almost completely centered on examining the shift of the policy paradigm in China. The first article appearing in this volume is a translation of Peter Hall’s famous essay on policy paradigm shift and policy learning.\textsuperscript{34} This clearly shows that the aim of this volume is to borrow Hall’s policy theory to examine the change in policy paradigms in China.\textsuperscript{35} In this volume, Wang argued in
his essay that since entering the 21st century, there is evidence that a historical shift has occurred in Chinese public policies: from economic policy to social policy. According to Wang, although in the early 1980s the state claimed that equity must be taken into account in the process of developing a market economy, economic growth had in fact become the only goal for governments at all levels. Consequently, the social welfare system established in the era of Mao had been steadily dismantled and economic policy began to dominate China’s public policy. Since the end of the 1990s, it had become apparent that the so-called economic miracle had been achieved at the expense of social equity. This eventually forced Chinese leadership to reorient China’s development policy in the first decade of the 21st century from economic policy to social policy. Meanwhile, increases in the state’s fiscal capacity since the 1994 fiscal reform have paved a fiscal foundation for such a policy shift. Finally, the policy shift as such has been facilitated by changes to the process of agenda setting, particularly the emergence of the external pressure model.36

Borrowing Peter Hall’s concept of policy paradigm, Ngok divided China’s development policy since 1949 into three phases: the paradigm of catching-up development policy (from 1949 to 1978), the paradigm of unilateral economic growth (or GDPism) (from 1978 to 2003), and the emergence of a new policy paradigm from 2003 onward. During the first stage, China’s development policy was subject to political ideology and the personal will of the top leadership, and the main policy instruments were mass mobilization and political coercion. With the initiation of economic reforms in 1978, the policy paradigm was transformed so that economic growth became the central concern and decentralization and marketization were the main policy tools. However, with the emergence of a plethora of socioeconomic and environmental problems since the mid-1990s, this policy paradigm could not be sustained. In this context, Chinese policymakers were forced to find a new policy paradigm. To Ngok, the announcement of the scientific development concept in 2003 was the hallmark of the emergence of a new policy paradigm. The policy goal has now become human centered, aiming at a balance among economic development, social development, and environmental protection. Moreover, a mixture of policy tools has been developed, including regulatory government, citizen participation, responsive governance, and consensus building. In general, policymaking has begun to be transformed from a state-bureaucracy-dominated model into a state-society
partnership model.\textsuperscript{37}

While Wang and Ngok focused on the general policy shift, other scholars addressed the shift in specific social policies. Yapeng Zhu analyzed China’s housing policy. According to him, during the past six decades China’s housing policy was transformed from a “welfare housing paradigm” (1950–1979) into a “housing marketization policy paradigm” (1979–2005). From 2003 onward, a shift toward social policy has occurred. However, there has been a lag in housing policy. Drawing from the perspective of policy network analysis, Zhu argued that after more than 20 years of market-orientated housing reforms, a powerful policy network that strongly supports the market-oriented housing policy had formed. He then urged Chinese policymakers to move toward “social housing,” which is obviously linked to so-called social citizenship. To this end, China must smash the policy network supporting the market-oriented housing policy and empower citizens as well as many other policy actors in the making of housing policy.\textsuperscript{38}

Other scholars examined the policy shift in education and health care, two areas that also suffered from the increase of inequity since the late 1990s.\textsuperscript{39} With the policy shift of 2003, the previous policy of “industrialization of education” was criticized. New value is strongly advocated: education equity has become the top priority, and efficiency no longer dominates policymaking. In this context, compulsory education, particularly in rural areas, is substantially enforced. Dongping Yang, thereby, argued that since 2003 there has been a policy shift in education. Yang further analyzed major forces pushing for such a policy shift. According to Yang, although social participation remains limited, policymaking has become more open than before. Intellectuals formulate and submit their policy advocacies; pressure groups within state sectors propose their policy ideas and criticize and challenge certain policies implemented by educational bureaus; People’s Congresses and People’s Political Consultative Conferences at all levels use formal mechanisms of political participation to propose bills and to articulate opinions or suggestions; the increasingly active media and NGOs disclose educational inequity and transform them into a social concern. Altogether, these serve to push the issue of education equity onto the policy agenda. Nevertheless, other forces resisted the policy shift, including (1) the inertia of state utilitarianism developed in the planned economy, (2) the powerful influence of the market, and (3) special interests of educational interest groups.\textsuperscript{40} Policy shifts also occurred in health care. For example,
Jitong Liu argued that after the SARS crisis China witnessed a policy shift in health care: from public hygiene to public health. Health care has, consequently, become a part of the social welfare system in which the state must take more responsibility than before. Liu, therefore, claimed that this indicated the arrival of a social welfare era in China.41

The last area gathering a lot of attention is labor policies for migrant workers (workers working in the cities but holding rural residential identity). As argued by Cui, Chou and Wen, and Jiang and Wong, a policy shift has also occurred in this area. All of these authors pointed out the injustice and discriminatory nature of previous labor policies that city governments imposed on migrant workers. For many years, city governments viewed migrant workers as a burden despite their significant contributions to urban economic prosperity. Under this policy tone, urban governments adopted various discriminatory regulations to constrain migrant workers, to exclude them from urban public services, and to provide no protection for them. These labor policies have generated significant social inequity as well as social unrest since the 1990s. This eventually forced the state to change its migrant labor policy from highlighting the principle of restriction, regulation, and discrimination toward inclusion and protection. Entering the 21st century, particularly since the CCP announced its new development policy paradigm, a new labor policy paradigm has begun to take shape. Instead of regulation and exclusiveness, the new policy stresses the protection of migrant workers’ well-being and including them and their children in the system of urban public services.42

Social policy has developed currency in China. Drawing from the perspective of social policy, Ngok delivered a sharp critique of China’s social security system and called for a comprehensive and fundamental restructuring of the whole system. To Ngok, the failure of the social security system designed in the 1980s and 1990s results from the fact that the whole system was designed to ease the reform of state-owned enterprises, and hence there was no consideration that China would need a social policy to correct negative effects associated with the development of a market economy. This explains the paradox of China’s social security system: while a multiple-tier social security system has been established on the basis of a variety of social insurance programs, the whole system is far from satisfying the basic needs of citizens, especially in areas of education, health care, and housing. Ngok thereby urged policymakers to adopt the approach of social policy to redesign China’s
social security system. It is expected that this will help transform China’s social security system from social status centered to human need centered.\textsuperscript{43} Even further, Xiulan Zhang and her coauthors defended the role of social policy by outlining a developmental social policy (DSP) for redesigning social policy in China. According to them, the DSP is supposed to integrate economic policy and social policy, which traditionally have been separate from each other. Based on this integration, social policy will be a tool of social investment aimed at removing or reducing elements causing poverty and misery for each individual, while in conventional social policy, the central concern is to provide social protection for those already in poverty and misery.\textsuperscript{44}

4. Policy, Finance, and Budgeting: Weaving Them Together

Money matters for policies. Policymaking and budgeting are two sides of the same coin. However, while nobody questions this, there has been little theoretical effort to weave the two sides together. In this area, recent Chinese scholarship has been noteworthy.

Based on their fieldwork examining provincial budgeting, Jun Ma and Yilin Hou examined the relationship between policymaking and budgeting in China. They found that there was a severe separation between policymaking and budgeting. The formal budgetary process, even though steadily institutionalized since the 1999 budget reform, was unable to effectively constrain policymaking. Usually, even after the budget had been approved by the legislature, during budget execution the government, the CCP standing committee, and individual politicians would initiate new policies that in many situations would result in new expenditures. Furthermore, in budget execution, the superior government or CCP standing committee would initiate new policies the subordinate level had to carry out. The separation of policymaking from budgeting has, consequently, generated a lot of uncertainties in China’s budget execution. To deal with these uncertainties, local governments have had to leave a large amount of revenue unallocated when compiling the annual budget.\textsuperscript{45} Ma and Ngok elaborated further on the theoretical relationship between policymaking and budgeting. According to them, there are two forms of separation between policymaking and budgeting in China. The first is budgeting unable to restrain policymaking. The second is policies unable to direct financial resources into fields to which
policies have been committed. Without sufficient financial support, policy commitments are inevitably incredible. This is especially true for social policies whose implementation demands a large amount of financial resources.46

The importance of financial resources for social policy has not been neglected. Immediately after the CCP proclaimed the new strategy of scientific development in 2003, Shaoguang Wang analyzed to what extent the Chinese government adjusted its policy orientation to be consistent with the new development policy. Based upon his detailed analysis of how, and to what extent, financial resources were reallocated into the areas associated with social policies, Wang argued that since the end of the 1990s the Chinese government has adjusted its policies with two leaps forward. There was an increase in fiscal transfers from the center to central and western provinces and an increase of the amount of financial resources allocated for urban social assistance and social security. The government at that time was on its way to taking the next step of policy adjustment. Noticeably, it was in this study that Professor Wang began to develop his famous argument that China is shifting away from economic policy to social policy.47 Social policy also provided a new perspective for Chinese scholars to examine public expenditures. Ngok examined social policy expenditures in terms of policy shift. According to Ngok, although the Chinese government has begun to increase expenditures in education, health care, employment, and social security, compared to other countries, even developing countries, the share of social expenditure in China is minimal. As a result, he called for further adjustment to China’s public expenditures to allocate more financial resources to social policy areas.48

The financial aspect of specific social policies has also received academic attention. Shaoguang Wang, for instance, examined the policy orientation in the health care system from the angle of health care financing and delivery and how policymakers’ design of the urban health insurance system was affected by fiscal capacity, particularly the extractive capacity of the state. According to Wang, the shift of policy orientation toward marketization in urban health insurance during the 1980s and 1990s was due to (1) the change of ideology of policymakers from an emphasis on equity to an emphasis on efficiency and (2) the decline of extractive capacity since the economic reform. While the former served to reduce policymakers’ willingness to assume health care responsibility, the latter reduced the government’s capacity to take on such
responsibility. Consequently, in the past two decades there has been a drop in the amount of health expenses as a percentage of GDP and particularly the share of government expenditure in total health care expenses. This, consequently, caused a rise in health costs for individual citizens and increased inequality in health care financing and delivery. Wang, therefore, called for a reorientation of health policy for the purpose of ensuring health care equity in the context that the extractive capacity of the state has increased.49

5. Conclusion and Discussion

The recent rise of Chinese scholarship in Chinese policymaking is both encouraging and promising. It has significantly enhanced our understanding of Chinese policymaking, the changes to the policy pattern as a response to socioeconomic challenges, and the financial aspects of policymaking. Compared to Western studies on China’s policymaking in which fragmented authoritarianism remains “the most durable heuristic,”50 Chinese scholars’ recent efforts tend to suggest that fragmented authoritarianism, as a theory developed during the period between the end of the 1980s and the early 1990s, is unable to grasp the essence and dynamics of China’s current policymaking. While authority fragmentation continues to exist within the government, policymaking is no longer conventional, completely monopolized by governmental bureaucracies; instead, it has become more open and transparent than it was before. Admittedly, some Western studies have recognized the rise of the influence of social elites in China’s policymaking. However, Chinese scholars have presented a much more comprehensive and dynamic picture of policy actors through their analyses of the role played by social elites, the development of policy networks, and the impact of the Internet. Indeed, besides social elites, the media, NGOs, and citizens or netizens have begun to participate in agenda setting as well as policymaking. Moreover, as suggested by the study of social policy, besides these actors, the legislature as well as the People’s Political Consultative Conference have begun to play more active roles in policymaking. In sum, Chinese scholars’ studies have made an admirable contribution to opening the black box of Chinese policymaking. Meanwhile, their efforts of weaving together policymaking and finance/budgeting have further improved our understanding of China’s policymaking. To a certain extent, this is an area overlooked by most Western studies on China’s
policymaking. Finally, Chinese scholars have made rapid progress in the field of social policy. In this increasingly important policy area, Chinese scholars have keenly grasped the shift of policy orientation as well as policy paradigms.

Obviously, Chinese scholars have drawn more insights from Western theories of public policy, for example, the theory of agenda setting, policy paradigm, policy network, and policy learning, than from Western studies of China’s policymaking. Nevertheless, this does not mean that Chinese scholars have completely abandoned Western studies on China’s policymaking. Though recognizing the limitations of the theory of fragmented authoritarianism, Chinese scholars have incorporated useful elements of it into their theorization. This is obvious in Qi Zheng’s examination of policymaking in the Nu River case and Chen Lin’s study of consensus building.

And to be clear, there are limitations in Chinese scholars’ policy studies. First, although they have made an admirable achievement in opening the black box of Chinese policymaking, to a large extent policymaking remains a black box. We still do not know how the CCP’s various functional departments impose their influence on policymaking and how they interact with the government and corresponding governmental bureaucracies. It remains unclear how the legislature interacts with the government in policymaking. We know policy networks exist, but we do not know how they developed into their current shape and how policy actors interact with each other. Second, only a few studies demonstrate the ambitions of theory building, for instance, Shaoguang Wang’s theory of agenda setting, Lin Chen’s theory of consensus building, and Zhu Xufeng’s theory of policymaking by midlevel bureau chiefs. In general, most studies remain at a very low level of theorization. This is particularly true in the study of social policy and the study of policy and budgeting.

Third, even within those studies that make an effort to develop theory, the authors have mainly adopted concepts from Western policy studies to understand China’s policymaking. There has been no effort at developing new concepts based on Chinese experience. This is surely an unfortunate situation considering that China, as a great country with a very long history and a unique culture, has adopted a somewhat unique road to development during the past three decades.
Notes


5. Xue and Chen, “Zhongguo gonggong zhengce.”

6. For example, see Z. Peng, “Cong lixing, quanli dao guanliao zhengzhi shijiao de zhuanbian” 從理性、權力到官僚政治視角的轉變 (The Transition of Perspectives from Rationality, to Power and to Bureaucratic Politics), Lilun tantao 理論探討 (Theory Inquiry), Vol. 21, No. 2 (2005), pp. 88–92.

7. Based on my email communications with Professor Lan Xue on 14 February 2011.


18. The dissertation was recently published. See X. F. Zhu, Zhongguo sixiangku 中國思想庫 (Chinese Think Tanks) (Beijing: Tsinghua University, 2009). As several chapters of the book have been published as journal articles that will be reviewed, herein I will not repeat the main findings of this book.


24. X. X. Wang and Y. L. Zhang, “Zhuanjia, dazhong yu zhishi de yunyong” 專


zhengce” 建構中國的發展型家庭政策 (Formulating a Developmental Family Policy in China), Zhongguo shehui kexue 中國社會科學 (Chinese Social Science), Vol. 6 (2003), pp. 84–96.
36 Wang, “Cong jingji zhengce dao shehui zhengce.”
39. For example, see Y. Yang, ed., Zhuangui Zhongguo: Shenshi shehui gongzheng he pingdeng 轉軌中國：審視社會公正和平等 (China in Transition: An Inspection on Social Equity and Equality) (Beijing: Chinese People’s University Press, 2007).
43. K. L. Ngok, “Shehui zhengcexue shiyia de Zhongguo shehui baozhang zhidu jianshe” 社會政策學視野下的中國社會保障制度建設 (Rebuilding China’s Social Security System from the Perspective of Social Policy),
44. X. L. Zhang, Y. B. Xu, and Z. L. Mei, *Zhongguo fazhangxing shehui zhengce lungang*.  
50. Borrowing words from Mertha, “‘Fragmented Authoritarianism 2.0.’”