THE POLITICS OF CONSULTATIVE AUTHORITARIANISM: BUREAUCRATIC COMPETITION, DELIBERATION AND RESPONSIVENESS IN CHINA

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A THESIS SUBMITTED IN PARTIAL FULFILLMENT OF
THE REQUIREMENTS FOR THE DEGREE OF

Doctor of Philosophy

in

THE FACULTY OF GRADUATE AND POSTDOCTORAL STUDIES

(Political Science)

THE UNIVERSITY OF BRITISH COLUMBIA

(Vancouver)

June 2019

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THE POLITICS OF CONSULTATIVE AUTHORITARIANISM: BUREAUCRATIC COMPETITION, DELIBERATION AND RESPONSIVENESS IN CHINA

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the degree of Doctor of Philosophy
in Political Science

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Abstract

This dissertation, which consists of two separate but related components, examines public consultation in authoritarian regimes, with a focus on China, where expert consultation is now a standard procedure in the drafting process of major policies. While expert consultation is ubiquitous, not all episodes of expert participation display high-quality deliberation. In the majority of cases, the bureaucracy recruits a cohort of advisors espousing similar positions and instructs them to draft a unified blueprint while constraining debate. In other cases, however, the procedure is highly deliberative, as the government enlists experts with diverse persuasions, and permits them to produce parallel blueprints while also encouraging debate. What accounts for variation in the design of these consultative procedures? I argue that the degree of intra-elite competition shapes expert consultation processes. In cases of fierce bureaucratic conflict, at different stages during the policymaking process, bureaucratic actors who perceive themselves as weak opt for the expansion of the consultation procedure. The end result of this process is the inclusion of experts representing a wide spectrum of opinions. However, in cases of bureaucratic consensus, government officials have fewer incentives to either diversify or expand the roster of advisors. As a result, experts’ consultation is likely to become insipid. To test this theory, the dissertation analyzes the drafting processes of two cases of expert participation, the drafting of China’s Healthcare Reform (2009) and Education Reform (2010).

In the second component of the dissertation, I study authoritarian responsiveness to consultative input originating from grassroots groups. In 2008, the Chinese government unveiled a blueprint for healthcare reform, inviting the public to post their opinions online. Having
collected 27,899 online comments, the government subsequently published a revised draft. I present a statistical analysis based on the coding of a random sample of two percent of this corpus of comments, assessing the effect of comments on revisions while controlling for both media content and bureaucratic preferences. Demonstrating that public comments have an impact upon policy revisions, the findings also suggest that bureaucrats’ calculus of ensuring smooth policy implementation underlie a higher degree of responsiveness to frontline implementers than to other social groups.
Lay Summary

Examining citizen participation in non-democracies, the dissertation tackles two questions: 1) Under what conditions participants have space to air diverse views and debate policy positions? 2) Does citizen participation have any impact upon policymaking processes? To investigate these questions, I focus on citizen participation in China, where the government often consults citizens.

For the first question, I compare two contrasting cases of public consultation. Whereas in China’s health reform policy process (2009) experts debated multiple policy visions, in the education reform (2010) the space for discussion of alternative options was limited. The comparison between the two cases shows that fierce bureaucratic conflict produces a more open policymaking process. To answer the second question, I analyze the contents of citizens’ comments on China’s healthcare reform posted in a government online consultation portal. Comparing the pre-and-post consultation policy drafts, I find that policy revisions corresponded to citizen’s demands.
Preface

- I am the sole contributor to this dissertation, and am responsible for the following: 1) identification and design of the research program. 2) Performance of various parts of the research, and 3) Analysis of the research data. (Even though I am the sole contributor, the project immeasurably benefitted from the advice of my committee members).

- Chapter 5 is now published with Governance (“Authoritarian Responsiveness: Online Consultation with ‘Issue Publics’ in China”). I am the sole author of this version.

- The dissertation research was approved by UBC’s Behavioural Research Ethics Board (Certificate# H11-01366).
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List of Abbreviations

21ST CBH 21ST Century China Business Herald
ACFTU All-China Federation of Trade Unions
BNU Beijing Normal University
CAS Chinese Academy of Sciences
CASS Chinese Academy of Social Sciences
CCP Chinese Communist Party
CCP PHRO CCP Party History Research Office
CICC China International Capital Corporation
CMCC Century Chinese International Media Consultation Inc.
CNHDRC China National Health Development Research Centre
CPPCC Chinese People’s Political Consultative Conference
CSG Coordinating Small Group
CSER China Society of Economic Reform
CYD Chinese Youth Daily
DFID Department for International Development
DRC Development Research Center
DRG Diagnostic Related Group
EPRCC Environmental Protection and Resource Conservation Committee
FA Fragmented Authoritarianism
FLO Foreign Loan Office
GDP  Gross Domestic Product
HEIs  Higher Education Institutions
HPSP  Health Policies Support Program
ISCED  International Standard Classification of Education
LSG  Leadership Small Groups
MEP  Ministry of Environmental Protection
MOE  Ministry of Education
MOF  Ministry of Finance
MOH  Ministry of Health
MOHRSS  Ministry of Human Resources and Social Security
MOLSS  Ministry of Labor and Social Security
NRCMS  New Rural Cooperative Medical Scheme
NDRC  National Development and Reform Commission
NHFPC  National Health and Family Planning Commission
NHS  National Health Service
NPC  National People’s Congress
PLA  People’s Liberation Army
RMB  Renminbi
SESA  Shanghai Education Science Academy
SETC  State Economic and Trade Commission
SARS  Severe Acute Respiratory Symptom
SMD  Southern Metropolis Daily
SPC  State Planning Commission

SPDC  State Planning and Development Commission

SPPM  School of Public Policy & Management

UNESCO  United Nations Educational, Scientific and Cultural Organization

WB  World Bank

WHO  World Health Organization

WSG  Working Small Group
Acknowledgements

I am first and foremost grateful to my supervisor, Alan Jacobs, for introducing me to the discipline and teaching me to think like a political scientist. I am thankful to Alan for his unflagging support in me and my research project throughout the long process of conceptualization, research and writing of the dissertation. For many years, Alan has been an incredibly patient and generous mentor, who, at numerous occasions, has offered thorough and penetrating feedback on my work. Alan has also greatly contributed to my development as a scholar through his efforts to create a vibrant community of political scientists through the distinguished speakers’ series, Comp-Can workshops and graduate student lunches.

As a committee member and course instructor, Yves Tiberghien inspired me to become passionate about the field of political economy. Thanks to Yves’ resourcefulness and entrepreneurial acumen, I was also able to reach out and connect with the leading figures in my field. In am indebted to Mark Warren for introducing me to the concept of ‘authoritarian deliberation’ and to the works of Hannah Arendt and Habermas. When I first started working on the health reform, I was searching for a framework to capture a seemingly contradictory phenomenon of an authoritarian regime that is actively seeking to promote discussion and participation. Mark furnished me with the apt theoretical lenses to approach this complex issue. In addition to my committee members. I am also thankful to Ilan Vertinsky for encouraging me to study China’s healthcare reforms.

I acknowledge the generous support of the SSHRC, Chiang Chingkuo Foundation, Pan Tianshou Foundation and Brent Sutton & Linda McGregor.
At various stages during my doctoral studies, I was fortunate to both draw inspiration and receive advice from the following graduate students and friends: Jennifer Allan, Li Guo, Mendee Jargalsaikhan, Yingqiu Kuang, Alex Held, Pascale Massot, Erik Merkley, Sungwook Park, Beth Schwartz, Dom Stecula, Brent Sutton, Daniel Westlake, Sule Yaylaci, Chunman Zhang, Linting Zhang and Arc Han Zhen.

My family members have been a constant source of moral support throughout this process of dissertation writing. My parents, Liora and Avi Kornreich, have always been keen to help out, and have invariably shown keen interest in my life. Through their life experiences, my parents have taught me the importance of persistence. Their work in the health sector, and the challenges that they faced in the course of their demanding careers, must have inspired me to focus on the study of health policies. My siblings, Micha and Tamar, my sister-in-law, Shlomit, and my aunts and uncles—Nomi, Orna, Zvi, Aninka and Saul—offered invaluable encouragement at different times during this process. My parents-in-law, Zeng Lianyou and Feng Liqiang, were incredibly generous, caring and helpful in numerous ways and during crucial times.

My grandfather, Pesach (Paul) Heger (1924-2018), was a scholar, entrepreneur, and an unconventional and daring person. Without his wise advice, I would not have pursued such a fascinating vocation.

I have been fortunate to spend the past 11 years with my wife, Lisi Feng. My children Alona and Eyal, who were born during my doctoral tenure, have immeasurably enriched my life.
Dedication

To my grandfather, Pesach Heger (1924-2018), who inspired me to embark on the academic route.
And,
To my parents, Liora and Avi Kornreich, who have endured my long years of living abroad and far away from home.
And,
To my wife, Lisi Feng.
Chapter 1: Introduction

In the past two decades, authoritarian regimes—such as China, Vietnam, Russia and Singapore—have experimented with political reforms that expand public consultation and popular participation (Beznosova and Sundstrom, 2014; He and Warren, 2011, 2017; Jayasuriya and Rodan, 2007; Jensen et al., 2014; Nathan, 2003; Malesky and Schuler, 2010, 2012; Petrov et al., 2014; Richter, 2009; Rodan and Jayasuriya, 2009; Truex, 2016; Warren, 2009). These regimes have introduced a host of deliberative and consultative outlets for soliciting public input. Such procedures include deliberations at national parliaments, expert forums, public debates on policy issues, regular consultation sessions with business associations, face-to-face meetings between decision-makers and representatives of grassroots groups, as well as online consultation with the public. These institutional practices allow authoritarian governments to engage with diverse societal groups.

It is likely that autocrats are opening up participatory venues in order to avoid democratization, rather than promote it (Slater and Wong, 2013). Through the introduction of participatory procedures, authoritarian regimes are able to reap four significant benefits. First, consultation enhances the regime’s basis of legitimacy and popular support (Balla, 2014; Dickson, 2011, 2016; Guo, 2010; He and Warren, 2011; Kornreich, 2016; Noesselt, 2014; Stromseth et al., 2017; Truex, 2014a). Second, in the absence of free elections and independent media, consultative forums serve as important channels for soliciting information as authoritarian regimes often lack credible sources of information on citizens’ preferences and level of support for the regime (Dimitrov, 2014a, 2014b; Egorov et al., 2009; Evans, 2010; Manion, 2016; Stockmann, 2013; Stromseth et al., 2017; Truex, 2016). Third, consultation facilitates a strategy
of elite cooptation, primarily through the introduction of legislatures (Gandhi, 2009; Gandhi and Przeworski, 2006; Jensen et al., 2014; Lust-Okar, 2006; Malesky and Schuler, 2010; O’Brien, 2008; Truex, 2014b, 2016; Tsai L., 2017). Fourth, participatory procedures serve to attenuate social conflicts arising as a result of economic development and modernization (Distelhorst and Hou, 2017; He and Warren, 2011; Jing Y., 2011; Li C. 2017; Stromseth et al., 2017).

This dissertation investigates two key questions: 1) under what conditions both consequential and high-quality expert deliberation procedure is likely to take place? 2) Are authoritarian regimes responsive to citizen’s consultative input? In regard to the first question, I argue that an intense bureaucratic conflict is likely to engender more broad, diverse and vibrant expert participation procedure. As for the second question, I find that autocrats are responsiveness to citizens’ feedback, and propose two mechanisms to account for this phenomenon. Whereas one mechanism underscores the quest for obtaining regime legitimacy, an alternative mechanism highlights the bureaucratic impetus to gain the policy support of frontline implementers.

1.1 Under What Conditions Is Authoritarian Consultation Substantive?

While we know why authoritarian regimes are likely to promote consultation and participation, we do not fully understand the conditions enabling substantive consultation across diverse arenas of both elite and non-elite consultations. Why in some cases consultation is substantive, whereas in others it is merely symbolic? In this dissertation, substantive consultation is defined as formal procedures for gathering input from both state and non-state actors, in which the input contributes to improved policy outcomes. Substantive consultation is contrasted with
symbolic consultation—a formal procedure of collecting input, in which the input has little contribution to improved policy outcomes.

This dissertation examines the conditions enabling substantive consultation through two different outcome variables—‘quality of deliberation’ and ‘responsiveness’. Even though these two outcome variables are different, they still belong to the same phenomenon—substantive consultation. When either ‘quality of deliberation’ or ‘responsiveness’ is present, we are likely to observe improved policy outcomes.

While this dissertation studies the same phenomenon, it focuses on two different types of consultations: elite consultation and grassroots consultation. The most optimal way to assess ‘substantiveness’ for each of these two types is different. In the case of expert participation, substance is better measured through an assessment of the quality of deliberation. Elites, such as experts, participate in face-to-face meetings with policymakers—an arena that augurs well for the possibility of deliberation and debate. There is also ample documentation, including media reports, and accounts written by participants, to allow for an in-depth analysis of the contents of experts’ input, the diversity of perspectives, and the final contribution of the deliberative input to policy documents. These written sources can also be supplemented with interview data, since experts are often willing to share in person their experiences.

In the case of grassroots participation via online outlets, in which there is no process of discussion and deliberation, the best strategy for assessing substance is through the estimation of government responsiveness to grassroots input. As opposed to experts, in the case of grassroots consultation, there are no face-to-face meetings between participants and officials that would otherwise allow for high-quality deliberation. Instead, citizens are likely to use channels such as
online portals to relay their concerns and grievances upwards. Under these conditions, deliberation that involves exploration of novel policy options is not tenable. The criteria for evaluating the quality of the deliberative procedure, thus, hinge on the degree of government responsiveness to citizen input.

Both ‘quality of deliberation’ and ‘responsiveness’ can be considered substantive. When expert participatory procedures feature high-quality deliberation, they have an epistemic contribution policymaking. Assuming that policymakers, are boundedly-rational—that is, their imaginations and calculative abilities are limited (Fearon, 1998)—the process of deliberation can foster the development of better policy solutions in the following ways. First, when deliberation takes place, participants are likely to encounter ideas, perspectives and vantage points, which they have not previously considered. Second, deliberation also enables participants to develop, through discussions with co-participants, new ideas and solutions, which otherwise they would not have been unable to arrive at individually (Fearon, 1998).

Deliberation can function as a tool for resolving complex policy problems not only in democratic settings, but also in authoritarian systems, where rationally-bounded decision-makers often grapple with complex policy problems (Fearon, 1998). If authoritarian regimes are able to create an environment in which the quality of deliberation is higher, the likelihood of arriving at improved policy solutions is greater.

Responsiveness to grassroots consultative input also can also be considered substantive consultation. When grassroots stakeholders participate in policymaking, they bring into the fore sectoral and local knowledge, which consists of both the motives and interests of the relevant social actors and empirical information relevant to the social setting in which the policy is
carried out. Such local knowledge is essential for successful policy implementation (Fischer, 2000; Papadopolous and Warrin, 2007). When local knowledge is excluded from policymaking processes, policy errors are more likely to occur (Bohman, 2007). In particular, policies which do not align with the incentives of grassroots stakeholders, are likely to lose grassroots support, and, thus, fail at the implementation stage (Papadopolous and Warrin, 2007). The incorporation of grassroots input, which contains local knowledge, into policy blueprints ameliorates policy outcomes.

The dissertation studies substantive expert and substantive grassroots consultations together because the two are complimentary; each contributes to improved policymaking in a different way. Experts use professional knowledge to develop theoretical schemes for analyzing complex problems, and inferring a set of policy solutions (Fischer, 2000). However, experts’ professional knowledge alone cannot facilitate policy success. Whereas experts formulate abstract, general principles for policy solutions, grassroots stakeholders can furnish policymakers with local knowledge that is necessary for the application of professional knowledge to a particular social context. Further, expert perspectives are far from being objective. Often, expert views are tainted by ideological persuasions, which cause them to ignore gaps in their arguments, and, thus, lead them to propose impractical policies with adverse consequences. Grassroots’ local knowledge, therefore, can serve as a remedy for the blind-spots in experts’ perspectives (Fischer, 2000). The integration of both professional and local knowledge is essential for devising effective policies.

Because ‘quality of deliberation’ and ‘responsiveness’ can have a complimentary contribution to policymaking—through the gathering of both professional and local knowledge,
they should be studied together. If these two variable are studied separately, we will obtain a narrow perspective on the contribution of consultation to policymaking. When studied together, however, it is possible to arrive at a broader and more accurate assessment of the positive impact of authoritarian consultation on policymaking.

1.2 Why Is It Important to Study Substantive Consultation?

The analysis of the two outcome variables, ‘quality of deliberation’ and ‘responsiveness’—which are included within the category, ‘substantive consultation’—either together or separately, adds to our understanding of consultative authoritarianism. In bringing together both variables, we are able to gain a fuller view of the impact of consultation on policymaking. When studied in separation, the dissertation’s focus on substantive consultation as a unifying theme helps to shed light on the distinct conditions that enable either expert or grassroots consultations to affect policymaking in a meaningful way. In the case of expert consultation, the dissertation puts forward a general theory and an operationalized variable ‘quality of deliberation’ to assess ‘substantiveness’ across cases. In the case of grassroots consultation, the dissertation empirically tests the substantive contribution of consultation to policy revisions.

By bringing together both expert and grassroots consultations, the dissertation contributes to our knowledge of consultative authoritarianism. Even though expert or grassroots consultations are complimentary, most studies of consultation in autocratic regimes focus on either expert or grassroots consultation. Scholarship on expert consultation suggests that such procedures ameliorate the quality of policymaking (Chen and Naughton, 2016; Kornreich et al., 2012; Naughton, 2002a; Thompson, 2009; Wang and Fan, 2013). Meanwhile, studies of
grassroots consultation establish that these practices enhance the quality of local policymaking while strengthening regime legitimacy (Fewsmith, 2013; Fishkin et al., 2010; Hartford, 2004; He and Thogersen, 2010; He, B., 2014a, Unger et al., 2014). By analyzing these two types of consultation separately, these authors provide a narrow perspective on the efficacy of consultative authoritarianism. As opposed to these studies, this dissertation, which studies both elite and non-elite consultations, puts forward a fuller view on the contribution of consultative authoritarianism to policymaking; it establishes that authoritarian regimes have the capacity to gather both professional and local knowledges via consultative procedures.

The study of substantive consultation addresses additional gaps in our understanding of both expert and grassroots consultation. In focusing on the conditions underlying ‘substantiveness’ in expert consultation, this dissertation proposes a new theory to explain variation across diverse cases. Existing studies of expert consultation under authoritarianism argue that such procedures contribute to policymaking. Experts can help policymakers to reach consensus on policies that are feasible (Chen and Naughton, 2016; Wang and Fan, 2013; Wang and Yan, 2015, 2016). They also provide policymakers with advice on technically-complex policies (Ru P., 2016), and furnish them with diverse policy visions and innovative policy suggestions (Thompson, 2009). Yet, these studies of expert consultation under authoritarianism exclusively focus on single case studies within single policy arenas, such as healthcare (Kornreich 2016; Kornreich et al. 2012; Korolev, 2013; Wang and Fan, 2013), economic policies (Halpern, 1988, 1989, 1992; Naughton, 2002a), Five Year Plans (Wang and Yan, 2015, 2016), science and technology (Chen and Naughton, 2016; Ru P., 2016; Zhi and Pearson, 2017), and the Labor Contract Law (Dong and Gallagher, 2011). They do not examine expert consultation from
a comparative perspective. In neglecting to study expert consultation comparatively, these studies are unable to develop a general theory to account for variation in the quality of deliberation across multiple cases. This dissertation, which studies expert consultation from a comparative approach, adds to our existing knowledge of expert participation under authoritarianism.

In applying the concept of ‘authoritarian deliberation’ to expert participation, the dissertation further enhances our understanding of substantive consultation. Extant studies of authoritarian deliberation primarily treat this as a grassroots phenomenon that takes place at the local level (Ergnec, 2014; Fewsmith, 2012; Fishkin et al., 2010; He and Leib, 2006; Unger et al., 2014; Zhang SN., 2014). Meanwhile, scholarship on expert consultation, with the notable exceptions of Kornreich et al. (2012) and Korolev (2013), does not apply the concept of authoritarian deliberation to expert participation. In neglecting to examine expert participation through the conceptual lenses of deliberation, existing studies cannot fully capture the potential contribution of experts to policymaking. This dissertation, however, uses the concept of deliberation to specify how expert participation improves policymaking—through discussion and exchange of diverse views.

To further substantiate the function of deliberation in ameliorating policymaking, the dissertation creates a new variable ‘quality of deliberation’, which consists of three key components: diversity of opinions, multiple policy blueprints and relative autonomy from administrative control. The operationalization of this variable and its three constitutive components helps to explain how expert participation and deliberation can be substantive and consequential. To the author’s knowledge, this dissertation is the first study to develop tools to
assess the contribution of expert deliberation to policymaking in authoritarian settings. Steiner et al. (2004) developed the Deliberation Quality Index (DQI) to evaluate the degree of deliberation in democratic legislatures, but no study has created measures to study the quality of deliberation under authoritarianism.

This dissertation’s analysis of responsiveness also contributes to our knowledge of substantive grassroots consultation. Existing studies of authoritarian responsiveness account for the conditions underlying responsiveness, but they do not study the actual impact of consultative input on policy revisions. Most studies measure responsiveness exclusively in terms of whether government officials contact online complainers in response to their expressed grievances (Chen, Pan, & Xu, 2016; Distelhorst & Hou, 2014, 2017; Su & Meng, 2016). Therefore, existing scholarship cannot not tell us whether consultation with grassroots stakeholders is substantive. As opposed to these studies, this dissertation, which examines responsiveness in terms of real policy change, can demonstrate that consultation is substantive.

1.3 Why Study China?

This study of authoritarian consultation and deliberation focuses on China for three key reasons. First, among authoritarian regimes, the Chinese government has been experimenting with a variety of participatory procedures, targeting diverse segments of society. Second, as a result of official promotion of consultation, the rate of political participation in Chinese society is higher than the average among authoritarian regimes (Stromseth et al., 2017). Third, the Chinese government not only institutionalizes consultation, but also endorses political deliberation. The proliferation and diversity of participatory outlets in China offer abundant opportunities for
exploring variations across cases, and tracing the conditions that tend to produce high-quality deliberation.

1.3.1 China as Consultative Authoritarianism

Since the 1980s, formal consultation procedures proliferated in China and gradually become institutionalized, as the regime recognized the need to obtain advice, information and support from key sectors of the population (Harding, 1987). In Hu Jintao’s Report at the 18th Party Congress, it was mentioned that “The people must be consulted on all policies that directly concern their interests” (Hu J., 2012). Xi Jinping also declared that the state seeks to enhance consultation with different segments of society on diverse issues, open up consultation forums at the local level, and engage citizens (Dickson, 2016). In developing this model, the government is using a very diverse set of techniques, reaching out to various social groups via diverse fora, such as NGOs (Teets, 2013, 2017; Weller, 2008, 2012), the general public via the Internet (Balla 2012, 2014, 2017; Hartford, 2005; Minard, 2015; Truex, 2014a; Distelhorst and Hou, 2017) and public opinion surveys (Thornton 2011), business elites via the NPC (Truex, 2014b, 2016), non-Party members via the CPPCC and United Front (Tsang, 2009), local residents via participatory budgeting, deliberative polling and public hearing (Ergenc, 2014; Fewsmith, 2013; He and Thogersen, 2010; He. B, 2011 Zhang S. N, 2013), urban citizens via commercialized media (Reilly, 2011; Stockmann, 2013), and experts (Chen and Naughton, 2016; Halpern, 1988, 1989; Hamrin, 1987; Kornreich et al., 2012, Kornreich, 2016; Zhu Xufeng, 2009, 2013, 2013a).
1.3.2 Deliberation in China

In some occasions the proliferation of consultation in China also coincides with a relatively recent institutional innovation—the introduction of government-sponsored deliberation (Fishkin et al., 2010; He, 2014; He and Leib, 2006; He and Warren, 2011, 2017; Noesselt, 2014; Unger, 2014). The opening up of deliberative fora enables the Chinese government to accomplish three functional goals: obtain legitimacy, gather information and mitigate social conflicts (He and Warren, 2011).

In recent years, the CCP has endorsed ‘deliberation’ as part of the regime’s ideology, and has also endeavored to institutionalize deliberative practices. The Report at 18th Party Congress stipulates the establishment of a Socialist Deliberative System (Hu J., 2012). Following this Report, in 2015 the CCP Central Committee unveiled two documents that provide greater level of specification regarding regime-sponsored deliberative procedures, notably the promotion of diverse types of deliberation at the local and grassroots level (CCP Central Committee, 2015a, 2015b). The CCP’s commitment to deliberation is further reiterated in the 19th Party Congress Report, in which the Chinese term for ‘deliberation’, xieshang appears 24 times (Xi J., 2017).

Meanwhile, at the local level, Zhejiang Province, has been at the forefront of institutionalization and regularization of deliberative procedures. Most recently, the municipal government at Taizhou City published regulations to establish forums of both elite and grassroots deliberations, acknowledging the need to include non-Party members in these new formats of participatory governance (Taizhou City, 2016).

In China, consultative processes often shade into deliberative processes (He and Warren, 2011). I view consultation and deliberation as a continuum, rather than as two distinct
phenomena (Kornreich et al., 2012). Consultation in its extreme form, is a means of a two-way communication employed by decision-makers solely to obtain information. At the other end of the spectrum, deliberation, in its purest form, implies that decision-makers will do more than solicit input—they will enable (or permit) space for people to discuss issues and to engage in the give and take of reasons, to which decisions are then responsive (He and Warren, 2011). The purpose of this dissertation is to explore the conditions under which consultative and participatory procedures could become more deliberative.

1.4 Focus of Study: Expert and Grassroots Consultation and Deliberation

In studying consultation and deliberation in China, I examine participatory outlets that include two different segments of society: experts and grassroots groups. I select these two demographics because they can furnish us with invaluable insights regarding authoritarian political dynamics and resilience. Experts are considered highly influential political actors, and, if given official opportunity to participate and articulate views on given policy issues, their impact on authoritarian politics could be further enhanced. Non-elites are far less influential. Yet, their inclusion in policymaking, which may be accompanied by government responsiveness, could potentially generate regime legitimacy and enhance trust in the central government. Channels of grassroots participation could also foster improved management of frontline bureaucrats.

1.4.1 Why Study Expert Consultation and Deliberation?

Under the settings of authoritarian deliberation, experts are likely to become influential political actors. He and Warren (2011) consider deliberation as a form of persuasion-based
communication. In such a communicative procedure, experts, who excel in advocacy at the public arena (Majone, 1989), are likely to affect the deliberative process. In a discussion-based political process, experts are in a position to set the agenda and define the nature of the policy problem (Rochefort and Cobb, 1993; Rich, 2005).

Even though in authoritarian contexts the space for expression of ideas is construed, experts still have the opportunity to shape the policy discussion. Autocrats set the ideological tone and delineate the boundaries of permitted discourses, placing considerable limits on the scope of what experts may be able to say or propose. Yet, within these confines, discussion is still permitted, particularly about issues directly relevant to people’s lives, such as social and economic policies (Stockmann, 2013). Experts still have the ability to put forward an argument, shape the policy discourse, and, ultimately, generate influence on decision-makers.

In the Chinese case, there is considerable evidence that experts have an impact over public debates. Experts and intellectuals prefigured in high-profile policy discussions and have set the public discourses over healthcare, property law, labor contract law, detention of migrants, restructure of state owned enterprises, countering human trafficking and low-carbon economy (Dong and Gallagher, 2011; Kornreich et al., 2012; Shi Z. and Yang G., 2015; Zhao Y., 2008). Arguably, their ideas have shaped how decision makers and bureaucrats viewed given policy issues. Their discourses might have also had spillover effects on formal, government-sponsored deliberative and consultative fora that engage diverse social groups.
1.4.2 Why Study Grassroots Consultation?

The study of consultation with the grassroots can shed light on trust in the government in China. Public opinion surveys from China invariably suggest that the level of trust in the central government is exceptionally high, while the degree of trust in local authorities is very low (Dickson et al., 2016; Shi T., 2014; Tang W., 2016). These findings comport with evidence from studies of social activism in China, which establish that those who participate in collective acts of protest and resistance display a high-level of trust in the central government (Dimitrov, 2014a, 2014b; Li and O’Brien, 2006; Li L., 2009, 2013, 2016; Tsai L., 2015). While we know that the level of trust in China’s central government is high, we still do not fully understand how this trust is sustained and reproduced. The conduct of public consultation, and consequent responsiveness to online input might be one of the mechanisms enabling this phenomenon of high trust in the central government.

The study of grassroots consultation, via the Internet, is also key for understanding how the CCP (Chinese Communist Party) generates legitimacy among non-elite groups. The CCP is able to bolster popular legitimacy through political reform (Schubert, 2007), which includes the introduction of consultative institutions, such as People’s Congresses, CPPCCs, local level participatory procedures and public hearings (Gilley and Holbig, 2009; Schubert, 2007). Online consultation is one facet of consultative authoritarianism that strengthens legitimacy among a specific demographic group: those with both low political access and low education (Truex, 2014a). Amid the prevalence of online criticism and proliferation of mass protests, regime legitimacy is no longer inherent. Instead, it needs to be constantly regained and reaffirmed, and online participatory platforms enable the accomplishment of this goal (Noesselt, 2014). A study
that establishes central government responsiveness to non-elites’ online input could enrich our understanding of one the possible mechanisms for obtaining popular legitimacy.

Studying online consultation in the context of policymaking is also important for gaining insights on the management of frontline bureaucrats in authoritarian regimes. In O’Brien’s recent scholarship on police frontline bureaucracy, the author notes that police officers often operate under working conditions of low remuneration, understaffing and limited resources. Meanwhile, the ability of frontline bureaucrats to either adapt central government policies to local circumstances or relay their concerns upwards are fairly limited in China’s hierarchical administrative system (Scoggins and O’Brien, 2017). In addition to police forces, equivalent problems of a demoralized frontline bureaucracy also abound among other public-sector employees, such as teachers, medical personnel and SOE (State-owned enterprise) employees (O’Brien, 2016). When frontline bureaucrats are disaffected, the ability of the central government to implement policies is compromised (Scoggins and O’Brien, 2017). Consultation on policymaking, in which a large proportion of the participants hail from the ranks of frontline implementers, could enable direct communication between the central government and this demographic group. The display of a modicum of government responsiveness to grievances articulated in online consultation could potentially attenuate feelings of resentment, and ensure smooth policy implementation.

The study of grassroots consultation, notably with frontline bureaucrats, can also contribute to our understanding of inclusion and social cooptation in authoritarian regimes. We know that autocrats harness a host of institutions in order to reach out to diverse social segments. Autocrats utilize encompassing parties for ensuring mass participation while maintaining
political stability (Collier and Collier, 1991; Easton, 1965; Huntington, 1968; Levitsky and Way, 2013; Magaloni and Kricheli, 2010; Nathan, 2003; Smith, 2005), and they also leverage quasi-democratic legislatures to coopt potential opposition from non-state elites (Gandhi, 2008; Malesky and Schuler, 2010; O’Brien, 2008; Truex, 2014b; Tsai, 2017). Meanwhile, a commercialized media serves as a conduit for engaging with urban middle classes (Stockmann, 2013), and public opinion surveys function as means for gathering intelligence on popular sentiments for the purpose of attaining mass inclusion (Thornton, 2011). A study of online consultation with grassroots policy stakeholders contributes both empirically and theoretically to this scholarship on social inclusion in authoritarianism. Empirically, this dissertation can identify online consultation as a new institution of social inclusion, which other studies have not discussed before. It can also point out to frontline bureaucrats, which existing scholarship on social inclusion does not consider, as an additional social group that is the target of autocrats’ strategy of social incorporation. Theoretically, the dissertation can propose new causal mechanisms to explain how the phenomenon of authoritarian inclusion unfolds.

1.5 Argument of the Dissertation

In the proceeding chapters, the dissertation puts forward three key arguments about expert and grassroots consultation. Regarding expert participation in policymaking, I contend that bureaucratic conflict is more likely to spur the emergence of policymaking procedure featuring high-quality deliberation. At different stages during the policy formulation process, rivaling actors who perceive themselves as weak are likely to lobby for the insertion of advisors whose views are coterminous with their own organizational interests. The consecutive stages of
strategic expansion of the consultative procedure are likely to result in the inclusion of experts whose persuasions are reflective of a broad spectrum of views. The eventual outcome of this unusually open and diverse policy formulation process is a blueprint consisting of novel policy prescriptions and innovative measures.

As for grassroots consultation and authoritarian responsiveness, I introduce two arguments. First, authoritarian regimes have the incentives to incorporate citizen consultative input into policy pronouncements, since responsiveness to public opinion is likely to enhance popular legitimacy. Second, besides the quest for obtaining regime legitimacy, another motivator for responsiveness is the bureaucratic impetus for the acquisition of policy-legitimacy from key stakeholders. Therefore, to induce cooperation in policy implementation, officials in charge of handling citizens’ feedback are likely to prioritize responsiveness to frontline bureaucrats.

1.5.1 Summary and Plan of the Dissertation

The dissertation proceeds as follows. Chapters 2, 3 and 4 explore the conditions under which expert consultation could become highly deliberative. Chapter 5 focuses on public, online consultation, exploring government responsiveness to citizen input. Chapter 6, concludes the dissertation’s findings and their implications.

In chapter 2, which is the theoretical chapter for the study of expert consultation, I commence with an introduction of different typologies of authoritarian consultation with experts across two dimensions: centrality and deliberation. With respect to centrality, while in some cases experts play a central role, directly attending the drafting processes of government policies, in other cases they assume a more peripheral part, offering some pieces of advice when
participating in consultation forums. With respect to the quality of deliberation, I look for three criteria: 1) a broad participation procedure; 2) advisors’ who participate have a diversity of views on the policy in question; and, 3) experts operate in an environment that is relatively autonomous from bureaucratic interference. Cases that meet these three criteria could be deemed deliberation of high quality. In other cases, the three conditions—breadth, diversity and independence from government intervention—are absent. I shall refer to these cases as ‘low quality deliberation’.

Examining a large set of policymaking and lawmaking episodes in China, I demonstrate that cases of participatory procedures in which experts’ role is both central and highly deliberative are quite rare. On the basis on this analysis, I aim to address an empirical question: In China, under what conditions both consequential and highly deliberative expert consultation is likely to take place?

The theoretical framework to account for variation in the quality of deliberation is anchored in specific behavioral assumptions regarding the motivations of key actors: autocrats, public opinion, bureaucrats and experts.¹ I presuppose that autocrats seek to devise policies that benefit the public, and that for achieving this goal they opt to institutionalize broad and comprehensive consultative procedures, which are likely to ameliorate the quality of policymaking. Autocrats adopt this course of action because they realize that public opinion favours policies that enhance the populace’s welfare, thus strengthening regime legitimacy. While autocrats vie for the promotion of broadened consultation procedures, bureaucrats favor a

¹ Following Choi (2018), I consider Politburo members as leaders and government officials at ministry level and below to be bureaucrats.
narrow consultation procedure that consists of experts whose positions are coterminous with theirs. Since the direct administration of consultation procedures is delegated to bureaucrats, it is often that expert consultation assumes a format that is consistent with bureaucratic preferences rather than those of autocrats. Furthermore, in a highly fragmented and competitive bureaucratic apparatus, bureaucrats are more likely to leverage expert consultation procedures for promoting their parochial organizational interests. As bureaucrats are in charge of carrying out the consultative procedures, experts lobby bureaucrats to enter the consultative procedure, since an entry into the policymaking process is likely to give a boost to experts’ careers. Hence, experts are likely to be attuned to bureaucrats’ preferences, and adjust their positions accordingly.

Having explicated an assumption that bureaucrats play a critical role in shaping the structure of participatory procedures, I develop, in chapter 2, a theory that links bureaucrats’ preferences to variation across these procedures. Inspired by Schattschneider’s work on the ‘scope of conflict’ (Schattschneider, 1960), I contend that the existence of a high-stakes bureaucratic conflict is likely to produce an open and diverse policymaking process. Under the conditions of internecine elite dispute, the weaker party within the bureaucratic apparatus vies for inserting into the consultation procedure advisors who might be supportive of its position. In response, its competitors also lobby for the expansion of the consultation procedure. Eventually, after several rounds of enlargement of the expert forum, the consultation process now consists of a diverse set of consultants.

If a Schattschneidrian logic unfolds in cases of intense bureaucratic conflict, we are likely to observe, as I suggest in Chapter 2, five distinct outcomes. First, the consultation procedure includes multiple blueprints, each representing the positions of one of the rivaling parties within
the bureaucracy. Second, a new stage of expansion in the consultative procedure, in which new advisors are invited to participate, takes place so as to reflect some of the positions of the bureaucrats underrepresented in the existing consultation procedure. Third, in cases of fierce bureaucratic conflict consultation is likely to include a roster of advisors espousing a plurality of views, largely reflecting the plurality of positions across government organizations. Fourth, in the occasion of bureaucratic rift, experts are tasked with authoring a blueprint that encapsulate all aspects of a given policy, rather than separate sections of an official document. This outcome is likely because, under these conditions the entire policy framework is contested, and bureaucratic actors seek to enlist experts who are able to propound a compelling theory that fits with their preferences. Fifth, the consultants are likely to operate in an environment that is relatively free from administrative intervention. As none of the contending parties is likely to agree that its rival is going to be in direct control over the process, the experts benefit from working at arm’s length from government interference.

In Chapter 2, I also operationalize the independent variable ‘Intensity of bureaucratic conflict’. I contend that a bureaucratic cleavage could be deemed intense in the occasion of a zero-sum game among a large number of rivalling bureaucracies, either over the distribution of resources or structural and administrative reforms. In Chapter 2, I enumerate four factors that shape the magnitude of bureaucratic conflict: 1) The plurality of bureaucratic stakeholders has an impact over the intensity of the intra-government conflict. The more actors involved in zero-sum game contestation, the greater the intractability of the internecine rift. 2) The salience of marketization, including private sector dynamism, in government agenda with respect to a given policy. If marketization is publicly debated, there is likely to be a rift between the economic
bureaucracies, which advocate withdrawal of government administration from the management of public services, and the public service provider bureaucracy, which struggles to protect its administrative prerogatives. 3) The level of uncertainty regarding a policy trajectory could trigger a fierce bureaucratic debate. Autocrats are likely to remain indecisive in the occasion of a technically complex policy arena, and also embrace an equivocal position over an issue that is not of direct strategic importance. Bureaucrats tend to cue on uncertainties displayed by autocrats, realizing that the policy agenda is up for grabs. Under these circumstances, we are likely to see an intense bureaucratic debate. 4) The structure of the inter-ministerial coordinating institutions also shapes the degree of bureaucratic conflict over a given policy. If the institution is vertically-structured and led by a high-ranking government official, this leader is in a position to either broker or impose a compromise on the bickering bureaucrats, thus attenuating the intra-government rift. Conversely, if the coordinating body is horizontal, and the leadership consists of bureaucrats with equivalent administrative ranking, none of the bureaucrats is likely to be in a position to compel the contending sides to reach an agreement, and the conflict is likely to linger and exacerbate. Yet, this list cannot be billed as comprehensive, since in different occasions, diverse kind of causes could affect the magnitude of bureaucratic disputes.

To further develop Chapter 2’s theoretical propositions, Chapters 3 and 4 focus on expert consultation in the contrasting cases—diverse and high-quality deliberation process in the drafting of China’s healthcare reform (2009), and more narrow and anemic procedure in the formulation of China’s education reform (2010). Both Chapters consist of two key sections. In the first section of each chapter, I identify the key bureaucracies in each of the policy arenas, and then move to describe the magnitude of the bureaucratic conflict among them. In the second
section, I detail the design and dynamics of expert participation procedures, establishing that the intensity of bureaucratic conflict is likely to shape the quality of deliberation.

Having focused on elite consultation in the preceding chapters, in Chapter 5, I move to discuss online consultation with grassroots social groups. The question motivating this chapter is to understand whether autocrats are responsive to consultative input. In this chapter, I present the first systematic analysis of Chinese central government policy responsiveness to online consultative input, focusing on a major recent policy reform. In 2008, the Chinese government unveiled a blueprint for healthcare reform, inviting the public to post their opinions online. Having collected 27,899 online comments, the government subsequently published a revised draft. Chapter 5 analyzes a random sample of 2% of this corpus of comments, assessing the effect of comments on revisions while controlling for both media content and bureaucratic preferences. The findings demonstrate that public comments have an impact upon policy revisions and suggest that the Chinese government is more responsive to frontline implementers than to other social groups.

I propose two potential mechanisms to account for the findings in Chapter 5. First, autocrats use responsiveness to online input in order to compensate for the lack of democracy. By exhibiting responsiveness, autocrats showcase that even though democratic procedure are absent, the regime can still deliver democratic goods, such as responsiveness to public opinion. Second, bureaucrats are likely to display a higher level of responsiveness vis-à-vis frontline implementers, since smooth policy implementation relies on the latter’s policy support and cooperation.
I draw on the works of both Converse and Warren to develop these two mechanisms. Capitalizing on Converse’s (1964) concept of ‘issue publics’, I propose that online consultation serves as vehicle for communication and engagement of ‘issue publics’ that are relevant to the given policy arena. Using Warren’s (2009) notion of ‘policy-specific legitimacy’, I contend that an authoritarian government harnesses Internet participation for obtaining policy support from frontline implementers.

In Chapter 6, I summarize the dissertation’s key findings in light of the theoretical predictions. I then discuss the implications of these findings with respect to our existing knowledge of authoritarian deliberation and bureaucratic delegation under authoritarianism. The dissertation also proposes future directions for the study of authoritarian consultation, suggesting different strategies both for further validation of the theoretical propositions as well as for potentially new insights.

In the final section of Chapter 6, I discuss the relevance of my findings to the emerging political dynamics of the Xi era. This dissertation analyzes empirical cases from the Hu Jintao era, which is recognized as a period of relative political openness. Under Xi, China seems to be entering a period of a strongman rule—an impression reinforced by the 19th Party Congress (October 2017) and its aftermath. It is possible that Xi’s inclination to silence oppositional views—particularly those that criticize CCP rule—could thwart the policy-specific kinds of consultation and deliberation that continue to be encouraged by CCP directives. I conclude by speculating on outcomes of these two seemingly contradictory trends: the rise of a one-person rule and the institutionalization of formal procedures for consultation.
1.5.2 Inference Strategies and Evidence

In Chapters 3 and 4, which focus on expert consultation in health and education, I deploy the strategy of within-case analysis to generate a new theory, and trace the impact of bureaucratic conflict on the quality of deliberation in policymaking. To uncover the causal mechanism, I rely on in-depth interviews with experts and officials, official documents, media reports, and articles & books written by participants in the policymaking processes.

I complement the within-case strategy with ‘controlled comparison’, examining two case studies that exhibit control and variation. Because these two cases share similar characteristics—drafted in the same country, under the same leaders, and pertaining to domains of social policy of similar complexity and importance, this design enables control for these kinds of variables. Meanwhile, the two cases display substantial variation on the dependent variable—the extent to which the policy processes featured high-quality deliberation. Whereas in the healthcare reform the quality of deliberation in the formal procedures for expert participation was high, the drafting process of the education reform was characterized by low quality deliberation.

The case selection criteria, as I explain in Chapter 2, is also motivated by the methodological consideration of tackling a unique case, in which the dependent variable features a score that is either significantly lower or higher than the average value. Formal expert participation in the drafting process of the healthcare reform, which displayed deliberation of exceptionally high-quality, represents such a unique case. This dissertation, as I emphasize in Chapter 2, seeks to unravel the mechanism producing such an unusually open policymaking process within an authoritarian system.
In Chapter 5, which focuses on authoritarian responsiveness to grassroots consultation, I primarily use statistical analysis. The Logit model facilitates the representation of a binary outcome—either policy revision or non-revision, and it enables the obtainment of an accurate measurement of the association between the number of comments in favor of a given policy and a corresponding policy change.

The usage of manual coding to construct the independent variable allows me to accomplish both granularity and differentiation. Deploying this method, I identify 162 unique policy recommendations, representing two types of policy items: 1) citizens’ recommendations, which were either endorsed or not-endorsed in the final draft of the healthcare reform; and, 2) Policy revisions that are unrelated to netizens’ comments, originating from alternative input channels. Manual coding also facilitated precise distinction between positive and negative recommendations in regard to a given policy. For example, I was able to create different codes for comments ‘in favor’ and ‘against’ the privatization of public hospitals. I also distinguished between comments emphasizing the need to strengthen chronic disease prevention and those suggesting the expansion of medical insurance coverage to include reimbursement for treatment of chronic disease.

To further enhance the credibility of the quantitative findings, I supplement the statistical results with qualitative evidence of authoritarian responsiveness. Utilizing interviews with officials in charge of handling online consultation and official documents, I demonstrate that both the processing and analysis of online consultative input are part of the organizational routines of government units, and also that the regime officially instructs bureaucrats to respond to citizens’ feedback.
Chapter 2: Theory: Expert Consultation in Authoritarian Regimes

In 2003, during the Hu-Wen era, expert consultation formally became a standard feature of decision-making in China. In the formulation of major policies, government leaders and bureaucrats were required to solicit expert and think tank advice on various issues related to the policymaking process (State Council, 2003). The enlistment of experts was subsumed under the rubric of a ‘rational’ and scientific’, predictable policymaking process, championed by the Hu-Wen administration, in which the government collects reliable information from diverse sources prior to making a decision (Chen and Naughton, 2016; Wang and Fan, 2013).

Most recently, under the Xi regime, the Chinese government has also designated the conduct of expert consultation procedure as mandatory. In June 2017, the Legislative Affairs Office of the State Council officially unveiled a draft for public comments on new procedures for policymaking. This document stipulates that expert consultation must take place in major policymaking episodes, and it requires government units at the county level and above engaged in formulating policies to obtain experts’ feedback (LAO, 2017).

While the Chinese government endeavors to institutionalize expert participation, there is still variation in the role of experts in policymaking and lawmaking processes. In some case, experts play a central role, directly participating in authoring policy blueprints. In other cases, however, experts assume a peripheral role, primarily attending meetings, offering bureaucrats pieces of advice regarding a given policy.

In both cases of central and peripheral roles for experts, there is variation in the quality of expert participation. In some cases, expert participation, when they fulfil either central or peripheral roles, can be highly deliberative, featuring vibrant exchanges of opinions, whereas in
other cases, participation displays low-quality deliberation, as the space for debate and exploration of novel ideas is limited.

While cases in which experts assume a peripheral function and engage in high-quality deliberation are commonplace, the occasions in which experts play both a central and highly deliberative role are infrequent. In the majority of policy and lawmaking episodes, formal consultation in which experts fulfil a central role is narrow in scope. The government recruits consultants who, in spite of nuanced differences in opinions, publicly adhere to a rather similar policy agenda. Experts are required to produce a unitary policy blueprint, and the consultants often work under direct supervision of government administration. The end result is a dull consultation process, and the production of a policy documents with few innovative or thoroughgoing policy measures.

However, in rare and unique occasions, the government invites a cohort of consultants espousing different, or even contradictory, approaches, soliciting a large number of competing and alternative policy proposals from these experts. Meanwhile, the enlisted experts’ work is not subject to intervention from bureaucrats, and the final draft includes innovative prescriptions for policy revisions.

Under what conditions expert participation procedures in authoritarian regimes can be both central and highly deliberative, featuring vibrant debates between diverse of points of view? This chapter argues that the degree of intra-elite competition shapes expert consultation processes. This contention is inspired by both Schattschneider’s work on elite conflict and Baumgartner and Jones conceptualization of ‘policy subsystem’. Following these researchers, this chapter propounds the concept of ‘Schattschneiderian spiral’ to delineate a mechanism of an increasing
enhancement of the consultation procedure. It postulates that in cases of fierce bureaucratic conflict, and at different stages during the policymaking process, bureaucratic actors who perceive themselves as weak seek to expand the consultation procedure. They do so either through the creation of a new ‘policy subsystem’, which facilitates pluralism among consultants, or the expansion of an existing consultation procedure to pluralize expert opinion. In response to this strategy, and in order to offset the advantages that these bureaucrats might gain, their rivals retaliate and lobby for further expansion of the consultation process. This, in turn, engenders further enhancement of this consultation process, as some of the bureaucratic actors seek to reassert their position under the novel, expanded consultative forum. The outcome of this spiraling dynamic is a vibrant consultation forum which includes experts representing a wide spectrum of opinions. However, in cases of either bureaucratic consensus or mild disagreements, bureaucratic actors have fewer incentives to opt for the establishment of an enlarged consultation procedure.

The remainder of this chapter expounds on the argument regarding the factors that contribute to more meaningful expert participation in policymaking. The chapter first analyzes different approaches to the question of why politicians and bureaucrats turn to expert consultation in democracies as well as in autocracies, arguing that existing theories cannot account for variation in the design of expert participation procedures under authoritarianism. Next, in the theoretical section, the chapter introduces a novel theory, which is based on the works of both Schattschneider and Baumgartner and Jones, to explain variation in the structure and design of expert consultation procedures. The chapter’s conclusion features a discussion of the causal inference strategy and an explanation of the case selection criteria.
2.1 Why Would Policymakers Consult Experts?

To understand the conditions shaping the design of expert consultation procedures requires us to study politicians’ motives for enlisting these actors to take part in policymaking. Existing literature could potentially provide cues for explaining the circumstances in which expert participation features high-quality deliberation. While theories from this body of scholarship are based on empirical case studies of expert participation in democracies, key assumptions and causal mechanisms proposed by these authors could still apply to authoritarian contexts. Some insights from these approaches serve as building blocks for my own hypothesis regarding expert consultation in authoritarian regimes. Nevertheless, the extant literature does not provide an accurate account of the conditions under which expert consultation under authoritarianism is likely to become more diverse and display high-quality deliberation.

2.1.1 Problem-Solving Model

Some models view the solicitation of experts’ advice as an activity of gathering technical information by policymakers who are seeking the most optimal courses of action. The approach is associated with the ‘decisionism’ paradigm, which presupposes the presence of a rational policymaker who is making calculated choices among clearly conceived alternatives (Majone, 1989; Shklar, 1964). According to this perspective, policymakers are searching for three types of information: 1) policy information: data on existing policies 2) political intelligence: who may
support or oppose the policy (Weiss, 1989), and 3) policy analysis: assessment of the liabilities of various policy alternatives (Weiss, 1989). Policymakers are also said to seriously consider ‘usable knowledge’, which refers to knowledge that is accurate, accessible and contributes to the achievement of collective goals (Haas, 2004).

The constructive role of experts is further delineated in the problem-solving model. According to this approach, policymakers first define a practical policy problem. Once they identify the missing knowledge required for reaching a decision, they then either seek for existing social science research that is relevant or they commission a special study on the issue. In both cases, the information they acquire is of empirical nature, such as qualitative or descriptive information, statistical data or observational accounts. Having acquired experts’ input, decision-makers now engage in its interpretation and arrive at an informed policy choice.

This approach also assumes that policymakers solicit experts’ advice in order to refine policies. Policymakers take advantage of research to apprise themselves of potential policy failures, and learn about policies that require urgent revisions (Rich, 2005; Weaver, 2000; Weiss, 1989). Experts’ knowledge also furnishes policymakers with guidance regarding the efficacy of existing policy measures. This, in turn, enables policymakers to fine-tune new legislation (Rich, 2005; Weiss, 1989; Whiteman, 1985). Afterwards, at the implementation stage, politicians draw on social science to learn about required policy adjustments (Browne and Wildavsky, 1984; Mazmanian and Sabatier, 1989; Rich, 2005).

This model, however, has limited explanatory power for understanding experts’ participation in politics. The problem-solving model presupposes that decision-makers agree on the nature of the problem they are facing and also share similar goals with respect to policy.
outcomes. These conditions rarely occur. In most occasions, the model fails to explain why and how politicians utilize expert knowledge (Weiss, 1986). The model also assumes the existence of a brisk and clear-cut process of policymaking, where politicians deliberate among a set of alternative options and make a decision. In actuality, in large organizations such procedures for policy deliberation, which could enable a reflective assessment of experts’ knowledge, do not take place (Weiss, 1980).

The problem-solving model, which focuses on the collection of technical information for the refinement of policies, has limited applicability to China’s central government policies. Policy documents in China are often abstract, containing minimalist policy stipulations, so as to allow bureaucrats and local officials to have leeway in interpreting central government directives (Shi T., 1997). Hence, central government officials in China are less likely to be interested in recruiting experts for acquiring technical information. Instead, they are more interested in the conceptual perspectives or theoretical insights that experts bring to the fore.

2.1.2 ‘Enlightenment’ Model

Unlike the problem-solving paradigm, the ‘enlightenment’ model suggests that politicians do not utilize experts’ advice in order to acquire empirical data or technical information, as the problem-solving model suggests (Weiss, 1986). Instead, experts’ input is utilized for obtaining a new perspective on policy choices (Weiss and Bucuvalas, 1977; Weiss, 1979, 1986, 1989), or for recombining existing ideas so as to introduce a novel paradigm (Banting, 1986). In this model, policymaking is viewed as a conceptual activity. Experts furnish policymakers with potent mental schemes to explain the origins of a policy problem and, thus, direct policymakers toward
corresponding solutions. Experts’ theoretical contribution can enable policy innovation (Banting, 1986).

This approach cannot easily explain why governments solicit experts’ advice. The ‘enlightenment’ model does not suppose that decision-makers conscientiously seek out experts’ advice when facing policy problems. Instead, according to this approach, experts’ knowledge slowly percolates into decision-makers’ circles through diverse channels, such as professional journals, mass media and conversations. Eventually, this knowledge shapes political elites’ approaches to policy issues (Weiss, 1979, 1980, 1986). There is an additional reason for the incompatibility of this model to interpret experts’ participation in politics. When policymakers actively seek to obtain experts’ advice, they do so primarily in order to provide support for existing political preferences, rather than seeking ‘enlightenment’ (Weiss, 1989).

This model cannot easily fit China’s case, since in the majority of consultations the government selects experts with similar points of view to produce a unitary policy document. This design of consultative procedures, in which there is little space for the exploration of alternative policy options, is not congenial for ‘enlightening’ policymakers about new ideas.

2.2 Symbolic Functions of Expert Advice

While the abovementioned models assume that experts’ input constitutes a substantive contribution to policy content—either empirically or theoretically—an alternative approach focuses on the procedure of consultation rather than its outcome. Advocates of this perspective argue that organizations do not gather information for the purpose of incorporating it into policy decisions. Instead, the procedure of soliciting information has a symbolic meaning, reflecting
and reinforcing the expectation within rational cultures that information gathering is necessary for good decision-making (Weiss, 1989. Bureaucracies, in particular, are considered paragons of rational organizations (Feldman and March, 1981). Under these circumstances, extensive collection of information is publicly perceived as signals of both organizational competence and intelligent decision-making. Bureaucracies are likely to routinely enact visible procedures of requesting, collecting and citing information for the purpose enhancing institutional legitimacy (Feldman and March, 1981). Such activities can improve their public image and bolster their claims for either resources or jurisdictions over policy areas (Boswell, 2009).

The symbolic meaning of information gathering is not only confined to external reputation, but also to internal legitimacy. Those operating within organizations also ascribe great importance to this type of activity, often viewing it as a reassuring sign of rational decision-making. Highly educated organizational insiders are more inclined to base their evaluation of the quality of decision-making on the procedures by which they were made. They tend to favor decision-making style that is based on the assessment of policy alternatives in light of available data (Weiss, 1989). Even if decisions are based on inconclusive expert analysis, policymakers would still feel confident grounding their decisions in the results of research done in accordance with the scientific method (Lindbolm and Cohen, 1979).

The symbolic model could not be seamlessly applied to the case of China. Popular legitimacy in China’s context is not contingent on the insertion of rational practices into the government’s work. Public opinion surveys find that the majority of the population espouses a substantive, rather than procedural, perception of good governance (Shi, 2014; Shi and Lu, 2010,
The introduction of expert consultation procedures might not necessarily bolster the popular legitimacy of either the relevant bureaucracy or the regime.

2.2.1 **Shortage of Administrative Personnel**

Other scholars argue that expert participation in policymaking fulfils a practical need rather than a symbolic one. In cases of shortage in the number of administrative personnel, there is a higher likelihood of outsourcing technically complex policy work to outside experts. The theory is particularly relevant to the understaffed European Commission where the enlistment of experts for consultation has proliferated (Gornitzka and Sverdrup, 2008, 2011; Metz, 2013; Spence and Stevens, 2006; Trondal, 2004).

The theory is also highly relevant to China, where there is an acute shortage in administrative personnel both at the center and provinces (Cui W., 2017; Interviews 4, 18, 42, 48; Sun T., 2008; Zhu and Zhang, 2003). The combination of thinning administrative staff and increasing complexity of governance tasks enhances Chinese bureaucrats’ reliance on experts (Interview 4). However, while this argument can explain why the Chinese government consults experts across multiple cases of intricate policies, it cannot account for variation in the quality of deliberation across divergent cases of expert participation.

2.2.2 **‘Ammunition’ Model**

The majority of researchers contend that politicians strategically use expert knowledge for the enhancement of political power (Bimber, 1996; Boswell, 2009). Expert input furnishes policymakers with ammunition to substantiate their existing policy preferences (Boswell, 2009;
Lindblom and Cohen, 1979; Nelkin, 1975; Pielke, 2007; Sabatier, 1978; Sarewitz, 2004; Weaver, 2000), and it bestows legitimacy upon their actions (Barker and Peters, 1993; Brown, Lentsch and Weingert, 2005; Florin, 1999; Knorr, 1977; Maasen and Weingert, 2005; Saward, 1992; Wilkinson, Lowe and Donaldson, 2010). Political leaders also utilize experts’ input for persuasion. Politicians cannot simply induce others to follow their will through the exercise of raw power. They must be able to obtain the collaboration and goodwill of their peers. They accomplish this by putting forward an argument to demonstrate that their policy favors the public interest (Jenkins-Smith and Sabatier, 1993; Majone, 1989; Rich, 2005). Experts’ input can furnish policymakers with these kinds of compelling arguments (Lindblom, 1980; Weiss, 1989).

Politicians make use of expert discourses in a contentious policy arena (Boswell, 2008, 2009). They leverage experts’ input in order to publicly justify their policies (Barker and Peters, 1993; Lindblom 1980). They do so either in order to have an edge in a debate (Lindblom and Cohen, 1979; Weiss, 1979), or to forestall public deliberation (Baekkeskov and Öberg, 2017). Politicians also recruit experts for the purpose of lending credibility to an unpopular or highly controversial courses of action, notably regarding issues where the boundaries between science and politics are fuzzy (Bogner and Menz, 2005; Majone, 1989; Littoz-Monnet, 2015; Saward, 1992). In the attempt to prevail in a debate, politicians also explicitly use partisan expert knowledge (Bimber, 1996; Maasen and Weingert, 2005).

Strategic deployment of experts’ knowledge is likely to occur at particular stages of the policymaking process. Whereas substantive usage of experts’ information or theoretical insights is characteristic of the early stages of policymaking, manipulation of expert knowledge is salient at the deliberation phase, when policy is headed towards enactment. At an early stage in the
policymaking process, when politicians’ positions have yet to crystalize, experts may be able to set the policy agenda. At the deliberation stage, however, after politicians have already made up their minds, they tend to leverage expert recommendations in order to gain the upper-hand in the debate (Rich, 2005; Weiss, 1986; Whiteman, 1985; Wildavsky, 1979).

Within the ‘ammunition’ model, the works of two researchers, Boswell and Bimber, identify the conditions under which the utilization of expert consultation as ‘ammunition’ is likely to occur. Christina Boswell contends that expert consultation is deployed to substantiate policy preferences in highly contested public arenas, notably, in cases where a technocratic mode of settlement is considered publicly acceptable. While organizations exploit expert knowledge to justify existing policy preferences in the occasion of a contentious debate, in the conditions of inter-bureaucratic competition they recourse to expert knowledge in order to symbolically legitimize their organization (Boswell, 2008, 2009).

Bruce Bimber explores the impact of institutional structure on the quality of expert advice. The author postulates that in a fragmented institutional environment, experts produce more balanced views. Having to answer multiple political bosses, experts are required to elicit responsiveness to a heterogeneous set of political interests. Hence, their input supports a wide variety of political objectives, veering away from a one-sided view. Conversely, in a centralized political context, experts’ feedback is highly politicized, reflecting a more focused set of goals (Bimber, 1996). In centralized political structure, the role of experts consists of substantiating the preferences of the recruiting institution.

The ammunition approach is useful for demonstrating that the usage of expert knowledge is primarily strategic rather than substantive. Both Boswell and Bimber are insightful in noting
that strategic consultation is likely to take place in some contexts rather than others. Bimber’s work, which traces the impact of institutional fragmentation on the quality of expert advice, is also highly valuable. Following Bimber, this study argues that a splintered bureaucracy is associated with more broad and deliberative consultation, as the selection of consultation represents a wide spectrum of political and institutional interests.

This approach, however, does not account for the possibility of strategic dynamics over time. This literature considers expert consultation to be a one-time action, and does not theorize the possibility of a mechanism where the recruitment of advisors by one bureaucratic party sets in motion a spiral dynamic of expansion of the consultation procedure. The unique sequencing of expansion in the cohort of consultants, which the ‘ammunition’ model does not account for, is particularly relevant to highly fragmented and competitive bureaucratic structures such as in China’s case.

### 2.2.3 Blame Avoidance Approach

Additional insights regarding expert participation in policymaking can be derived from the blame avoidance literature, which is applicable to both democratic and authoritarian contexts. In democratic systems, the authorities often resort to this subterfuge since they cannot sanction media coverage of policy blunders. To minimize an expected decline in popularity resulting from negative media coverage, elected officials use framing techniques so as to divert public attention away from their own responsibility (Weaver, 1986). Government reliance on experts as scapegoats is part of these strategies of priming and manipulation (Hood, 2011). Politicians invite experts to serve as the public presenters of policy initiatives on potentially contentious
issues. In doing so, politicians create a misleading perception of experts as the progenitors of the policy. In the occasion of a policy going astray, politicians use experts as ‘lightening rods’ for public critique, and at same time, protect their own popularity (Ellis, 1994; Hood, 2011).

It appears that this framework does not only apply to democratic political environments, but also to authoritarian systems. Autocrats may have the privilege of censoring the media, and, thus, silencing public critique. Yet, censorship poses a dilemma. Sanctioning information disclosure via the media can mitigate the risks of public exposure to unfavorable information regarding the regime. But, in times of crisis, such as an epidemic, information transparency is needed in order to be able to take quick action. The central government needs to quickly learn about the spread of epidemic in different parts of the country, and international organizations also require more information in order to provide timely assistance. To be able to maintain relative transparency while avoiding the risk of being viewed as responsible for the crisis, authoritarian governments resort to blame avoidance strategies, delegating policy responsibility to experts (Baekkeskov and Rubin, 2017).

Blame avoidance cannot be discounted as a motivating factor in conducting expert consultation both in democracies and authoritarian regimes, including China. In cases where policy errors occur, formal participation of experts in the policymaking process could potentially shift the blame away from both political leaders and bureaucrats. Yet, this approach, too, has a limited explanatory power. While it could establish that policymakers prefer to have in place formal consultation procedures, it cannot explain why in some cases expert consultation is substantive, whereas in other cases it is not.
2.2.4 Elite Inclusion under Authoritarianism

Aside from blame avoidance, expert consultation under authoritarianism takes place within the broader context of institutionalization of policymaking. Experts participation can also be considered part of a conscious regime strategy of societal inclusion. Such consultation procedures were commonplace in communist East Europe. They represented a transition in the political evolution of these regimes, where leaders began to rely less on strategies of control via coercion and more on persuasion-based modes of governance. Parallel trends are evident in contemporary China. Nevertheless, the institutionalization of consultation in China is fragile. Both political leaders and bureaucrats are in a position to manipulate consultation to their own ends or undermine it altogether.

In Leninist regimes, the institutionalization of expert consultation can be viewed as an intrinsic component of the inclusion strategy. Kenneth Jowitt (1992) identified three stages in the political evolution of these regimes: social transformation, consolidation and inclusion. In the social transformation stage, the governing party seeks to eliminate potential enemies to the revolutionary regime. Having purged society from hostile elements, in the next stage, the party opts for the establishment of unity and deference to authority within its own ranks. After the regime is able to successfully stabilize its control through both the elimination of potential enemies and the establishment of a command-and-control system to regulate the relation between the party and society, at the third stage of political evolution, the Leninist Party seeks to obtain popular legitimacy through a strategy of inclusion. At this phase, Jowitt suggests, the regime deploys a governance strategy that is qualitatively distinct from the ones utilized at earlier stages. Whereas in the first two stages, the Leninist regime would employ a method of command—
which is largely backed by coercion and violence—to assert its domination over society, in the
time stage, the revolutionary party shifts its strategy of governance to that of manipulation and
persuasion. Now, the governing party creates a semblance of inclusion through the establishment
of consultative venues (Jowitt, 1992), in which experts and other groups of an emerging set of
articulate social elites have the opportunity to participate in policymaking.

The participation of social elites in policymaking is administered by the political manager,
a new type of cadre who is savvy at political manipulation and is sensitized to the expectations of
diverse groups within an increasingly heterogeneous society (Jowitt, 1992). The political
manager is likely to promote novel approaches to policymaking, emphasizing the establishment
of procedures for formulating policies. This actor encourages the integration of discussion,
consultation and gathering of empirical evidence into policymaking making processes. The rise
of the political manager is auspicious for the participation of experts and other educated social
groups in policymaking.

2.2.5 Social Stability and Bureaucratic Consensus

Consultation with experts in Communist East Europe was also pivotal in ensuring political order.
Rational policymaking, which is enabled through experts’ participation, staves off the potential
for abrupt oscillations, extremism and ‘hurrah-planning’, which could disrupt political stability.
Expert feedback is also constructive for developing schemes for maintaining some level of
economic growth while ensuring that most segments of society are benefitting from it (Bunce
and Echlo, 1980).
A parallel trend of promotion and institutionalization of consultation has also taken place in China since the 1980s (Chen and Naughton, 2016; Harding, 1987), culminating in the Party’s official endorsement of the establishment of consultative procedures in the 17th, 18th and 19th Party Congresses (Hu J., 2007, 2012; Xi J., 2017). In addition to safeguarding social stability and obtaining the inclusion and collaboration of diverse societal groups, it appears that in China consultation procedures are also utilized for achieving consensus amid a fractured state administration. The overarching goal of elaborate consultation under the aegis of the central government is to arrive at a broad agreement over policy goals. The procedure of elite consultation, they contend, could bestow intra-elite legitimacy upon government decisions (Chen and Naughton, 2016; Wang and Fan, 2013).

### 2.2.6 Degree of Institutionalization and Bureaucratic Interference

However, even though the Party seeks to promote substantive consultation procedures, studies of Chinese politics point to the flimsy foundations on which the institutionalization of expert consultation is erected: the trend is contingent upon the goodwill of incumbent leaders. The lack of properly defined constraints and boundaries in regard to leaders’ authority means that the Premier and Secretary General are in a position to design consultation procedures in a manner that serves their political visions (Chen and Naughton, 2016). Leaders are likely to establish think tanks and open up formal expert consultation procedures as long as these means facilitate their policy agendas (Fewsmith, 2002; Halpern, 1992). Yet, these institutional arrangements can easily unravel. The demise and removal from power of a leader who functioned as a “patron saint” of a think tank might result in the loss of official protection and political support for
intellectuals working within these units (Li C., 2017). New leaders may also opt for undermining institutionalized norms of experts’ participation, which were originally put in place by their predecessors (Ru P., 2016). Cues from a leader can spark a swift action on the part of subordinates. If the former signals a lack of interest in promoting expert participation, lower level officials and bureaucrats are likely to follow suit (Zhi and Pearson, 2017). The contingency of institutional practices of consultation on the whims of power-wielders means that the process of institutionalization is not necessarily linear (Chen and Naughton, 2016; Zhi and Pearson, 2017). Phases of institutional consolidation could be followed by periods of regression, depending on leaders’ personal inclinations.

The institutionalization of expert consultation in China is also susceptible to bureaucratic interference. Originally, the central government promoted expert consultation and participation in order to overcome the problem of ‘departmentalism’. Under a splintered structure of government administration, there is an inherent challenge of maintaining information flow and communication across different departments. Expertise is dispersed across a host of bureaucracies, who hold monopoly on information. To undercut these blocks on information flow, the central government established research centres that house interdisciplinary and inter-departmental expertise. In doing so, it explicitly sought a comprehensive perspective on both the costs and benefits of different policies. However, the establishment of research institutes outside the orbit of bureaucracies did not necessarily undermine bureaucrats’ control over information, as these government units, in reaction to these developments, developed their own in-house expertise (Halpern, 1992). In addition, even if decision-making authority were to be officially taken away from bureaucrats and delegated to experts and specialists, the bureaucrats are likely
2.3 **Institutionalized Consultation in China Is Still Limited in Scope: Structure of Formal Consultation Procedures**

We have so far analyzed a large body of literature on expert consultation. We can see that in democratic contexts politicians and governments seek experts’ advice for the following reasons: technical information and refinement of policies, new theoretical insights, substantiating existing preferences, blame avoidance and the obtainment of legitimacy for a bureaucratic organization. We have also explored some of autocrats’ motivations to institutionalize consultation, such as a societal inclusion strategy, political stability, intra-elite consensus, and combatting departmentalism. However, while these studies offer an explanation of why politicians introduce expert consultation, they do not account for the conditions that produce a high-quality deliberative process of expert participation in policymaking.

Formal expert consultation is now commonplace across diverse institutions in China. In the context of lawmaking, which takes place under the auspices of the National People’s Congress, the conduct of such procedures is mandatory, and it was codified into the Legislation Law in 2000 (Horsley, 2009). In the domain of policymaking, the practice of expert consultation was first promulgated in the *State Council Work Regulations* from 2013 (State Council, 2003), and norms of conducting such consultation have since then evolved (Chen and Naughton, 2016).

Even though formal expert consultation procedures now permeate China’s political institutions, they are designed in a variety of ways. Experts may assume different degrees of
participation and involvement in the drafting processes of either policies or laws. In some cases, experts play a central role in the drafting process. They directly attend the drafting of particular sections and chapters within the policy document. Or, they author blueprints for the entire policy or legislation draft. In other cases, however, experts play a circumscribed and peripheral role. Rather than directly participating in the drafting process, experts attend various kinds of consultation meetings, where they offer bureaucrats pieces of advice regarding a proposed policy. In these cases, the policymaking process transpires under tight bureaucratic control, yet government officials may take into account experts’ views.

Within these two typologies of expert involvement—central and peripheral—there are also two differing levels of quality of deliberation. There are cases in which experts play a central, yet low quality deliberative role (see Table 2.1, Quadrant 1). Experts are recruited to author segments of a proposed policy, and bureaucrats in charge of the process are not receptive to recruiting experts of diverse persuasions. Under these conditions a fruitful exchange of ideas does not take place. In other cases (Quadrant 2), however, politicians or bureaucrats enlist experts to write competing proposals, and also encourage them to engage in a debate. Under such a procedure, the quality of deliberation is likely to be higher.

There is also variation in the quality of deliberation when expert participation is peripheral. Some of the forums do not allow for broad deliberation (Quadrant 3), whereas other consultative formats are more congenial for discussion and articulation of experts’ views (Quadrant 4). Workshops (zuotanhui) feature discussions between leaders and other groups, including experts. But, usually, leaders’ speeches occupy the majority of time allotted for the workshop. Expert committees (zhuanjia weiyuanhui) are now a common practice across policy arenas and
participants are allowed to openly air their views, yet they convene quite irregularly (Interview 1). Seminars (*yantao hui*) often involve more focused discussions regarding a given policy issue, which permits for a more substantive type of participation. ‘Argumentation Sessions’ (*lunzheng hui*) are set up in order to allow experts to have time and space to carefully elucidate their arguments.

While I envision four distinct typologies of expert participation, the dissertation focuses on the study of the conditions shaping variation across Quadrants 1 and 2 (Table 2.1), in which experts play a central role. The reason for exclusively studying these Quadrants, rather than Quadrants 3 and 4, is that I am primarily interested in exploring the possibility of a more substantive role for experts in policymaking. Even though when experts assume a peripheral role they might have the opportunity to deliberate (see Quadrant 4), their capacity to influence policymaking is limited. It is only when experts directly participate in the drafting process that they can have a meaningful impact over policymaking. Hence, in this dissertation, I focus on Quadrants 1 and 2.
Table 2.1 Typologies of Formal Consultation

<table>
<thead>
<tr>
<th>Type of Participation</th>
<th>Central Role</th>
<th>Peripheral Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low-Quality Deliberation</td>
<td>1</td>
<td>3</td>
</tr>
</tbody>
</table>
|                       | Experts author/propose blueprints for segments of a unified policy draft. | • Workshops (zuotanhui)  
                       |                                                       | • Expert Committees  
                       |                                                       | (zhuanjia weiyuan hui) |
| High-quality Deliberation | 2            | 4               |
|                       | Experts author competing policy blueprints. | • ‘Argumentation’ Meetings  
                       |                                                       | (luzhenghui)  
                       |                                                       | • ‘Seminars’ (yantaohui) |

For methodological reasons, the study of expert participation focuses on policymaking rather than lawmakers. To ensure better control for the factors affecting the quality of deliberation, I decided to look at cases that are comparable, and since policymaking and lawmaking in China are carried out within different institutional settings—the bureaucracy and National People’s Congress Standing Committee, respectively—this may pose a risk to comparability. In examining and contrasting cases with a similar institutional environment—policymaking within the bureaucracy—however, the abovementioned methodological problem is avoided.

2.3.1 Uniqueness of Central and High-Quality Expert Deliberation

In the majority of cases in which experts are playing a central role, the procedure of their participation is narrow, and it displays a low-quality deliberation. I have examined a comprehensive list of major government policies and laws enacted from 2007 to 2010 (CPCPHRO, 2012), and also supplemented these records with major policies and laws mentioned in the Premier’s annual work reports delivered from 2006 to 2017. Later, I
investigated the structures of the expert consultation procedures in the policies cited in these sources. I found that there are limitations to both the substance and scope of experts’ participation. In 35 out of 50 instances of policymaking and lawmaking episodes from 2007 to 2010, formal consultation with experts did not appear to take place. Among the remaining 15 cases, in which expert consultation did occur, only 6 policymaking cases—intellectual property, health, education, 12th 5 Year Plan Industry Planning, National Commerce and Industry Reform and early childhood education—were characterized by a central role for experts. In the other 9 cases, experts assumed a peripheral role, participating in consultative meetings (Appendix A).

Among the cases in which experts played a central role, however, the form of their participation was low-quality deliberation. This list includes the formulation of major policies that either have crucial social implications (education, early childhood education, migrant workers) or that are determinant for long term development (science, Five Year Plans), and the drafting of laws that are rather controversial (property, labor contract and charity) (Table 2.2)\(^2\). Yet in these cases of both policymaking and lawmaking, officials in charge of the consultation procedure normally did not induce competition among the consultants or seek to solicit a diversity of views. Experts were asked to produce a single policy blueprint, and there was very little opportunity for the emergence of vibrant, high-quality deliberation.

\(^2\) In the cases of both the Labor Contract Law and Property Law, government administration asked experts to produce a single law draft, rather than competing ones. Subsequently, debates erupted among the team of advisors. But, these debates were not the product of conscious institutional design by bureaucrats (Dong and Gallagher, 2011; Guo Jinhui, 2006; Liang Huixing, 2011).
While experts often formally engage in deliberation in China, notably in the case of legislation at the NPC (Table 2.2), in the majority of these cases experts play a peripheral role in the drafting process. The authorities listen to experts and even encourage open discussion and debate, but the latter do not directly participate in the drafting process.

It is unique that a consultation procedure includes the two components: *central role* for experts and *high-quality deliberation*. To my knowledge, there has been only one case of formal consultation—the drafting of the healthcare reform (2009)—in which the government officially entrusted diverse expert teams with the task of authoring competing proposals for the same policy document (Wang and Fan, 2013). It is also uncommon that the government encourages these experts to deliberate alternative options. The objective of this research project is to investigate the conditions under which this central and high-quality deliberation expert participation can emerge.
Table 2.2 Expert Participation Cases

<table>
<thead>
<tr>
<th>Type of Participation</th>
<th>Central Role</th>
<th>Peripheral Role</th>
</tr>
</thead>
</table>
| Narrow/Low-Quality Deliberation | Property Law (2005)  
Technology Development (2005)  
Migrant Workers Policy (2006)  
Intellectual Property (2008)  
Education Reform (2010)  
Early Childhood Education (2010)  
13th Five Year Plan (2016)  
State Council Administrative Reform (2013)  
Household Registration (hukou) Reform (2014)  
Environmental Protection Law (2014)  
Reconstruction of the Northeast Region (2016) |
Food Safety Law (2009)  
Intruder Liability Law (2010)  
Insurance Law (2010) |

This chapter concentrates on formal procedures of experts’ participation in policymaking.

Yet, there are other cases where experts’ both play a central role and the process assumes a more deliberative quality, insofar as diverse views are being solicited (Naughton, 2002, 2002a).

Nevertheless, these episodes occur within the settings of informal and ad-hoc types of

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3 For proper references to the format of expert consultation across these cases see Appendix A.1 and A.2.
consultation, rather than institutionalized policymaking (Chen and Naughton, 2016). Since informal and formal consultation are carried out under different circumstances, the objectives of policymakers are different. The ensuing causal mechanisms underlying the establishment of these divergent consultation formats are also dissimilar. In formal consultation, as argued later in the chapter, the mechanism is that of ‘Schattschneiderian spiral’ under the conditions of bureaucratic competition. In informal and ad-hoc consultation, an autocrat who is unsure about how to act, and is suspicious of the one-sided views of bureaucrats, seeks to enlist diverse views from government outsiders (Table 2.3).

<table>
<thead>
<tr>
<th>Institutional Settings</th>
<th>Formal</th>
<th>Informal</th>
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<tbody>
<tr>
<td></td>
<td>Institutionalized consultation emerging as norm in major</td>
<td>Not formalized, ad-hoc consultation procedures.</td>
</tr>
<tr>
<td></td>
<td>policymaking episodes (zhongda juece)</td>
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<tr>
<td>Actors</td>
<td>Rivaling bureaucrats</td>
<td>State Leader</td>
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<tr>
<td>Goals</td>
<td>Expand the scope of conflict.</td>
<td>Solicit balanced advice and overcome one-sided views of bureaucrats.</td>
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### 2.4 Theoretical Framework and Methodology

Having explained the different typologies of expert consultation in authoritarian regimes, I now proceed to offer a theory to account for a high-quality deliberative consultation process featuring a central role for experts. I first elaborate on the measures of the dependent variable—the deliberative quality of expert participation procedure. Second, I explore the behavioral assumptions underlying my theory. Third, I introduce the theoretical framework, which is based
on the work of Schattschneider, and its causal logic. Fourth, I explain the composition of the independent variable, the intensity of bureaucratic conflict.

2.4.1  **Dependent Variable: Deliberative Quality of Expert Participation Procedure**

Expert participation is likely to involve a certain quality of deliberation. The enlisted consultants attend meetings devoted to discussion and debates. Yet, the quality of deliberation within these meetings varies. Deliberation is defined as a substantive exchange of claims, reasons and perspectives of kinds that generate persuasion-based influence (He and Warren, 2011). At the conclusion of this communicative procedure, participants should arrive at a thoughtful and reflective judgement of the problem at hand (Smith, 2010).

The quality of the deliberative process is shaped by the spectrum of ideas and perspectives that are included in the deliberative procedure. A more diverse consultative forum, which features a wide range of views, could contribute to a richer and fruitful deliberation. People’s perspectives are often limited to their own social knowledge and experience. But, when encountering a diverse set of perspectives through deliberation, they are more likely to update their views on an issue, and, in this process, also seek for new information. The obtainment of new information, in turn, is likely to lead them to conceive of new solutions for a policy problem (Bohman, 2012). Moreover, exposure to heterogeneous views, via a more inclusive deliberation procedure, is likely to annul the effects of framing, leading participants to reconsider their views (Bohman, 2007; Druckman 2004). If deliberation consists of participants with a homogenous perspective, however, there is a high probability that they will hold on to their existing mental frames. Translating these insights to an authoritarian context, this dissertation argues that
exposure to a diversity of perspectives is likely to lead decision-makers to take a fresh look at a given policy problem, and, then, alter policies in novel ways.

The combination of diversity with a structure of competing blueprints is likely to further contribute to the quality of deliberation. If expert participation is designed to allow for parallel blueprints, then the diversity of policy positions will come to the fore, since contending teams of advisors will have the opportunity to pursue their unique lines of argumentation. This situation resembles what Neustadt called the ‘multiple advocacy’ framework to describe how American Presidents deliberately create competing teams of advisors as a strategy for gaining access to alternative perspectives (1961; see also George, 1972; George and Stern, 2002; Hargrove, 2001). This dissertation contends that in authoritarian settings, policymakers can also benefit from competition in the policymaking arena.

The quality of deliberation is also contingent on the level of administrative intervention. If expert participation is subject to a low degree of either political or bureaucratic control, then experts will have more opportunities to independently develop and articulate diverse views.

To empirically measure the quality of authoritarian deliberation within the central-role cases (Table 2.1, Quadrants 1 and 2), I have developed 3 criteria—breadth, independence and diversity (Table 2.4). These criteria are the constitutive components of the dependent variable.

- **Diversity**: The indicator of diversity encapsulates the existence of alternative, and even competing, views among the blueprints submitted to the government. Diversity means that there is a competition and debate among the roster of advisors.
• **Breadth**: Denotes the number of proposals the government solicits on a given policy. The more blueprints the government commissions, the broader the consultation procedure is. It is important to note that the criterion of breadth does not refer to a situation where the government solicits a high number of studies on different chapters of a given policy. Instead, breadth is defined as the commissioning of experts’ advice on the same policy.

• **Independence**: In an independent consultation procedure, advisors are not placed under direct control of government administration, and, therefore, they are not subject to bureaucratic intervention in the drafting process of their blueprints. In a subservient consultation procedure, however, the advisors are placed under direct control of government administration, and bureaucrats intervene in the process of authoring the former’s proposals.

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<thead>
<tr>
<th></th>
<th>High-Quality Deliberation</th>
<th>Low-Quality Deliberative</th>
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<tbody>
<tr>
<td><strong>Diversity</strong></td>
<td>Diversity of opinions</td>
<td>Monolithic set of opinions</td>
</tr>
<tr>
<td><strong>Breadth</strong></td>
<td>Multiple Blueprints</td>
<td>Single Blueprint</td>
</tr>
<tr>
<td><strong>Independence from Government Administration</strong></td>
<td>Relatively independent from government administration</td>
<td>Lack of independence from government control</td>
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2.4.2 **Key Assumptions Regarding Actors’ Behavior**

To comprehend why some consultative procedures are more deliberative than others requires probing into the motives of political actors. The exploration of these protagonists’ values, mental
frames and objectives could intimate a great deal about why consultation is designed in a particular format and how it, in turn, unfolds. The behavioral assumptions regarding autocrats, bureaucrats, experts and public opinion, presented below, underlie the theoretical framework for this chapter—which is put forward in the subsequent section.

**Autocrats’ Goals:** The first assumption is that autocrats are first and foremost interested in clinging to power. Yet, to achieve this goal, autocrats cannot exclusively rely on repression; they must also design policies that benefit key social groups or even the majority of the public. The formulation of such policies requires collection of information on both public preferences and available policy options. Meanwhile, because in autocracy public speech is often censored and citizens are afraid to openly express their opinions, autocrats face a challenge of gathering reliable information (Dickson, 2016; Wallace, 2016; Wintrobe, 1998). To overcome this challenge, autocrats open up participatory procedures, including experts’ consultation, so as to strengthen cautious policymaking, mitigate the risks of policy blunders (Bunce and Echlo, 1980), and learn about novel policy options.

This theory applies to limited set of autocracies. The literature on authoritarian regimes points out that autocrats’ time horizons shape their governance strategies (Magaloni, 2006; Wintrobe, 1998; Wright, 2008). Autocrats who expect to remain in power for an extended period of time are more likely to invest in public goods. They acknowledge that such investment is likely to engender economic development in the long term, and ultimately provide additional revenues for the ruling autocrats. Autocrats with short time horizons, however, adopt a radically different governance strategy. They engage in either a predatory behavior or in the provision of side payments to potential challengers (Wright, 2008). The focus of my work is on the former
group of autocrats. I assume that this species of autocrats take social policy more seriously and seeks to devise effective schemes to deliver public goods, even if at times these authocrats engage in kleptocratic behavior. Because autocrats with long term horizons aspire to develop policies to enhance the provision of public goods, they are also in favor of introducing broad consultation with experts, so as to promote effective policymaking.

**Public Opinion:** The premises about autocrats’ motivation to steer consequential policymaking are intertwined with an additional assumption in regard to public preferences. In authoritarian regimes and new democracies, citizens espouse substantive rather than procedural view of good governance. They tend to appreciate the provision of public goods rather than procedures of elections and due process (Shi, 2014; Shi and Lu, 2010; Tang W., 2016). Authoritarian governments capitalize on this and use indoctrination to bolster these existing perceptions of good governance and the preference for a guardian state, rather than a truly democratic polity (Shi and Lu, 2015). Supposing that citizens in authoritarian regimes have favorable views of the autocrats if provided with better public goods, we can further strengthen our initial assumption regarding autocrats’ motivations. To satisfy the public’s expectations and enhance popular legitimacy, autocrats strive to conduct efficient policymaking. Expert consultation is utilized towards this end.

**Bureaucratic Influence and Interests:** My third assumption is that despite autocrats’ attempts to establish procedures of rational policymaking, these ambitions are frustrated by bureaucratic actors. Autocrats establish procedures to devise effective policies, yet the everyday responsibility for administering these procedures is delegated to bureaucrats.
Autocrats have the nominal power to forcefully intervene in policymaking and overrule bureaucratic decisions. Yet, they do so primarily in cases that directly concern the realization of their declared political agenda. These cases also pertain to policy areas where these autocrats have significant experience, and, thus, feel abundantly confident about making bold judgements. For example, in the late 1990s, Premier Zhu Rongji compelled the MOE to rapidly expand higher education enrollment, as he believed that these measures could serve as an engine for boosting GDP growth (Wang Q., 2014). In this case, the combination of economic growth, which was at the core of Zhu’s agenda, and Zhu’s experience within the economic field, emboldened the Premier to override the MOE. In a similar fashion, in 2009, Premier Wen Jiabao weighed in the debate between the MOF and MOHRSS regarding the establishment of rural pension programs, and sided with latter’s position (Choi, 2018). In this case too, welfare programs to assist rural populations were at the core of Wen’s ‘Harmonious Society’ agenda, and Wen also had substantive policy experience in rural areas.

However, in the overwhelming majority of cases, autocrats do not directly intervene. They keep bureaucrats at arm’s length for four reasons. First, policies are complex and learning about them requires considerable time investment. Autocrats do not have the time, knowledge or interest to engage in these policies (Lieberthal and Oksenberg, 1988). Instead, they choose to focus their attention on a select number of policies, while instructing bureaucrats in their respective areas of expertise to manage the vast majority of policies (Choi, 2018). Second, in addition to complexity, some policies with long-term implications may involve a high level of uncertainty regarding their future efficacy (Jacobs, 2011). Uncertainty within the policymaking community involves a period of learning and collective puzzlement (Heclo, 1974). Under such
circumstances, when autocrats are unsure about their policy preferences, bureaucrats have more leeway to steer policies according their own inclinations. Third, autocrats, like democratic politicians, also refrain from direct intervention because they are afraid of blame association in cases of failure (Weaver, 1986). Fourth, top leaders recognize that bureaucratic organizations have the capacity to obstruct and delay the implementation of state directives. Obtaining the consent of bureaucrats, rather than imposing a policy from above, is more likely to elicit cooperation and ensure smooth implementation (Lieberthal and Oksenberg, 1988). Autocrats’ incentives to delegate responsibility or to negotiate with their underlings could furnish bureaucrats with the autonomy to design consultation procedures according to their organizational preferences.

The notion of bureaucratic delegation is also dovetailed with an assumption regarding the fragmented nature of China’s administrative structure. While political power at the apex of the China’s political system might be concentrated, below the centre, authority it splintered (Brodsgaard, 2016; Lieberthal and Oksenberg, 1988; Lieberthal and Lampton, 1992; Mertha, 2005, 2009, 2014). Even though autocrats envision the attainment of comprehensive goals, such as regime resiliency and political stability, bureaucracies are more preoccupied with protecting their parochial interests. This affects policymaking in China. The Center charts the overall ideological or ideational direction for a given policy, but the specification of policies is the province of the bureaucracies (Chen and Naughton, 2016). As bureaucrats are engaged in ironing out the details of a policy, each of the involved bureaucracies strives either to protect its own turf or expand its administrative jurisdiction and resources. In cases of comprehensive reforms in public services, there will be an inter-bureaucratic competition for resources. The intra-
government contest does not only take place across ministries, but also within these administrative units. Since the administrative downsizing that commenced in 1998 (Yang Dali, 2004), the Chinese government has sought to merge several government departments into ‘Big Ministries’ (dabuzhi). In merged bureaucracies, it often happens that different units either have juxtaposed interests or are mired in struggles for jurisdiction over a given policy area within their organization.

Bureaucratic organizations also feature competition of a personal nature. Different officials seek to dominate the policymaking process within their ministry. There is often a contest between officials who are insiders to the bureaucracy, and newly appointed bureaucrats who are outsiders, and do not have experience within this bureaucracy.

As studies of American politics note, a splintered structure of state administration and a fluid policy environment prove to be a fertile ground for the emergence of policy entrepreneurs. Bureaucrats operating in a volatile environment mired by uncertainty and competition are compelled to take bold initiatives and forge shifting alliances, so as to protect the interests of their administrative units (Aberbach, Putnam and Rockmann, 1981; Aberbach and Rockmann, 2001, Aberbach and Peterson, 2005; Peters, 2001; Weingst, 2005). Similar insights can be applied to China’s case, where institutional fragmentation is commonplace. Like their counterparts in the United States, Chinese bureaucrats also engage in acts of policy entrepreneurship to gain the upper hand in a volatile and competitive organizational environment. Chinese officials are likely to leverage expert participation procedures, notably through the recruitment of experts with sympathizing views, in order to control the policy discourse and, ultimately, prevail in an intense bureaucratic competition.
Experts’ Motivations: A fourth assumption concerns the motivation of experts for participating in advice to both bureaucrats and autocrats. Since the 1980s, China has seen the rise of dense networks of policy communities, think tanks and research institutes (Halpern, 1988, 1989). A crowded policy field fuels a dynamic of ‘competitive persuasion’ (Halpern, 1992), in which multiple experts are often working and writing on identical policy issues (Halpern, 1988). The dynamic of ‘competitive persuasion’ is possible because expert have strong incentives to participate in policymaking. For experts working in government think tanks, participation in policymaking and resultant visibility could enhance their chances of being promoted within the bureaucratic apparatus. For university professors, advising the government could increase the available opportunities for the obtainment of government funding for their research work (Fewsmith, 2002; Interview, 11). An entry into the circle of formal consultation may asp be an outlet for experts to get a foot at the door and become influential policy actors. Thus, experts petition the government to join the consultation process. Yet, in a more fragmented policy arena, their chances of being solicited for advice are higher. The plurality of contesting bureaucratic parties means that each of these parties seeks to secure the entry of friendly advisors into the process. I argue that the coupling of intense competition both within the bureaucracy and the community of experts is likely to engender broad and diverse consultation processes.

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4 Before the Xi era, experts were allowed to derive revenues from a portion of government research funding. Given the fact that salaries in academia and government think tanks were not high, consultation, which could result in better funding opportunities, became a compelling feat for experts (Interview 11).
2.4.3 A Schattschneiderian Model of Expert Consultation and Elite Conflict

In the previous section, the chapter set forth several behavioral assumptions’ regarding autocrats: 1) autocrats are seeking to establish procedures of consultation in order to improve the quality of policymaking; 2) However, due to time constraints, autocrats delegate the responsibility for direct administration of the consultation procedures to bureaucrats; 3) The latter design expert consultation in a manner that furthers their organizational interests, and; 4) experts petition bureaucrats in order to gain entry into the consultative process. These four behavioral assumptions underlie the chapter’s theoretical framework.

To put forward an explanation that links bureaucratic interests to the structure of consultation, this chapter draws on both Schattschneider’s theory on the ‘scope of conflict’ and Baumgartner and Jones’ concept of ‘venue shopping’. The chapter also dovetails insights from both the literatures on consultation in democracies and the institutionalization of consultation in authoritarian regimes.

The majority of studies on expert consultation posit that expert knowledge fulfills a substantiating function. Their argumentation is based on a core assumption that the political world is competitive. Scrambling to prevail in the struggle, political actors resort to expert knowledge, and utilize it as ammunition in a contested political arena. I synthesize insights from this approach with assumptions embedded within the fragmented authoritarianism framework, contending that under conditions of inter-departmental contestation, bureaucrats resort to expert knowledge as weapons in the inter-bureaucratic bargaining and negotiations process.

The strategic utilization of expert knowledge in intra-departmental competition takes place in a political environment of fragile institutionalization of consultation procedures.
Institutionalization of expert participation did not go through an incremental process of consolidation. Instead, it was often subject to change, as a result of the personal inclinations of political leaders (Chen and Naughton, 2016; Zhi and Pearson, 2017). In an environment of weak consultative institutions, expert participation is malleable to political manipulation. Bureaucratic actors are in a position to contrive these procedures in a manner that is congenial for the fulfillment of their organizational goals.

While extensively relying on theoretical insights from these bodies of literature, this dissertation also goes beyond them. The analysis extends beyond the assumption of strategic deployment of expert knowledge in a fragmented political environment by inserting a Schattschneiderian logic to the literature on expert consultation. It suggests that experts are mobilized to substantiate policy preferences specifically when political actors are seeking to expand the scope of conflict. This analysis also adds a new dimension to the discussion of pliant institutions in China. It explores the causal linkage between the magnitude of a bureaucratic conflict and the design of consultation procedures.

Schattschneider (1960) argued that the occurrence of an intra­elite contestation can spawn the inclusion and participation of non­elite actors within an elite conflict. Elite competition, according to Schattschneider, consists of strong and weak parties. While the former opts for delimiting the scope of conflict so as to sustain its advantage, the latter vies for the socialization of the conflict to include members of the public. Once outsiders are brought into the conflict, Schattschneider contends, they usually side with either one of the rivalling parties rather than remain neutral. Their presence can, thus, alter the equation of power within the conflict. A revision in power differentials among the contending sides eventually affects the conflict’s
outcome. It is the hope of the losing side that the insertion of non-elite actors could change the balance of power and allow them to gain an advantage in the intra-elite struggle (Schattschneider 1960).

Baumgartner and Jones (1991) further elaborate on Schattschneider’s theory through the inclusion of two key concepts: ‘image’ and ‘venue’. Venue refers to the arena where the contending sides are competing for dominance. The authors argue that the stronger party in an elite conflict is interested in confining the conflict into a secluded, narrow venue, whereas the losing party is shopping for new venues, which consist of a new roster of participants (Baumgartner and Jones, 1991). Schattschneider maintains a bifurcated view of elite conflict. It is either contained within elite circles or socialized to include non-elite participants. Baumgartner and Jones, however, postulate that in most cases a change of venue does not necessarily amount to mass mobilization. A new venue can consist of a novel composition of elite actors, while the public remains excluded. The authors also underscore that not only the losing side within an existing venue initiates venue shopping, as Schattschneider would have suggested. In some occasions, insiders and outsiders who are disaffected with the status quo collaborate in the quest for venue change (Baumgartner, 1987; Baumgartner and Jones, 1991). These two insights regarding both the composition of participants and the mechanism of establishing new venues are essential building blocks for my own theory.

Baumgartner and Jones also argue that a change in venue has an iterative relationship with a change in policy image. A policy image is key in the determination of the venue in which elite competition unfolds. For example, if the policy image is that of a technical issue, then the policy venue is likely to consist of a small set of elite actors. However, if the policy is perceived
as a political matter, it is likely to be contested within a broader forum and include a more
diverse roster of participants (Baumgartner, 1987). This insight also contributes to my
theorization on the difference in both the design and composition of expert consultation
procedures.

The scholarship of Schattschneider, Baumgartner and Jones draws on empirical case
studies from democratic settings. A constitutive assumption of their theories is that an elite
conflict is expanded (or ‘socialized’) through publicity and visibility—which are enabled by the
media. Schattschneider explicitly states that the expansion of elite conflict could occur only
within democratic settings, where the media is independent and policy formation processes take
place with a great deal of publicity (1960). The author seems to intimate that the ‘scope of
conflict’ mechanism cannot easily unfold within non-democratic political systems. Following
Schattschneider, Baumgartner and Jones’ work on both policy subsystem (1991) and agenda
setting (2008) focuses on how increased media attention to a given issue could spawn a change
in policy image, and consequently policy revisions. Their scholarship also seems to suggest that
the Schattschneiderian mechanism could operate only within democratic contexts.

Nonetheless, there is ample evidence that this framework could apply to authoritarian
circumstances as well. Two features that exist in numerous authoritarian polities—a pluralized
media and elite competition—are sufficient for setting in motion a Schattschneiderian dynamic.
Authoritarian regimes may relax media control and censorship because a relatively open media
presents benefits for the regime, such as the obtainment of information (Stockmann, 2013),
monitoring lower level officials (Egorov et al., 2009; Lorentzen, 2014), and transparency
(Baekkeskov and Rubin, 2017). One of the by-products of relaxed press control is that media
outlets produce different discourses. A partially free or commercialized media furnishes political actors who are losing in the intra-elite struggle with opportunities to set the agenda regarding certain policy, and potentially expand the scope of conflict.

A Schattschneiderian dynamic can also unfold in the event of elite competition. The political system under autocracies often alternates between periods of stability and leadership succession. In cases in which the incumbent either retires or is in a position of a lame duck, an intra-elite contestation over succession ensues. Elite factions scramble to expand the scope of conflict and mobilize the public to rally around their preferred candidate. In these intra-elite struggles, competing parties utilize the media in order to enlarge the scope of conflict, and invite outsiders to take part in the succession struggle (Hale, 2005, 2006).

In addition to the media, authoritarian elites may also harness the procedure of expert consultation for expanding the scope of conflict, and enlist actors who are supportive of their positions. In this case, the expansion of the conflict does not necessarily include the public, as Schattschneider originally proposed. Instead, it follows a pattern suggested by Baumgartner and Jones, in which rivalling elites recruit to the conflict outsiders from another elite group—experts from leading research institutions and international organizations.

2.4.4 A Schattschneiderian Model and Bureaucratic Politics

The dissertation integrates a Schattschneiderian Model of elite conflict with key insights from existing literature on bureaucratic politics. It embraces the argument, which is embedded in the comparative literature on bureaucracy, that bureaucratic competition has a virtuous effect over policymaking. In particular, this study follows Downs and Enthoven’s theories regarding the
contribution of bureaucratic contestation to policy innovation. Further, this work shares similar assumptions with the Fragmented Authoritarianism framework, yet it also departs from this paradigm in significant ways.

Existing studies establish that bureaucratic competition has a salubrious impact on budgetary allocations and policy implementation. Competition is likely to attenuate bureaucrats’ pursuits of budget maximization. When a bureaucratic organization holds a monopoly over the provision of a given service, it is likely to exploit information-asymmetries between government agencies and legislatures in order to manufacture inflated assessments of its budgetary needs. If inter-agency competition exists, however, each of the contending bureaucracies are likely to submit lower evaluations of their financial needs, so as to prevail in the contest for budgetary allocations (Conybeare, 1984; Moe and Miller, 1983; Niskanen, 1971, 1975). Consequently, bureaucratic competition is likely to reduce government expenditures.

In a similar vein, some scholars argue that bureaucratic competition over the control of overlapping tasks is likely to improve efficiency in implementation. Inter-agency competition for the provision of identical services reduces user fees (Niskanen, 1971). Moreover, an overlap in bureaucratic missions across more than one agency is likely to engender a high level of policy enforcement (Mertha, 2005, 2006).

Inspired by the assumption that bureaucratic competition has a virtuous impact on diverse aspects of policymaking, such as budgetary allocations and policy implementation, this dissertation argues that bureaucratic contest also contributes to a high quality of deliberation. As in the cases of competition over resources and implementation, in expert consultation, I contend, bureaucrats’ attempts to outdo their rivals also lead to improved policy outcomes.
The extant literature also establishes that bureaucratic competition contributes to the quality of internal government deliberations. Rowen & Enthoven (1961) posit that bureaucratic competition leads to the emergence of alternative policy positions. The proliferation of alternative positions, in turn, is useful for tackling complex problems, for which there is a great degree of uncertainty (Enthoven & Rowen, 1961). Building on Enthoven and Rowen’s work, this dissertation argues that in cases of bureaucratic competition, diverse policy alternatives come to the fore via experts, who act as proxies for each of the contending bureaucracies.

The dissertation also takes cues from Downs’ theory regarding the contribution of bureaucratic politics to policy innovation. Downs’ argues that as aspiring bureaucrats are striving for rewards, such as power, income and prestige, their ability to attain these goals depends on the accruement of resources to their organizations. To shift resources to their organizations, these officials must propose new functions methods, or research requiring more resources. Meanwhile, as bureaucrats aim to expand the amount of resources available to their agencies, politicians, who are in charge of resource allocation, prefer to economize. In order to channel resources to their turf without enhancing government expenditures, bureaucrats have to creatively devise innovative policies to capture functions performed by rival agencies. As bureaucrats actualize these policy innovations, their competitors, who fear for shrinkage in their resources, develop policy innovations to counter the rise of their rival. Even though this struggle for resources foments hostility across government agencies, Downs’ contends, it also breeds policy innovation (Downs, 1967).

This Downsian logic, I posit, could be applied to the politics of expert consultation. If we integrate Downs’ argument regarding the salutary effect of bureaucratic contest on innovation
with the Schattschneirder’s concept of the scope of conflict, we could formulate a theory on the contribution of bureaucratic conflict to policy innovation through successive stages of expansion in expert consultation procedures. As more experts are entering the consultation process, more fresh and diverse policy prescriptions come to the fore and, thus, the likelihood of innovation is enhanced.

The dissertation also subscribes to the guiding assumptions of the Fragmented Authoritarianism (FA) model. As in FA, this study presupposes that inter-agency competition in China is pervasive. Meanwhile, I also depart from FA in the evaluation of the impact of bureaucratic fragmentation on policymaking. The FA framework assumes that bureaucratic conflict leads to suboptimal outcomes, such as policy delays, inconsistency in policy implementation (Lieberthal and Lampton, 1992; Lieberthal and Oksenberg, 1987; Mertha, 2009, 2014), legislative gridlocks (Tanner, 1999; Truex 2018), and refusal to share knowledge across state agencies (Halpern, 1992). As opposed to the FA model, this dissertation, which follows Downs and Enthoven’ ideas on bureaucratic competition, deliberation and policy innovation, proposes that bureaucratic conflict in China can have a salutary impact on policy outcomes.

2.4.5 Argument

This Chapter’s argument builds upon key insights from the literature on elite conflict and bureaucratic politics. Following Schattschneider, I submit that elite conflict motivate comparatively weak elite actors to seek for an expansion in the scope of conflict. Relying on Downs and Enthoven, I stipulate that bureaucratic contest shapes deliberation and breeds
innovation. The Chapter applies these theories to account for variation across expert consultation episodes.

I argue that at each stage of the consultation procedure, changes in power differentials among the contending bureaucracies leads the weaker party to petition for an enlargement in the circle of advisors. The weaker actors understand that in the existing policy venue, their odds of winning are meagre. Consequently, they are more likely to initiate the establishment of a novel venue where bureaucratic dissensions are to be negotiated and bargained. The novel venue is likely to consist of actors outside of the bureaucratic conflict. The weak party hopes that the addition of new actors is likely to annul the existing power imbalance and offset the advantage of its stronger rivals. The introduction of an expert consultation forum is part of this venue shopping strategy. If the weak bureaucracy believes that experts are more likely to express views that are closer to its own views, it will push for the establishment of a new venue where consultation would take place. In addition to striving to create a new outlet, in some occasions, the party with inferior power is likely to be supportive of broad consultation with multiple cohorts of advisors. It prefers this option to a consultation with a unitary group of advisors as long as these bureaucrats have good reasons to assume that the majority of these consultants would express views that resemble their own. Or, if this party knows that under the existing power arrangements it is very likely to lose, it may take a risk and opt for the establishment of a new venue, even without knowing ex-ante the actual positions of the new advisors.

Once the new venue is established, the power equation within the intra-bureaucratic conflict is likely to shift. Those who possessed the edge in the previous arena have now lost their initial advantage. As a result, they are likely to petition for a further expansion of the venue, so as to
populate the consultation forum with actors whose positions closely resemble these bureaucrats’ organizational preferences. Once the erstwhile weak actors have successfully lobbied for the expansion of the consultative venue, those who are now in an inferior position in the aftermath of expansion follow suit and ask for further enlargement of the consultation procedure. The end result is that this spiraling dynamic engenders a broad and diverse consultation procedure.

The process of enhancement of expert consultation venue is likely to proceed through collaboration between both insiders and outsiders. Among insiders, weak bureaucracies strive to include new actors within the policy venue. They seek to cultivate and promote the participation of experts whose positions closely align with their bureaucratic interests. Meanwhile, experts are also aware of insiders’ dissatisfaction with the existing power imbalances. Consequently, they endeavor to petition the weak party to lobby for their inclusion in the consultation forum. Experts understand that participation in consultation is likely to both enable them to gain policy influence and bolster their academic reputation.

The process of expansion in the consultation procedure depends on the intensity of the bureaucratic conflict. The greater the degree of contestation the more incentives bureaucrats have to expand the consultation procedure in order to prevail in an ongoing debate. Meanwhile, the higher the stakes in bureaucratic conflict the greater the impetus of bureaucratic rivals to retaliate by initiating a further expansion in the consultative procedure. In these successive stages of enhancement in the circle of consultants, the bureaucrats enlist experts for the purpose of shaping the policy discourse in a manner that is favorable to their organizational preferences, rather than elaborate on existing policy preferences.
In the occasion of either bureaucratic consensus or low intensity bureaucratic conflict, however, consultation assumes a different role. Bureaucrats utilize consultation in order to substantiate and pad out their consensual preferences, rather than to supplant their competitors in a bureaucratic debate. Since bureaucratic organizations have already arrived at an agreement regarding the contours of the policy, they are likely to agree on a unitary set of advisors advocating rather uniform positions. No bureaucracy has the incentives to enlist multiple cohorts of advisors in order to gain leverage. Furthermore, as there is no clear dynamic of change in power differentials during the consultation process, there is no weak party vying for expanding the composition of consultants.

This dissertation both generates and tests this Schattschneiderian argument. Initially, I formulated the theory through familiarity with one case of high quality deliberation, China’s healthcare reform. After having inductively generated the theory, I test its application beyond this case study—through a comparison between this unusual case, and a contrasting case.

2.4.6 Causal Logic

If the hypothesis regarding the Schattschneiderian dynamics is correct, and if intense bureaucratic conflict indeed spurs a broad, independent and diverse consultation procedure, we would expect to observe bureaucratic taking the following strategic moves:

2.4.6.1 Design of Consultation

If consultation takes place under conditions of a high intensity bureaucratic conflict, we are likely to observe that the government solicits multiple blueprints from consultants. The weak
bureaucratic actor promotes such measure because she believes that the views of the majority of advisors would resemble some of its institutional preferences. For this actor, the higher the number of advising cohorts participating in the procedure, the more support it can garner in the intra-bureaucratic negotiations process.

Conversely, if consultation occurs under conditions of low bureaucratic intensity, we are likely to observe the mobilization of a unitary set of advisors. In such case, there is no weak party that seeks to initiate a broad consultation in order to gain leverage over other bureaucracies.

2.4.6.2 Expansion of Consultation

In the occasion of an intense bureaucratic conflict we will see an expansion in the consultation procedure. After the establishment of a new venue, which is composed of multiple cohorts of advisors, has been created, the bureaucracies that are now considered weak petition for the expansion of the scope of consultation. After the enhancement of the consultative venue took place, we would expect to see that new consultants’ views on the policy closely align with the institutional preferences of the bureaucracies who sought to amend the structure of the consultation.

Conversely, in the absence of an intense intra-government conflict, bureaucratic actors do not embark on an endeavor to expand the scope of consultation, since they do not feel like the existing composition of consultants poses a threat to their bureaucratic interests.
2.4.6.3 Composition of Consultants

In cases of high stakes bureaucratic competition, we are likely to see a more diverse roster of advisors, each representing opinions that are close to those of contending government departments. The more rival parties are privy to the intra-governmental contest, the more diverse is the composition of consultants.

Under these circumstances, the participating experts are normally generalists. By generalists, I refer to experts who do not necessarily have a formal record of specialization in the relevant policy field. Instead, they claim to have a bird’s eye view of the policy domain, and espouse a compelling ideational scheme for revamping the policy arena. These generalists are sought after by rivalling bureaucracies, as they seek to bring in to the policy venue articulate advocates.

If the degree of intra-bureaucratic conflict is low, we are likely to observe the selection of a unitary group of advisors. The stances of the participating experts are likely to closely reflect the preferences of either the bureaucracy that is in charge of the process or the extant intra-bureaucratic consensus.

In these settings, the roster of advisors is likely to consist of specialists or technocrats. These experts hold formal record or qualifications of specialization in the given policy field, yet their research often focuses on a constricted aspect of the given policy domain. They do not boast of having comprehensive framework for understanding the entire policy arena. In the absence of a fierce bureaucratic conflict, government officials do not need to recruit articulate advocates for their position. Instead, they seek to enlist specialists and technocrats for padding
out some of their existing preferences regarding specific chapters within the policymaking blueprint.

2.4.6.4  **Content of Consultation**

If the degree of intra-bureaucratic rift is high, we would expect to observe that generalists are asked to compose a proposal that encapsulates all aspects of the policymaking program. The reason for this is that in such a fractured policy arena, the policy framework is contested. Experts are mobilized by competing government departments in order to put forward an argument for how to structure the policy arena in a manner that matches their institutional preferences. The concentration of experts on a general outline for the suggested policy would come at the expense of greater elaboration on particular items or measures pertinent to the specific policy.

Conversely, if the degree of bureaucratic conflict is low, the involved bureaucracies have already arrived at a consensus regarding the policy’s theoretical framework. Therefore, experts are not asked to propound a comprehensive outline for the entire policy. Instead, they are instructed to elaborate on policy themes within the confines of a framework already determined by the bureaucracies involved in the consultation process. They are engaged in writing extensive reports for specific chapters within the suggested policy.

2.4.6.5  **Independence from Government Administration**

Bureaucrats aspire to maximize their benefits from the consultation process. They prefer to place experts under their direct administrative control, so as to ensure that policies are drafted in accordance with their organizational goals. Keeping advisors at arms’ length from bureaucratic
supervision, entails risk. Experts might take the liberty to propound policies that could potentially diverge from bureaucratic interests. In cases of high stakes conflict, the option of subjecting experts to direct administrative control is not feasible. If experts are in a subservient position to one bureaucracy, this could undermine the credibility of the procedure in the eyes of its competitors. Therefore, bureaucrats seeking to establish new venues for consultation structure this procedure in a format where experts are independent, lest other bureaucracies would deem the process lopsided and refuse to collaborate.

In a conflict with low level of disagreement, consultants would not become independent. If consultants are located in a subordinate position to one of the bureaucracies, this predicament is not likely to either diminish the credibility or spur resistance to the consultation process among other bureaucracies. Therefore, the bureaucracy responsible for the consultation process has fewer incentives to construct a new venue where experts are granted with independence.

2.4.6.6 Summary of Strategic Dynamics
I argue that in cases of fierce bureaucratic conflict we are likely to observe the following strategic dynamics (Table 2.5): the bureaucracies solicit multiple blueprints; Participating experts hold diversity of views and also comprise of generalists; Experts are asked to propose a general outline for the relevant policy; They work in an environment that is relatively free from administrative intervention, and; There is going to be an expansion in the structure of consultation to include a new roster of advisors. Conversely, in case of bureaucratic consensus we are likely to observe different types of strategic moves (Table 2.5): the bureaucracies instruct experts to author a unitary draft; Participants often hold similar views and primarily consist of
specialists; Experts are required to draft specific parts of the blueprint which correspond to their areas of specialization; Their work is subject to tight administrative control, and; There is not going to be an expansion in the consultation process.

Table 2.5 Strategic Dynamics

<table>
<thead>
<tr>
<th>Strategic Dynamics</th>
<th>Observable Implications for Fierce Bureaucratic Conflict</th>
<th>Observable Implications for Bureaucratic Consensus</th>
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<td>Design of Consultation</td>
<td>Multiple Blueprints</td>
<td>Unitary Blueprint</td>
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<td>Composition of Consultants</td>
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<td>Content of Consultation</td>
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<td>Specialized Sections within Blueprint</td>
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</tr>
<tr>
<td>Expansion of Consultation</td>
<td>Yes</td>
<td>No</td>
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2.4.7 Independent Variable: Intensity of Intra-Government Conflict

In the previous section, this chapter argued that the ‘intensity of conflict’ within government administration shapes the quality of deliberation and openness of the consultation procedure. I now define and operationalize the term ‘Intensity of conflict’, contending that in every policy arena conflict abounds. The existence of multiple stakeholders in any given policy arena is likely to pit against each other bureaucracies who scramble to enhance both their resources and areas of
administrative jurisdiction. Nonetheless, there is substantial variation in the magnitude of conflict across policy areas. In some arenas, the drafting processes features a zero-sum contest. One’s loss in the competition over either resources or administrative privilege is the other’s gain. In other arenas, there may be spats revolving around questions of resources and jurisdiction, yet the stakes of losing may not be as detrimental for the institutional clout of the relevant bureaucracies. I argue that the higher the stakes are for the rivaling bureaucracies, the greater the level of bureaucratic rift.

In addition to struggles over the privilege of receiving resources, conflict between the allocators of bureaucratic rifts often revolve around the divergence in the stakes of both the finance and economic planning bureaucracies and the relevant bureaucracies that benefit from government funding. While the former prefers to curb spending, the latter opts for the enhancement of government allocations. These conflicts also exhibit a considerable degree of variation across policy arenas. In some policy arenas, the rift among these parties features structural disagreements. To economize on state resources, the finance bureaucracies pressure other bureaucracies to undergo structural reforms in their administrative apparatus. Since such reforms are likely to significantly diminish the administrative power the targeted bureaucracy, it is likely to oppose it. In other policy arenas, there are no equivalent structural conflicts. Intra-departmental frictions are primarily concerned with disagreements over the volume of funding.

Certain exogenous institutional features are likely to shape the intensity of intra-government conflict, and can account for variation in the degree of bureaucratic cleavage. While this proceeding list should not be billed as comprehensive inventory of all antecedent causes that
account for the intensity of bureaucratic fissures, it demonstrates that diverse institutional variants are likely to affect the degree of conflict.

- Plurality of bureaucratic stakeholders: The higher the number of bureaucracies with critical stakes in the policy, the higher the likelihood of an eruption of an intense bureaucratic conflict. These types of intra-government rifts transpire along two dimensions: contestation among recipients of government allocations and cleavages between the recipients and allocators of public funding. If more than one bureaucracy is responsible for administering public services, these organizations are likely to be mired in a zero-sum contest over the bestowal of government financial allocations. Under this predicament, it is considerably more difficult to broker a consensus among these rivalling bureaucracies. Yet, if a single bureaucracy is responsible for public service provision, then, there are no sharp disagreements over the direction of government finance allocations, since there is only one uncontested recipient of government monies. In a given policy domain, if more than one bureaucracy is responsible for resource allocation, the number of distributional conflicts is higher, as each of these bureaucracies places demands on the recipient of public funding. Under such conditions, the task of mediation is more challenging, as more conflicts are needed to be resolved. Conversely, if resource allocation is primarily concentrated in the hands of one bureaucratic organization, intra-bureaucratic agreement is attained with a greater level of facility.
• **Conflicts over Marketization of Public Services:** If marketization of public services is prominent in both the government and public agenda, this is an additional source of deep intra-bureaucratic fissures. While bureaucracies responsible for finance and economic planning—on the grounds of fiscal efficiency—push for marketization of public service providers, government units directly in charge of the management of these public services staunchly oppose such moves. These infightings tend to be intense since they have immediate ramifications on the preservation of the institutional clout of government units with jurisdiction over the administration of public services. However, if marketization is not on the agenda, the likelihood of the eruption of such a conflict is diminished, since the bureaucracy managing the public services do not feel that its institutional privilege faces an imminent threat.

Another aspect of marketization—private sector dynamism in a given policy domain—could also be the harbinger of intense bureaucratic dustups. Government units directly responsible for the delivery and provision of government services harbor reservations in relation to the expansion of the private sector, which is likely to undermine the size of their administrative apparatus. Finance bureaucracies, however, are likely to act as champions of private provision of service, as they vie to economize on public resources. A dynamic, burgeoning private sector is likely to exacerbate this cleavage. However, a decline in the vibrancy of the private sector is associated with an attenuation in the bureaucratic rift.
• **Policy Learning Period:** In some cases, the drafting process of a policy or law occurs during a period of policy learning. In such periods, autocrats puzzle over the future trajectory of a policy. Either the absence of clear guidelines—or ambiguous signals on the part of autocrats—sends cues to both the media and bureaucrats that the authorities that there is now space for both debate and experimentation. A more open discussion takes place in the media, and regnant assumptions regarding the policy are being questioned and criticized. Bureaucrats sense that this is a period of critical juncture, where significant changes in resource allocation, administrative jurisdiction and policy structure are possible. Uncertainty regarding the future policy trajectory, on the one hand, and a sense that now everything could be up for grabs, on the other hand, is likely to exacerbate the intensity of a bureaucratic conflict. Conversely, in periods of policy consensus among autocrats, other political actors—such as bureaucrats, journalists, experts and policy entrepreneurs—are less likely to engage in a debate and challenge assumptions regarding the policy. In such periods, when bureaucrats sense that the status quo is likely to remain unchanged, the intensity of inter-departmental frictions is likely to diminish.

• **Structure of Inter-Ministerial Coordinating Institution:** The structure of the inter-ministerial coordinating institution plays a key role in enabling the mediation of intra-government disagreement over the distribution of resources. This institution could be designed either horizontally or vertically. Under horizontal settings, the inter-ministerial coordinating body leadership authority is divided
among bureaucracies of equivalent administrative rank. Bureaucratic conflict is likely to escalate, since neither of the involved parties have an ability to compel the others to agree to a given policy measure. Agreement could be arrived only through a continuous process of negotiations. However, if the coordinating institutions are designed in a vertical manner, leadership authority is in the hands of an official whose rank is higher than those of the bureaucracies—either a Premier or Deputy Premier. This official commands the authority to potentially discipline the bickering bureaucracies and pressure the latter to arrive at a compromise.

2.4.7.1 Observed Cases of Bureaucratic Conflict in China

The Chinese bureaucratic system is well-known for being fragmented (Brodsgaard, 2016; Lampton and Lieberthal, 1992; Lieberthal and Oksenberg, 1988; Mertha, 2005, 2009, 2014). There is variation in the level of inter-departmental cleavages across diverse policy arenas. The case of fierce bureaucratic conflict delineated above does not apply to the entire universe of cases on bureaucratic conflict occurring in China. In the majority of cases the bureaucratic organizations involved are not embroiled in a zero-sum contestation over government resources and administrative jurisdiction. In addition, in many policies, the institutional structure of the coordinating body is either highly hierarchal or centralized, rather than horizontal. These circumstances also stave off an escalation in the degree of bureaucratic conflicts. To elucidate this point, I conduct a plausibility test for the impact of bureaucratic competition on policymaking processes and expert consultation. Examining the magnitude of bureaucratic
conflict across four policy arenas that are well-known for their fragmentation, I show that a Schattschneiderian dynamic transpires in cases of zero-sum bureaucratic struggles, whereas in other cases, where the level of contestation is low, such mechanism does not unfold.

**Energy policy:** While previously energy sector policies were characterized by fragmentation, currently, the National Development and Reform Commission (NDRC) dominates the policymaking arena. During the 1980s, bureaucratic conflict involved an intense competition for resources among rivaling energy ministries (Lieberthal and Oksenberg, 1988). In the proceeding decade, some of these energy ministries were either dismantled or merged into ‘super-ministries’. Yet, authority was still contested across two bureaucracies: the State Planning and Development Commission (SPDC), which was in charge of economic planning and State Economic and Trade Commission (SETC), which absorbed the ministries of coal and electric power. Since the early 2000s, after SETC merged with SPDC to form the NDRC, however, the degree of fragmentation significantly diminished. NDRC has become the strongest actor in energy policymaking (Grunberg, 2016; Meidan et al., 2009). This ‘super-ministry’ maintains authority over long-term planning and regulation of the energy sector, as well as electricity prices and energy investment. Other actors, such as the Ministry of Finance and energy SOEs, are influential, but they do not have a clout that is comparable to the NDRC (Grunberg, 2016). As a result, there are no high stakes intra-bureaucratic conflicts at the moment. In addition to the absence of a high degree of competition within the energy sector, the policy arena also has a hierarchal structure. The National Leading Small Group on Climate Change is headed by the Premier, while the NDRC controls the Small Group’s Office (Grunberg, 2016). The NDRC also
heads the expert consultation process over the Five Year Plans (Wang and Yan, 2015), and, as such, it is able to dominate this procedure.

**Environmental policy:** A high degree of fragmentation exists within the environmental policy arena. Environmental protection is fractured along several ministries, most of which share both the responsibility for generating economic development and protecting the environment. Typically, these ministries view the former goal as their priority (Kostka, 2014; Ran R., 2013). The NDRC is the strongest organization within the policy arena. The Ministry of Environmental Protection (MEP) is institutionally weak, in terms of both the number of personnel and resources (Marks, 2010). The combination of power differentials and high stakes competition within this policy arena propelled a Schattschneiderian dynamic. The revisions to the Environmental Protection Law from 2011 to 2015, pitted two bureaucratic factions, the environmentalist faction led by the MEP versus the conservative, pro-development faction headed by the NDRC and the National People’s Congress Environmental Protection and Resource Conservation Committee (EPRCC). Initially, the conservative faction was in charge of writing the first public draft of the law, which curtailed the regulatory power of the MEP while strengthening the NDRC. To protest this law, the MEP published the opinions of legal and environmental experts who were critical of the proposed draft. This created a public outcry that eventually led the NPC to transfer the drafting authority from the pro-development EPRCC to the pro-environment Legal Affairs Committee. Consequently, the final draft contained provisions that were more consistent with the preferences of the MEP (Dong J., 2015; Zhang B. et al., 2016; Zhang L. et al., 2013). In this
case, the weak party utilized experts’ voices in order to expand the scope of conflict and change the policy venue.

The expansion of the scope of conflict took place, yet a spiral mechanism was absent. The reason for this difference stems from the fact that in the case of the Environmental Protection Law there was no formal procedure in place for having experts play a central role in the drafting process. Therefore, enhancement of the scope of conflict took a somewhat different format than what is predicted by my theoretical framework.

**Intellectual property:** Administrative fragmentation within the intellectual property protection regime has gained wide attention through the work of Andrew Mertha (2005, 2006). The duplication of responsibilities over trademark among two rivaling bureaucracies—Administration for Industry and Commerce and the Quality Technical Supervision Bureau—unleashed a dynamic of inter-departmental competition, which, in turn, contributed to improved enforcement. This type of competition, which takes place at the implementation stage, is different from a conflict over the redistribution of resources, which occurs through bargaining (Mertha, 2006). It is possible that in the absence of the latter type of competition, the phase of policy drafting and bargaining over intellectual property, which took place from 2005 to 2008, was not characterized by fierce bureaucratic rivalry. Centralization of the policymaking process during the 2000s, with Deputy Premier, Wu Yi, and the State Intellectual Property Administration heading the Small Group and the Office respectively (State Council Office, 2005), might have further dampened the magnitude of competition.
Labour: Two self-interested bureaucracies, the Ministry of Labor and Social Security (MOLSS)\(^5\) and All-China Federation of Trade Unions (ACFTU), were the dominant actors in the legislation of the new Labor Contract Law in 2007. The final draft contained various provisions that benefitted the interests of these two organizations. These two bureaucracies, however, were not engaged in a high degree of conflict, as both actors shared the goal of enhancing government regulations over labor contracts. Expert consultation over the Labor Contract Law exhibited a high level of debate and deliberation (Chou CC., 2017; Dong and Gallagher, 2011). Yet, this debate was not a result of inter-departmental competition. Expert consultation started as a narrow process. In 2005, the State Council Legislative Affairs Office (LAO) entrusted the Institute of Labor Relations at Renmin University with the task of putting together a single team of experts to author the draft of the Labour Contract Law. However, in the midst of the drafting process, a vibrant debate between the team’s leader, Chang Kai, and another advisor, Dong Baohua, ensued (Dong and Gallagher, 2011; Guo J., 2006). It might be possible that such a debate transpired because the institution directly in charge of the consultation, LAO, did not have high stakes in the proposed law, and, therefore, it might have been more receptive to diversity of opinions. Had this procedure took place under the aegis of the Ministry of Labour and Social Security (MOLSSS), we would not have seen such dynamics, and the pro-market, Dong Baohua, might have been silenced.

\(^5\) The MOLSS became the Ministry of Human Resources and Social Security (MOHRSS) in 2008.
2.4.8 Causal Inference Strategy: Process Tracing

Having discussed the impact of magnitude of bureaucratic conflict over the quality of deliberation in expert participation procedures, I now proceed to explain how I use process tracing as causal inference strategy. Using the definition of process tracing as: “…the systematic examination of diagnostic evidence selected and analyzed in light of research questions and hypotheses posed by the investigator.” (Collier, 2011), I discuss six key advantages of this inference strategy.

First, process tracing allows me to arrive at a more valid definition and scaling of my independent variable, ‘Intensity of Bureaucratic Conflict’. In a statistical analysis, I might have been relying on crude indicators—such as the number of bureaucracies involved in the policymaking arena, duration of the drafting process (assuming that length is positively correlated with intensity of conflict), number of media reports on intra-bureaucratic fissures—to measure the intensity of conflict. For example, in two of my case studies, a rather equivalent number of bureaucracies officially participated in the drafting process—16 in case I (Healthcare Reform) and 15 in case II (Education Reform) (State Council, 2008; State Council, 2008a). According to this measure, the degree of bureaucratic conflict across the two cases would have been more less on par. The search engine for Chinese media records 1226 and 371 reports in cases I and II, respectively. This measure can actually provide cues regarding the differentials in the magnitude of controversy across the two cases. But, this measure still cannot disentangle bureaucrats from other actors, such as non-bureaucratic societal stakeholders who might be involved in policy debates and controversies. Using duration as indicator, we could observe that the drafting process for case I was completed within 2 years and 9 months (Xinhua, 2009),
whereas the one for case 2 elapsed over a relatively short period of 1 year and 10 months (Ma H., 2011). This could indicate that the degree of intra-bureaucratic debate in case 1 surpassed the one in case 2. Nonetheless, it still does not fully represent the exceptionally high magnitude of conflict in case 1. By conducting process tracing, and, thereby, acquiring profound contextual knowledge of the case study, I developed measures that more accurately capture the magnitude of bureaucratic cleavages. I found that the existence of fragmentation among bureaucracies that were in charge of the provision of public services, produced a zero sum competition. Hence, the degree of bureaucratic rift could be considered extreme. Through within-case analysis, I also discovered that the existence of dissensions over structural reforms, such as marketization and privatization, could also more validly represent the degree of intensity of intra-bureaucratic fractures.

Second, process tracing can allow me, through its inductive leverage, to develop novel theoretical frameworks (Brady, Collier and Seawright, 2010; Collier, 2011; George and Bennett, 2005). These insights from the literature reflect my own experience of engaging in process tracing. Prior to conducting my research, I had acquainted myself with a diverse set of explanations as to why politicians and bureaucrats might solicit expert advice, such as technocratic refinement, theoretical ‘enlightenment’, substantiation of existing preferences, blame avoidance, societal inclusion, avoidance of policy blunders, elite consensus and combatting ‘departmentalism’. The inductive strategy, however, revealed to me that none of these theories accurately explained the phenomenon I investigate. The nuanced knowledge of the cases, acquired through within-case analysis strategy, enabled me to uncover a novel mechanism
that was in place. This, in turn, inspired me to craft a new theoretical concept that is based on the work of Schattschneider.

Third, process tracing is beneficial for analyzing complex causal processes consisting of feedback loops (George and Bennett, 2005). The Schattschneiderian spiral is composed of such feedback loops. At each stage of the consultation process, the weak party either engaged in ‘venue shopping’ or pushed for the expansion of the consultation procedure. An expansion altered the power differentials within government administration, and, thus, triggered further expansion. Such intricate causal mechanism could not be easily captured by statistical analysis. To detect this process, one is required to carefully engage with documentary evidence as well as interview data, so as to accurately trace the weak actors at each stage of the process and their stakes in the consultation process.

Fourth, process tracing is also congenial for assessing the potential impact of multiple causal paths (George and Bennett, 2005). In my work, I had to arbitrate among two contending explanations for the narrow and anemic character of expert consultation in case II, the education reform. It could have been that the lack of sharp bureaucratic disagreement created few incentives for bureaucrats to expand the circle of consultants. An alternative explanation, however, was that the authorities’ preoccupation with ideological control frustrated any attempt at creating a broad and diverse consultative forum. Using documentary evidence to trace the establishment of the consultation procedure for the education reform, I have found that the lack of bureaucratic sponsorship of alternative proposals was the key reason for the lack of diversity.

Fifth, process tracing also proved to be an indispensable tool in the identification and measurement of the quality of deliberation and diversity in the dependent variable. To be able
assess the degree of diversity in a given expert participation procedure, the author must be deeply familiar with the actual policy positions of the participating experts, and also be attuned to the nuanced differences in discourse across these advisors. This type of knowledge could only be acquired through within-case analysis strategy. Similarly, the evaluation of the scores on the dependent variable is also contingent on an additional indicator, independence of consultants from the control of government administration. This information, too, could be obtained exclusively through qualitative treatment of the case studies, which involves in-depth interviews featuring informants with firsthand experience of the consultation process.

Sixth, process tracing furnishes us with leverage in testing the theory. Whereas in statistical analysis, we look for correlations between a limited number of indicators for both the independent and dependent variables, process tracing permits me to explore a wide range of observable implications to validate the theory. In this research project, the inclusion of multiple observable implications regarding consultation—such as, design, composition of consultants, content, distance from government administration, and expansion—has permitted to gain more confidence with respect to the veracity of the hypothesized Schattscheiderian mechanism.

2.5 Case Studies

This dissertation uses process tracing in conjunction with a controlled comparison strategy. It selects two case studies which exhibit the key elements of controlled comparison, control and variation (Slater and Ziblatt, 2013). From the perspective of control, the two cases share similar characteristics—drafted in the same country, at a simultaneous point in time and pertain to a rather similar domain of public policy. By doing this, I am in a position to control for possible
endogenous confounders. Meanwhile, I also select two cases that broadly mirror variation in a broader and explicitly defined population of cases—formal consultation episodes in which experts play a central role (see Table 2.2). In case I, the Healthcare Reform, the dependent variable is a diverse and broad type of consultation, whereas in case II, we observe a centralized and anemic process of consultation, where there was little space for alternative positions. The variation presents an opportunity to identify a factor that exhibit highly divergent scores across the two case, and is potentially the explanatory variable. For conducting the controlled comparison, I select two cases of elite consultation and deliberation—the Healthcare Reform (2009) and the Education Reform (2010). These cases are comparable in many respects. First, both policy episodes are two of the flagship social reforms enacted during the Hu-Wen era. Second, the drafting processes of both reforms took place in the aftermath of public backlash against past policies of marketization trends in both policy domains. In health, the publication of a study that lambasted past policies in a well-known media outlet stirred public debate over the future course of reforms (Kornreich et al., 2012; Thompson, 2009). In education, a proposal submitted by members of the “Two Sessions” regarding problems such as—tuition costs, rural education and public school restructuring—and media reports engendered pressure on the government to overturn existing policies (Yang D., 2007). Third, both health and education were at the top of the public agenda in China for more the 10 years. According to the online surveys of People’s.Com conducted prior to the annual gathering of both the NPC and CPPCC from 2005 to

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6 King, Keohane and Verba (1994) make similar point to Slater and Ziblatt, arguing that selection which is based on the values of the dependent variable is legitimate as long as “the selection should allow for the possibility of at least some variation on the dependent variable” (p.129).
2014, both health and education featured consistently among the top ten issues of public concern and attention (see Table 2.6). Fourth, both the healthcare and education reforms were considered issues of low magnitude political sensitivity (King et al., 2013). Sixth, the drafting processes of both policies included extensive consultations with both academics and experts. The salience of both health and education in the public agenda during the 2000s coupled with low degree of political sensitivity meant that an open debate over these issues was possible. Such vibrant public discussions, in turn, could have potentially spilled over into the expert participation procedures on both health and education, rendering them more deliberative.

Table 2.6 Rankings of Health and Education in Annual Public Opinion Online Surveys

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<th>Year</th>
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<td>8</td>
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<td>2013</td>
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Since 2001 prior to the annual gathering of the ‘Two Sessions’ (Pang H., 2014), the government-sponsored, Internet news outlet People.Com has been conducting a public opinion annual public surveys on the issue of public concerns. The People.Com portal features a list of 20 to 30 social issues, inviting netizens to select a maximum of ten topics of concern. Afterwards, the website publishes the survey’s results, posting both the ranking (relative to other issues) and number of votes for the ten issues of highest public concern. These issues in turn become the focal points of discussion at the ‘Two Sessions’. For references to the annual public opinion surveys see Appendix B.
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However, even though the two cases share common characteristics, there was a substantial difference in the quality of deliberation in the expert participation procedures across both policies. In the case of the Healthcare reform, in the formal consultation forum, the government considered 12 distinct, independent proposals, each of them being comprehensive in scope (Kornreich et al., 2012; Thompson, 2009). In the drafting process of the Education reform, however, there was only one blueprint for reform. 500 academics and researchers participated in the process. They were divided into 11 groups, each focused on a specific aspect of reform. Officials from the Ministry of Education (MOE hereafter) guided the drafting of reports from each of these groups. Eventually, MOE officials were responsible for integrating the input from the 11 studies into one blueprint. Besides this procedure, the government appointed an inter-disciplinary panel consisting of 100 experts, yet this forum did not produce any independent proposal for reform (Huang and Diao, 2010; Ma H., 2011; Yang D., 2009). Outside of the 11 studies drafted under MOE guidance, the government did not consider any alternative blueprints
from either the think tanks or academic community. A controlled comparison of the two cases presents an opportunity to uncover the variables producing diverse and highly deliberative participatory procedures in authoritarian contexts.

In addition to the logic of controlled comparison, the methodological advantage of studying an ‘extreme case’ also motivates the case selection strategy. One of the two cases, the healthcare reform (Table 2.2), is an ‘extreme case’, where the score on the dependent variable lies far away from the mean distribution (Seawright and Gerring, 2008). Whereas in the vast majority of cases the role of experts in the policymaking process was rather constrained, in the case of the healthcare reform, experts both assumed a central role in the drafting process and were permitted to engage in deliberation (Table 2.2). Studying such an extreme case is theoretically valuable. Seawright and Gerring argue that as long as an unusual case is examined with reference to the full universe of cases, it can help to yield new hypotheses regarding both the factors producing a certain effect and the corresponding causal mechanism (2008). Typical cases—where consultation is either narrow or peripheral—do not represent anything surprising about authoritarian politics. An exclusive focus on these cases is not likely to yield novel insights regarding authoritarian politics. However, looking at an extreme case—where experts are both central actors and have a considerable space for deliberation in an authoritarian context—could potentially contribute to further theoretical development of the conditions enabling authoritarian deliberation.
2.6 Sources

I consult a variety of sources for analyzing the two cases. For measuring the dependent variable—‘Intensity of Bureaucratic Conflict’—I use both descriptive statistics and qualitative data. I rely on statistical yearbooks to glean political economic data on indicators of bureaucratic conflict. The yearbooks provide evidence on both the degree of marketization and the dynamism of the private sector both over a long time span and during the specific period of drafting a given policy. These sources also contain valuable data on the direction of government allocations within a relevant policy area. They can indicate whether the budget for a given policy is concentrated in a single bureaucracy or splintered across rivaling government departments. The statistical data is supplemented with descriptive accounts of intra-government dissensions, which include Media reports and additional annual reports published by the Chinese Academy of Social Science. These qualitative data consist of various narratives on the sources of bureaucratic conflicts as well as the bureaucracies involved. A highly useful source is the records of the ‘investigation and research’ tour (diaoyan) that took place in 2006. The ‘investigation and research’ tours primarily included the solicitation of opinions regarding the trajectory of China’s healthcare reform from government officials. An analysis of their conflicting positions attests to profound cleavages across departmental fault lines. Further contextualization and elaboration on the nature of bureaucratic fissures are gleaned from in-depth interviews conducted in Beijing, Shanghai, Guangzhou and Vancouver from 2010 to 2016. The informants include high-level government officials, experts, hospitals directors, university administrators, journalists and representatives of pharmaceutical and private education associations.
Interviews with ‘policy insiders’, such as officials and experts, contributed to the analysis of bureaucratic conflict. The Officials selected for this study had firsthand experience of China’s bureaucratic politics. Experts who participated in the consultation process can also be considered ‘policy insiders’. Because experts were selected by contending bureaucracies in order to advocate for specific policy visions, they often maintained frequent communication with their bureaucratic sponsors. Through these close relations with the bureaucrats, experts obtained information regarding the ongoing bureaucratic conflict and its degree.

The interviews with policy insiders were structured so as to gather information on the magnitude of bureaucratic conflict in health and education. First, at the outset of the interview, the author inquired about the identity of the key bureaucratic stakeholders in the policy arena, their administrative responsibilities, and organizational goals. Second, having learned about the divergent roles of these bureaucracies, the author asked the informants to explain how these organizations, which sometimes have contending organizational interests, are able to coordinate policies. At this stage, when the informant was discussing the problem of inter-agency coordination, she intimated information on policy areas in which, as a result of contradictory organizational goals, bureaucratic tussles have emerged. Later, the author queried them on whether and how existing bureaucratic disputes shaped the expert consultation process. This interview strategy enabled the author to gain insights on the variation in the degree of bureaucratic conflict across the two cases.

For tracing the process whereby bureaucratic conflict produced broad and diverse consultation, I capitalize on media reports, press interviews and written accounts. All of these sources provide sequential information on the emergence of experts’ consultation forums and their subsequent expansion. Official government documents and formal publications from universities and research units regarding their role in the official consultation process are an
additional, valuable source for understanding how bureaucratic rifts have shaped the design of expert consultation processes.

For interpreting the dependent variable, I rely on interviews. The core of this data source consists of interviews with academics and researchers who had firsthand experience of participation in government-sponsored consultative and deliberative procedures. I treat these academics as political actors and policy entrepreneurs in their own right rather than as spectators in an unfolding political drama. I supplement the experts’ perspectives with additional interviews featuring government officials who took part in the drafting processes of relevant policies, leaders of trade associations and journalists. The interviews provide the interpretive leverage for assessing some of the observable implications for my theory, including the degree of independence of the advisors from government administration, content of consultation, and composition of the consultants.

Table 2.7 Sources

<table>
<thead>
<tr>
<th>Interpretation and Measures</th>
<th>Source Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent Variable: ‘Intensity of Bureaucratic Conflict’</td>
<td>• Statistical yearbooks on health and education.</td>
</tr>
<tr>
<td></td>
<td>• Annual, qualitative reports on health and education policies published by the China Academy of Social Sciences.</td>
</tr>
<tr>
<td></td>
<td>• Media reports on bureaucratic conflict.</td>
</tr>
<tr>
<td></td>
<td>• Records of intra-government consultations (<em>diaoyan</em>).</td>
</tr>
<tr>
<td>Causal Process</td>
<td>• In-depth interviews.</td>
</tr>
<tr>
<td>---------------------------------------------------------------------------------------------------</td>
<td>---------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>• Media Reports</td>
<td>• Press interviews with experts who participated in the consultation process.</td>
</tr>
<tr>
<td>• Press interviews with experts who participated in the consultation process.</td>
<td>• Academic publications.</td>
</tr>
<tr>
<td>• Academic publications.</td>
<td>• Official documents.</td>
</tr>
<tr>
<td>• Official documents.</td>
<td>• Publications by academic units detailing their roles in the consultation processes.</td>
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<table>
<thead>
<tr>
<th>Dependent Variable</th>
<th>• In-depth interviews.</th>
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</thead>
<tbody>
<tr>
<td>• In-depth interviews.</td>
<td>• Experts’ publications.</td>
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2.7 Conclusion

This chapter examines a puzzle: what explains variation in the structure of expert consultation in authoritarian regimes? We see that in the vast majority of cases, expert consultation is rather narrow in scope. Even though the Chinese government may enlist a large number of advisors, the group of consultants is monolithic and the scope for debate and deliberation is quite limited. Nevertheless, in a small number of cases, the government invites a diverse group of consultants to participate, and an open debate among alternatives is encouraged.

Using a theoretical framework that is based on Schattschneider’s conceptualization of scope of conflict, the chapter argues that the degree of bureaucratic conflict shapes variation in the design of consultation procedures. In the event of a fierce bureaucratic conflict, the weak bureaucratic party seeks to open up a new venue of expert consultation to include a broad cohort of consultants. The purpose is to increase the chances that the new actors in the conflict would be supportive of the weak party. Once a new consultation venue has been established, the rivaling bureaucracies seek to expand the circle of consultants. Afterwards, other actors within
government ministries also vie for further enhancement. This spiraling dynamic eventually produces an open, diverse and broad consultation. In cases where there is bureaucratic consensus, however, actors have few incentives to initiate the expansion of consultation.

In the following chapters, I develop the theory through the examination of two case studies: China’s health and education reforms. Chapter 3 analyzes in detail the case study of the healthcare reform, where the existence of an intense bureaucratic conflict spawned a spiraling dynamics of expansion in the formal participatory procedure. Chapter 4 analyzes the contrasting case, the education reform, where the absence of high stakes bureaucratic conflict produced a rather narrow and monolithic consultation procedure.
Chapter 3: Healthcare Reform

This chapter develops the theory proposed in the preceding chapter through the case of China’s healthcare reform from 2009. During the drafting process of this policy, the consultation was broad, consisting of 12 different proposals, and it was also diverse in so far as the attending experts represented a wide spectrum of opinions. These factors contributed to the deliberative quality of the participatory procedure, in which a vibrant debate ensued and participants explored novel ideas regarding the policy reform.

This unique procedure consisted of three distinct stages. At the first stage, the Chinese government entrusted six actors—including both international organizations and local universities and think tanks—with the task of authoring independent blueprints on the healthcare reform. At the second stage, the government solicited three additional blueprints. During the third stage, three new teams of advisors joined the consultation procedure.

How a high-quality deliberation and diverse policy process was made possible in a closed, authoritarian system? This chapter proposes that an intractable bureaucratic conflict—pertaining to both the distribution of resources and structural reforms in health administration—was the enabling factor underlying this procedure. At different stages during the consultation procedure, the weak bureaucratic party endeavored to either shift the policy venue or expand the scope of conflict so as to include actors who may hold views that are commensurate with those of the

8 For full list of interviews cited in this chapter and the next two empirical chapters, please look at Appendix C.
recruiting party. Each stage of expansion in the consultation process triggered a subsequent enhancement, producing a surprising outcome of a broad and relatively open consultation.

While the first stage of broadened consultation was initially a result of prodding by senior state leaders, a Schattschneiderian mechanism of expansion of the ‘scope of conflict’ still occurred. Seeking to ensure a constructive consultation procedure, state leaders mandated the selection of actors that were neutral to an ongoing bureaucratic conflict, yet, the selection process, which was delegated to bureaucrats was also prone to bureaucratic manipulation. Consequently, at the second stage, the bureaucracies that were at a disadvantage at the preceding stage enlisted a new roster of advisors, and, at the third stage, individual bureaucrats exploited the opening up of the consultation process in order to insert their trusted advisors, with whom they shared past institutional affiliations, into the formal procedure. As a result of successive rounds of expansion, the composition of consultants became more diverse and number of competing blueprints also increased. Ultimately, this produced a blueprint that contained novel policy prescriptions.

In the remainder of the chapter, I expound on the unfolding of consultation in the case of the healthcare reform. The opening section, which is devoted to the initial causes of intra-government conflict, includes a description of the key bureaucratic stakeholders and their institutional interests. It also traces the causes for the emergence of a high magnitude contest among these government departments. In the next section, the chapter focuses on the consultation process itself, demonstrating that all the indicators of a high-quality expert deliberation, laid out in Chapter 2, were present in the formulation stage of the healthcare reform. First, the consultation was broad, including parallel blueprints. Second, the participants had
diverse views on the healthcare reform, and many of them were generalists without formal 
background in health policies. Third, in terms of content, the advisors were instructed to propose 
a general outline of reform, focusing on key principles, which were often aligned with the 
particularistic preferences of either one of the contending bureaucracies, rather than on minute 
policy details. Fourth, they operated in relative autonomy from administrative control. Fifth, the 
consultation process went through stages of expansion, enabling new cohorts of experts with 
competing ideas to join the process.

Table 3.1 Consultants and Bureaucratic Affiliation

<table>
<thead>
<tr>
<th>Phase of Consultation</th>
<th>Consulting Organization</th>
<th>Principal Investigator</th>
<th>Bureaucratic Sponsor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 1: MOH Dominance</td>
<td>Beijing University I</td>
<td>Li Ling</td>
<td>Minister of Health (2004-2007), Gao Qiang</td>
</tr>
<tr>
<td></td>
<td>State Council Development Research Center</td>
<td>Ge Yanfeng</td>
<td>Policy &amp; Regulations Department, MOH</td>
</tr>
<tr>
<td></td>
<td>Fudan University</td>
<td>Wang Weiping/Hu Shanlian</td>
<td>MOH, Leaders of Policy &amp; Regulation Department, Liu Xinning and Lei Haichao</td>
</tr>
<tr>
<td></td>
<td>World Bank</td>
<td>Adam Wagstaff</td>
<td>UK DFID</td>
</tr>
<tr>
<td></td>
<td>WHO</td>
<td>Henk Bekedam and Hana Brixi</td>
<td>UK DFID</td>
</tr>
<tr>
<td></td>
<td>McKinsey &amp; Company</td>
<td>NA</td>
<td>UK DFID</td>
</tr>
<tr>
<td>Phase 2: MOH Rivals Retaliate</td>
<td>Beijing Normal University</td>
<td>Gu Xin</td>
<td>Deputy Minister of Finance, Wang Jun</td>
</tr>
<tr>
<td></td>
<td>Renmin University</td>
<td>Wang Hufeng</td>
<td>Ma Kai, Chairperson of the NDRC</td>
</tr>
<tr>
<td></td>
<td>Beijing University II</td>
<td>Liu Guo’en</td>
<td>Ministry of Human Resources and Social Security</td>
</tr>
</tbody>
</table>
### 3.1 Background on the Healthcare Reform and Expert Consultation

The Chinese government was preoccupied with strategizing a reform plan for China’s health system since the summer of 2005. In July 2005, a media publication of a study conducted by the State Council Development and Research Centre (DRC) on the failure of China’s healthcare system in the aftermath of the SARS epidemic was a focusing event, stirring public attention to the issue, and, ultimately, prompting the government to seriously consider an overhaul of the system (Thompson, 2009). In June 2006, the ‘Deepening Health System Reform Inter-Ministerial Coordinating Small Group’ (CSG hereafter) was established in order to foster improved communication and coordination between 16 government administrations responsible for health policies. Among the member bureaucracies of the CSG, four government departments were the key stakeholders in the reform: The Ministry of Health (MOH hereafter) and National Development and Reform Commission (NDRC hereafter), which were designated as chairs of the CSG, as well as Ministry of Human Resources and Social Security (MOHRSS hereafter) and Ministry of Finance (MOF hereafter).
3.1.1 Bureaucratic Actors

These ministries had contradicting organizational interests. Most prominently, the MOH objective of protecting and expanding its turf—control over medical facilities—triggered intense conflict with the other ministries, which opted for boosting the trend of marketization in health services. Among the MOH rivals, the MOF was the strongest pursuer of marketization. The NDRC as an economic planner aspired to apply marketization to limited segments of the health sector in order to economize on resources while protecting NDRC instruments of control over the construction and development of healthcare services and medical service prices. In a similar fashion, the MOHRSS, which was the government department administering urban health insurance schemes, vied for marketization of health services with a caveat to exclude private health insurance. These divergent organizational mandates were at the heart of bureaucratic cleavages, and, therefore, in this section, I discuss them in more detail.

3.1.1.1 Ministry of Health (MOH)

The most important bureaucracy in health policies was the MOH. Administering 95% of all public hospitals, the MOH was in charge of hospital oversight, public health, health planning, state procurement of medicines, Essential Medicines Catalogue, and rural medical insurance

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9 Currently, the MOH in its 2007 form no longer exists. In 2013, the MOH merged with the State Family Planning Commission to form the National Health and Family Planning Commission (NHFPC). And, in 2018, the NHFPC amalgamated with several government units to establish the National Health Commission of the People’s Republic of China. Yet, this study is limited to the period of 2007 to 2009, when the MOH was the bureaucracy tasked with the administration of health services.

10 This figure is from 2007 (NHFPC, 2008), when expert consultation was taking place.
Meanwhile, the MOH was considered a weak Ministry, since it was dependent on other ministries for the funneling of government subsidies. The fiscal weakness of this bureaucracy had been further aggravated in the period of government downsizing during the 1980s to the mid-2000s. For example, in 2007, the share of hospital revenues from public subsidies was approximately 20% (13% from treasury and 7% from MOH) (NHFPC, 2015).

The deficiency in resources during the retrenchment era of the 1980s and 1990s prompted the MOH leaders to support the marketization of health services, so as to offset the consequences of a shortfall in government investment.\(^{11}\) In 2005, after a new leadership headed by Hu Jintao and Wen Jiabao articulated a novel vision of state investment in welfare policies, including health,\(^{12}\) the MOH altered its approach to health policies, advocating a system that is directly controlled

\(^{11}\) While the dominant MOH position was in favor of marketization, internal debates within the Ministry persisted throughout the 1990s. Notably, MOH departments of Hospital Management and Policy & Regulations were at loggerheads over the issue of marketization. The former, which was directly in charge of running hospitals, resisted structural reforms in health facilities, whereas the latter, which worked closely with the MOH minister, Chen Minzhang, on drafting policies, was pushing for such reforms (Cao and Fu, 2005; Duckett, 2012; Du Lexun, 2013).

\(^{12}\) To promote this social agenda Hu and Wen acquiesced to open critique of past social policies, triggering a public debate over the trajectory of China’s development (Fewsmith, 2008; Zhao Y., 2008). In the context of this public debate, a study by the State Council Development Research Centre (DRC), which excoriated past marketization reforms in health services, was published in *China Youth Daily* (July 2005), focusing public attention to the inadequacies of China’s health system (Thompson, 2009). Following this publication, the Ministry of Health and the Chinese government vowed to launch a new round of health reforms (Kornreich et al., 2012).
and financed by government administration,\textsuperscript{13} while renouncing past policies of marketization. This novel stance pitted the MOH against the economic bureaucracies, which sought to promote enhanced marketization and reduction of the role of government administration in managing health services.

\subsection*{3.1.1.2 National Development and Reform Commission (NDRC)}

Besides the MOH, the second most important government unit in devising health policies is the NDRC. This administration, which is the offspring of the erstwhile, all-powerful State Planning Commission (SPC hereafter), still maintained veto power over economic planning, infrastructure investment, and pricing in the health sector.\textsuperscript{14} Meanwhile, the NDRC, which is a product of a merger between SPC and the State Council Economic Reform Office, is also an advocate of profound structural reforms to promote marketization in China’s public sector. The multiple roles of the NDRC—as macro-economic planner, price regulator and economic reform leader—precipitated clashes with the MOH. In its capacity as economic planner and regulator of prices

\textsuperscript{13} Public statements made by the MOH leaders are reflective of the change in the Ministry’s approach during that period. A new Minister of Health appointed in 2004, Gao Qiang, declared that the health reform should be government-led, while the market should play an ancillary role (Li Z., 2005; Shou B., 2007; Zhang X., 2005). Liu Xinming, the newly appointed head of the Department of Policy and Regulation—who during the 1990s, as an official at the MOH Department of Financial Planning, expressed support in marketization measures (Liu X., 1993)—from 2003 onwards publicly lambasted past policies of marketization and stated that this is not the direction of future health reforms (Duckett, 2012; Interviews 2, 3; Liu D., 2006; Liu X., 2003).

\textsuperscript{14} Since 2010, after the drafting process of the rounds of healthcare that are the focus of this study, the NDRC has also been in charge of administering the entry of private investment into public hospitals (State Council Office, 2010).
the NDRC advocated for reforms to reduce MOH administrative control over hospitals, so as to create transparency and efficiency in the financial management of health services. Being a chief proponent of advancing economic reform, the NDRC pushed for an enlarged role for private operators in the health sector.

The NDRC Department of Social Development was the Commission’s key unit for the health reform. From Sept 2006 until 2013—the Department was the seat of the CSG Office—an institution that provided it with control over the day-to-day work on the reform.\textsuperscript{15} The Department is responsible for macro development strategies of medical services, research on planning of government investment methods in medical policies, and it also oversees the macro-planning and approval for earmarks, such as construction of grassroots medical facilities, equalization of public health services, essential drug programs, training of family doctors and informatization of medical facilities etc. (State Council Office 2009, 2010; NDRC.gov, 2016). While being in charge of the construction of public grassroots facilities creates a vested interest for the NDRC to support government control of these medical units, the NDRC’s role as government department responsible for economic planning also prompts the NDRC to devise policies to ensure fiscal efficiency and prevent waste of public resources in public hospitals. Hence, the NDRC is supportive of policies such as the separation the MOH administration from direct management of hospitals, rendering public hospitals independent legal persons and opening up of public hospitals for private investment (HPSP, 2007; Wang and Fan, 2013). The

\textsuperscript{15} Since 2013, the NDRC Social Development Department is no longer in charge of the healthcare reform’s day-to-day work. This responsibility was transferred to a newly established Office under the aegis of the NHFPC.
NDRC’s planning vision is at odds with the core interests of the MOH—the strengthening of government control over public hospitals.

The NDRC Price Department is in charge of regulating commodities pricing, including setting up either a fixed price or price ceiling for both medical services and pharmaceuticals (Huang Y. and Yang Y., 2009; NDRC, 2003; NDRC, 2016). While the Department’s mission was to establish price regimes to facilitate affordability and access to health services and pharmaceuticals, its numerous attempts at controlling drug prices proved to be futile. Between 1997 and 2007, the Price Department adjusted the price of medications 20 times, yet these measures failed to stop the steady rise in patients’ out-of-pocket medical expenses (Xu L., 2007; Zhang J., 2007). These attempts to control the price of medical services and pharmaceuticals gave rise to frictions between the NDRC and MOH. Because healthcare providers from 1999-2006 were found to derive more than 40 percent of their total revenues from the retail of pharmaceuticals at hospitals (Eggleston, 2009), the MOH was recalcitrant to be receptive to such policy measures.

The Comprehensive Economic Structure Reform Department is responsible for research and drafting of economic reform blueprints and for managing pilot projects of such reforms (NDRC 2003; NDRC.gov, 2016). This Department is the descendant of the State Council Economic Reform Office, which was the leader of health insurance reforms during the period of

16 As of March 2018, the NDRC Price Department no longer administers the pricing policies of both medical services and pharmaceuticals. This responsibility is now carried out under the aegis of the newly-established Medical Insurance Department, which is a separate government unit (Wang Y., 2018).
SOE restructuring in the late 1990s, operating under the political sponsorship of then Premier, Zhu Rongji (Duckett, 2012). After the merger of the Office into the NDRC in 2003, the Department of Social Development became the main player in health policies, yet the Comprehensive Economic Structure Reform Department remained an advocate of further structural reforms in public hospitals, such as the entry of private investment into public hospitals, administrative separation between regulatory and management entities and the granting of independent legal status to public hospitals (HPSP, 2007; NDRC, 2007). Internal These policy preferences were at odds with those of MOH, which opted to maintain its governance authority over public hospitals (HPSP, 2007).

3.1.1.3 Ministry of Human Resources and Social Security (MOHRSS)

An additional central actor was the MOHRSS—a super-ministry which was in charge of devising labor, social security and human resources policies. The Ministry had a Department of Social Insurance that is directly responsible for drafting health security policies. A separate Health Insurance Center directly ran (jingban) the management of insurance programs (Interview 1; Interview 42). The MOHRSS administered two of the urban medical insurance programs—Urban Workers Basic Insurance (established in 1998) and Urban Resident Basic Insurance (established in 2007) (Duckett, 2012). The expansion in enrollment in urban medical insurance schemes during the late 1990s and 2000s had significantly bolstered the administrative clout of the MOHRSS. In 2010, 237.35 million urban employees and 195.28 million urban residents were enrolled in both insurance programs, respectively (Huang X., 2014). Yet, the MOHRSS was not in charge of all medical insurance programs. Whereas the MOHRSS is in control of urban
insurance plans, the MOH administered the New Rural Cooperative Medical Scheme (NRCMS), which by 2010 included 832 million enrollees (Huang X., 2014). The administrative fragmentation of health insurance programs has pitted the interests of MOHRSS against those of the MOH, as the former would like to wrest control over the NRCMS from the latter (Thompson, 2009).17

3.1.1.4 Ministry of Finance (MOF)

The MOF, which is responsible for budgeting health policies, is another central bureaucratic actor in the administration of China’s healthcare system. Within the MOF, the Department of Social Security is responsible for allocating subsidies to both the MOH and MOHRSS (MOF, 2008, 2008a). Throughout the 1990s and 2000s, the MOF favored an insurance type of medical security, while resisting a single payer tax-based health reform, arguing that China’s tax base was weak (Duckett, 2012). The MOF was also a champion of curbing public health expenditures through the development of non-government channels for funding health (Du and Zhang, 2007), including private sector providers (Tang et al., 2014). Both the MOF and the NDRC are composed of officials with background in economics, and as such they emphasize fiscal efficiency as opposed to MOH officials, whose education is primarily in the field of public health and medicine, and tend to value high quality health services (Interviews 10, 17).

17 As of 2018, with the new round of changes in State Council bureaucracy, the form of fragmentation, which is described in this chapter, no longer exists. The State Council now delegated the administration of both rural and urban to a newly-established Medical Insurance Department. The purpose of this institutional reform is to merge these disparate existing insurance programs (Wang Y., 2018).
3.2 Intense Bureaucratic Conflict

Throughout the drafting process of the healthcare reform, these four ministries had profound disagreements over the trajectory of the health reform (Du and Zhang, 2007). Four key factors, which I describe below, shaped the dissensions among these bureaucracies: 1) there was a plurality of government bureaucracies engaged in a zero-sum game; 2) The salience of marketization, including private sector dynamism, further exacerbated the rifts between the MOH and the economic bureaucracies—MOF and NDRC; 3) The absence of clear guidelines from the Party and state leadership also contributed to the aggravation of the internecine struggle; and, a 4) A horizontal structure of the inter-ministerial coordination body meant that there was no central authority to either broker or prod the rivaling ministries to compromise.

3.2.1 Plurality of Bureaucratic Stakeholders

Intra-bureaucratic dissensions emerged out of deep conflict between a plurality of stakeholders, both recipients and allocators of government funding. First, there was a horizontal cleavage among the beneficiaries of government monies—MOH and MOHRSS. Both administrations clashed in a zero-sum game over the privilege of benefiting from the expected recrudescence in state investment in the health sector. Second, the process of bargaining over the healthcare reform also featured fissures among the providers of public services, the MOH and the MOHRSS, and the two economic bureaucracies—MOF and NDRC. The salience of these two economic bureaucracies in the policy arena meant that more demands were placed on both the MOH and the MOHRSS. While the MOF focused on measures to economize direct channeling
of resources to medical services and medical insurance, the NDRC prodded both recipients of
government subsidies to undertake structural reforms. The plurality of stakeholders and resultant
multiplicity of disputes undoubtedly contributed the precipitation of an intense bureaucratic
conflict.

*Dissension among Service-Providing Bureaucracies:* A bifurcation of government
spending in health into separate branches—healthcare providers and medical insurance
schemes—was detrimental for the intensity of bureaucratic cleavages between the MOH and
MOHRSS. Health services, which are administered by the MOH, were the key recipient of
public funding for health. Yet, since the introduction of diverse insurance schemes beginning in
1998, the volume of government investment in the latter had been catching up. In 2006,
government spending stood at 83.4 billion RMB for health services and 60.2 for insurance. Yet,
in 2009—when the government published the healthcare reform blueprint—the volume of
government investment in both was almost identical (Figure 3.1).

*Figure 3.1  Government Investment in Health Services and Medical Insurance*
As the beneficiaries of each of these fiscal channels began to diverge, inter-government negotiations over funding tended to pit them against each other. The MOH, which was in charge of public hospitals, opted for increased budgets for health services, whereas the MOHRSS—the overseer of insurance schemes—lobbied for extension of public monies to health security. In early 2007, during the process of inter-ministerial negotiations over the healthcare reform, both ministries put forward diametrically opposed reform plans.

The MOH advocated a supply-side solution reform. Government funding, a total of 260 billion RMB, would be channelled towards the provision of basic health services for treatment of common illnesses, public health, prevention services, and essential medicines. All of these services, according to the MOH plan, would be free and universally available at grassroots medical units, which would be fully subsidized by the state (Du and Zhang, 2007; Kornreich et al., 2012; Wang S., 2007a). Since the MOH directly administered grassroots medical facilities,
the realization of this plan would have made it a very powerful agency (Tang et al., 2014). The MOHRSS, however, introduced a plan that sharply contradicted the ambitions of the MOH, proposing to allocate the bulk of government funding—268 Billion RMB—to insurance programs that focus on catastrophic disease (dabing) and only 65 billion RMB for public health and disease prevention subsidies (Kornreich et al., 2012; Wang S., 2007).

**Dissension between Service-Providing Ministries and Economic Bureaucracies:** In addition to dissension among service providers, the service-providing bureaucracies were also embroiled in a conflict over resource distribution with the economic bureaucracies. The MOH, vied for an increase in government direct subsidies to public hospitals (Du and Zhang, 2007; Wang S., 2009a), and also advocated for the implementation of a dual track of revenues and expenses (shouzhi liang tiaoxian), by which the government would both control and directly fund the entire costs of public hospitals’ operations (Kornreich et al., 2012). This fiscally costly plan was vehemently resisted by the MOF, which argued that since 90% of all health resources were concentrated in public facilities, the MOF would not have sufficient funding to fully cover all the expenses of these hospitals (Du and Zhang, 2007). Instead, the MOF opted for third-party funding for healthcare providers through insurance, arguing that such scheme was likely to induce competition and ensure efficiency (HPSP 209; Wang S. 2009a). The Ministry also preferred to enhance oversight of hospitals’ finances and take measures to improve transparent financial management, rather than stupendously increase public investment (HPSP 2007).

The MOH was also entangled in a dispute with the NDRC, which lobbied the MOH for significant structural reforms within hospitals. The NDRC Price Bureau advocated for severing the fiscal dependency of public hospitals on drug revenues through disallowing the sale of drugs
in pharmacies within hospitals. The purpose behind the promotion of this measure was to
engender a decrease in patients’ expenses on pharmaceuticals (HPSP, 2007).

However, both the Minister of Health, Gao Qiang and the Deputy Head of the MOH
Department of Policy & Regulations, expressed reservations regarding this policy. While
concurring with the need to explore alternative measures for compensating healthcare providers,
these officials argued that physical separation between pharmacies and providers is likely to risk
patients’ health (HPSP, 2007; Xu L., 2007). According to records of intra-government
consultations, local MOH officials were also resistant to this policy, fearing that it would
undermine the financial solvency of hospitals (HPSP, 2007). In 2007, only 20% of hospitals’
revenues were derived from government subsidies. For generating the remainder of revenues—
80% percent—hospitals had to rely on an intricate set of extra budgetary mechanisms, notably
from the sale of pharmaceuticals and usage of high-end technological devices. In 2006,
pharmaceutical sales constituted 50% of total revenues from outpatient fees and 42% of revenues
from inpatient ones (NHFPC, 2015). Disallowing the generation of income from pharmaceuticals
could have spelled a fiscal disaster for public medical facilities.

**Dissention over Administrative Structure:** The NDRC and MOH also differed over the
question of a thoroughgoing reform in the administrative structure of public hospitals. The
NDRC prodded the MOH to undergo a separation between government administration and
medical services (*guanban fenkai*), in which the MOH would become the regulator of health
services while an independent administrative unit would directly run public hospitals (HPSP,
2007; Wang and Fan, 2013). The NDRC, as an investor in a host of earmarks targeting public
hospitals, sought to pursue this policy as it could have potentially created more transparency in
the financial management of hospitals. Yet, MOH officials expressed a lukewarm attitude towards this initiative (HPSP, 2007).

An NDRC proposal—which was promoted by the Comprehensive Economic Structure Reform Department—offered to recast the role of both MOHRSS and MOH from that of direct administrators of urban and rural insurance finances to that of regulatory agencies. The jurisdiction over decisions regarding insurance monies, the NDRC proposed, should have been delegated to either an independent financial organization (NDRC, 2007), or a separate semi-government agency. Both the MOH and MOHRSS resisted this initiative (Tang et al., 2014), which would have stripped them of the privilege of controlling health insurance services and budgets.

3.2.2 Salience of Marketization in the Public Agenda

The existence of an ongoing, salient debate over marketization of health services further exacerbated the bureaucratic conflict. In July 2005, the publication of a DRC study in China Youth Daily spurred a high profile public debate over the trajectory of China’s healthcare system reform. The DRC team argued that trends of marketization were the root cause of rising healthcare costs (Thompson, 2009; Kornreich et al., 2012). While these researchers openly criticized marketization, other scholars, using the economic and finance media, launched a forceful diatribe against them (Interviews 18, 46), arguing that the absence of marketization and competition, rather than over-marketization, were the culprits in China’s healthcare crisis. The debate over marketization was at the backdrop of the drafting process, contributing to an escalation in the bureaucratic conflict, as each of the rivalling ministries adopted the competing
discourses originating from the scholarly debate. The MOH embraced the anti-market discourse, so as to propound extended government subsidies for hospitals and the retention of government control over health services. Both the MOF and MOHRSS fervently espoused the ideas of the pro-market proponents (Kornreich, 2016; Kornreich et al., 2012), so as to defend a low-level of public investment in health providers and garner support for an insurance option. Had the question of marketization been discarded from the public agenda, the inter-ministerial debate might not have been as fierce.

### 3.2.2.1 Private Sector Dynamism

The rapid development of private services in health further aggravated the inter-bureaucratic dissensions over policymaking. During the 2000s, there had been a dramatic growth in the number of private hospitals—from 2037 in 2003 to 6240 in 2009, when the healthcare reform was drafted. Despite a radical slowdown in the development of the private sector for a short spell in 2008—possibly as a consequence of the global economic downturn—the overall trend of stupendous expansion remained consistently high during that period (Figure 3.2).
Figure 3.2 Number of Private Hospitals

The continued development of the private sector juxtaposed the interests of the MOF and the MOH. The former sought to cultivate the private sector as a mechanism of economizing on public resources, aiming at expanding the scope and role of private hospitals within China’s medical system. In a conference devoted to the issue of private hospitals, the Deputy Minister of Finance made a statement that was unflinchingly supportive of the development of private hospitals (Wang S., 2009). But, the MOH, which ardently strove to maintain its administrative control over healthcare providers, was less enthusiastic about this policy (Interview 7; Tang et al., 2014; Du and Zhang, 2007). Its representatives vied for making a clearer distinction (fenlai guanli) between non-profit hospitals, which would consist of public hospitals, and for-profit
hospitals, which would be mostly private, insisting that only the former would be the beneficiaries of extended government subsidies (HPSP, 2007; Zhang and Du, 2007). In opposition to the MOF, the MOH also sought to set limits on the number and scope of private hospitals, and it resisted the privatization of urban community hospitals (Sun and Xia, 2007).

The NDRC’s position was closer to that of the MOF. Records of intra-government consultation from 2007 reveal that the NDRC Comprehensive Economic System Reform Department was supportive of wholesale privatization of public hospitals as well as rendering them into for-profit hospitals. Local officials from the NDRC also advocated for the opening up of public hospitals for private investment, and were against setting limits on the number of private hospitals (HPSP, 2007).

3.2.3 Policy Learning and Uncertainty

The intra-bureaucratic controversy also persisted because the mid-2000s was a period of policy learning in the health arena. Even though after 2005, the Party leadership was committed to overhauling China’s healthcare system, so as to make medical care affordable (Thompson, 2009), PRC leaders were still uncertain how this goal was to be achieved. The existence of a public debate over healthcare prior to the conduct of formal consultation and vague statements coming from senior leaders regarding the nature of China’s healthcare reform could both serve as proxies for the lack of either consensus or final verdict within the leadership. There are several factors endogenous to the structure of China’s healthcare sector that might have contributed to indecision on the part of the leaders, such as sheer complexity of China’s healthcare financing system, rising healthcare expenditures amid shifting demographic trends, and an extremely
intricate pricing mechanism. As autocrats did not send clear signals in regard to their precise preferences, bureaucrats interpreted this as a cue that debate was permitted.

The occurrence of an open, public debate could serve as an indicator for indecision among the leadership. If leaders either reached a decision, they would be more likely to censor views that might challenge their positions. Conversely, if leaders did not hold unitary positions and a policy line has yet to formed, it is more likely that public debate would be tolerated.

In the case of China’s healthcare reform, public debate preceded both the start of the intra-bureaucratic negotiations and the introduction of the consultation procedure in September 2006 and February 2007, respectively. In 2005, the media publication of a report, authored by the State Council Development Research Center (DRC), ignited an intellectual debate over the impact of marketization on health services (Kornreich et al., 2012; Li L., 2010; Thompson, 2009), which unfolded through both mass media and academic conferences (Dai L., 2005; Unirule, 2006; Wang and Fan, 2013; Wang S., 2009a; Zhang P., 2010). This debate, which was attended by prominent intellectuals both within and outside the health sector, featured diverse points of view with respect to the health reform: critiques of marketization, proponents of marketization, supporters of a mix of government and market (Lu A., 2015), and those contending that instead of focusing on the state versus market dimension, the healthcare reform should clearly delineate government responsibility to provide universal healthcare (Qin H., 2005; Sun L., 2005). In early 2006, the pre-consultation public discussion also consisted of a high-profile debate over public hospitals privatization, which featured rivaling studies and analyses of the impact of hospital restructuring in Suqian City (Jiangsu) over the prices of healthcare services (Hu B., 2008; Li L., 2010; Zhou Q., 2006). The acquiescence of top leaders to the
unfolding of such a salient public debate attests to the fact that the leadership did not have a clear stance on the issue in 2005 and 2006.

Experts also debated the applicability of foreign models of healthcare provision to China—notably the British, German and American models (Ding and Wang, 2006; Wang Q., 2006). In late 2006, an opinion column published in The People’s Daily, the CCP Central Committee mouthpiece, explicitly stated that neither of these models could be squarely replicated in China. Instead, a ‘China Model’, which is an amalgamation of different elements borrowed from each of the three models, should be adopted (Bai and Wang, 2006). However, The People’s Daily, remains vague about the leadership positions regarding the ongoing debate of state versus market, and the extent to which facets of each of these models are likely be used in the ‘China Model’. The authors also concede that prior to attaining a breakthrough on implementing a ‘China Model’, contradictions and conflicts must be resolved (Bai and Wang 2006). This statement too is a sign that debates and conflict were officially permitted, since they were recognized as an intrinsic phase in the exploration of the ‘China Model’.

As autocrats were uncertain about how to proceed with the healthcare reform, the Party and State Council leadership did not articulate an explicit prescription of how China’s medical system is to be overhauled. I have examined four key leadership pronouncements from 2006 to 2008, when the drafting process of the healthcare was ongoing: 1.) The decision on the construction of a Harmonious Society (October 2006) (CCP Central Committee, 2006); 2.) Hu Jintao’s formal statement at the Politburo’s 35th Collective Study Session, which featured two expert presentations on the healthcare reform (October 2006) (Xinhua 2006); 3.) Hu’s Report delivered at the 17th Party Congress (October 2007) (Hu J. 2007); and, 4.) Wen Jiabao’s
statement at the workshop (zuotanhui) devoted to stakeholder consultation on the healthcare reform from April 2008 (Li B., 2008). Even though in all of these occasions, the leaders reiterated their commitment to improve healthcare services—particularly at the grassroots level—and also to expand access to both public health and basic medical care, their pronouncements did not include a decisive statement on how to solve the controversy that was at the crux of bureaucratic conflict—whether the reform of China’s healthcare system should follow a government-controlled or market-led trajectory.

There are several factors, which are endogenous to the structure of China’s healthcare system, that could account for the difficulty of reaching a decision by Party and state leaders:  

**Complex Financing System:** Since 1978, the pattern underlying the fiscal architecture of health investment in China is the division into 3 separate streams: government investment, out-of-pocket payments and social expenditure (which includes public health insurance funding pools and private investment and donations to healthcare providers) (NHPFC, 2011; Stats Bureau, 2013). Under this trifold structure of financing, the share of government direct spending had been traditionally low. While in 1986, the proportion of government subsidies in total spending on health peaked at 38.7% (NHFPC, 2015), afterwards, the rate of government contribution to health expenditure incrementally declined, ebbing at 15.5% in 2000. From 2000 onwards, there had been a steady increase in government’s share, which reached 30.88% in 2015. These patterns were also reflected in the share of government spending on health as part of the GDP, which surpassed the 1% mark only in 2008 (Table 3.2).
<table>
<thead>
<tr>
<th>Year</th>
<th>Total Healthcare Expenditure (in Billion RMB)</th>
<th>Government Share in Health Expenditure (%)</th>
<th>Total Health Expenditure as Percentage of GDP</th>
<th>Government Share as Percentage of GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>458.663</td>
<td>14.9</td>
<td>5.3</td>
<td>0.72</td>
</tr>
<tr>
<td>2001</td>
<td>502.593</td>
<td>15.5</td>
<td>5.37</td>
<td>0.73</td>
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<tr>
<td>2002</td>
<td>579.003</td>
<td>15.2</td>
<td>5.42</td>
<td>0.75</td>
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<tr>
<td>2003</td>
<td>658.410</td>
<td>17</td>
<td>5.62</td>
<td>0.82</td>
</tr>
<tr>
<td>2004</td>
<td>759.029</td>
<td>17</td>
<td>4.75</td>
<td>0.81</td>
</tr>
<tr>
<td>2005</td>
<td>865.991</td>
<td>17.9</td>
<td>4.73</td>
<td>0.84</td>
</tr>
<tr>
<td>2006</td>
<td>984.334</td>
<td>18.1</td>
<td>4.81</td>
<td>0.82</td>
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<tr>
<td>2007</td>
<td>1157.593</td>
<td>20.3</td>
<td>4.52</td>
<td>0.97</td>
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<tr>
<td>2008</td>
<td>1453.540</td>
<td>24.7</td>
<td>4.83</td>
<td>1.14</td>
</tr>
<tr>
<td>2009</td>
<td>1754.192</td>
<td>27.5</td>
<td>5.15</td>
<td>1.41</td>
</tr>
<tr>
<td>2010</td>
<td>1992.1</td>
<td>28.7</td>
<td>4.98</td>
<td>1.43</td>
</tr>
<tr>
<td>2011</td>
<td>2426.878</td>
<td>34.6</td>
<td>5.15</td>
<td>1.56</td>
</tr>
<tr>
<td>2012</td>
<td>2784.684</td>
<td>30.4</td>
<td>5.36</td>
<td>1.61</td>
</tr>
<tr>
<td>2013</td>
<td>3166.15</td>
<td>30.1</td>
<td>5.57</td>
<td>1.83</td>
</tr>
<tr>
<td>2014</td>
<td>3537.89</td>
<td>29.9</td>
<td>5.56</td>
<td>2.03</td>
</tr>
<tr>
<td>2015</td>
<td>4058.77</td>
<td>30.88</td>
<td>6</td>
<td>2.4</td>
</tr>
</tbody>
</table>

Source: (NHFPC, 2015, 2016)

*Increasing Expenditures on Health Coupled with Shifting Demographic Trends:* While the share of government participation in health spending was low, total health expenditure in China had grown precipitously from 458 Billion RMB in 2000 to 4058.77 Billion RMB in 2015. Its percentage within the national GDP had risen from 3% in the beginning of the reform era to 6%
in 2015 (see Table 3.2). At the same time, there had been a demographic trend of growing senior population. Whereas, in 2000, there were 87 million elderly persons aged 65 and older, it was estimated that by 2030 and 2050, there would be 243–252 million and 352–398 million elderly people in China, respectively. It was also projected that Chinese seniors aged 65 and above would account for 16.5%–17.0% and 24.1%–26.4% of the total population by 2030 and 2050, respectively. Concomitantly, the life expectancy was predicted to rise from 71.4 years in 2000 to 78.1 in 2050 (Zeng Y., 2010). Older population is more prone to chronic disease, which increase patient medical visits and, thus, also enhance government expenditures on both health insurance and medical facilities (Wang H., 2009). Meanwhile, due to the persistence of the One Child Policy, the proportion of young, working population, who could support senior citizens, was expected to shrink (Feng W., 2017). The coupling of rising healthcare expenditures and major demographic shifts rendered the Chinese leaders recalcitrant to dramatically enhance the share of government participation in healthcare expenditure.

**Extremely Intricate Pricing System:** In the absence of government commitment to subsidize a large portion of medical expenses, an alternative solution is to alter the pricing mechanisms within China’s medical system. Since public hospitals derived the majority of their revenues from the sale of patented drugs and from high-end medical procedures, users’ fees soared (Kornreich et al., 2012). An alteration in this trend would have required price adjustments, in which some prices would have been curbed, while others prices would have been allowed to rise. This undertaking, however, was extremely intricate, as price reforms was likely to include multiple configurations of price adjustments. For example, in 2001, the NDRC Price Department set the price standard for 3966 distinct items of medical treatments, and, in 2007,
204 new items were added (Jin Y., 2001; NDRC, 2007). By 2015, this department also
determined both a fixed price for 100 types of medicines and a ceiling for the retail price of 2600
types (Wang W., 2015). The staggering complexity of reforming and adjusting the pricing
scheme further contributed to inaction on the part of the state leadership.

There are alternative pricing schemes to attenuate the problem of rising patient fees. For
instance, it has been suggested that the current program-based (xiangmu) scheme, in which
prices are based on treatment type, furnishes medical providers with perverse incentives to
prescribe expensive treatment. Instead, some argued that diagnostic-based provider payment
mechanism (DRGs), capitation and global budgets were more auspicious for curtailing medical
fees (Wagstaff et al., 2009). Adjudicating among these diverse options was technically very
intricate, and leaders preferred to delegate this issue to the bureaucracy, instead of investing time
in learning this issue.

As we have seen, autocrats acquiesced to the unfolding of a debate and released vague
statements regarding their policy preferences, since it was difficult for them, given the
complexity of China system, to arrive at a final decision. Because bureaucrats within China’s
state apparatus are highly sensitized to leaders’ cues (Zhi and Pearson, 2017), in the absence of
clear instructions from the higher echelons of the Party leadership, the contending bureaucracies
sensed that they had free rein to pursue their organizational interests, and, as a result,
bureaucratic conflict lingered and festered.
3.2.4 **Horizontal Structure of Inter-Ministerial Coordination Institution**

A horizontal structure of the inter-ministerial coordinating body also contributed to the intensification of the bureaucratic conflict. In June 2006, the State Council decided to establish an Inter-Ministerial Coordinating Working Small Group (CSG hereafter) to include 16 government departments. The Chairperson of the NDRC, Ma Kai, and Minister of Health, Gao Qiang, were jointly appointed as CSG leaders, while Deputy Ministers, Wang Jun and Hu Shaoyi, from the MOF and MOHRSS, respectively, were the Deputy leaders. The CSG Office, which was vested with the task of running the day-to-day work of this institution, was headed by the NDRC Social Development Department (Wang and Fan, 2013).

To coordinate inter-departmental work at a given policy area, the Chinese government utilizes both horizontal, CSGs and vertical, Leadership Small Groups (LSGs). CSGs are quasi-formal organizations that cut horizontally across ministries and departments of the same administrative rank. While these institutional structures were formed in order to foster coordination among government bureaucracies, they ended up amplifying administrative splintering, rather than attenuating it (Grunberg, 2016). As a result, in 2008 the State Council unveiled a document stating that such horizontal organizations should not be established in the future. Instead, existing CSGs are to be dismantled, whereas the coordinating responsibility would be entrusted to a leading ministry in a given policy arena. In the drafting of major policies (*zhongda juece*) the State Council sets up limited-term, vertical LSGs, which are led either by the Premier or a Deputy Premier (State Council, 2008; Zhou W., 2013). The shift from CSGs to LSGs also coincided with a trend of institutionalization of the inter-ministerial coordinating
arrangements, in which the State Council releases a formal document, explicitly stating the leadership structure and responsibility of the new LSG (Zhou W. 2013).

The liabilities inherent in the horizontal structure of CSGs also afflicted the drafting process of the healthcare reform. The CSG had a dual leadership with both the MOH and NDRC—two organizations with conflicting goals. In cases of controversy among these two rivaling ministries, there was no high ranking leader to impose a decision on both parties. As each of these governments departments was unable to promote its desired policies, bureaucratic conflict intensified.

3.2.5 Summary: Intense Bureaucratic Conflict

As we have seen in this section, several factors contributed to the emergence of a fierce bureaucratic conflict over the healthcare reform. First, the existence of plurality of stakeholders—both service-providing administrations and economic bureaucracies—produced an intractable bureaucratic conflict. Second, the salience of marketization and the vibrancy of the private sector in health intensified the frictions between the provider of public services and the economic bureaucracies. Third, unclear guidelines from Party and state leaders meant that the bureaucracies had space to wrangle. Fourth, a horizontal architecture of the inter-ministerial coordinating body further complicated the capacity of these bureaucracies to obtain a compromise.
3.3 Expert Consultation over Healthcare: Three Stages of Expansion

The intense degree of bureaucratic conflict produced a gridlock in the policymaking process, as each of the bureaucracies sought to craft its own vision of the healthcare reform. To overcome these disputes, the Party and state leaders mandated the conduct of an official expert consultative procedure which proceeded through three distinct stages. First, in the initial stage, in accordance with leaders’ directives, universities and international organizations were invited to take part in a consultation that was expected to be objective and balanced. Yet, since the selection of consultants was delegated to the bureaucracies, some of the consultants were appointed so as to furnish one of the bureaucratic parties with an advantage in the ongoing intra-government contest. Second, the bureaucracies whose views were underrepresented in the existing arrangements obtained the expansion of the procedure, inserting experts whose stances were commensurate with the preferences of these bureaucracies. Third, bureaucrats who were in an institutionally inferior position also took advantage of the opening up of the consultative process in order to lobby for further expansion, introducing their loyal advisors into the official forum.

Besides the elaboration on the consecutive stages of expansion, in this section, I also demonstrate that the presence of other indicators of high-quality expert deliberation, such as existence of parallel policy blueprints, inclusion of experts with diverse positions and generalists, experts’ relative autonomy from administrative control, focus on general policy principles rather than minutiae in the composition of consultative input, and a spiraling dynamic of expansion in the consultation procedure. In the proceeding section, I expound on the unfolding of a spiraling dynamic of expansion and the presence of these indicators.
3.3.1 Origins of Consultation Procedure: Intra-Bureaucratic Gridlock

The divergence in organizational interests produced a gridlock in the policymaking process, and, ultimately, contributed to the opening up of the consultation procedure (Du and Zhang, 2007; Kornreich et al., 2012; Thompson, 2009; Wang S., 2009a; Xu F., 2008). In late 2006, when the Inter-Ministerial Coordinating Small Group (CSG) was formed, three of the rivaling administrations appointed their own teams of consultants to author four separate sections of the future reform. The MOH controlled the drafting of the sections on healthcare services and pharmaceuticals, and the MOHRSS and MOF were responsible for health insurance and funding, respectively (Liu W., 2007). Yet, coordination between these four teams was wanting. As each of the abovementioned bureaucracies controlled separate expert teams, reportedly, academics and researchers participating in the consultation were largely silenced by bureaucrats, who sought to enforce their own preferences (Du and Zhang, 2007).

Concomitantly to the process of intra-bureaucratic discussions and negotiations, the MOH promoted a procedure of narrow expert consultation. In October 2006, the MOH was tendering among academic units and research institutions for nine separate studies (keiti) on public health and basic health. Funding for these studies was provided through the British Department for International Development (DFID hereafter), which under the Labor government, pursued a pro-indigent agenda. While the DFID pro-poor framework shaped the direction of these studies, the MOH was in charge of administering and selecting both the topics of research and the institutes to conduct it (Interview 5). The nine studies included the following topics: feasibility of implementing basic health services, financing of basic health services, China’s basic medical services and national basic medical services package, medical assistance for poor populations,
human resources at grassroots medical facilities, chronic disease and non-communicable disease prevention, development of China’s health security systems and essential medicine policies (HPSP, 2007). The focus on these issues reflected MOH priorities (Wang S., 2006, 2006a), and the MOH intended to integrate the results and policy proposals included in these studies into the future plan for health reform (Liu W., 2007; Wang S., 2006).

The institutions selected for conducting these projects were either medical and public health schools or administrative departments within the MOH. They included the following units: Fudan University (schools of public health and public policy), Health Bureau of Weifang City (Shandong), Tongji Medical School at Central China Technical University, the Health Economics Research Institute at the MOH, Dalian Medical University, Centre for Statistical Information at the MOH, Department of Disease Prevention at the MOH (HPSP, 2007a). These research units were composed of academics and researchers with technical expertise in specific areas of public health and grassroots facilities; they were not generalists who could offer a macro blueprint for healthcare reform. However, rivalling ministers did not agree to this type of a narrow consultation, which primarily represented the MOH views.

In light of the ongoing gridlock, in early 2007 China’s most senior leaders (gaoceng juece lingdao) instructed the Inter-Ministerial Coordinating Small Group (CSG) to alter the design of the formal consultation procedure, entrusting six independent organizations with the responsibility to draft a blueprint for the healthcare reform.18 Dissatisfied with the stalled

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18 In late March 2007, the Deputy Minister of Health, Chen Xiaohong, publicly stated that the CSG was consulting with six outside organizations (Du and Zhang, 2007), and consultants
bureaucratic negotiations and the consequent slow progress in the drafting process (Wang and Fan, 2013), state leaders aspired to have the bureaucrats complete a reform draft prior to the convening of the 17th Party Congress in late 2007 (Liu W., 2007). In accordance with instructions from these leaders, the CSG selected diverse consultants to produce balanced proposals, representing both the international experience in medical reforms and considered opinions on the fitness of these models to China’s special conditions (Wang and Fan, 2013). The purpose of this procedure was to use evidence and unbiased opinions in order to neutralize the disagreements among ministries with vested interests in China’s healthcare system (Tang et al., 2014).

In the proceeding section, I discuss the first stage of broadened consultation. First, I demonstrate that the selection process of six organizations for consultation primarily reflected the preferences of state leaders for conducting a process of balanced consultation, as four out of the six of these advisors—three international organizations and one local university—were enlisted in manner that is likely to ensure non-partisan views. Second, I still argue that the weakest bureaucracy, the MOH, had influence over the selection of consultants, and provide evidence that in two instances—the recruitment of one local university and a government think tank—this Ministry had the opportunity to bring into the process consultants with pro-MOH views. I argue that the first round of consultation still had a pronounced Schattschneiderian aspect.

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received the call to participate in the policymaking process around the time of the Chinese New Year in February 2007 (Interviews 3, 17; Jiang Y., 2015; Xu F., 2008).


3.3.2 Balanced Selection of Consultants

The selection of consultants in the early stage of consultation largely reflected the senior leaders’ goal of conducting balanced and objective procedures. The consultation included three international organizations—World Bank, WHO and McKinsey & Co.—which held views that did not easily correspond to the preferences of either one of the rivaling bureaucrats. Furthermore, these organizations also derived funding for authoring the blueprints via the UK Department for International Development (DFID), which was committed to offering non-partisan information to policymakers in China. The official recruitment format for experts at Beijing University also comported with the senior leaders’ agenda of conducting a balanced consultation.

While experts from international organizations—World Bank, WHO and McKinsey & Co.—had strong views about the trajectory of China’s healthcare reform, these stances were not aligned with any of the rivaling bureaucracies. When the consultation procedure began, leading experts in these organizations had experience of participation in various research projects in China, and, hence, their experts had already formed their positions. Additionally, the ideas of these international experts were also shaped by their formal education and experiences in their countries of origins.\(^\text{19}\) But, in the context of China’s bureaucratic disputes, their views could be

\(^{19}\) For Example, the Principal Investigator in the WB team was a British national who was supportive of the establishment of a system akin to the NHS in China, whereas his counterpart in the WHO team was a Dutch, who vied for the implementation of an insurance option.
considered impartial, since they did not easily fit with the institutional interests and preferences of either one of the contending bureaucracies.

Funding for these proposals was derived from the UK DFID (Daniels and Guo, 2007; Lin and Yates, 2009), which was committed to producing evidence-based, non-partisan information on health policies. In 2005, the DFID was setting the China Health Policy Support Program (HPSP), with the purpose of extending the DFID portfolio beyond the existing focus on health delivery to poor populations to include health system reform in China (Lin and Yates, 2009). To become a major player in this arena, the DFID allocated 6 Million Pounds—4.8 Million to the Chinese government and 1.2 to the WHO—to be earmarked for the promotion of health policy research, so as to forge informed, evidence-based research (HPSP, 2007; Interview 5). Intrinsic to the DFID agenda was an attempt to work closely and provide information to all the bureaucratic stakeholders in China (Interview 5; Lin and Yates, 2009). While the Steering Committee set up for handling the DFID finances was chaired by the MOH, and the Office was headed by the MOH Policy and Regulations Department, the Committee also included the MOF, NDRC and MOHRSS as well as the World Health Organization and the World Bank (CNHDRC,

\[20\] Since the late 1990s and early 2000s, the DFID was trying to spawn a drastic government action to address the problems of China’s failing healthcare system. However, since DFID was a bilateral organization, advice on China domestic policies could have been perceived as an intervention in China’s domestic affairs. To be able to shape health policymaking in China, the DFID had to work through intermediaries, including international organizations, such as the World Bank and WHO, or a local think tank, such as the DRC (Interview 5). In the mid-2000s, the DFID knew that China was on the verge of launching major health reforms, and it sought to gain influence on the course of these policies, and by doing so promote its stature in China (Interview 5). For this reason, it launched the Health Policies Support Program (HPSP) in July 2005.
The DFID’s objective of promoting a non-partisan and well-informed discussion comported well with the senior leaders’ goals.

The format of consultation with Beijing University also fitted with the objective of crafting a non-aligned consultation procedure. The Inter-Ministerial Coordinating Small Group (CSG) sent formal instructions to the Executive Vice President Beijing University with the instruction of selecting experts for participation in the consultation. As the authority to monitor the consultation procedure was delegated from the CSG to Executive Vice President, it meant that the University leadership had the autonomy to solicit input in a way that is potentially insulated from bureaucratic pressure.

In the next section, I discuss how the three international organizations and Beijing University were recruited to a consultation procedure that was expected to be objective and impartial. Afterwards, I expound on the Schattschneiderian aspects of the expert enlistment process.

3.3.2.1 World Bank

The CSG selected the WB for consultation because it did not align with any of the rivaling bureaucracies. The WB had rich experience of working together with the Chinese government on health policies during the 1990s and early 2000s, including the establishment of the New Cooperative Rural Medical Scheme and the Medical Assistance Fund for poor families (Liu and Bloom, 2002; Bloom et al., 2009; Lu A., 2015; Wagstaff et al., 2009). In the course of their work on health in China, the WB experts coordinated with diverse bureaucratic actors, such as the MOH Foreign Loan Office (FLO hereafter), the MOH Planning and Finance Department.
(Bloom, 2009), and the SPC, the forerunner of the NDRC (Liu and Bloom 2002). Therefore, the WB experts were well-aware of the existence of inter-ministerial contestation. The organization realized that in order to succeed in its endeavor to spearhead major reforms in China’s healthcare system, the WB had to maintain neutrality and cultivate relations with all rivaling bureaucratic actors.

An examination of both the positions of the Principal Investigator as well as the content of the WB blueprint suggest that the WB was neutral to the ongoing bureaucratic debate. In selecting the WB for consultation, it was clear that Adam Wagstaff would be the likely candidate. During that period, Wagstaff was the senior advisor in the WB East Asia and Pacific Region, and in this capacity he previously conducted a comprehensive study of China’s rural health reform (Wagstaff et al. 2009). It was known that Wagstaff was a staunch advocate of the UK National Health System (NHS). Unsurprisingly, the WB proposal espoused the construction of a NHS-equivalent system, in which the government funds 80% of medical costs, while patients pay 20% of the costs. The WB blueprint also included a NHS-equivalent system of an ‘internal market’, whereby the government induces competition through the purchase of medical services. Furthermore, the proposal endorsed the opening up of private healthcare providers (CSER, 2008).

The content of the WB blueprint, which proposes the establishment of a UK-style NHS system, does not neatly match with the particularistic preferences of any of the rivaling ministries. Wagstaff, who is a sceptic of the efficacy of insurance schemes in reducing health risk (Wagstaff and Lindelow, 2005), suggests here a single-payer solution that is in contradiction
with the one preferred by the MOHRSS—the ministry responsible for the administration of medical insurance.

Yet, the WB trajectory was also at odds with the MOH’s favored option. Whereas the MOH and its supporters advocated a ‘mini-NHS’ system that focuses on public health and basic health services, the WB propounded a system that is close to a full-fledged NHS (CSER, 2008). The two organizations also differed in their evaluations of government ability to use payroll tax revenues to finance healthcare. The WB proposed that in addition to central government subsidies, a significant part of the services would be funded through tax revenues (Sohu, 2008a). Yet the consensus within the Chinese bureaucracy, including the MOH, was that it would be implausible to realize such system—given the inefficiencies of China’s taxation system—in which those who work in the informal sector and the unemployed do not regularly pay taxes (Interview 5). Since the WB positions appear to diverge from the key bureaucratic stakeholders, it is very likely that their invitation to participate in the consultation was not a ploy utilized for the purpose of prevailing in the bureaucratic dispute.

3.3.2.2 World Health Organization (WHO)

In addition to the WB, the WHO, which was also solicited for consultation, espoused non-partisan positions relative to the ensuing bureaucratic dispute. While the WHO had a long history of collaboration with the MOH on various health projects since the 1980s (Interview 5; Lu A., 2015), the WHO positions still differed from the MOH in many significant respects. During the 2000, both organizations held the view that for a long time the Chinese government had neglected to pay attention to China’s healthcare system, and that significant investment was
needed in order to rehabilitate China’s crumbling healthcare infrastructure. The WHO also subscribed to the MOH view that rendering a healthcare system operate solely according to market logic had a deleterious effect on access to health (Bekedam, 2004; Han W., 2005). Instead, the WHO emphasized the urgent need to increase public subsidies to both public health and essential clinical care (e.g. essential diagnostic tests, essential clinical services and essential medicines) (Tang et al., 2014).

However, even though the WHO shared similar views with the MOH, the stances of its leading experts did not squarely align with either the MOH anti-marketization discourse or the pro-market inclinations of the rivaling bureaucracies. While the MOH leadership openly criticized marketization, the leaders of the WHO blueprint, Henk Bekedam and Hana Brixi, advocated a middle ground trajectory of reform to include both government role and market mechanism (Bekedam, 2004), stating that they avoid taking sides in China’s internal debate on marketization of health services (Zhao X., 2007a).

The key tenets of the WHO blueprint also included ideas that were at odds with the MOH. Most notably, the WHO blueprint and its leading experts endorsed the strengthening of China’s medical insurance schemes, arguing that it would furnish providers with incentives to deliver better quality of healthcare (CSER, 2008; Tang et al., 2014; Zhao X., 2007a). Furthermore, the WHO advocated for the lifting of all restrictions on the development of private hospitals (CSER, 2008), an additional item that was contrarian to the MOH agenda. The divergence between the WHO policy recommendations and the MOH agenda suggests that the selection of the former for consultation was not motivated by the impetus of obtaining an advantage in the intra-bureaucratic contest.
3.3.2.3 McKinsey & Company

The background for the selection of McKinsey & Co. is less clear. Very little has been published about either the content of the proposal or the circumstances under which McKinsey & Co. was recruited for consultation. From the scant amount of public information regarding the blueprint, we know that McKinsey & Co. was pro-market (CSER, 2008). It may not be surprising, however, that as an organization that often advises the private sector, McKinsey & Co. would advocate health policies that are friendly to this sector. According to an informant who read all blueprints, the key tenets of the McKinsey & Co. blueprints were closer to the MOF position and its allied experts (Interview, 11). Yet, there is no evidence of any contact between this company and the MOF, and that the MOF pushed for its inclusion in the consultation procedure.

3.3.2.4 Beijing University

The selection of Beijing University to enter the first phase of consultation was also conducted in a non-Partisan fashion. The Inter-Ministerial Coordinating Small Group (CSG) delegated the authority to lead and coordinate the production of a healthcare reform blueprint to the University’s Executive Vice President, who had a neutral stance regarding the health reform. Even though the eventual outcome of the consultation at Beijing University was a blueprint reflective of MOH positions, this was the end result of intra-mural debate among the University’s experts rather an initial bureaucratic ploy to manipulate the consultative procedure.

The Inter-Ministerial Coordinating Small Group entrusted Beijing University leadership, which was neutral to the ensuing bureaucratic conflict, with the task of producing a policy
blueprint. The administrator directly in charge of this task was the Executive Vice President, Lin Jianhua, (Beida Social Sciences Division, 2007). A chemist by training, Lin did not have concrete views with respect to the healthcare reform’s trajectory, and had no interest of controlling the process and imposing his own views. Lin invited diverse scholars to participate in five meetings to discuss the Beida’s blueprint (Beida Social Sciences Division, 2007). According to participants, Lin enabled the experts to engage in an uncensored debate over China’s healthcare reform between proponents of marketization, advocators of a government-run healthcare system, and those who were seeking to find a middle-ground between the state and the market (Interview 15; Jiang Y., 2015; Wang and Fan, 2013, Zhao X., 2007).

Eventually, Professor Li Ling, a close ally of the incumbent Minister of Health, Gao Qiang, emerged as the winner (Interview 15; Jiang Y., 2015; Wang and Fan, 2013), authoring a blueprint that resembled the MOH trajectory of a state-run medical system (Du and Zhang, 2007).

A potential explanation for the resemblance between the views of Li and MOH leadership—which is propounded by some MOH rivals—might be that the latter interfered in the process (Interview 10; Wang and Fan, 2013). MOH officials might have operated behind the scenes to encourage Li Ling to persevere in the debate. When Li’s team was working on the reform proposal, the MOH also provided her team with partial data on household health surveys.

In 2006, Gao selected Li Ling to deliver a lecture to the Politburo on China’s Healthcare system (Interview 7, 6, 16; Wang and Fan, 2013) and the MOH Department of Policy and Regulations coached her prior to the talk (Interview 6, 10, 11). This occasion elevated Li Ling to a status of a nationally renowned expert in the field, and since then Prof. Li remained an ally of Gao Qiang (Interview 7; Wang S., 2009a).
(Interview 3, 17), though direct MOH intervention in the writing process is denied (Interview 17). There is also a possibility that MOH leaders might have approached Beijing University’s Executive Vice President, Lin Jianhua, and cajoled him to select Li as the author of the Beijing University blueprint. Yet, there are no credible sources of data on informal communication between MOH officials and Lin.

While it is possible that the MOH might have intervened in the process in order to assist Li Ling to prevail, when the Inter-Ministerial Coordinating Small Group approached Beijing University this outcome could not have been easily anticipated. First, in 2006, Li was still considered a novice in the field of healthcare in China, since she started conducting research on China’s healthcare reform only in the early 2000s (Interview 6). Beijing University had a rich roster of experts, some of them with more valued credentials and experience than Li, and they could have potentially dominated the consultation procedure. Second, at Beijing University, there were other experts, notably Liu Guo’en (Interviews 11, 12, 15), who held opposing views to that of Li Ling and were equally vocal. Hence, the selection of Beijing University does not appear to have been motivated by partisan consideration, since there was no guarantee that the pro-MOH Li could carry the day.

There might be several reasons why Li prevailed at Beida’s internal debate while more senior experts decided to withdraw from the procedure. One participant intimated that one reason for this participant’s decision to withdraw was the difficulty of having a constructive debate in a large forum composed of 18 academics, and also a dislike for the ideologically polarizing debate that ensued between Li Ling and the pro-market expert, Liu Guo’en. In addition, this academic, who worked in the field of public health for a long time and established national reputation as
leading expert, had alternative channels of direct, personal communication with MOH officials, which could have enabled this participant to relay his/her views upwards (Interview 15). This situation was different from that of Li Ling, who as a younger and up-and-coming scholar returning from abroad, needed to participate in the formal consultation procedure to establish her national reputation. This account shows that the outcome of the consultation procedure at Beida was the product of random causes rather than an original design to instrumentalize the consultation procedure for the realization of narrow organizational goals.

3.3.2.5 **Summary: Balanced Consultation**

We have seen that in the first stage of consultation, the criteria for selection of the majority of advisors was the search for balanced and objective views. The three international organizations enlisted for formal consultation espoused independent positions on China’s healthcare reform, which were not commensurate with the preferences of either one of the contending bureaucracies. The delegation process of the authorship of the healthcare blueprint to Beijing University was also motivated by the same considerations, since the Executive Vice President entrusted with this task had neutral views over the healthcare reform and Beida also had a host of health experts with diverse convictions. The eventual victory of a MOH ally might have been more of a coincidence than a deliberate act of manipulation.
3.3.3 Schattschneiderian Aspects of Consultation Procedure: Recruitment of Pro-MOH Consultants

While in majority of cases at the first stage of consultation, expert recruitment did not reflect partisan bureaucratic interests, in the minority of cases, the enlistment of consulting institutions was motivated by the impetus for leveraging the consultation procedure in order to gain an advantage in an ongoing intra-bureaucratic contest. The solicitation of blueprints from both Fudan University and the State Council Research Development Center (DRC) appears to have taken place due to partisan calculus, since in these institutions the dominant experts were either affiliated or were known to hold views that were close to that of the MOH—the weakest bureaucracy among the contending ministries.

In addition to the leveraging of consultation for the purpose of gaining organizational advantage, the consultation also featured another indicator of a schattschneiderian logic—the selection of generalists, rather than specialists for consultation. Notably, the DRC team consisted of researchers with no formal background in health policies, yet these experts were selected because they were able to introduce a vision of the healthcare reform that comported with MOH agenda. As the theory also predicts, these generalists were asked to draft a general outline of reform rather than focus on policy particularities.

3.3.3.1 MOH Is the Weakest Bureaucracy

During the process of inter-bureaucratic negotiations, the MOH was clearly the weakest department. It was outnumbered by other ministries, which espoused positions that were diametrically opposed to those of the MOH. The MOH was vying for a supply-side funding
mechanism and for government controlled healthcare providers, whereas its three rivals—the MOHRSS, MOF and NDRC—were opting for a demand side funding scheme and an enhanced role for the private sector in health (Du and Zhang, 2007; HPSP 2007; Kornreich et al., 2012).

Rivalry with these ministries also led to rejection of MOH plans for reform. In December 2006, the head of the MOH Policy & Regulations Department, Liu Xinming, proposed to the CSG a blueprint that sees community health services as core of urban medical system. In Liu’s plan, the operations of these medical facilities are fully covered by state treasury, providing urban residents with free basic healthcare services. This plan was forcefully resisted by the MOF and MOHRSS. The MOHRSS preferred that funding would focus on insurance of catastrophic health, and the MOF contended that direct subsidies to providers would stifle competition and efficiency (Yang Z., 2006). Both the MOF and MOHRSS presented a unified front in their preference for the promotion of a market-led reform trajectory (Du and Zhang, 2007).

Under the conditions of resistance to MOH suggestions levied by three competing bureaucracies—MOF, MOHRSS and NDRC—the MOH was in no position to promote its vision of an overhaul of China’s healthcare system. For this reason, it appears that this Ministry had a concrete interest in using the broad consultation procedure, mandated by China’s senior leadership, in order to bring in actors who may tip the balance of power.

Institutionally, the MOH was in a position that enabled it to shape the composition of consultants. Both the MOH and NDRC headed the Inter-Ministerial Coordinating Small Group (CSG), and the particular task of selecting consultants was delegated to these bureaucracies (Wang and Fan, 2013). Yet, while both of these ministries shared this responsibility, the MOH had considerably more experience of working with experts, and it was also familiar with the
positions of China’s leading experts. These institutional advantages of both a leadership role at the CSG and access to experts placed the MOH in a favorable position to affect the structure of the first phase of the consultative procedure. In the proceeding sub-sections, I will elaborate on the MOH instrumentalization of consultation in the cases of both Fudan University and the State Council Research Development Centre (DRC).

3.3.3.2 Instrumentalization of Consultation I: Fudan University

The solicitation of Fudan University for consultation was motivated by MOH interests, as the medical school at Fudan University had strong ties to the MOH, and also leading scholars from the school shared similar views with MOH officials. It is also possible that the fact that the Executive Vice President at Fudan had a background in the medical sector might have also affected the MOH preference for selecting Fudan for consultation.

Officials at the MOH Policy & Regulations Department had a history of rich collaboration and engagement with Fudan’s medical school. During the early 1990s, the MOH, through financial support from the WB, established the China Health Economy Training & Research Network for the purpose of educating a local cohort of health economists. The network consisted of 26 medical universities, yet its center was the public health school at Shanghai Medical University (Interview, 8; Lu B., 1999; Wang X., 1992), which would merge with Fudan University in 2000 (Interviews, 7, 8). The MOH Planning & Finance Department was in charge of coordinating the Network’s activities (Bloom et al., 2009), and Liu Xinming, who served both as Deputy Head and Head of the Department during the 1990s, spearheaded these efforts (Lu B., 1999; Wang X., 1992). In 2004, Liu was appointed to the position of Head of the Policy &
Regulation Department, which in 2007 was responsible for the consultation over the healthcare reform.

Besides the head, another important official at the Department had ties to Fudan University. Bureau Head, Lei Haichao, earned a doctoral dissertation in public health at Shanghai Medical University in 1999 (Fudan University Alumni Society, 2017; Wang F., 2017).

Both Liu and Lei had close ties to the leading scholar at Fudan’s public health, Hu Shanlian. During the 1990s, Liu collaborated with Hu, the liaison person between the 26-member universities, in coordinating the activities of the China Health Economy Training & Research Network (Interview, 8; Lu B., 1999; Wang X., 1992). Concomitantly, during the 1990s, Lei Haichao was Hu’s doctoral student (Fudan University Alumni Society, 2017), and he also coauthored with Hu several academic papers. As a proponent of increased government involvement and investment in health (Interview, 7), Hu shared similar views with both Liu and Lei. Because Liu and Lei had a history of collaboration with Hu, and they espoused rather similar positions on health policies, it is very likely that the former solicited the latter for drafting a policy blueprint.

The proponents of government-led reform at the school of public health were also assisted by Fudan University Executive Vice President, Wang Weiping, who was appointed by the Inter-Ministerial Coordinating Small Group to lead the University’s drafting team (Fudan, 2008). Unlike Lin Jianhua, his counterpart at Beijing University, Wang Weiping had both experience and interest in the health sector. Prior to his appointment as Vice President and Executive Vice President at Fudan University in 2000 and 2005, respectively, Wang was a medical doctor. After earning a degree in hospital management, Wang served as Executive Vice President of Shanghai
Medical University from 1996 to 1999, which before its merger with Fudan University in 2000 was under the MOH (Fudan, 2010).\textsuperscript{22} As a medical sector insider, Wang was supportive of extended government subsidies to the public medical sector—positions that are commensurate with those of the MOH. It is possible that Wang’s background was another reason that the MOH sought to solicit a blueprint from Fudan.

As Principal Investigator Wang was involved in the drafting process, and used his authority to shape the content of Fudan’s blueprint. Wang supervised the drafting of the Fudan blueprint, which was delegated to junior academics, whereas scholars of senior ranking from both the school of public health and economics served in an advisory board, providing comments (Interview 7, 8). While the advisory team included both proponents of marketization and those of extended government role, the public health professors, such as Hu Shanlian, were the most senior scholars and their positions were backed by Wang Weiping. According to a health

\textsuperscript{22} The case of Fudan University is institutionally quite different from that of Beijing University. While in both cases the medical schools, which functioned as separate academic institutions under the MOH, merged with the comprehensive universities in 2000, the administrative structure at Beijing University remained more decentralized than in Fudan. Beijing Medical University maintained independence from Beijing University after their official merger (Interview 45), retaining separate management and administrative structure. This was not the case at Fudan University, where after the merger, Wang Weiping, concomitantly both headed Fudan’s medical school and served as Fudan’s Vice President. This divergence in administrative structures across the two universities had implications over the outcomes of the consultative procedure. In Beijing university, administrators from Beijing Medical University, whose views were close to that of the MOH, were not part of the leadership of Beijing University, and, thus, could not dominate the consultation procedure. In Fudan University, Wang Weiping, who was originally from the medical school, was in a position to both control and shape the consultative process. It is likely that the MOH were familiar with Wang’s positions prior to the consultation, and were aware that he might support their preferences.
economist participating in the Fudan team, some suggestions in favor of marketization—which he inserted into the Fudan blueprint—were deleted in the last moment (Li F., 2007).

Under these circumstances, Fudan’s blueprint was closer in spirit to MOH preferences. While the blueprint does not provide a clear breakdown of the healthcare reform budget, it stipulates that subsidies to public health and grassroots providers should be placed at a higher priority than those for insurance. The blueprint also declares that hospital reform must not assume the form of SOE reform, since hospitals should emphasize the public interest rather than profitmaking. While the blueprint endorses the opening up of for-profit hospitals, it states that—unlike public and private not-profit providers—they would not be granted exemption from paying taxes. The blueprint maintains that public hospitals should play the leading position in China’s healthcare system, whereas private providers should fulfil a complimentary function. To ameliorate hospitals’ oversight, the Fudan blueprint calls for the enhancement of public participation and the promotion of an extended role for medical associations, instead of suggesting a separation between MOH administration and medical services—a policy that was propounded by the MOH rivals. Regarding grassroots medical facilities, the blueprint also espouses the system of shouzhi liang tiaoxian, in which the government directly controls and provides full financial coverage for the operation of these units (Interview 7).

3.3.3.3 Instrumentalization of Consultation II: State Council Research and Development Centre (DRC)

The selection of the DRC as a consultant was also done for the purpose of advancing the interests of the MOH. The DRC experts had a record of working collaboratively with MOH
officials, and the two groups also appear to embrace similar policy positions. Institutionally, the MOH was in a position to select the DRC, since both organizations were active in the Steering Committee responsible for adjudicating funding for consultation. Given the personal links and history of institutional collaboration, it is not a surprise that the content of the DRC blueprint was close to the MOH line.

The MOH Policy & Regulations Department was in an institutional position to solicit a blueprint from the DRC, since along with the NDRC Social Development Department, it was in charge of the consultation procedure (Wang and Fan, 2013). Meanwhile, the MOH Policy & Regulations Department was also responsible for the day-to-day work of the Steering Committee of the HPSP, a program jointly run by the MOH, DFID and WHO to promote health policy research in China (CNHDRC, 2009), which also allocated DFID funding for the current consultation procedure. One of the Steering Committee members, along with the WB and WHO, was the DRC (CNHDRC, 2009), and the DRC Social Development Department, in particular had a productive history of cooperation with both the DFID and WHO, which subsidized both its famous 2005 report (Ge and Gong, 2006; Interviews 5, 43, 44; Lin and Yates, 2009; Lu A., 2015), and a subsequent study on China’s medical system (WHO and DRC, 2005). Since consultation took place within the context of the HPSP Steering Committee, which had a rich history of collaboration with the DRC Social Development Department, it is likely that the MOH Policy & Regulations Department leveraged this institution in order to solicit a blueprint from this research unit.

The DRC Social Development Department, which authored the DRC blueprint, had close, personal ties to key officials within the MOH Policy & Regulations Department. In 2005, this
DRC Department wrote an influential report, which traced the root causes of the failure of China’s medical system to contain the SARS epidemic, and prompted the Chinese government to consider a comprehensive reform of China’s healthcare system. The report’s team of investigators also included two researchers with affiliation to the MOH Department of Policy & Regulations: Lei Haichao, an official from the Department of Policy Research Bureau at the MOH Department of Policy & Regulation, participated in the report while assuming the title of a researcher at the China Center for Disease Control and Prevention; and, another participant, Shi Guang, a researcher with the MOH Health Economics Institute, was transferred to the Department of Policy & Regulations in late 2007 (Wang S., 2009).

The DRC Social Development Department and the MOH Policy & Regulations Department shared similar positions with respect to China’s healthcare system. The DRC report, which gained public attention in July 2005, viewed the trends of marketization and commercialization as the root causes of the failures of China’s healthcare system. It proposed the enhancement of the government’s role in financing and administration of healthcare services, notably at the grassroots level (DRC, 2005). Concomitantly to the wide publicity of the DRC report, the leader of the MOH Policy & Regulations Department published an article, which attracted a high degree of public attention, bearing a very similar discourse (He L., 2005). Since leaders of both units propounded similar views, it is very likely that the MOH Policy & Regulations Department, as the unit responsible for the selection of consultants, lobbied for the inclusion of the DRC in the consultation procedure.

Expectedly, the DRC blueprint represents the MOH positions (Interview 10). It advocates government investment in grassroots medical facilities rather than medical insurance, and also
espouses a policy of limiting the scope of operation for private medical services providers (CSER, 2008). Meanwhile, the blueprint seems to be particularly consistent with the position of the MOH Policy & Regulations Department. When I asked a participant in Li Ling’s team (Beijing University) about the differences between their proposal and that of the DRC, the informant commented that the differences were small, yet the positions of the latter were more left-leaning than those of Li Ling (Interview 17). Examining the discourses of the relevant experts and MOH officials one could sense that there are slight divergences. For example, in separate occasions both Li Ling and her bureaucratic sponsor, incumbent Minister of Health, Gao Qiang, while suggesting to restrict the operation of private providers, also maintain that enhanced competition, resulting from the introduction of the private market, might have a salutary effect on China’s healthcare system (Du and Zhang, 2007; Li MS., 2006). Both the 2005 DRC report, and Lei Haichao, one of the leaders of the MOH Policy & Regulations Department, view competition as one of the contributing factors to rising healthcare costs (DRC, 2005; Li MS., 2006). The ideological resemblance between the DRC and the MOH Policy & Regulations Department provides further indication that the latter were selected by the former for the consultation procedure.23

23 Besides the policy-specific expertise at the DRC Social Development Department, the DRC also included a renowned official who held views that were antagonistic to that of the MOH. Li Jiange, who served as Deputy Chairperson of the DRC from 2003 to 2008, had rich experience in healthcare reforms. Prior to his DRC tenure, between 1998 to 2003, as Deputy Head of the State Council Economic Structure Reform Office, Li was in charge of the introduction of health insurance reforms (Zan X., 2013). As a close associate of then Premier Zhu Rongji (Ye T., 2015), Li was among the leading proponents of marketization policies in health. In 2005, Li reportedly was extremely displeased with Ge Yanfeng’s report, which excoriated the results of previous health reforms executed by Li (Interviews 4, 49). As Deputy Director at the DRC, Li
The DRC team participating in consultation was composed of generalists. Both Ge Yanfeng and Gong Sen, the leaders of the DRC team and other DRC co-investigators from the Social Development Department, were working on social policy in general, rather than specializing in health issues (Interview, 16). The reason for their recruitment for consultation was that these experts were able to articulate a compelling, anti-marketization agenda that was congruent with the MOH preferences. Because the DRC experts were recruited for advocacy of a Jiange continued to conduct research regarding China’s healthcare reform, including social security, and health insurance (Sina, 2004; Zan X., 2013), and, thus, was highly qualified to represent the DRC at the consultation process.

Nevertheless, Li’s participation in the formal consultation procedure was unlikely given his critical stance towards the Hu-Wen social agenda. As a former protégé of previous Premier Zhu Rongji, Li had a distaste for the policies of his mentor’s successors, which entailed a stupendous increase in government investment in welfare services, including healthcare. In embracing this critical viewpoint, Li’s positions were also entirely at odds with the two competing trajectories discussed in the process of intra-bureaucratic negotiations: enhanced investment in the supply-side subsidies sponsored by the MOH, and a massive increase in the demand side government funding promoted by the MOHRSS. Instead, Li argued that government subsidies for health should be confined to disease control and prevention, life science research, and health insurance for poor populations. A massive rise in health insurance funding, according to Li, could produce a situation comparable to the United States, in which health constitutes a large portion of the annual GDP (Li J., 2006, 2015). Li viewed the expectation that the government would cover all types of medical services as dangerous populism that could potentially undermine economic reforms (Li J., 2015), admonishing the Chinese government to lower popular expectations regarding government participation in health financing (Liu Z., 2009).

Given Li’s estrangement from the reform framework associated with the Hu-Wen administration and the health bureaucracies, it is unlikely that Li would have been eager to enter the formal consultation procedure, anticipating that his ideas would not be well-received. With Li being out of the picture, it was clear that the most qualified experts within the DRC were members of the Social Development Department, who had previously conducted an in-depth study of the issue. It is plausible that the MOH were aware that Li Jiange at the time might have not been inclined to participate in the procedures of formal consultation, and that researchers from the Social Development Department would be available to take on the task of authoring a policy blueprint.
key policy principle, government-led reform, they were asked to produce a more general policy
document, comprising of a presentation of broad-brush schemes on how to overhaul China’s
healthcare system. The blueprint did not contain high resolution details on how the policy was to
be carried out.

3.3.3.4  Summary: First Stage of Consultation

The selection of neutral and impartial consultants was the key characteristic of the first stage of
consultation, as the responsibility for authoring blueprints was delegated to experts and
administrators in international organizations and Beijing University who did not align with any
of the bickering bureaucratic parties. Meanwhile the MOH was able to leverage its leadership
position in the Inter-Ministerial Coordinating Small Group in order to enlist to the consultation
procedure a minority of advisors with ideological bent in favor of government-led healthcare
reform from both the DRC and Fudan University. The combination of the original inclusion of
pro-MOH consultants and the unexpected victory of the MOH ally, Li Ling, at Beijing
University furnished the MOH with a pronounced advantage over its rivals. While in this section,
we have shown that partisan experts and generalists were selected, I have not demonstrated the
inclusion of diverse cohorts of advisors, since most advisors sided with MOH. In the next
section, however, I discuss the insertion of additional experts, whose views differed from those
included in the first stage of consultation.
3.3.4 Second Stage of Consultation: Spiraling of the Expert Consultation Procedure

In the conclusion of the first phase of consultation, the procedure consisted of three outsiders—international organizations, WHO, WB and McKinsey & Co, who were not privy to the bureaucratic conflict, and three insiders, who held partisan views that were commensurate with the MOH preferences (Du and Zhang, 2007; Zhao X., 2007). As a result, MOH rivals, the NDRC, MOF and MOHRSS, found the lopsided composition of consultants particularly alarming and disconcerting. As each team of advisors was scheduled to present a blueprint at Diaoyutai Hotel in late May 2007, where a deliberative conference attended by both consultants and government officials was supposed to take place (Lu A., 2015), the MOH contenders feared that the combination of the articulate Li Ling (Beijing University) and the pro-MOH DRC and Fudan blueprints are likely to furnish the MOH with an advantage, and enable it to shape the policy discourse. Hence, in the second phase of consultation, the MOH rivals lobbied for the expansion of the circle of consultants in order to offset their rival’s edge in the forthcoming deliberative gathering (Du and Zhang, 2007; Lu A., 2015; Tan J., 2007; Wang and Fan, 2013). Each of these three ministries inserted into the formal procedure a trusted advisor whose views closely matched with theirs, even if this advisor was not a health policy specialist. As a result, three new proponents of marketization now joined the consultation in order to serve as counterweights to the three pro-government blueprints. The consultation procedure, which now featured experts of different—and even contradictory—positions, was more diverse.

Because the new consultants were recruited for the purpose of propagating the policy principles of market-led reform, the most notable newcomer to consultation procedure, Gu Xin from Beijing Normal University, was a generalist, rather than a specialist, with an ability to
articulately advocate for this position. For this reasons, these advisors were asked to submit a parsimonious blueprint, primarily outlining their key ideas.

3.3.4.1 Entry of A Pro-MOF Consultant: Beijing Normal University (BNU)

The need to expand the scope of consultation was particularly pressing for the MOF. As the most vociferous opponent of the MOH agenda of increased government subsidies to health serviced, the MOF feared that its trajectory of enhanced privatization and marketization would be jeopardized. MOF officials were looking for an articulate expert who could counteract the presence of Li Ling from Beijing University, the most prominent public critique of marketization and a protégé of the Minister of Health, in the formal consultation procedure (Interviews 10, 11, 12). Reportedly, with the support of the MOH rivals (Du and Zhang, 2007; Wang and Fan, 2013)—notably, the MOF (Interview 11)—one month prior to the formal meeting at Diaoyutai, the Coordinating Small Group asked Gu Xin to submit a blueprint (Tan J., 2007).

Gu Xin was a political scientist without formal training in either health economics or public health. Yet, he was able to establish himself, in the capacity of a columnist in China’s finance media, as the most vocal intellectual opponent of the anti-marketization discourse

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24 Originally, Gu was trained as a political scientist specializing in the relations between intellectuals and state in Post-Mao China (see Goldman and Gu, 2004).
25 Gu’s public profile has been primarily enhanced through his continued collaboration with the 21st Century Business Herald (21st CBH), which invited him to write columns on the health reform and also relied on him as an informant. A health journalist from 21st CBH opined that Gu Xin is an ‘expert’ they have created (chuangzao), while the newspaper benefitted from Gu’s penchant for polemic writing and his ability to produce columns within strict deadlines (Interview 18).
advanced by Li Ling and the DRC. As Gu could offer a discursive alternative to Li ling, he was able to capture the attention of the highest ranking MOF official in charge of the healthcare reform, Deputy Minister, Wang Jun, (Interviews 19, 12). According to one account, continued interaction between Wang and Gu produced a process in which each was learning from the other and gradually both adopted similar views (Interview 12).

As both Gu and Wang were now holding similar views, the content of Gu’s BNU blueprint for the healthcare reform was consistent with the MOF trajectory, favoring the lifting of regulatory constraints on the growth and development of private medical facilities. Whereas other proposals sought to maintain public hospitals as the core provider of health services and disallow the privatization of grassroots medical facilities, Gu stresses that all types of medical facilities should be opened up for the entry of private operation and investment. The blueprint includes a strong endorsement of a plan to separate public hospitals from administrative control, granting the former a status of an independent legal entity. Such measure would have facilitated their ability to both collaborate with private investors and compete in a marketized health sector. Gu also stipulates the opening up of health insurance market for competition, in which both public and private insurance would operate—a plan that corresponds to the position of the MOF.

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26 A testament to the magnitude of Gu’s impact on the public discussion over healthcare can be gleaned from my content analysis of 121 Chinese media report on health from late 2008, which appears on Chapter 5. I find that Gu Xin was the most frequently cited expert, and that he appeared in media reports in more numerous occasions than his nemesis, Li Ling.

27 For example, at a WB-sponsored conference on privatization of public hospitals, Gu’s ideas bore strong resemblance to those articulated in Wang Jun’s speech at the conference (Wang S., 2007).
but not to that of the MOHRSS. To further enhance competition, Gu also supports the lifting of constraints on insurance policies imposed by the household registration system (*hukou*), proposing that enrollment in public insurance plans should not be restricted to geographic and administrative boundaries. For example, the insured are allowed to join public insurance plans outside of their place of residence, and urban residents are given the choice to enrol in rural insurance plans. The purpose of this policy is to stimulate competition within the medical insurance market (CSER, 2008). This blueprint clearly served to enhance the clout of the MOF in the inter-ministerial bargaining process.

### 3.3.4.2 NDRC-Sponsored Advisor: Renmin University

The perception of losing on the part of the MOH rivals, notably the NDRC, also prompted them to include an additional advisor, Wang Hufeng from Renmin University. The decision to permit Wang to participate in the policymaking process was a combination of bureaucratic interests and institutional ambitions on the part of the School of Public Management at Renmin University. Knowing that the Chinese government was in the process of embarking on a new round of healthcare reforms, in late 2006, the School inaugurated the Health System Reform and Development Centre and hired Wang Hufeng, a former government official both at the China Economic Structure Reform Commission and MOHRSS (People.Com, 2016), to write a study about the health reform. To attract the CSG’s attention to Wang’s work, the School of Public Policy arranged a conference on the healthcare reform, invited leading officials from the relevant ministries to attend (Interview 21), and also circulated Wang’s proposal among CSG’s Ministers and Deputy Ministers (Wang and Fan, 2013). Eventually, the CSG decided to allow Renmin
University to participate in the consultative process, and in May 2007 Wang Hufeng was invited to attend the Diaoyutai Conference (Wang and Fan, 2013).

While the aggressive promotion efforts on the part of Renmin University contributed to Wang’s entry into the consultation procedure, this outcome would not have been possible without bureaucratic support from the NDRC’s Chairperson, Ma Kai (Wang and Fan, 2013). Wang’s blueprint was consistent with the organizational interests of the NDRC, which vied for retaining its administrative control over some domains of the health sector, such as approval of infrastructure projects in grassroots hospitals and regulation of pharmaceutical pricing, while permitting marketization and structural reforms in other spheres, which are administered by the MOH and MOHRSS. In a similar vein, Wang developed a framework, in which the degree of the market’s scope of operation differs across policy domains, such as public health, health services insurance and pharmaceuticals (Wang H., 2009). While endorsing the operation of private providers and a demand-side solution in the form of health insurance (CSER, 2008), Wang still maintained that grassroots facilities should remain under the control of government administration, and that government regulations of pharmaceutical prices should be retained (CSER, 2008; Wang H., 2008). It is likely that Ma Kai was advocating for Wang’s participation because of the NDRC’s organizational interests.

3.3.4.3 Last Minute Inclusion of a MOHRSS Confidant: Second Blueprint from Beijing University

It is likely that the inclusion of an alternative blueprint from Beijing University was a result of MOHRSS prodding to expand the scope of conflict. As mentioned earlier, Li Ling prevailed in
the internal discussions in Beijing University, whereas Liu Guo’en, who disagreed with Li’s opinions, decided to withdraw from the consultation procedure (Interviews 6, 11, 17).

Nevertheless, at the Diaoyutai Conference, unexpectedly, the blueprint of Beijing University contained two divergent proposals: one by Li Ling and the other by her rival, Liu Guo’en (Interview 6; Tan J., 2007; Wang and Fan, 2013; Xiao H., 2007; Zhao X., 2007). The author of Beijing University’s rival proposal, Liu Guo’en, who had consistently advocated for a third-party funding for healthcare providers via insurance, government purchase of medical services and the promotion of private investment in hospitals, is said to have had strong ties to the MOHRSS (Interview 12, 15, 47; Xiao H., 2007). The last moment inclusion of Liu in the Beijing University blueprint might have taken place due to MOHRSS prodding. Since prior to the Conference both the MOH and MOF had prominent representatives, Li Ling and Gu Xin, respectively, it is likely that the MOHRSS might have demanded to be represented at the Conference by Liu Guo’en.

3.3.4.4 End of Second Stage of Consultation: Diaoyutai Conference

After the expansion of the roster of consultants at stage two, the composition of advisors reflected a rather balanced power equation among the contending bureaucracies. While three blueprints, Beijing University I (authored by Li Ling), Fudan and DRC, were coterminous with the MOH agenda of a government-controlled system, three new entrants into the consultation procedure, BNU, Renmin and Beijing University II (led by Liu Guo’en), articulated pro-market visions that aligned with the interests of the MOF, NDRC, and MOHRSS, respectively. The enhancement of the cohort of advisors, according to participants at the Diaoyutai Conference in
May 2007, resulted in a highly deliberative discussion, in which the participating experts debated and explored diverse options for reform (Interviews 8, 21; Wang and Fan, 2013).

3.3.5 Third Stage of Consultation

While in the second phase the MOH rivals pushed for the expansion of the consultation procedure in order to offset the MOH advantage, in the third phase individual bureaucrats who sought to enhance their impact and promote their agenda worked to enlarge the circle of consultants so as to bring into the table advisors holding similar views. The third stage included the solicitation of three new blueprints. Yet, only two cases—consultations with the Chinese Academy of Sciences (CAS) and the Chinese Academy of Social Sciences (CASS)—comport with the Schattschneiderian framework. The third case, the post-Diaoyutai inclusion of Qinghua University, is an exception because Qinghua was able to enter the procedure without acquiring the support of a political sponsor holding views similar to those of the Qinghua blueprint.28

Unsurprisingly, in two cases of partisan recruitment, CAS and CASS, the Principal Investigators, Zeng Yixin and Yu Hui, respectively, were generalists lacking formal credentials in either public health, health economics or health administration. However, since these consultants were the confidants of key bureaucrats, and were able to advocate for the formers’ positions, they were ultimately able to formally gain entry into the consultative procedure.

28 Qinghua University could also be romanized as Tsinghua University.
3.3.5.1 Qinghua University

Like its counterpart at Renmin University, the Qinghua University School of Public Policy and Management (SPPM), established in 2000, also sought to promote itself as a major think tank for health policies. In late 2005, SPPM established the Health and Development Research Center, which was headed by Liu Yuanli (SPPM, 2012), a renowned expert, who previously provided the government with advice on the reform of the rural healthcare system (Rao and Liu, 2006). As the Research Centre was new and its leader, a joint appointment at both Qinghua and Harvard, spent a considerable amount of his time abroad, the Inter-Ministerial Coordinating Small Group was unaware of its existence at the first phase of the consultative process. Additionally, the Centre’s leader did not have incentives to participate in the formal consultation procedure, as he had already been informally summoned by MOH officials to provide input (Wang and Fan, 2013). However, after the Diaoyutai Conference, both directors of the SPPM and Qinghua’s School of Economic Management were dissatisfied with the fact that even though a Qinghua professor might have been individually involved in the policymaking process, officially, at least, their units were not recognized as part of the formal consultation. There were also displeased that while Qinghua had been absent from the policymaking process, its competitors—both Beijing University’s Guanghua School of Management (represented by Liu Guo’en) and Renmin university’s Public Management School—were included in the consultation procedure (Interview 9; Wang Y., 2007). Subsequently, the SPPM and the School of Economic Management arranged a public conference, and encouraged the Health and Development Research Center and Professor Bai Chong’en from the School of Economic Management to present a blueprint for healthcare reform (SPPM, 2007). Later, they also contacted the Executive Deputy President of Qinghua,
who petitioned the CSG. Finally, in August 2007, the NDRC Director, Ma Kai, sent an official invitation to Qinghua to author a blueprint (SPPM, 2012).

Since the Qinghua proposal was not sponsored by any particular political actor, its contents did not reflect the preferences of any of the contending bureaucracies. It propounded several practical policies for tackling some of China’s most pressing health challenges, such as the enactment of separate policies for diverse regions, instead of a uniform plan for the entire country; establishment of a trust to fund migrants’ access to health insurance; levying a tax on tobacco consumption in order to support public health services; and, the construction of a health emergency system subsumed under public health services (Sohu, 2008). Even though the blueprint included a support for a demand-side solution, its proponents did not associate it with either a pro-government or pro-market trajectory.

3.3.5.2 Chinese Academy of Science (CAS): Weak Bureaucrat Seeks to Leverage Consultation

The newly-appointed Minister of Health, Chen Zhu, sponsored the official entry of the Chinese Academy of Sciences (CAS hereafter) into the consultative forum in late 2007. As a weak bureaucrat Chen sought to leverage the CAS blueprint in order to bolster his political clout.

When CAS Deputy Director, Chen Zhu replaced Gao Qiang at the MOH’s pinnacle in June 2007, he was considered a weak politician. While Chen was now nominally the highest ranking official at the Ministry, he was a non-CCP member, and also lacked experience and connections within the MOH bureaucracy. To complicate matters, Chen’s predecessor, the politically-seasoned, outspoken and well-connected, Gao Qiang, albeit being demoted to the position of
MOH Party Secretary and Deputy Minister, remained a senior office holder within the MOH, where he could have potentially used his political clout to exert impact over the policymaking process. Gao also had access to the consultation process, as the blueprints of Li Ling (Beijing University) and, to a large extent, those of both the DRC and Fudan University were coterminous with Gao’s policy preferences. Chen did not have consultants who could be considered allies. At the time of his appointment to the position of Minister of Health, Chen, as opposed to Gao Qiang, did not have a well-articulated agenda for the healthcare reform (Interview 7).

Laying out a new plan for reform as an alternative to Gao’s vision could have improved Chen’s stature within the MOH. Participants in authoring the CAS blueprint suggested to me that the temporal proximity between Chen’s appointment and government formal invitation of CAS to participate in the consultative process were not coincidental, and that Chen initiated the selection of CAS for consultation (Interviews 23, 24). The Principal Investigator in the CAS blueprint was Chen’s former subordinate at CAS’ Life Sciences and Biological Technology Bureau, which was part of Chen’s portfolio as the Deputy Director of CAS (Jiang X., 2008; Chen L., 2007). It is likely that Chen felt that his former colleague would remain loyal to him, rather than seek to curry favor with rival bureaucrats or administrations.

If Chen was to have an agenda for the healthcare reform, it would have focused on intra-government compromise. The State Council decision to appoint Chen, a non-Party member, was

29 For example, it can be gleaned from media reports that Chen’s pronouncements regarding China’s health sector betrayed a narrow focus on medical research and biomedical industries (People.Com, 2007), rather than a comprehensive vision for overhauling China’s medical system.
motivated by a desire to overcome inter-bureaucratic fissures. Chen’s background as a medical doctor and leading medical researcher also accorded credence to Chen as an official who is neutral to the bureaucratic wrangling (Deng L., 2007)—as opposed to his predecessor, Gao Qiang, who was strongly associated with the partisan interests of the MOH. Furthermore, Chen arguably had the reputation of a skillful compromiser. The Standing Committee of the National People’s Congress upon confirming Chen’s appointment as Minister of Health publicly praised Chen’s skill at organization and coordination (Chen L., 2007). These commendations were based on Chen’s past accomplishments as an administrator at CAS, where he successfully forged collaboration between different research institutions amid dissension and rivalry (Li M., 2007).

Intrinsic to the compromise agenda was a public perception of Chen as a professional minister hailing from the medical sector, in which he previously worked both as a grassroots medical doctor and a researcher (Chen L., 2007). As opposed to Gao, the politician, who was perceived to be strictly pursuing bureaucratic interests, Chen was viewed as a health system insider with deep understanding of the problems of medical personnel.

The key tenets of the CAS blueprint reflected policy proposals that corresponded not only to the MOH interests, but also to Chen’s agenda of forging an inter-bureaucratic compromise and promoting the interests of medical personnel. For example, the blueprint contained a stipulation for merging all insurance plans under a single government bureaucracy, with a specific reference to the MOH (SMD, 2008; Sun B., 2008; Wang Y., 2008; Wu C., 2008)—a policy that would
have enhanced the Ministry’s areas of administrative jurisdiction. Meanwhile, the blueprint’s content also comports with Chen’s mandate to promote compromise amid acrimonious bureaucratic rifts. The CAS blueprint did not endorse a strong position in support of either the state or market; instead it espoused a combination of both. The CAS blueprint was touted in the media as representative of the medical sector (Thompson, 2009), as opposed to previous proposals, which allegedly reflected the views and mindsets of economists with no professional experience within China’s medical system. As such, the CAS policy recommendation touched upon issues that were overlooked in previous expert consultations, such as reform of the medical training program, and government provision of diverse types of inducements for doctors to serve at the grassroots level (Interview, 22; SMD, 2008; Sun B., 2008). These suggestions were consistent with Chen’s mandate of acting as professional minister hailing from the medical sector.

30 A CAS participant in 2008 blueprint relayed to me that in a subsequent proposal for healthcare reform that they authored in 2014, a merger of all insurance plans was also suggested under an independent administrative body, rather than either the MOH or MOHRSS. While the informant cloaked this proposal as a compromise between the MOH and MOHRSS, he still maintained that eventually authority over the management of insurance plans would be delegated to the MOH (Interview 22).

31 CAS astutely labeled the blueprint as the only representative of the medical sector, yet the Fudan blueprint, which was dominated by the University’s medical school, also included participants from the ranks of the medical personnel (Fudan, 2008).

32 During Chen’s tenure at the MOH (2007-2013), CAS maintained the status of the Minister’s most trusted advisors. In 2008, the MOH appointed six CAS researchers—including the leaders of the CAS blueprint—to head a cohort composed of 400 experts to write “Health 2020 Strategic Plan” (MOH, 2008, 2012). Concomitantly, the CAS team also compiled additional reports for the MOH on the allocation of incentives for the promotion of family doctors and other suggestions for comprehensive health reform (Gan X., 2012).
The CSG decision to formally entrust CAS with the task of authoring a blueprint for healthcare reform in late 2007 could be attributed not only to Chen’s position of political weakness, but also to the institutional ambitions of CAS to expand its areas of expertise beyond the narrow domain of medical science research.

While the new policy schools as well as a high ranking think tank, such as the DRC, were included in the consultation, CAS—one of the most important government think tanks in China—was not. CAS primarily advises the government on science and technology policies, as opposed to the other State Council think tanks holding a ministerial ranking, the DRC and the Chinese Academy of Social Science, which are tasked with generating input on social and economic policies.

The Life Sciences and Biological Technology Branch at CAS, prior to its formal inclusion in the consultation procedure, was involved in research on the technical aspects of health policies rather than on macro-level, structural reforms. In the aftermath of the SARS epidemic, Chen Zhu, the erstwhile Deputy Director of CAS, led a team from the Bureau to devise research strategies for coping with future outbreaks of epidemic disease (Huo H., 2003; Yu and Ye, 2013). Afterwards, the Branch also conducted research on upgrading of medical equipment in healthcare facilities (CAS, 2007; Jiang X., 2008), and strengthening China’s capacity in research on communicable diseases (Jiang X., 2008; CAS, 2009).

33 The CAS team recommended the government to increase investment and support in preventive medicine research and also to coordinate research on preventive medicine among CAS and other leading scientific research institutions such as, the Chinese Academy of Medical Sciences and PLA Military Affairs Academy of Medical Sciences.
Concomitantly to the regular work on scientific and medical research, the CAS team at the Life Sciences and Biological Technology Bureau also set their eyes on venturing into consultation work on macro-level medical policies. In early 2007, when the CSG commenced to solicit blueprints from six different organizations, CAS started to conduct investigative tours on China’s healthcare reforms (Cai and Xue, 2008). The impetus for launching these efforts appear to be organizational. Researchers at the Academy felt that CAS, as the leading think tank in the country, must participate in the healthcare reform (*Family Doctor. Com*, 2011; Interview 22). The endeavors to enhance CAS’ weight in macro-level health policies took place despite the fact that members of the Life Sciences and Biological Technology Bureau were primarily scientists with no concrete experience in the fields of social policies and health administration (*Family Doctor. Com*, 2011). The coupling of a weak bureaucrat and CAS’ institutional ambitions contributed to the eventual inclusion of CAS in the consultation process.

### 3.3.5.3 Chinese Academy of Social Sciences

As in the abovementioned case of CAS, the formal entry of the Chinese Academy of Social Sciences (CASS) into the consultative process with the submission of *Evaluative Advice (pinggu*  

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34 To compensate for their lack of both knowledge of health policies and practical experience in clinical work, in late 2007, CAS team members sought the collaboration of practitioners, including medical doctors, hospital directors, public health specialists based at Zhongshan University, Guangzhou and a high profile local official, the Deputy Head of the Provincial Health Department, Liao Xinbo (Interviews 23, 24). The collaboration between CAS and Zhongshan University was a result of convenience, since the Principal Investigator, CAS member, Zeng Yixin, was based in Guangzhou, where he held the position of Director at the Cancer Research Center affiliated with Zhongshan University.
jianyi) in late 2008 was a product of two factors: a weak bureaucrat’s motivation of promoting a particular policy agenda and the ambition of an entrepreneurial expert to affect policymaking.

In the capacity of Deputy Director at the State Council Research Office, Jiang represented this high-level research institute, responsible for the drafting of government policies, in the Inter-Ministerial Coordinating Small. While Jiang maintained strong conviction in thoroughgoing marketization of health services (Interviews 12, 19), as an official lacking both experience and expertise in the health sector, Jiang might have been in an inferior position when debating other officials within the health reform CSG, primarily, MOH leaders. To assert herself in this intra-government discursive battle, Jiang had to rely on expert input.

Jiang utilized CASS researcher, Yu Hui, as a trusted advisor. During the late 1980s, both Jiang and Yu overlapped as graduate students at CASS, and after graduation both were members of the Industrial Economics Institute of CASS, where Jiang served as the Institute’s leader

35 While formally holding a researcher position at CASS, Yu’s primary institutional affiliation was with the Chinese Society of Economic Reform (CSER), where he served as the Head of the Public Policy Department (Interviews 12, 20). Even though the work on ‘Evaluative Advice’ was largely carried out at the CSER—where Yu had a more senior status and resources as compared to CASS—the document was formally submitted to the government as a CASS study (Wang and Fan, 2013). The reason for this labelling is related to the direct institutional links of the CSER to the NDRC. The CSER is registered with the Ministry of Civil Affairs as an independent organization under the supervision (zhuguan danwei) of the NDRC (Reformdata, 2018), and its leadership normally consists of retired NDRC officials at the level of either Deputy Minister or Party Committee Member (Interview 12). The CSER is also linked to a particular segment of the NDRC—the NDRC Comprehensive Economic Structure Reform Department, which originally established this think tank in 1999 (Reformdata, 2018). This Department, which in its past incarnation, from 1998 to 2003, as the State Council Economic Structure Reform Office carried out Zhu Rongji’s agenda, is associated with a vision of both retrenchment and radical marketization in health. Packaging the Evaluative Advice as a CSER policy document might have prompted the resistance of the MOH, and, thus, risked Yu’s entry into the consultation procedure.
The two researchers remained in contact after Jiang’s departure from CASS and promotion to the State Council Research Office in 2004 (Interview 11). As both Jiang and Yu devoted their careers in CASS to research of economic reforms, they believed that similar principles of marketization and opening up could be successfully applied to the health sector.

The CASS document authored by Yu (Interviews 4, 12), *Evaluative Advice*, mirrors Jiang’s agenda. Yu assesses the competing blueprints submitted to the CSG from a binary perspective of government administration versus market, with the objective of establishing that the majority of advisors, including the neutral WB and WHO, are in support of latter. The lopsided *Evaluative Advice* also offers scathing critique of the pro-MOH Li Ling and DRC proposals, while lauding BNU’s blueprint marketization schemes (CSER, 2008).

While being an industrial economist without professional background in the health field, Yu was able to leverage his CASS network and personal connections with Jiang to gain entry into the policymaking process (Wang and Fan, 2013). Yet, had Jiang not have an immediate political interest in promoting Yu’s *Evaluative Advice*, this outcome would not have been possible. With Jiang’s active sponsorship, Yu was able to transmit the *Evaluative Advice* to Politburo members, Provincial leaders and high level think tanks, such as the State Council Research Office and the Central Policy Research Office (Wang and Fan, 2013). Since Jiang was directly responsible for the drafting of the healthcare reform blueprint, she worked in close collaboration with State Council leaders (Interviews 11, 12, 19), including incumbent Vice Premier, Li Keqiang, after he became responsible for health policies in late 2008 (Interviews 11). Eventually, Jiang’s efforts to promote Yu’s *Evaluative Advice* paid off. According to one
account, the policy stance of CASS and State Council Research Office had a substantive influence over the contents of the final draft of the healthcare reform (Wang and Fan, 2013).

3.4 Conclusion

This chapter expounded on the impact of bureaucratic contestation on the opening up of the consultation procedure. The chapter demonstrated that the existence of a fierce bureaucratic conflict, involving a zero-sum game over the distribution of resources across service providing bureaucracies, structural reforms and marketization. Meanwhile, the opening section also provided evidence that both the lack of clear guidelines from state leaders and a horizontal institutional structure of the inter-ministerial coordinating body further contributed to the exacerbation in bureaucratic cleavages. Having established that the degree of bureaucratic conflict was high, the chapter elucidated on the impact of this predicament on the structure of expert consultation. We observed three stages of expansion in the consultative process, each initiated by either government ministries or individual bureaucrats seeking to shape the outcome of the policy process. While in the first stage broadened consultation was initiated by senior leaders, bureaucratic actors, such as the MOH, were able, in the minority of cases, to populate the consultation forum with experts of matching persuasions. In the second stage, MOH competitors retaliated, inserting into the consultative procedure their trusted experts. In the third stage of consultation, weak bureaucrats instrumentalized the opening up of the consultative process in order to sponsor the entry of their confidants into the formal consultation.

While elites utilized consultation as a subterfuge for gaining political advantage amidst a high-stake bureaucratic conflict, on the whole, the consecutive phases of expansion had a
salutary effect over the policymaking process of the healthcare reform, which turned out to be more open, diverse and deliberative. Even though the vast majority of consultants held positions that largely resembled those of their political sponsors, experts still contributed to the emergence of a vibrant discussion over measures and policies that otherwise would not have been debated and eventually endorsed by the government. For example, in the first stage of consultation, the pro-MOH consultants, such as Beijing University, DRC, Fudan University, proposed a novel policy prescription—the establishment of a ‘Super-Ministry of Health’ that will be in charge of coordination and management of all aspects of health policies, including pharmaceuticals, hospitals and insurance (CSER, 2008; Thompson, 2009; Yu Y., 2008). These institutional reforms have been gradually implemented with the establishment of the National Health and Family Planning Commission in 2013, and that of National Health Commission in 2018 (State Council, 2013, 2018). At the second stage of the consultation, both the pro-MOF BNU blueprint and the pro-MOHRSS second Beijing University blueprint, included policies that favored the lifting of regulatory restrictions on private hospitals and the implementation of measures to induce competition in the healthcare sector (CSER, 2008; Thompson, 2009). Such policies, which stipulated unprecedented measures to promote private healthcare were eventually endorsed both in the final healthcare reform blueprint and subsequent, complementary documents, presumably due to expert consultation input (Kornreich et al., 2012). Reportedly, the additional inclusion of Renmin University at the second stage of consultation, furnished its experts with access to policymakers, which in turn enabled them to prompt higher level of government attention to chronic disease management (Interview 21; Wang and Fan, 2013). Whereas previous blueprints from the preceding stages of consultation focused on the state
versus market polemic, at the third stage, the solicitation of the CAS blueprint placed on the agenda news issues that pertain more directly to the problem of grassroots medical facilities. The novel CAS policy prescriptions included higher insurance compensation rates per patients visiting grassroots facilities and recommendations for an assortment of material incentives to encourage medical doctors to work in these facilities (Kornreich et al., 2012; Thompson, 2009). Some of these measures were eventually included in government policy documents.

Concomitantly, the Qinghua University blueprint also brought to the fore innovative suggestions, such as the levying of tobacco taxes to fund medical services (Thompson, 2009). Taken together, these evidence demonstrate that a cascading chain of expansions in the consultative process—triggered by a bureaucratic conflict—inspired the exploration of diverse policy options and the accumulation of new policy visions. In the next chapter, I will examine a contrasting case study in which bureaucratic conflict was largely absent, and, thus, the expert consultation process was anemic, featuring a rather monolithic set of advisors.
Chapter 4: Education Reform

Whereas in the case of healthcare reform, as we have seen in Chapter 3, the occurrence of an intense bureaucratic dispute prompted a vibrant and diverse consultation procedure, in the education reform, which is the subject of this Chapter, consultation was constrained. An absence of high-stakes bureaucratic conflict meant that the relevant bureaucrats had fewer incentives to lobby for the enlargement of the scope of conflict through the inclusion of advisors with unorthodox views. Most notably, market-supporting entrepreneurial experts, Gu Xin and Yu Hui, who were invited by contending ministries to enter the formal consultation over health, failed to gain entry into consultation over education due to the absence of sponsorship from the economic bureaucracies. The end result of a narrow procedure was a far less open and diverse consultation process as compared to the healthcare reform.

In this chapter, I first discuss the issue of ideological control in education, demonstrating that in spite of the CCP’s obsession with enforcing ideological compliance in education there is still considerable space for debate and bureaucratic wrangling over resource allocation and bureaucratic jurisdiction. Second, I proceed to introduce the key bureaucracies devising education policy, and elucidate their administrative interests. Third, I focus on the political economic factors that underlay the lack of high profile elite conflict. Fourth, I discuss the consultation procedure, and demonstrate how a bureaucratic consensus spurred the emergence of a rather uneventful type of consultation process. Drawing on the indicators expounded in Chapter 2, I show that all the characteristics of a low-quality deliberative expert participation process—such as unitary blueprint, monolithic roster of advisors, selection of specialists with a mandate to
engage only within the narrow confines of their disciplinary areas of specialization, tight administrative control and no expansion of the consultation procedure—were present.

4.1 Impact of Ideological Control on Education Policies

An alternative explanation to the exercise of tight administrative control over the drafting process of the education reform might stem from the political and strategic importance of the education sector in China. During the Hu-Wen era, when the drafting process of the education reform took place, the CPP took measures to buttress political control over educational institutions. Meanwhile, in spite of the attempt to enforce ideological compliance in the education sector, public debates over resource allocations and bureaucratic jurisdiction, which involved the public, educators and bureaucrats, transpired both in the media and annual gatherings of the ‘Two Sessions’, proving that the Party did not necessarily control the discourse over all aspects of education policies. To be sure, during the Xi era, the Party have ratcheted up its efforts to exert control over ideological indoctrination in the education system. However, even though Xi’s ambitions to asserting CPP monopoly over ideology extended far beyond his predecessor’s policies, there has still been considerable space for debate over the distributional and administrative facets of educational policies. This could entail that bureaucratic infighting and controversy in education are still possible, and could potentially affect the structure of expert participation.

The CCP views education as an indispensable vehicle for indoctrination of values, such as patriotism and loyalty to the ruling Party (Interviews 31, 29, 33, 11, 36, 32, 34; Wang Q., 2007). This trend has been intensified since 1989, when university students led the popular protest...
movement, causing the CCP to put a particular emphasis on ideological control in higher education institutions (Chan and Wang 2009; Perry 2015; Wang Q., 2007; Yan X. 2014). To secure direct Party control over the education bureaucracy, the MOE, where the Minister concomitantly serves as Party Secretary, is entrusted with the role of executing the duty of ensuring ideological indoctrination and adherence to the CCP (Wang Q., 2007). It is plausible that CCP’s preoccupation with ideological control, rather than bureaucratic consensus, might have stymied the establishment of a high-quality deliberative expert participation process.

During the Hu-Wen era, concern about ideological control affected education policies. In 2004 and 2005, the CCP Central Committee and the government published documents calling for instilling in university students Marxist ideology through the production of Marxist teaching materials, and the creation of political theory as key academic discipline. For achieving this purpose, the government committed to increase investment in political thought classes, and in

36 The Party’s insistence on ideological control at Higher Education Institutions (HEIs) was shaped by the experience of the student protests in 1989. After the protests, ongoing policy experiments in granting university Presidents with administrative autonomy were annulled and the supremacy of universities’ Party committees was restored. To further ensure students’ compliance, the CCP added courses on Marxism to HEIs curriculum, and also exercised an increasing degree of control over the contents of social science and humanities research and teaching. Concomitantly, both the Party and Chinese Youth League branches were tasked with the responsibility to monitor students’ thought and behavior (Perry, 2015; Wang Q., 2007; Yan X., 2014). The degree of political and ideological control over HEIs is particularly strong at elite universities, which are the breeding ground for the selection and training of future political leaders (Wang Q., 2007).
37 Since education policies in China are also closely linked with propaganda and indoctrination work (Interviews 29, 31), the MOE includes units that are directly in charge of the maintenance of ideological purity within HEIs. The Thought Political Work Department monitors ideological indoctrination and Party organization construction at universities, working in close collaboration with the Social Sciences Department that oversees the contents of academic research and instruction in these politically sensitive disciplines.
training teaching corps for this discipline (CCP Central and Committee and State Council, 2004; Ministry of Propaganda and MOE, 2005).

While the Party insisted on maintaining ideological control over education, throughout the Hu-Wen era policy issues related to education were open for discussion and debate. At the outset of the drafting process of the education reform, Premier Wen Jiabao declared that the drafting process should be open for broad public discussion, involving different segments of society, with the purpose of reaching a consensus. Wen also emphasized that experts were expected to be part of the deliberative process, and that they were to be selected in a transparent and representative (daibiao xing) manner (Wen J., 2009), reflecting different positions. While these purported open procedures had one obvious limitation—unsurprisingly, experts were prohibited from challenging the supremacy of the Party Committee at universities—discussions over diverse facets of education policies were not censored (Interview 38).

The thematic focus of reform to be discussed revolved around policy issues that do not harbor any immediate political threats to CCP control over society. The reform themes, introduced by Wen Jiabao—compulsory education, rural education, vocational education, quality of higher education, reducing the students’ workload, producing students of high quality, school administration reform, teaching reform, government investment in education (Wen J., 2009)—are policy issues that primarily pertain to bureaucratic issues than to enhancing political control over education, which is within the purview of the Party’s work. Because these issues did not pose immanent political risk to the CCP’s rule, discussion was allowed.

During the drafting process of the education reform, public discussions, including bureaucratic debates, on distributional and administrative aspects of education were considered
legitimate, and not the subject of government censorship. For instance, there was an ongoing spat between the Ministry of Education and Ministry of Finance over government funding for education as proportion of the GDP. Simultaneously, an internal debate within the education sector between the MOE and academics on the control of MOE administration in universities (xingzheng hua) was taking place (Lin Y., 2010). These evidence show that in spite of the Party’s concern regarding ideological control over education, dissensions over questions of resource allocations and bureaucratic jurisdictions were still permitted.

An additional testament to the openness of the education arena for the articulation of different views could be found in the examination of discussions at the annual gatherings of the ‘Two Sessions’ of the NPC and CPPCC during the late Hu-Wen era. The ‘Two Sessions’ featured vibrant critique of the government educational policies, while avoiding an overt challenge to the Party’s efforts to impose ideological uniformity in the education system. These debates included diverse topics, such as extension of compulsory education from nine to 12 years (Tencent, 2008; Xiao et al., 2010), inclusion of early childhood education in compulsory education (Duan J., 2011), raising tuition fees for rich families whose members attend elite universities (ChinaNews.Com, 2009) and migrant children’s access to university admission exams (gaokao) (Yi et al., 2011). Meanwhile, these debates were largely absent from expert consultation over education (Interviews 28, 33). The emergence of such debates in the public sphere concomitant to their exclusion from the expert consultation procedures demonstrates that these issues were resisted by the bureaucracies in charge of consultation rather than censored by a Party that is concerned about debate over education policies.
After Xi succeeded Hu at the CCP’s helm in 2012, the former thought to tighten Party control over the education. However, even with this trend in place, there is still evidence that debates over both administrative policies and resource allocation are still permitted.

During the Xi era, there has been a change in the degree of ideological control. In two key speeches emphasizing ‘ideological work’ (Xi J., 2013, 2016), Xi has been able to dramatically change official discourse on ideological work (yishi xingtai gongzuo). For example, a survey of articles published on the issue of ‘ideological work’ at the People’s Daily demonstrates that after Xi’s rise to power official discourse amplified the emphasis on this theme, notably in regard to higher education (Zhu XX., 2017).

Xi’s discourse has also had a profound impact over the MOE’s agenda, spurring the Education Minister, Yuan Guiren (2009-2016), to change his approach to academic freedom. In 2011, Yuan weighed in on a debate over the proliferation of Western, social science texts in China’s education system, arguing that this phenomenon should not be of concern, and that it is legitimate to borrow ideas from abroad insofar as they are useful for China’s development (Zhou Y., 2011). In 2015, however, the incumbent Minister, Yuan, reversed his earlier position, stating that teaching materials that disseminate Western values should not be allowed in class (Liu Y., 2015).

Further escalation in Party control of education could also be seen in the discourse of Yuan’s successor at the MOE’s helm, Chen Baosheng, a former President of the Central Party School and a close associate of Xi from the period when Xi was in charge of this institution (2007 to 2012). After his entry into the MOE, Chen wrote that education is politics, and that the education system is at the forefront of the Party’s ideological battlefield, arguing that the
‘enemy’ is aiming at infiltrating China’s campuses (Chen B., 2016). These statements have had far-reaching implications for the freedom of speech in academia, as both professors and students are now constrained in articulating views in support of political reform and Western, liberal ideas for the fear of being publicly denounced as regime enemies.

The recent establishment of the Party’s Education Leadership Small Group in March 2018 could potentially lead to further tightening in CCP control over education. The pronounced objective of this institution is to enhance direct Party leadership over education, political thought and ideology (CCP Central Committee, 2018).

While Xi altered the Party’s discourse and introduced new institutional mechanisms to bolster CCP control over education, there is still some continuity with the Hu era, as public debates over education policies have persisted as long as participants cared to avoid a direct challenge of the CCP’s ideological control. One might expect that Xi’s discourse over ideological indoctrination might constrain discussion on private education promotion, since the Party might not have direct administrative control over private institutions. However, the revisions to the Private Education Promotion Law from 2015 to 2016 instigated a vibrant public debate both in the media and the annual gatherings of the ‘Two Sessions’, in which private education investors openly critiqued the government for being denied a ‘reasonable return’ for their investment in private non-profit schools (Liu R., 2015; Wang and Lin, 2016). Reportedly, because of the lack of consensus among NPC delegates, the NPC Standing Committee departed from its original plan to pass the revised draft at the legislature in 2016 (Wang and Lin, 2016). The occurrence of such a dynamic debate on private education demonstrates that there is a limit
to the scope of Xi’s control over education policies (or, that Xi does not aspire to impose
discursive uniformity over all aspects of education policies).

In addition to the ideological debate over the question of whether education should be
considered a profit-making industry, other discussions on education policies, often featuring
contradictory views, also transpired during the Xi era. In recent years, the ‘Two Sessions’
featured dynamic discussions on the right of migrant children to take university entrance exams
at their physical place of residence (Wang F., 2017), and the subsuming of early childhood
education under the category of compulsory education (Chen and Sheng, 2017; Gao and Du,
2018). The existence of such debates could prove that the CCP under Xi is open to the
articulation of different opinions on diverse aspects of education policies, provided that
participants skirt direct criticism of CCP’s ideological control over this arena.

In this section, I have demonstrated that despite the CCP’s efforts to subject China’s
education system into ideological compliance with the Party line, discussion, debate and
bureaucratic dissensions over different aspects of education policies, notably resource
distribution and administrative jurisdiction, are permitted, and even encouraged. Meanwhile, this
section could also suggest that those who participate in public discussions over education in
China are aware that critique of Party monopoly over ideological indoctrination is considered a	taboo, and, thus, avoid it. Because debate over education policies is allowed, as long as
participants do not openly challenge the CCP, it is less likely that the Party’s obsession with
ideological control was the key factor in shaping the design of the expert participation procedure.

As I show in the remainder of this chapter, bureaucratic consensus and leaders’ certainty
regarding issues of distribution and administrative jurisdiction, rather than the CCP’s obsession
with ideological control, affected the low-quality deliberative format of experts’ participation in education policymaking.

### 4.2 Education Bureaucracies

The bureaucratic actors dominating the drafting of the education reform are almost identical to those involved in the making of the healthcare reform, with the only exception of the Ministry of Education (MOE), rather than the Ministry of Health (MOH), being the main executive agency. The education administrative structure differs from the health sector in two ways. First, whereas in health two bureaucracies provide public services, the MOH and the MOHRSS, in education only the MOE is responsible for the delivery of education, while the MOHRSS is responsible for setting the number of personnel, salaries and welfare benefits for teachers. Furthermore, in contrast to the bureaucracies overseeing healthcare policy and delivery, the degree of cleavages between the MOE and the economic bureaucracies, the NDRC and MOF, is low because, as I explain in the next sections, marketization of education services was removed from government agenda.

#### 4.2.1 Ministry of Education (MOE)

As in the case of health, the public service providing government unit, the MOE, is considered a weak bureaucracy, which is dependent on the economic bureaucracies, the MOF and NDRC, for the approval and channeling of funding (Liang J., 2017; Interviews 8, 26; Paine, 1992). Meanwhile, the MOE still has some institutional advantages that the MOH is lacking. First, the MOE commands an administrative monopoly over the university admissions system, whereas the
MOH has little control over patients’ traffic and distribution across medical facilities. Second, as opposed to health, the decline in marketization trends has eroded the ability of the economic bureaucracies to pressure the MOE to pursue both administrative and fiscal reforms.  

One of the MOE’s prerogatives is its control over the admission and distribution of students across universities (Interviews 26, 27; MOE Planning Development Department, 2010). In 2008, when the drafting process of the education reform commenced, this department was in charge of assigning 29 million undergraduate students to 2263 universities (MOE Planning Development Department, 2009). This MOE monopoly over the distribution of students sharply contrasts with the bifurcated health system, in which the MOHRSS controls patients’ distribution through insurance while the MOH administers healthcare providers. The unitary structure of the education administration reduces fragmentation and disputes.

In the period of government retrenchment, during the 1990s and early 2000s, the MOE, like its service providing counterpart in the health sector—the MOH, was supportive of

38 There is additional reason for MOE strength in comparison to the MOH. Whereas it is estimated that the MOH is able to cover less than 10% of hospitals’ operation costs (Li Ling, 2010), provincial MOE’s provide funding that matches 60 to 70 percent of universities’ operation costs (Interview 28). More importantly, the MOE has jurisdiction over a larger proportion of higher education institutions relative to the number of tertiary hospitals placed under MOH administrative mandate (Interview 28). Since 1985, following the reorientation in the function of secondary institutions from specialized and professional HEIs to comprehensive universities, administrative responsibility over medical universities was also transferred from corresponding bureaucracies to the MOE (Interview 29). Yet, a parallel overhaul did not take place in the healthcare sector, in which tertiary hospitals, notably military and university-affiliated hospitals, maintained their links of institutional subordination to their original bureaucratic units (Interview 28). Currently, the MOH controls only one third of the tertiary hospitals in China (Interview 30; NHFPC, 2015).
marketization (Interview 28, 31, 32), actively taking part in spearheading these policies.\footnote{In 1993, the government called for a reform of the education system that endorsed market-style policies within China’s education system. The reform stipulated that non-government actors would be permitted to participate in running educational institutions, allowing schools to levy both tuition and miscellaneous fees (CCP Central Committee and State Council, 1993). The MOE was involved in setting some of these reforms in motion. For example, in 1997, it unveiled regulations to allow the entry of non-government actors—social forces (shehui liliang)—into public schools (MOE, 1997).} 

Concomitantly, the MOE also reluctantly implemented the policy of expansion in undergraduate enrollment accompanied by relaxation of tuitions fees, a marketization scheme enacted in order to boost consumption and stimulate economic growth (Feng L., 2015; Wang Q., 2014).\footnote{While the MOE Planning Development Department favored an incremental expansion in higher education quotas, a forceful intervention by then Premier Zhu Rongji, who was supportive of the marketization of education, led to the realization of this policy (Wang Q., 2014).} From the MOE perspective, a particularly distasteful aspect of this policy was the opening up of private Higher Education Institutions (HEIs)—which could potentially risk the MOE’s control over academic education—to accommodate the increase in the number of university entrants (Chen X., 2011; Wang Q., 2014).\footnote{To facilitate policy enactment amid MOE opposition, the authority for policy planning was temporarily transferred from the MOE to the NDRC Social Development Department (Wang Q., 2014), rather than the MOE Planning Development Department. Additionally, to accommodate an unprecedented increase in the number of higher education students, the government had to permit private universities to legally operate. To avoid potential foot-dragging on the part of the MOE, the drafting of the first Private Education Promotion Law (2002), which officially endorsed the operation of private universities for the first time in the PRC history, was carried out by the NPC, rather than the MOE Policy & Regulations Department (Interview 35).} Whereas during the period of marketization MOE leaders either officially supported or were timid to openly resist these measures, during the mid-2000s, in the aftermath of public criticism of marketization and rapid HEI expansion policies, MOE leaders, like their counterparts in the MOH, made unequivocal public statements in opposition of
marketization (He C. 2004; Huang H., 2012; Xinhua, 2004; Yang D., 2007). MOE resistance to marketization could have potentially been the harbinger of an internecine government conflict, comparable to the one taking place in the health sector, with the marketization-sympathizing economic bureaucracies, the MOF and NDRC. However, as the autocrats decided to curtail policies of marketization and attenuate the increase in university entrants, the prospect of such fissures was averted.

4.2.2 National Development and Reform Commission (NDRC)

As in the health reform, in the education policymaking arena, the National Development and Reform Commission (NDRC), in general, and its Social Development Department, in particular, are important actors. However, in education, as opposed to health, there are few areas in which the level of conflict between the NDRC and the MOE is fierce. This is because a higher level of funding for elite academic institutions obviates the need to pursue structural reforms in universities’ fiscal schemes and administrative structure, which would have otherwise pitted the interests of the MOE with those of the NDRC. Shared interests in the expansion of compulsory rural education also precluded frictions between the two bureaucracies. In addition, the reversal

42 Both the incumbent Minister, Zhou Ji, and Deputy Minister Zhang Baoqing stated that marketization of education was not the ministry’s official policy (He C., 2004; Huang H., 2012). In 2006, former head of the Development Planning Department and incumbent President of Renmin university, Ji Baocheng, also argued against these trends while conceding that the MOE previously embarked on the path of marketization as a default option amid stupendous growth in student enrollment and the absence of propitious fiscal support (Xinhua, 2004).
in higher education expansion policies have further diminished the potential for major inter-bureaucratic disagreements.

In higher education, the Department, along with both the MOE and MOF, is at the helm in the execution of the lucrative ‘211 Project’ to consolidate 112 elite Chinese universities as leading research institutes (see Yuan G., 2013). The NDRC is important in planning and approval of funding and special earmarks for the ‘211 Project’, and it also has a say over the approval of outside investment in these universities (NDRC, 2002; State Council Office, 2010). As the degree of government funding for universities under these projects, which is mandated by the State Council, is high and tuition fees are kept low (Liang J., 2017), the NDRC is less likely to push for structural reforms and the entry of private investment for the purpose of either lowering users’ fees or economizing on resources. Hence, a dispute with the MOE, which is always interested in the enhancement of funding for universities, is largely averted.

During the late 1990s, The NDRC Social Development Department was the leading proponent of the policy to radically expand student enrollment in secondary institutions and pursue marketization measures in order to boost economic growth (Wang Q., 2014). As such, the NDRC positions were at odds with those of MOE. But, after these policies were repudiated, the conflict subsided.

Besides the NDRC role in the ‘211’ Project, the NDRC Social Development Department shoulders the responsibility for strengthening the government-funded system of 9-years compulsory education and the approval of earmarks for the construction of schools, libraries, dormitories in rural and Western areas (Interview 31; State Council Office, 2010). In this policy
arena, the degree of bureaucratic conflict is low, as both the MOE and NDRC have a stake in the successful execution and expansion of compulsory education.

In addition to the Social Development Department, the NDRC Price Department regulates tuition and miscellaneous school fees, and the NDRC Price Oversight Department, which conducts investigations into infringements in fees, is the enforcer of the Price Department’s directives. Following state leaders’ decision to control tuition fees announced in 2005 and 2006, the space for a clash between this department and the MOE had been considerably narrowed.

4.2.3 Ministry of Finance (MOF)

As in health, the MOF, which is responsible for funding of public education services, is also a core stakeholder in education policies. During the late 1990s and early 2000s, the MOF was implicated in a conflict with the MOE over funding of rural education. As the administration responsible for the regulation of taxes, the MOF also differed from the MOE in regard to the income tax rate for private education. With respect to elite higher education, however, both the MOE and MOF shared the same goals.

In cooperation with the NDRC, the MOF focuses on investment and the elimination of urban/rural and regional disparities in compulsory education (Interview 31; MOF, 2010a; State Council Office, 2010). During the 1990s and early 2000s, this institutional responsibility juxtaposed the interests of the MOF to economize on state resources with the organizational preferences of the MOE, which vied for the expansion in the operation and scope of rural education institutions.
The MOF also plays a crucial role in shaping the development of private education in China, as the MOF Tax Governance Department—along with the Tax Affairs Administration—is vested with the authority for setting income tax rates for private education (Interview 25, 27; MOF, 2008). In this capacity, in the early 2000s, the MOF was embroiled in a debate with the MOE over the taxation rate for private institutions.

While in the cases of rural education and taxation the MOF positions were at odds with those of the MOE, in the case of elite academic education the former’s views were in agreement with those of the latter. The MOF is a central player in decision-making over budgetary allocations to the lucrative ‘211’ and ‘985’ Projects to elevate China’s elite HEIs to the status of world-class universities (MOF, 2010). As the autocrats’ view these two programs as strategic priorities, mandating munificent allocations for accomplishing them, there is not much space for contention between the MOE and MOF over the degree of funding.

4.2.4 Ministry of Human Resources and Social Security

The MOHRSS is also an important player in education policies. However, as opposed to the health sector, in education, the MOHRSS is not a service-delivery bureaucracy, and thus, the degree of contestation between this ministry and the MOE is not as intense as in health. The MOHRSS Personnel Department, in coordination with the State Commission Office for Public Sector Reform, determines the allotment (bianzhi) of personnel, salary, and welfare allocations for public sector units, including state-run educational institutions (Interviews 25, 27, 28, 33; MOHRSS, 2016). This predicament might create some debate between the MOE and MOHRSS, as the former often prefers to increase the allotment of teaching personnel, whereas the latter
favors the status quo, so as to save resources. However, these inter-Ministerial frictions do not trigger a zero-sum game between two service providing bureaucracies, as in the case of health.

Furthermore, the MOHRSS is the author of central government plans for human resources and vocational capacity for the Chinese labor market. As such, the MOHRSS has a voice in decision-making over vocational education policies (State Council Office, 2010), and, thus, policymaking in this arena requires coordination between both the MOHRSS and MOE (Interview 29). Even though the fragmentation in vocational training may sometimes lead to some frictions between these ministries, they never reach the level of a high-stakes conflict.

4.2.5 Summary: Education Bureaucracies

As we have seen in this section, similar bureaucracies are involved in both health and education. The key difference is that in education there is only one bureaucracy in charge of service delivery to the public. We have also seen that the degree of fissures between the service providing bureaucracy, the MOE, and the economic bureaucracies, the MOF and NDRC, was not as intense as in the health sector. In particular, the MOE, MOF and NDRC had few disagreements over policies to manage elite academic institutions, as generous funding was also prescribed by the autocrats. While during the 1990s and early 2000s, the MOF and MOE clashed over private and rural education, as we will see in the next section, during the late 2000s, these controversies had largely subsided in reaction to autocrats’ decision to limit marketization trends in education.
4.3 **Bureaucratic Consensus**

In this section, I expound on four factors that preclude the emergence of intense bureaucratic conflict, equivalent to the one in the health sector. First, there are no zero-sum game disputes either between the different providers of public services or between the public service providers and the economic bureaucracies. Second, the disappearance of marketization from the public arena and the decline in private sector dynamism further attenuated possible rifts between the public service-providing bureaucracy and the economic bureaucracies. Third, lack of uncertainty on the part of the autocrats, due to the simplified structure of the education administration, meant that the space for bureaucratic quarreling was rather narrow, as compared to the health sector. Fourth, a vertical structure of the Inter-Ministerial coordinating body facilitated the brokerage of a compromise among the contending bureaucracies.

4.3.1 **Simplified Structure of Bureaucratic Stakeholders**

A more simplified structure of the key bureaucratic stakeholders engendered a situation which was less congenial for the eruption of a high stakes conflict between the bureaucracies. First, in the education sector, there is no bifurcation into two service-providing bureaucracies, which could lead to zero-sum game contestation for resources. Second, failure of previous structural reforms staved off the possibility of conflict between the MOE and MOF. Third, a higher level of funding for educational institutions did not prompt educational institutions to charge high users’ fees, and, thus, the NDRC did not pressure the MOE to proceed with thoroughgoing structural reforms.
Contrary to health, the education sector did not undergo a pattern of branching off into two contesting funding streams, which received comparable amounts of government subsidies. While in health the emergence of medical insurance schemes in the late 1990s has given rise to a powerful bureaucracy that could rival the MOH—the MOHRSS, in education, an equivalent system of vouchers has never come to the fore, and, thus, there was no parallel process of establishment of a government administration in charge of a third-party mechanism that could potentially challenge the MOE as a major recipient of government subsidies. In the absence of an alternative government channel for funding education, the bulk of government funding for education, which from 2008 to 2010 constituted more than 70% of total expenditures on education, were funneled to the MOE without much intra-bureaucratic disputes (Yuan G., 2013).

In the absence of an alternative system of finance that can economize state resources, a potential conflict of a structural nature between the service-providing bureaucracy, the MOE, and the allocator of government subsidies, the MOF, was averted. Instead of being embroiled in a raucous conflict over the direction of government funding, the debate between the MOE and MOF, which revolved over the pace of government investment in education, was mild in comparison to health. Whereas the MOE demanded that treasury spending on education should amount to 4% of the GDP by 2010, a goal that was announced as early as in the 1993 education reforms (Yuan G., 2013), the MOF resisted this demand, arguing that given the peculiar conditions of China’s fiscal system—in which treasury revenues constitute no more that 25% of China’s GDP—the realization of this objective should proceed incrementally rather than within one or two years. MOF officials also claimed that, in fact, treasury expenditure on education expanded quite impressively: from 2004 to 2008 state investment in education increased from
14.9% to 16.3% of total public treasury expenditure (Interview 34; Lin Y., 2010a). This type of bureaucratic wrangle apparent in the education reform, which foregrounded pace rather than structural changes, is more congenial for arriving at a compromise, in which the contending parties need to decide between two alternative fiscal channels.

The failure of retrenchment in rural education also precluded the possibility of the eruption of an additional high-stakes conflict between the MOF and MOE. In the early 2000s, the MOF spearheaded efforts, which were supported by then Premier Zhu Rongji (Interviews 31, 36), to undertake fiscal reforms in rural compulsory education. Contrary to the MOE, which emphasized the primacy of facilitating access to education, the MOF underscored the need for attaining efficiency in dispensing government resources (Yang D. and Wang S., 2013). On the grounds that the MOE was wasteful in promoting the construction of elementary and junior high schools in small and remote villages, the MOF prompted an overhaul of the rural education system through the reduction of the overall number of rural schools and government concentration of investment in large-scale township schools and the construction of adjacent dormitories (Interview 31; Yang D. and Wang S., 2013). As a result of these policies, from 2000 to 2005, the number of junior high schools decreased from 62704 to 61885, and the number of elementary schools from 553622 to 366213 (MOE Development Planning Reform, 2005; Wu Y., 2011). Yet, these reforms backfired. As a consequence of these policies access to compulsory schools was circumscribed, public critique intensified, and eventually, in 2006, the government had to reverse this policy and publicly renounce it (Wu Y., 2011; Yang D. and Wang S., 2013). In the aftermath of this policy debacle, the MOF drive for fiscal reform in rural education lost its steam.
(Interview 31), and in 2008, by the time of drafting the comprehensive education reform, it did not prod the MOE to launch retrenchment policies in rural education.

The high level of government funding for educational institutions also contributed to the mitigation of a possible conflict between the MOE and NDRC. Since during the drafting period of the education reform, from 2008 to 2010, the share of government funding for education in the total national expenditure on education was over 70% (Yuan G., 2013), educational institutions were not required to rely on exorbitant fees for financial survival. With users’ fees under control, the NDRC Price Department did not have incentives to ratchet up their pressure on the MOE and education institutions to undergo a process of deep structural changes, akin to either separating between pharmacies and medical services or distancing medical services from government administration as in the case of health.

4.3.2 Disappearance/ Removal of Marketization from the Public Agenda

The disappearance of marketization from the public agenda is an additional reason for the absence of a high stakes bureaucratic conflict between the MOE and the MOF and NDRC. While the period between 1993 and the early 2000s was the peak of marketization in education in China, after 2006 the advancement of these policies disappeared from the public agenda. During the period of marketization, the Chinese government pursued policy measures, such as permitting schools to have leeway in setting up tuition fees (Li and You, 2004), opening up of private education institutions, restructuring of public schools, and the establishment of for-profit ‘independent colleges’ within public universities (Chen X., 2011; Yang D., 2007). Yet, marketization reforms produced public discontent. As tuition fees rose by more than 100% from
1996 to 2000 (MOE Development Planning Department, 2001), and higher education fees increased 24-fold from 1986 to 2006 (Mok and Lo, 2007), delegates to the “Two Sessions” commenced to levy critique of these policies (Yang D., 2007). Following public outcry, the state reversed its previous policies, pursuing investigations on exorbitant tuition fees and publicly disciplining school principals who allegedly charged such fees (Chen Z., 2006; NDRC Price Oversight Department, 2006; Zhu Xu’nan, 2006).43

These policies, which undermined the operation of for-profit educational services, marked the demise of marketization policies in education. One of my informants in an offhand remark relayed to me that he is probably China’s only remaining proponent of marketization in education (Interview 28), and another education sector insider confided that the market camp in education simply does not exist (Interview 32). The fact that the idea of marketization lost its currency among policymakers after 2006 undermined the negotiating stances of the MOF and NDRC Social Development Department, who might have otherwise prodded a recalcitrant MOE to relinquish some of its administrative control over the education sector, accept budgetary cuts, and agree for more aggressive promotion of marketization schemes.

43 In 2006, State Councilor, Chen Zhili, chaired a meeting attended by officials from seven ministries including, MOE, MOF and the NDRC, in an attempt to devise policies to curb tuition fees at elementary, middle schools and academic institutions (Chen Z., 2006). Following this meeting, the NDRC Price Oversight Department revealed the results of its investigation of exorbitant tuition fees, singling out eight educational institutions across the country to showcase state commitment for punishing those infringing on official policies regarding tuition fees (NDRC Price Oversight Department, 2006). Concurrently, the MOE disciplined those allegedly responsible for rising tuition fees, reportedly, dismissing 794 school principals from 2003 to 2006 (Zhu Xunan, 2006).
4.3.2.1 Erosion in Private Sector Dynamism

The process of removal of marketization from government agenda also contributed to an erosion in the private sector dynamism. Following penalties for school principals for excessive tuition fees, the government also pursued active measures that undermined the growing private sector in education (Chan and Wang, 2009). The consequent decline in private sector dynamism averted the unfolding of a high stakes conflict between the MOE and the economic bureaucracies, the MOF and NDRC, over privatization. This trend also contributed to the attenuation of ongoing disputes between the MOE and MOF over private education and between the MOE and MOHRSS over the welfare benefits of private sector instructors.

After 2006, the government pursued several measures that engendered private sector decline. These policies included strict oversight on tuition rates in both private schools and ‘restructured schools’ (Luo et al., 2015; NDRC, 2005), public schools that pursued diverse types of privatization reforms (Yang D., 2007). The government also released new regulations stipulating that it would no longer give new approvals (shenpi) for the restructuring of elementary and middle schools (NDRC, 2005a), and for the establishment of for-profit ‘independent colleges’ within public universities (Chan and Wang, 2009; Interview 31; Yang D., 2007; Zhu and Chen, 2016).44

44 ‘Independent colleges’ within public universities were established in the early 2000s in order to accommodate the increase in undergraduate enrollment while minimizing the state’s fiscal burden (Interview 31; Yang D., 2007; Zhu and Chen, 2016). These arrangements started to take place at leading universities, such as Beijing Normal University, Beijing Technological University, Wuhan University, Central China University and Zhejiang University (Yong and
Tuition fee control measures were detrimental to the development of private education, as they deprived operators of these institutions from their primary source of revenue (Chai C., 2009; Wang Ying, 2013; Yong and Qiu 2012). Once private schools became fiscally insolvent, a large number of private schools closed down (Chai C., 2009). Whereas, from 2000 to 2006, the number of private education institutions was growing very rapidly, following government measures against private education, there has been a sharp decline in the number of private schools (Figure 4.1). The relative slack in the development of private education after 2006 could be attributed to government policies to curb tuition fees, restrict the entry of private capital into HEIs, and emaciate the margin of profit for private education operators.

Qiu, 2012; Interviews 29, 31). Later, these incipient privatization schemes were publicly pilloried for functioning as ‘fake private’ colleges that provide low quality education in exchange for exorbitant tuition fees, and only nominally maintain a status of independent institutions.

During the mid- and late-2000s, private schools—as opposed to their public counterparts—were ineligible for government subsidies, and, thus, they had become reliant on high tuition fees as revenue generator (Wang Ying, 2013; Yong and Qiu, 2012).

Once tuition fees measures were put in place and private schools become insolvent the following process unfolded. The ability of private schools to provide high remuneration for teachers was circumscribed, prompting well-qualified teachers to leave. Hence, the quality of teaching at private schools declined, leading to a massive exodus of students from private education institutions. Ultimately, this resulted in a continuous decrease in the number of private education institutions, and in reversion in the status of ‘restructured’ schools back into that of public schools (Chai C., 2009).

With the notable exception of HEIs, which still expanded in a modest fashion in order to accommodate government policies of ‘massification’ of higher education (Wang Q., 2014).
Figure 4.1 Number of Private Education Institutions\(^\text{48}\)

![Graph showing the number of private education institutions from 1998 to 2016.](image)


The reduced vibrancy of private education averted a potentially high stakes conflict between the MOE and the MOF and NDRC. As the private market was in decline, this weakened the stance of the MOF, which would otherwise have been a keen supporter of private sector expansion (Interview 31). The dismantling of ‘independent colleges’ and other ‘restructured’ schools also emasculated the NDRC Social Development Department, which otherwise would

\(^{48}\) This figure excludes early childhood education institutions, an educational domain that has been almost exclusively monopolized by the private sector. The 2006 measures against private education did not pose much of a threat to private early childhood education, as there was no public option that could serve as an alternative.
have been the champion of structural reforms in public education institutions, so as to economize on state resources.

A changing policy environment also prompted the MOE to shift its attitude towards the taxation of private education, thus, mitigating a longstanding conflict with both the MOF and the Tax Affairs Bureau. The 2002 Private Education Promotion Law stipulated the granting of favorable tax treatment to private schools, akin to non-profit organizations. Meanwhile, the Law also contained an injunction to permit private education investors to extract ‘reasonable Return’ (*heli huibao*) from operation surpluses (PRC, 2002). The MOF and the Tax Affairs Bureau, which were responsible for tax collection, resisted these informal arrangements, since they allowed investors in private education to avoid paying high income taxes of 25 to 30% while making profits (Interviews 25, 27; Yang D., 2009). As opposed to these ministries, the MOE was supportive of these arrangements, arguing that in the absence of norms of private donations to educational institutions, as those prevailing in developed countries, the ‘reasonable return’ clause was the only way to incentivize private operators to invest in the education sector. The MOE also viewed this informal arrangement as an act of levelling the playing field amid entrenched discriminatory policies against private education in terms of property rights, welfare benefits, government subsidies and loan policies (Interview 25; Wang W., 2014; Zhu Y., 2014). Bureaucratic disagreement over this issue produced a gridlock in the formulation of clear regulations regarding the tax rate and the standard for ‘reasonable return’ (Wang Y., 2014). However, after 2006, amid an ongoing critique of marketization in education, the MOE altered its stance regarding ‘reasonable return’, adopting the view that private operators were unfairly profiteering from lax government regulations (Interviews 25, 27). As a result, the dissension
between the MOF, Tax Affairs and MOE had been attenuated (Interviews 27, 35). The lack of inter-ministry controversy had an imprint on the education reform plan in 2010, in which ‘reasonable return’ was not directly mentioned.\textsuperscript{49}

The decline in private education also attenuated an ongoing conflict between the MOE and MOHRSS. Whereas teachers at public schools benefitted from superior pension schemes similar to public sector employees, their counterparts at private schools did not enjoy equivalent pension arrangements. These comparatively inferior welfare benefits were a drawback for private schools, discouraging well-qualified teachers to seek employment within the private sector (Interview 31; Zhu Y., 2014). For a long time, the MOE was striving to promote private education, lobbying the MOHRSS, which sets pension apportionments, to equalize the pensions of public and private school teachers. Yet, at the period of drafting the education reform, as private education was on the decline, the MOE’s Development Planning Department primarily paid attention to its most coveted asset, ‘211’ and ‘985’ Projects, rather than the promotion of private education (Interview 31). Hence, the MOE was not likely to clash with the MOHRSS over this issue.\textsuperscript{50}

\textsuperscript{49} The result of this intra-government consensus is also reflected in both the recently revised Private Education Promotion Law and a new State Council Opinion on private investment in schools, which determines that all surpluses for non-profit schools must be channeled toward the operation of schools. References to ‘reasonable return’ have been excised (NPCSC, 2016; State Council, 2016).

\textsuperscript{50} Eventually, the MOHRSS has become more forthcoming about pension equalization. For example, in the recently revised Private Education Promotion Law there is a provision about equalization of pensions (NPCSC, 2016).
4.3.3 Lack of Uncertainty and Absence of Policy Learning Environment

In the previous section, we saw that the demise of marketization from the agenda contributed to the absence of intra-bureaucratic debate. In this section, I demonstrate that autocrats were certain about their policy preferences regarding education marketization, thus, leaving bureaucrats with little space to quarrel. In the beginning of the section, I first expound on the public debate over marketization in education, which took place from 2004 to 2006, and, then, use the tapering off in this debate in 2006 as an indicator of an anti-marketization consensus within the state leadership. To further establish that the autocrats were decisive, I rely on leaders’ unequivocal statements regarding education policies as evidence. Later, I put forward several reasons to account for the relative facility in which autocrats were able to arrive at a decision, including: 1) simple fiscal structure of the education arena as compared to health; 2) Shifting demographic trends; 3) Simplified pricing mechanism and, 4) Absence of an opposition from powerful interest groups. I conclude this section by arguing that after the autocrats publicly articulated their convictions to pursue a trajectory of state-led reform, bureaucrats followed suit and intra-bureaucratic wrangles over marketization were averted.

As in the case of health, in education a vibrant public debate over marketization was also taking place from 2004 to 2006, indicating that the autocrats were undecided about the issue. The debate over marketization featured two camps (Ma G., 2006; Sohu, 2006). Whereas the majority of education specialists and MOE officials publicly denounced this trend (Ji B., 2006; Luo and Ye, 2006; Min J., 2002; People.Com, 2004; Song X., 2006; Wu Y., 2005; Zhu Xu’nan, 2006), economists, public intellectuals and a minority of education specialists articulated their support for marketization (Chen Z., 2006; Sheng D., 2004; Yang D., 2006a; Zhou Q., 2006, 2006a).
After 2006, when the government pursued policies to curtail the marketization of education, the debate subsided, and, during the drafting process of the education reform (2008 to 2010), it was largely dormant (Interviews 28, 31, 32).

As state leaders were resolute about the course of action regarding education policies and also took action to embark on corresponding policies, they made public statements conveying their convictions. In the Work Report at the 17th Party Congress, Hu Jintao stipulated the need to have tuition fees curbed, and while declaring that private investment in education should be encouraged, Hu still maintained that it should be standardized (Hu J., 2007). At a workshop dedicated to education policies, Premier Wen Jiabao reiterated the government’s commitment to have public investment in education reaching four percent of the GDP (Liu J., 2006). Yet the most definitive statement in favor of a state-led education reform and rejection of marketization trends came from State Councillor, Chen Zhili, who, at an inter-ministerial conference on tuition fees, delivered an unequivocal speech against market fees in schools, including an explicit reference to private schools (Chen Z., 2006).

There are several factors, which are endogenous to the structure of China’s education system, that could account for the facility of reaching a decision on the part of autocrats:

*Simplified Fiscal Architecture:* While in health the financing structure is divided into three distinct streams, in education there are only two channels of funding: government and non-government financing, which consists of tuition fees, private investment and donations (Yuan G., 2013). With this streamlined fiscal architecture in place, state leaders, after their decision to mandate the recrudescence of government funding to education in the mid-2000s, had fewer
dilemmas regarding the direction of investment, since unlike the case of health they did not have to select between two competing channels, such as hospitals and insurance.

An exceptionally high level of government participation in funding for education, compared to health, also facilitated quick action on the part of state leaders. In 2000 and 2010, the share of government subsidies for education was 66.5% and 74%, respectively (MOE, 2001, 2011), whereas in health it amounted to 15.5% and 28.6%, respectively (NHFPC, 2011; Figure 4.2). This divergence is also reflected in the proportion of government investment as part of the GDP. In 2010, total health expenditure constituted 4.98% of the GDP and total education expenditure, 4.86% (NHFPC, 2011; Yuan G., 2013). However, government spending in health amounted to only 1.43% of the GDP (NHFPC, 2011), whereas in education it reached 3.65% (Yuan G., 2013). The high share of government funding created few dilemmas for a policy response, since a combination of tuition controls and substantive increase in government subsidies could provide solutions to public outcry. This situation was dissimilar to the health sector, in which a low rate of government participation in funding meant that public subsidies would have to go through an astronomical increase in order to provide affordable healthcare.
Low Level of Expenditures Coupled with Shifting Demographic Trends: Projections of comparatively low increases in education expenditures also facilitated leaders’ determination to invest in education. For example, financial projections from the late 2000s pointed to an incremental trend of divergence in the total volume of expenditures across the education and health. Total health expenditures in 2020 were expected to reach 3348.8 Billion RMB (Huang et al., 2008), whereas in education, the total volume was forecasted to be smaller, 2700 Billion RMB (SAES, 2010).

Divergence in expenditure projections across the two policy arenas were the product of shifting demographic trends, which pointed to a decline in the absolute number of young populations—the users of the education system. Fertility rate was projected to decline after 2017, triggering a decrease in kindergarten enrollment (ages 3 to 6) from 6 million in 2022 to 5 million in 2026 (Shi W., 2017)—a phenomenon that was expected to subsequently affect school
enrollment. Furthermore, from 2016 to 2026, the size China’s population aged 20 to 29 was expected to be reduced from 200 to 150 million, and the age group ranging from 20 to 24 was predicted to decimate by 50 percent (Feng W., 2011). This trend was an indicator of a decline in the number of university enrollees, and, thus, a potential decrease in the total expenditure on education—a situation that could be sharply contrasted with the health arena, in which the projections identified a steep increase in the number of users as a result of the rise in senior age population (Feng W., 2017). These demographic changes potentially mitigated government concerns regarding an enhancement in direct funding for education.

Simplified Pricing Mechanism: The education arena also had a simplified structure of pricing mechanisms, which further facilitated policy adjustments. For example, a manual published by Fujian Province contained altogether 70 distinct price items across five different types of educational institutions, including HEIs, high schools, vocational high schools, compulsory education, and early childhood education (Fujian Province Education Department, 2014). This stood in manifest contrast to health, in which the NDRC regulated 4170 distinct price items of medical services (NDRC, 2007). The simplified structure of the pricing system in education meant that users’ fees could be altered with relative ease, and a protracted process of learning and tinkering with fee adjustments could be avoided.

51 I cite the provincial pricing guidelines, since I have not yet come across an education pricing manual for the entire country.
52 Currently, the disparity in government munificence toward both sectors remains intact. In 2015, government spending in education constituted 80% of total expenditure (MOE, 2016), while in health it was 30.88% (NHFPC, 2016).
Absence of Powerful Interest Group Opposition: The pursuit of a policy to curb tuition fees was also motivated by an immediate political calculus. In the education arena, the main casualty of government policies to restrain users’ fees is the private sector, since private schools, which were not eligible for direct government subsidies, relied on high tuition fees (Chai C., 2009). Yet, in 2006, when the State Council withdrew its support of marketization, the private education industry did not have an effective organization to lobby the government to resist tuition controls, since the China Private Education Association was registered only in 2008 (Interview 35). Private education investors did not have the political clout of Presidents of public, elite universities, who as holders of the bureaucratic rank of Deputy Ministers at the MOE, benefitted from privileged access to decision-makers. This well-connected group, did not have incentives to mount resistance to anti-marketization policies, since public universities, which are the recipients of munificent government subsidies and their tuition fees remain relatively low, would have remained largely unaffected by tuition fee control policies. Comparable measures to curtail users’ fees in health would have been far more likely to be met with vehement opposition from the most powerful interest group, directors of public, tertiary hospitals for two reasons. First, tertiary hospitals derived approximately 80% of their revenues from users’ fees (NHFPC, 2015). Second, tertiary hospitals charged fees that, on average, were higher than any other medical institutions, including private providers (NHFPC, 2015). As holders of bureaucratic ranks within China’s government apparatus, these hospital directors, as opposed to private education

53 A national association was allowed to operate only after 2008 (Interview 35). I discuss this in more detail below.
operators, were in a position to protect their privilege to levy high users’ fees. In education, however, leaders were confident about the passage of enhanced government-led policies because that path would not have been opposed by a powerful interest group, such as elite universities.

We have seen in this section that autocrats were able to quickly arrive at a decision of curbing the trend of marketization, and have also traced some of the factors enabling a swift action on their part. Consensus among autocrats has substantive impact upon bureaucrats, since the latter take cues from the former’s statements (Zhi and Pearson, 2017). After the autocrats made up their minds in 2006, the education bureaucracies were vigilant to follow suit and distance themselves from past policies of marketization. Hence, a potential conflict between the proponents of marketization, the economic bureaucracies, MOF and NDRC, and the public service-providing bureaucracy, MOE, did not erupt.

4.3.4 Vertical Structure of Inter-Ministerial Coordination Institution

In addition to higher degree of certainty within the leadership, a vertical structure of the inter-ministerial coordination body also contributed to the attenuation of potential bureaucratic fissures. As opposed to the horizontal CSG in healthcare reform, which was led by two ministers from rivaling bureaucracies, the MOH and NDRC, in the Education Leadership Small Group (LSG) the leadership structure was clearer. Premier Wen Jiabao headed the LSG, which included 15 officials at a ministerial rank from the 15 member bureaucratic units. Whereas the LSG was in charge of overseeing the drafting process, a subordinate ‘Working Small Group’ (WSG) was tasked with drafting the reform. State Councillor, Liu Yandong, who concomitantly served as Wen’s deputy at the LSG and the WSG Chair, was the link between the two Small Groups. Liu
had five deputies. The Minister of Education, Zhou Ji, was the highest ranking deputy while the other NDRC, MOF, MOE and State Council Secretariat officials were of deputy ministerial rank. The MOE Development Planning Department headed the WSG Office, thus, controlling the reform’s day-to-day work (State Council Office, 2010).

A vertical line of hierarchy, which included the Premier, State Councillor, Minister of Education and MOE Development Planning Department, facilitated the resolution of inter-ministerial conflicts. For example, during the drafting process, the MOE preferred an accelerated pace in the rate of government investment in education, whereas the MOF opted for an incremental enhancement in treasury subsidies. This dispute was quickly brought to end through the intervention of the LSG Chair, Premier Wen Jiabao, who brokered a compromise, in which government investment in education would reach the level of four percent of the GDP by 2012 (Lin Y., 2010).

4.3.5 Summary: Bureaucratic Consensus

In this section, I have expounded on the factors producing a low magnitude bureaucratic conflict. First, the simplified structure of the education administration created fewer fissures as compared to health. Second, the removal of marketization from the public agenda staved off a potential conflict between the MOE and the economic bureaucracies. Third, the absence of uncertainty on the part of the autocrats precluded conflict among the education bureaucracies. Fourth, a hierarchical structure of the consultation procedure facilitated the brokering of inter-bureaucratic compromises.
4.4 Consultation Process: Uniformity and Compliance

The condition of bureaucratic agreement shaped the structure of the consultative procedure. Prior to the opening up of an official consultation procedure, the MOE, like the MOH in the healthcare reform, guided an informal consultation procedure for the purpose of advancing its parochial organizational goals. Later, as in the case of health, the state leaders, who sought to have a more substantive process, mandated the conduct of a more comprehensive consultation procedure, involving both higher level officials and a larger number of experts.

In this section, I discuss the indicators of a high-quality deliberative expert participation process, mentioned in Chapter 2, so as to demonstrate that in education the consultation procedure was substantively less deliberative than in health. First, in terms of breadth, as opposed to health—in which there were altogether 12 parallel blueprints—expert participation in

54 The consultation process started as a sectoral, informal affair directly managed by the MOE. In a manner that is redolent of the MOH tendering nine topical studies on health in 2006, in 2007 the MOE Policy & Regulations Department released a document that stipulated government commission of 13 thematic ‘important studies’ (zhongda keti) on China’s education reform (MOE Department of Higher Education, 2008). Corresponding MOE Departments were tasked with the designation of a research topic for each separate study (keti) within the ‘Important Study’ and appointment of academic and research institutions to author these studies. For example, for the ‘Important Study’ on elevating the quality of middle and elementary school teaching cohort, the MOE Teaching Department commissioned 17 separate studies on this theme (China Teacher, 2009; Kui X., 2008). Additionally, for an ‘Important Study’ on academic education, the MOE Higher Education Department, commissioned 4 studies from Beijing Normal University, Nankai University, Dalian Technology University and Central China Technology University (MOE Department of Higher Education, 2008). One of the participants in the consultation process suggested to me that the first consultation procedure was characterized by the pursuit of parochial departmental interests within the MOE. As the procedure did not enable the generation of novel ideas, the central government leadership decided to alter the format of consultation (Interview 37).
education consisted of the authorship of a unitary document. Second, the procedure was composed of consultants of rather similar policy convictions. The consultation over education lacked diversity, as it primarily featured supporters of government control over education, rather than both proponents and opponents of marketization, as in the case of health. Third, whereas in health, contending bureaucrats recruited generalists without formal credentials in health policies, so as to articulate a policy visions that were commensurate with their organizational preferences, in education, the bureaucracies mobilized academics and researchers with specialization in particular areas of education policy so as to fill in the details in an agenda that has already been determined by the relevant bureaucracies. Fourth, while in health the generalists were asked to present an outline for a comprehensive reform that aligns with organizational preferences of their bureaucratic patrons, in education the specialists were instructed to write reports exclusively on issues that were within the confines of the narrow fields of their disciplinary specializations. Fifth, because in education, as opposed to health, there was no substantive dispute, the key bureaucracies did not launch resistance to the subjection of the procedure to administrative control by the MOE. Sixth, as there was no process of bureaucratic bargaining over high stakes priorities, the drafting process also did not include consecutive stages of expansion initiated by bureaucrats seeking to gain advantage in the intra-government negotiations.

### 4.4.1 Unitary Blueprint and Absence of Competing Drafts

The process of expert participation in the making of education reform started in August 2008 when Premier Wen Jiabao presided over a meeting of the Education Reform Inter-Ministerial Leadership Small Group (LSG). In October 2008, after an additional meeting of the LSG headed
by State Councillor, Liu Yandong, it was decided that the policy formulation process would comprise of 11 “Special Topics”, each containing three to four studies. Altogether there was a total of 36 studies under the 11 “Special Topics” (MOE, 2008), yet some of the 36 studies were also divided into smaller studies. More than 500 educational studies experts participated in this stupendous effort. The responsibility for coordinating the drafting process among the different teams was assigned to the incumbent Deputy Minister, Yuan Guiren, the second in hierarchy at the MOE (Chai W., 2015), and each “Special Topic” was headed by a retired MOE official at the level of Deputy Minister (see Table 4.1).

Table 4.1 Leaders of ‘Special Topics’, Bureaucratic Rank & Affiliation

<table>
<thead>
<tr>
<th>Leader</th>
<th>“Special Topic”</th>
<th>Position</th>
<th>Association</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wu Qidi</td>
<td>Comprehensive Strategy</td>
<td>Former Deputy Minister, MOE</td>
<td>NA</td>
</tr>
<tr>
<td>Hu Ruiwen</td>
<td>Comprehensive Strategy</td>
<td>Former President of Shanghai Academy of Educational Studies</td>
<td>NA</td>
</tr>
<tr>
<td>Gu Mingyuan</td>
<td>Quality Education</td>
<td>Former Deputy President, Beijing Normal University</td>
<td>Head of China Education Studies Association</td>
</tr>
<tr>
<td>Zhang Minsheng</td>
<td>Quality Education</td>
<td>Former President of Shanghai Education Studies Academy, and Deputy of Shanghai Education Bureau</td>
<td>NA</td>
</tr>
<tr>
<td>Wang Zhan</td>
<td>Basic Education</td>
<td>Former Deputy Minister, MOE</td>
<td>MOE Advisor on Oversight of Education</td>
</tr>
<tr>
<td>Dong Qi</td>
<td>Basic Education</td>
<td>Deputy President, Beijing Normal University</td>
<td>NA</td>
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<tr>
<td>Name</td>
<td>Field</td>
<td>Position</td>
<td>Association</td>
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</tr>
<tr>
<td>Wang Mingda</td>
<td>Vocational Education</td>
<td>Former Deputy Minister, MOE</td>
<td>Head of China Vocational Education Association</td>
</tr>
<tr>
<td>Zhou Jiqiup</td>
<td>Vocational Education</td>
<td>Former Deputy Department Head, Jiangsu Province Education Department Head</td>
<td>NA</td>
</tr>
<tr>
<td>Zhou Yuanqing</td>
<td>Higher Education</td>
<td>Former Deputy Minister, MOE</td>
<td>Head of Higher Education Studies Association</td>
</tr>
<tr>
<td>Zhang Dexiang</td>
<td>Higher Education</td>
<td>Party Secretary, Dalian Technology University</td>
<td>NA</td>
</tr>
<tr>
<td>Hao Kemin</td>
<td>Continuing Education</td>
<td>Former Alternate Party Committee Member, MOE</td>
<td>Head of China Education Strategy Research Association</td>
</tr>
<tr>
<td>Zhang Li</td>
<td>Continuing Education</td>
<td>Director, National Education Research and Development Center</td>
<td>NA</td>
</tr>
<tr>
<td>Tao Xiping</td>
<td>Equality/ Coordinated Development</td>
<td>Former Deputy Chairperson of Beijing People’s Congress</td>
<td>Head of Private Education Association</td>
</tr>
<tr>
<td>Yuan Zhenguod</td>
<td>Equality/ Coordinated Development</td>
<td>Director of National Institute of Education Sciences</td>
<td>NA</td>
</tr>
<tr>
<td>Xie Weihe</td>
<td>Reform and Innovation</td>
<td>Deputy President, Qinghua University</td>
<td>NA</td>
</tr>
<tr>
<td>Tan Songhua</td>
<td>Reform and Innovation</td>
<td>Deputy Director, National Research and Development Centre</td>
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<tr>
<td>Zhang Tianbao</td>
<td>Teaching</td>
<td>Former Deputy Minister, MOE</td>
<td>Head of China Professional Skills Education Study Association</td>
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<tr>
<td>Shi Ningzhong</td>
<td>Teaching</td>
<td>President Northeast Normal University</td>
<td>NA</td>
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<tr>
<td>Min Weifang</td>
<td>Education Financing</td>
<td>Party Secretary, Beijing University</td>
<td>Executive Head of China Education</td>
</tr>
</tbody>
</table>
4.4.2 Lack of Diversity

In the absence of high stakes bureaucratic controversy, the relevant bureaucracies did not lobby for the inclusion of advisors with contending opinions, and, hence, the consultation process featured very little diversity of opinions. It consisted of very few experts who were supportive of marketization. Experts also adhered to the anti-marketization position of the MOE, arguing for higher taxation rates for private education.

Very Few Supporters of Marketization: The consultation procedure included no key proponents of marketization. An exception to this rule was the second in command in one the ‘Special Topics’, who is considered to be one of the very few supporters of marketization of education in China (Interview 32). This expert would have liked to promote market mechanisms, such as tuition fee hikes in elite universities as way of fostering equality, believing that the state could funnel revenues from the education market from the affluent HEIs to subsidize schooling for impoverished populations (Interview 32). However, these ideas did not have any supporters among the participating ministries, as the upper levels (shangmian) decided during the mid-
2000s that tuition fees for elite schools are not be increased (Interview 28; Chen Z., 2006), and also because past policies of marketization have lost their luster. As marketization was on the decline, market-sympathizing administrations, such as the MOF and NDRC, did not have space to pursue their agenda and align with pro-market scholars such as the aforementioned one. This situation was diametrically opposed to consultation over the healthcare reform, in which an ongoing inter-bureaucratic conflict spawned the inclusion of experts with contradictory persuasions on the issue of marketization.

**Consensus on High Taxation Rate for Private Education:** The experts working on a ‘study’ on ‘Private Education’ within the ‘Special Study’ on ‘Reform and Innovation’ largely agreed with the MOE position on this issue. In the past the MOE quietly supported the legal provision offering ‘reasonable return’ so as to incentivize private operators to invest in non-profit education. However, after 2008 the MOE—largely in consensus with the MOF, NDRC and Tax Affairs Bureau (Interview 25)—was vying for the establishment of a system of ‘divided management’ (*fenlei guanli*), in which non-profit private education institutions, as opposed to their for-profit counterparts, are disallowed to extract financial returns (Qian Y., 2011; Yang Z., 2009). During the consultation process, experts on ‘private education’ from the Central Education Sciences Institute, Shanghai Education Studies Academy and Beijing University were supportive of the MOE policy of ‘divided management’ (Interview 44). None of the experts espoused the oppositional stance in favor of retaining the ‘reasonable return’ system, which was
publicly articulated by the China Private Education Association (Huang P., 2009; Qian Y., 2011; Yang Z., 2009).\textsuperscript{55}

\textsuperscript{55} The final education reform blueprint reflected a compromise rather than the acceptance of the MOE preferences over private education policies (Interviews 27, 35, 44, 25, 27). Instead of unequivocally endorsing ‘divided management’ while discarding ‘reasonable return’, the document states that ‘divided management’ should be ‘explored’ (\textit{tansuo}), yet it does not contain clear injunctions regarding ‘reasonable return’. As a matter of fact, in the most prominent site of policy experimentation in private education, Wenzho, Zhejiang (Interviews 27, 35), the system of ‘divided management’ was to be explored in tandem with the implementation of ‘reasonable return’ within a clearly defined monetary scope (MOE, 2011). This outcome could be attributed to the China Private Education Association lobbying efforts rather than experts’ direct consultative input. According to media reports, the Association followed the example of the pharmaceutical associations in the healthcare reform who petitioned the central government through the submission of an official letter delineating specific policy proposals (\textit{shangshu}) (Ma H., 2011; Yang Z., 2009). Meanwhile, interview data can parse out the mechanism through which these advocacy efforts vis-à-vis the central attained success. Informants emphasize that the Association’s Head Tao Xiping, who formerly led the MOE in Beijing and also Vice Chairperson of the Beijing People’s Congress, leveraged his political clout within the MOE bureaucracy to tilt policies in a direction that slightly departed from the existing anti-marketization trend (Interviews, 27, 35). In addition, concomitantly, to leading the Association, Tao was also the head of the ‘Special Study’ on ‘Teaching’ (Table 4.1). In this capacity, Tao gained entry into the decision-making circle. Attending the LSG meetings (Interview 44), Tao was able to plead for the Association’s policy recommendations with both state leaders and ministries. However, the compromise between the Association and the MOE, which Tao initially obtained, was short-lived, and eventually the MOE position prevailed. In the revised Private Education Law from 2017 the term ‘reasonable return’ was excised (NPC, 2017).

Association leaders were also able to shape other policies, notably the insertion of a clause mandating the abolition of policies that discriminate private education in government subsidies, welfare allocations for teachers, and managerial autonomy (Wang Z., 2010). These policies do not seem to have originated from experts’ input, since they do not appear in the final report of the ‘Special Study’ on ‘Reform and Innovation’, which included consultation over private education. The only proposed policy in the report which is supportive of private education is the granting of a status of legal independence to these institutions (Tan and Xie, 2010). This suggests that the selected experts largely towed the MOE line.
4.4.2.1 Absence of Diversity: Lack of Intense Debate over Key Policy Principles

While other debates over the drafting process were also taking place, they revolved around small adjustments within the existing policy trajectory. They were not necessarily reflective of a diverse spectrum of opinions and principled disagreements over the key tenets of the education reform.

*Low-Key Debate over Graduate Education Expansions:* In the ‘Special Topic’ on ‘Higher Education’, experts and the State Council Academic Committee—an organization subordinate to the MOE and responsible for the planning and contents of graduate education—held divergent views over the expansion in the number of graduate students. While the committee aspired to enlarge the pool of graduate students, experts opposed it. Eventually, both sides reached a compromise, consenting to have moderate increases in graduate admissions (Interview 38).

*Mild Debate over Undergraduate Education Expansion:* Consultants and the MOE also differed in their positions over the rate of undergraduate admissions. Whereas experts thought that the government should allow 45% to 50% of high school graduates to attend higher education institutions by 2020, citing the decrease in the absolute number of high school students as a result of the ‘One Child Policy’, the MOE insisted that the admission rate should be capped at 40%, and eventually, it prevailed (Interview 38).

*Minor Debate over Classification Standards of Educational Programs:* In the ‘Special Topic’ on ‘Comprehensive Strategy’, a vibrant debate over the implementation of the International Standard Classification of Education (ISCED) ensued. Whereas experts argued that the MOE should follow UNESCO’s ISCED manual to classify education programs and related
qualifications according to internationally agreed definitions (UNESCO, 2018), the MOE contended that adjusting all academic institutions to these standards would not be practical. Eventually, experts successfully persuaded MOE officials to accept their position (Interview 26).

4.4.3 Composition of Consultants: Specialists

In addition to the lack of diversity, the composition of consultants was characterized by the inclusion of specialists rather than generalists. Because the bureaucracies had already agreed on the policy agenda prior to the formulation process, they primarily required scholars to fill in the details of the reform instead of articulating a comprehensive vision as in the case of health. Hence, the retired officials appointed to head the ‘Special Topics’ specialized in the particular segment of the reform they were in charge of. For example, Wang Mingda, the leader of the ‘Special Topic’ on vocational education also headed the China Association of Vocational Education, and Zhou Yuanqing who led the ‘Special Topic’ on higher education concomitantly chaired the China Association of Higher Education. Hao Kemin, who was responsible for the ‘Special Topic’ on continuing education, had been working on this issue for many years prior to this appointment (Interview 26). The leaders of the consultative procedure, who were familiar with their topic, also selected for the consultation the leading experts in their fields of specialization. This situation contrasts with the health policy arena, where bureaucrats often recruited experts with no formal background in the health policymaking—such as industrial economist, Yu Hui, political scientist specializing in Chinese intellectuals, Gu Xin, cancer researcher, Zeng Yixin, and social policy generalists, Ge Yanfeng and Gong Sen—in order to promote a ministerial agenda rather than delve into specificities of each policy domain.
4.4.4 Content of Consultation: Expert Advice on Specialized Topics

Whereas the generalists recruited to participate in the health reform were instructed to author a concise 10,000-character document on the healthcare reform, which primarily focused on the policy’s key principles (Interviews, 7, 11), in the education reform, in each of the 36 studies (within the 11 ‘Special Topics’), the specialists were asked to write a 10,000-character report on the particular focus of the study (Interviews 26, 38). The differences in content of consultation across these policy arenas could attest to the divergence in bureaucratic goals. While in health bureaucrats enlisted experts in order to promote a vision or ideology that is in line with their organizational preferences, in education, the involved ministries already agreed on the agenda, and they were looking for experts on in order to elaborate on the specific policy themes.

4.4.5 Administrative Control of the Consultation Process

Because there was no high stakes bureaucratic conflict in education, other bureaucracies did not launch resistance to the MOE’s central role in the consultation process. As a result, the drafting of the 11 ‘Special Topics’ in the education reform blueprint, as opposed to health, was conducted under tight supervision of senior officials—all of them with institutional ties to the MOE. For heading the drafting of each ‘Special Topic’, the MOE appointed as principal authors a duo of a high-ranking MOE leader paired with scholars from either China’s top universities or MOE think tanks. The former group of leaders included five former Deputy Ministers at the MOE, two retired MOE Party Committee members, and a former Head of the Beijing Education Bureau. Some of these retired officials also retained formal links to MOE administration through service
in associations dedicated to the research of education policy, which were under MOE control (Table 4.1). The leadership also consisted of both former and incumbent Deputy Presidents at BNU and Qinghua, respectively, whose bureaucratic rankings were that of MOE Department Heads, and the Party Secretary at Beijing University (Table 4.1). Since most of these leaders were prominent bureaucrats within the MOE, it was almost certain that they would follow the MOE’s trajectory of education reform.

The scholars, who were considered second in command at the drafting process, had strong administrative ties to the MOE. Six of these scholars were leaders of MOE think tanks, such as the Shanghai Education Science Academy, National Education Development Center and Central Government Education Studies Institute. The remaining four scholars were Deputy Presidents and Party Committee members at BNU, Qinghua, and Dalian Technology University, and a former MOE provincial official (Table 4.1). While these scholars had proven credentials as leading authorities in the domain of education studies, China’s system of public administration places both university administrators and leaders of MOE think tanks as ranking officials within the MOE apparatus. Taking on the mantle of both government officials and scholars, these principal investigators were likely to conform with the MOE line rather than challenge it.

These scholars were responsible for the selection of the remaining consultants. At each ‘Special Topic’ the ‘second in command’ appointed three or four scholars to head each of the ‘thematic studies’ within the ‘Special Study’, and these appointed experts, in turn, also selected other education experts to write small-scale studies within the ‘thematic studies’ (Interviews 37, 26, 25, 28; Chu H., 2014). For each of the ‘studies’, the expert in charge compiled a report. At the end of the process, the second-ranking scholar/official in charge of the ‘Special Study’
merged and condensed all of these reports into a concise document (Interviews 26, 38; for reports see *Education Research*, 2010). The hierarchical procedure, in which scholars with bureaucratic ranks within the MOE apparatus were responsible for both the appointment of advisors and editing of the consultative output meant that the process was subject to MOE control and represented, to a large degree, ideational uniformity.

This situation is radically different from the expert consultation procedure over health, in which administrators at the consulting organizations managed the procedure at arms’ length, allowing experts to have a greater degree of autonomy in their work.

There is evidence that the appointment of high ranking MOE officials to head the consultation affected the scope of experts’ autonomy. Expert participating in the consultation claimed that in discussions over the education reform MOE Department Heads would duly contradict experts’ views. Furthermore, even if this Department Head agreed with experts’ positions, the proposed policy revisions would still have to obtain the approval of the MOE Party organization (Lin Y., 2010). A senior academic attending consultation on higher education opined that while discussion was quite open, at the end of the day the MOE had the final say (Interview 38). According to another advisor with firsthand experience, MOE dominance over the drafting procedure rendered it very difficult to pass new policies (Lin Y., 2010). In the proceeding section, I demonstrate how administrative control led to the exclusion of opinions that diverted from MOE positions.

*Exclusion of Opposition to the Bianzhi:* The leaders of the consultation procedure excluded from the consultation experts whose positions contradicted that of the MOE. In the ‘Special Topic’ on ‘Teaching’, experts from the National Institute of Education Sciences, an MOE think tank, led
the ‘study’ on the ‘Construction of Elementary and Middle School Teaching Corps’. They did not invite to the consultation a leading figure in the field because of divergence from MOE views regarding the reform of the bianzhi system for teachers, in which the government directly determines the number of teaching positions, basic salary and welfare apportionments. Whereas the MOE opted for the retainment and expansion of this system, as these public employees officially operate under the aegis of the Ministry, the leading authority in the field, however, proposed the cancelation of the bianzhi system. According to this expert, in the currently hierarchical bianzhi for elementary and middle schools, most qualified teachers are promoted to urban teaching positions, in which they benefit from comparatively high salaries than in rural areas. As a result, rural schools suffer from the absence of competent teaching personnel. The abolition of the bianzhi system, according to this expert, would enable for greater flexibility in hiring of teaching cohorts, since rural governments would have the leeway to negotiate competitive remuneration contracts with qualified teachers. In addition, for early childhood education, the expert preferred to keep the system private rather than nationalize it, a policy that would greatly enhance the MOE’s administrative control over early childhood education (Interview 33).

Silencing of Discussion on Continuing Education: Education scholars also sought to propose a revision in the definition of ‘Adult Education’, a term which they found to be rather abstruse. They suggested replacing the term, which encompasses a host of disparate types of education programs, with ‘Continuing Education’, which refers to a clearly defined focus on a particular set of educational activities. However, this proposal was summarily rejected by MOE bureaucrats. Both the MOE Vocational and Adult Education Department and the Adult Education
Association, headed by a former MOE Party Committee member, Zhu Xinjun, feared that such a redefinition of the policy agenda is likely to result in the loss of administrative control over a broad and potentially fiscally-rich policy arena (Interview 26).

**Censorship on Critique of MOE Policies on Private Education:** Bureaucratic control over the policy agenda meant that thoroughgoing and sincere discussions of the problems afflicting China’s private education sector did not take place. Some consultants who were supportive of the promotion of the private sector intended to conduct an analysis of the factors underlying the decline in the development of private education. Yet, their efforts to produce such consultative input were frustrated by MOE officials, since such reports were likely to lay the blame on the arrested development of private education on MOE biases against the sector and its resultant policies (Interview 26).

**Agreement to Retain Privileged Status of Elite Universities:** Because of tight MOE control over consultation on academic education there was only a mild debate on the potential reform in the classification of universities. China has a hierarchical system of higher education. A minority of universities hold the bureaucratic rank of deputy minister, which provides universities with more privileges in funding, major-setting and faculty recruitment and management (Wang Q., 2007). However, other universities, which hold the rank of either bureau or deputy bureau, are disqualified from enjoying similar benefits. In addition to bureaucratic hierarchy, another factor that underlies inequality is the concentration of public resources on a select number of academic institutions, 112 ‘211’ Project and 39 ‘985’ Project universities, for the purpose of constructing world-class universities. In discussions over higher education scholars debated the prospect of possible reform in this unequal system (Interviews 37, 38). However, while it was decided that
funding for the provincial, non-elite academic institutions would be enhanced (Interview 39; CCP and State Council 2010), the status quo, which sets high-level universities (gao shuiping daxue) belonging to the ‘985’ and ‘211’ Projects apart from the rest, remained intact (Interview 38).

The reason for the relatively low salience of debate over the issue and policy outcome could be directly linked to the MOE control over the consultation procedure, since MOE bureaucrats in charge of consultation over higher education institutions were all linked to elite universities. The bureaucrat in charge of the ‘Special Topic’ on ‘Higher Education’, former Deputy Minister, Zhou Yuanqing, was previously the Deputy President of Qinghua University. Zhou’s second in command, Zhang Dexiang, was the incumbent Party Secretary at Dalian Technology University, and Ji Baocheng, then President of Renmin University, headed the ‘study’ on ‘Higher Education Scientific Development’, which also included research on the status of high level universities (Interviews 37, 39). Since the leaders of the ‘Special Topic’ hailed from elite universities, they also selected consultants from elite institutions, such as Beijing Normal University, Qinghua, Beijing University, Tianjin University, and Central China Normal University (Interview 38), to author studies on higher education. The result of this procedure was lack of diversity in the consultation process.

Silencing of Debate over Separation between University Administration and MOE Bureaucracy:
For similar reasons a discussion over the direct control of MOE apparatus over the management of universities was inexistent during the consultation procedure, despite the transpiring of a high profile public debate over this issue (EasyNet, 2010; Lin Y., 2010). Even though informants complained about the control of the bureaucracy over HEIs in terms of academic departments’
autonomy in admissions, hiring and other issues (Interviews 37, 39), there was no clear reference, when asked about issues of controversy during the consultation process, to the occurrence of open debates on the issue (Interviews 37, 38, 39). It was only mentioned that when it comes to large questions about the management system of education (guanli tizhi), experts do not interfere (Interview 38). Because high level MOE administration with links to academic institutions dominated the consultation such discussion was censored. A key person in the ‘Special Topic’ on Academic Education is Ji Baocheng—a former MOE Development Planning Department Head later promoted to serve as President of Renmin University. As a beneficiary of a bureaucratic system that links public service units, such as universities, with public administration, Ji was a vocal, public opponent of the plan for the dismantlement of these arrangements (EasyNet, 2010). Similarly, both the incumbent MOE Minister, Yuan Guiren, and the former Deputy Minister leading the ‘Special Topic’, Zhou Yuanqing, as former, high ranking university administrators might have been in a position to silence such discussions.

As we have seen in this section, under the circumstances of bureaucratic agreement, the MOE rivals did not have incentives to launch resistance to MOE administrative control over the process. Hence, the MOE was able to silence expert voices that might have undermined its organizational interests. This situation was radically different from the case of health, in which the MOH attempt, at the initial stage of consultation, to populate the procedure with its preferred advisors failed because of resistance from contending bureaucratic interests, who eventually managed to insert into the process consultants with views that are opposed to that of the MOH.

The MOE dominance over the consultation procedure stands in stark contradiction to the health reform, in which four bureaucracies were highly involved in the procedure. But, even
though the MOE was officially at the helm, this did not preclude the other bureaucracies from participating in the drafting process. The reform program took shape under the aegis of the MOE, yet, as participants in the drafting and consultation process confided to me, information on the proposed reform has been circulated to the MOF and NDRC (Interview 25; 26), and these administrations had a say over the contents of this policy (Interview 27). Nevertheless, since there were no substantive areas of bureaucratic dissension among the aforementioned ministries and the MOE, the process of consultation was characterized by the absence of diversity, tight administrative control and also the absence of an expanded consultation procedure with competing blueprints.

4.4.6 No Expansion of the Scope of Conflict

In addition to the absence of diversity and strict administrative control, the consultation procedure did not include further episodes of expansion to include competing blueprints. After the MOE designed the consultation procedure and selected the leaders for each thematic subject, there was no dramatic change in the structure of consultation. While in health, after the first phase of consultation, the roster of participants was expanded, in education, a parallel process did not occur, largely as a result of the absence of intra-government dissensions and the consequent lack of incentives to push for expansion.
4.4.6.1 Health Marketization Proponents Fail to Shape Education Reform

A prominent example of non-expansion of the consultation is the failure of two proponents of marketization in health, Gu Xin and Yu Hui, to enter the official consultation procedure over education, primarily due to the absence of bureaucratic sponsorship.

During the deliberations over health, Gu Xin and Yu Hui, two scholars lacking formal background in either health or education policies, successfully joined the expanded consultation process through the patronage of like-minded bureaucrats. Gu Xin gained entry into the formal consultation procedure due to the prodding of MOF Deputy Minister, Wang Jun, and Yu Hui leveraged his contacts with the Deputy Head of the State Council Research Office, Jiang Xiaojuan, in order to have his *Evaluative Opinions* officially included in the consultation process. Concomitantly to submitting their separate blueprints on health, both Yu and Gu, as the most conspicuous proponents of marketization in health, were allies who relied on each other to promote a similar agenda (Wang S., 2009a).56

In 2010, Gu and Yu coauthored a plan for the promotion of market mechanisms within the education system, which they submitted to the education reform Leadership Small Group (LSG) (Ma H., 2011). This blueprint envisions students—acting as consumers—are given the choice to select among universities and preferred academic major programs—a measure that would induce competition among universities. To enhance the ability of academic institutions to compete in an

56 Yu had an interest in allying with Gu since the latter had the credentials of earning a doctoral degree abroad. Gu, in turn, saw Yu as an asset, as the latter had formal background in economics and political connections via his home institution, the government think tank, CASS.
increasingly marketized environment, substantive institutional reforms would be carried out. Universities are to be separated from government administration through the termination of bureaucratic ranking and the granting of a status of legal independence to academic institutions (CSER, 2010; Gu and Yu, 2010). Universities, according to Gu and Yu, should be allowed to have autonomy over the admission criteria, and the management of entrance exams is to be delegated to private organizations. The authors also contended that academic institutions should be given considerable leeway to establish academic departments and divisions and set up tuition fees.

Unlike the case of health reform, Gu and Yu’s market-oriented policy proposals were not heeded by the LSG. One informant told me that this plan remained an ‘academic blueprint’ rather than an realistic one (Interview 32), to be seriously considered by the MOE and other ministries. One reason for the authors’ failure to attract the attention of decision-makers is that key tenets of the blueprint run counter to the political interests of the CCP. Gu and Yu recommend to restore the Presidential Responsibility System at universities and restrict the authority of the Party Committee in accordance to the law (CSER, 2010)—a measure that could potentially undermine the CCP’s control over universities.

While ideology might be one factor accounting for the Gu and Yu’s failure to enter the formal consultative procedure, an additional reason is the lack of bureaucratic sponsorship. In the case of the healthcare reform, there was a process of interaction and learning between government ministries and the experts propounding marketization, in which the positions of both sides have started to resemble each other (Interviews 12, 15). As marketization and privatization were removed from public agenda, both the MOF and the Deputy Head of the State Council
Research Office had little interest in cultivating relations with Yu and Gu, and lobbying for their inclusion in the formal consultation procedure.

In addition, the lack of an alternative mechanism for the control and distribution of users’ across public service units, equivalent to that of medical insurance in health, meant that the MOF, NDRC and MOHRSS did not have the incentives to support a plan, such as the one proposed by Yu and Gu, to annul the MOE Planning Development Department’s jurisdiction over university admissions in order to enable the introduction of market mechanism to manage student enrollment (CSER, 2010).

4.4.6.2 Absence of a Weak Bureaucrat in Need of Supportive Consultants

In addition to the absence of inter-ministerial competition, another reason for the lack of instrumental usage of consultation is the political clout of the Minister of Education. In health, the appointment of a weak, non-Party member to the position of minister in the midst of the drafting process prompted the recruitment of a new cohort of advisors from the Chinese Academy of Sciences, so as to carve out an agenda for the new minister. In education, however, the highest-ranking official did not suffer from a similar handicap. While Yuan Guiren was appointed Minister in 2009, after consultation had already started, he was not a weak official. As opposed to Chen Zhu, the outsider Minister of Health, Yuan had been both a Party member and an official within the education system for many years. Prior to his elevation to this position, Yuan, as Deputy Minister of Education, was the official directly in charge of the consultation process and a member of the WSG. Furthermore, before being transferred to the MOE headquarters in downtown Beijing, Yuan was the President of BNU, an institution which was
already overrepresented in the consultation procedure, as 40 professors from BNU were enlisted into the consultation process (MOE, 2010). Considering this background, Yuan had hefty political weight sufficient to command authority, and, thus, did not need to resort to the recruitment of new consultants in order to reshape the policy agenda.

4.5 Conclusion

We have seen that consultation over the education reform was rather constrained. The government invited consultants of uniform persuasions to participate in the drafting process, disallowing them to produce competing policy blueprints, and subjecting the operation of experts to tight administrative control. The consultation procedure also did not include consecutive episodes of expansion and inclusion of new experts.

Why expert participation in education did not feature high-quality deliberation as in the case of the healthcare reform? In this chapter, I demonstrated that bureaucratic agreement in relation to the key outline of reform accounts for this outcome. We saw that the drafting process of the education reform did not feature a high-stakes dispute between two public-service provider bureaucracies over the distribution and allocation of state resources. Meanwhile, marketization was not salient in the government agenda and the private sector was going through a trend of decline. These conditions dampened the intensity of internecine fighting within China’s bureaucracy. The lack of uncertainty on the part of the autocrats also shaped the low magnitude of bureaucratic infighting. Since the education policy arena is far less complex than in health, autocrats had already formulated their positions regarding the education reform’s key
guidelines. With the autocrats clearly laying out the education policy principles at the outset of the drafting process, the space for bureaucratic contention was narrower than in health.

The presence of inter-government consensus meant that the key bureaucratic stakeholders—MOE, MOF, NDRC and MOHRSS—had fewer incentives to lobby for the expansion of the consultation procedure in order to prevail in an ongoing elite dispute.

As the composition of advisors remained unchanged throughout the consultation process, there was not a comparable case, as in health, of diversification and pluralization in the composition of consultants. Consequently, as opposed to the healthcare reform, the final education reform blueprint did not include either innovative measures or major policy revisions. The blueprint featured some new policies that reportedly were derived from experts’ input, notably enhanced cooperation between universities and industry, emphasis on improving the quality of higher education, introduction of double degree programs (Interview, 38), and implementation of the International Standard Classification of Education (ISCED) (Interview, 26). But, these policies signified incremental changes and adjustments rather than dramatic policy revisions. Even though the final blueprint contained more consequential policies, such as experimentation with private education and autonomy for universities in setting up extra-examination criteria for admissions, these measures are attributed to feedback originating in private education lobbying and online consultation, respectively (Interviews 27, 35, 39); they were not the product of expert advice. Because there was no bureaucratic conflict, the consultation process lacked diversity, and, thus, the potential for the emergence of novel policy prescriptions and consequent policy revisions was limited.
Chapter 5: Authoritarian Responsiveness to Grassroots Consultative Input

China is one of the prominent examples of an authoritarian regime that actively engages citizens in consultation. Since the 1980s, the Chinese government has introduced a host of participatory procedures to reach out to diverse segments of society, such as business and professional elites (Manion, 2016; Truex, 2016), experts (Chen & Naughton, 2016), and non-governmental organizations (Weller, 2008, 2012; Teets, 2013, 2018). These consultative practices were officially endorsed by both Hu Jintao and Xi Jinping (Dickson, 2016; Horsley, 2009).

The Chinese government not only targets elite groups but also makes strenuous efforts to include the general public in policymaking processes. In the Report to the Seventeenth Party Congress, it is stipulated that public consultation should take place in the drafting processes of policies that directly relate to the people’s interests (Hu J., 2007). Following this pronouncement, in 2008, the Chinese government standardized the procedure for online consultation, in which initial drafts of policy plans are presented and the public is invited to post comments on policy blueprints (Balla, 2014, 2017; Horsley, 2009).

Even though public consultation is now commonplace in China, existing scholarship has not demonstrated that the Chinese government alters actual policies in a direction that corresponds to demands articulated in online consultation. Recent studies find that local governments in China are responsive to citizens’ grievances (Chen, Pan, & Xu, 2016; Distelhorst & Hou, 2014, 2017; Su & Meng, 2016). However, these scholars measure responsiveness in terms of whether government officials contact complainers in response to their expressed grievances, rather than in terms of real policy change in reaction to citizen input.

Existing scholarship also does not assess the capacity of authoritarian governments to
reach out to their citizens and collect public opinion data prior to making policy decisions. In most studies, which are based on experiments, the authors directly deliver fabricated citizens’ messages to the authorities in order to test responsiveness (Chen, Pan, & Xu, 2016; Distelhorst & Hou, 2014, 2017). In contrast to existing scholarship, this study benefits from the advantage of the observational settings of the study, in which information is not directly handed to the authorities. Instead, government actors are getting the information themselves and responding to it.

This chapter represents the first systematic analysis of authoritarian responsiveness to online consultative input in China in terms of real policy change. It analyzes the content of citizen input on China’s healthcare reform from 2008 based on manual coding of a random sample of citizens’ comments, consisting of 2% of an entire corpus of 27,899 comments. The analysis controls for media input and bureaucratic preferences to avoid confounding responsiveness to citizens’ demands with elite influence over policymaking. The chapter also explores the mechanisms generating authoritarian responsiveness by examining variation in government responsiveness across five social groups that participated in the online consultation: grassroots medical personnel, migrants, patients, laid-off workers, and pharmaceutical industry insiders.

This chapter finds that the Chinese government is responsive to citizen input generated through consultation. In the policy reform analyzed, this chapter demonstrates that the likelihood of a policy revision increases with the number of public comments demanding that revision. The chapter also finds some indications that the government pays more attention to consultative input when the commenters consist of a high proportion of grassroots medical personnel.
The analysis generates two hypotheses regarding the potential mechanism undergirding responsiveness. First, it proposes that participatory institutions, including online consultation, serve as alternative to democratic mechanisms. Autocrats use online consultation to showcase that even in the absence of the democratic institutions the regime can still respond to citizens’ demands. Second, it suggests that bureaucrats might deploy online consultation to gain policy-specific legitimacy from frontline implementers. The chapter argues that by displaying a high degree of responsiveness towards this demographic group, the bureaucracy can elicit their collaboration, which is necessary for ensuring smooth policy implementation.

One of the key challenges to the analysis of responsiveness is the question of causal identification. Concomitantly to the conduct of online consultation, the Chinese government acquires parallel feedback from other fora of participation, such as the CPPCC and ‘research and investigation’ tours, for which I do not have direct access. While this chapter is unable to control for inputs generated in these outlets, it still contributes to the question of responsiveness by bringing in new data, which allow us to test the association between citizen consultative input and changes to policy draft that took place after input was received. Even though having these data does not settle all causal questions, it does subject the claim of responsiveness to one important test that we have not been able to conduct until now: does the government revise policy plans following consultations with the public in a manner consistent with the input received?

This chapter furnishes us with what Van Evera (1997) defined as a ‘hoop test’. It demonstrates that the ‘responsiveness’ theory meets the necessary condition for validity—strong
correlation between consultative input and policy responsiveness, and, in doing so, it provides evidence that a causal relationship is plausible.

5.1 Forces Pushing Autocrats Towards Responsiveness

There are good reasons to expect that authoritarian regimes might well be responsive to citizens’ demands. Autocrats promote participatory procedures in order to reap two major benefits: 1) enhance regime legitimacy (Balla, 2014, 2017; Truex, 2014a); and, 2) gather information (Dimitrov, 2014; He & Thogersen, 2010; Manion, 2016; Stockmann, 2013). Yet, once these outlets are in place, citizens expect that the authorities will incorporate their demands. Failure to address citizen feedback will undermine the regime’s credibility (Horsley, 2009), eroding its legitimacy. It will also dampen citizens’ motivation to participate in consultation, thus depriving the authorities of an important information-gathering channel (Distelhorst & Hou, 2017). For these reasons, autocrats have incentives to respond to consultative input.

5.1.1 Scope Conditions for Authoritarian Responsiveness

We also know that several scope conditions shape the degree of authoritarian responsiveness across cases. Officials tend to display a high degree of responsiveness when citizen demands are backed by collective action threats (Chen et al., 2016; Su & Meng, 2016), and they are also more likely to address feedback related to economic issues than social policies (Su & Meng, 2016). In-group biases prompt officials to favor suggestions articulated by either local residents or citizens of Han ethnicity rather than to consider requests made by marginalized groups, such as migrants and Muslims (Distelhorst & Hou, 2014; Su & Meng, 2016).
There are, however, other scope conditions for responsiveness, which are not expounded in the above-mentioned studies. First, these studies do not explore how the aggregate number of citizens’ demands is likely to affect the probability of a policy change. Second, existing scholarship does not pay attention to bureaucrats’ incentives to prioritize responsiveness to frontline implementers, whose cooperation is essential for achieving successful policy implementation.

5.2 The Function of Online Consultation and Responsiveness under Authoritarianism

I argue that authoritarian regimes use online consultation and responsiveness to reach out to and accommodate the demands of grassroots groups that were previously excluded from participation in policymaking. The literature on authoritarian regimes contends that autocrats use legislatures to coopt elite groups (Gandhi, 2009; Malesky & Schuler, 2010; O’Brien, 2008; Truex, 2014b, 2016) and that these regimes take advantage of a commercialized media to gain the trust of the urban middle class (Reilly, 2013; Stockmann, 2013).

Whereas legislatures and media are deployed for engaging privileged groups, authoritarian regimes can both reach out and respond to grassroots concerns through public opinion surveys (Thornton, 2011). That said, autocrats use online consultation for an end that is qualitatively different from public opinion surveys. They rely on public opinion surveys to obtain a representative sample of the opinion of the entire population, but in conducting online consultation, they seek to learn about the policy preferences of a limited set of grassroots groups with an intense interest in an issue.
Here, Converse’s concept of ‘issue publics’—though drawn from the study of democratic pluralism—provides leverage. Converse used the term ‘issue publics’ to denote the fragmentation of mass public opinion into divergent social groups. Members of a given issue public pay close attention to an issue, either because their direct interests are involved or because of deeply held values (Converse, 2006; Krosnik, 1990; Sides & Karch, 2008). Converse posits that issue publics are more likely than others—groups only diffusely invested in a given domain—to engage in political activity to affect policies relevant to this issue (Converse, 2006; Kinder, 2006; Stockmann, 2013).

I posit that the Chinese government uses online consultation to communicate with the issue publics that are most relevant to a given policy and respond to their suggestions. Online consultation is a good way to reach an issue public because members of this social group are more likely than others to devote time to writing online comments about a policy. I propose two possible mechanisms to account for these patterns of authoritarian responsiveness.

First, responsiveness strengthens regime legitimacy among relevant issue publics. If a government policy fails, the failure can erode regime support. Yet, the impact of a policy blunder would differ across different segments of the population. It is primarily the relevant issue public—which often consists of those affected in the most concentrated way by the policy—who are likely to harbor negative sentiments towards the government. To avoid this predicament, autocrats collect and analyze the grievances of the issue public and duly respond.

The regime is more likely to respond to issue publics’ most salient suggestions. This is because consultative procedures are set up as an alternative to democratic institutions, showcasing that even in the absence of democratic procedures, authoritarian regimes can still
collect citizen input and produce outputs that are responsive to citizen preferences. As autocrats seek to demonstrate that their policies are reflective of popular opinions, they are more likely to respond to the most recurring demands articulated in consultation.

The first mechanism emphasizes regime level legitimacy through the display of responsiveness to public opinion, but the second mechanism underscores policy-specific legitimacy. We can begin to see how policy-specific legitimation works by taking up a key insight of Warren’s (2009) framework of *governance-driven democratization*. Warren argues that bureaucrats—in both democratic and authoritarian systems—use participatory procedures to obtain policy legitimacy from societal stakeholders within the policy subsystem.

Building on Warren, I propose that by responding to citizen input, authoritarian regimes target a specific group within the relevant issue public—professional and technical grassroots stakeholders. Even though this group might not pose an immediate threat to regime resiliency, failure to garner its policy approval is likely to result in loss of cooperation and thus possibly impede policy implementation. Because the support of these frontline implementers—such as low-tier medical staff—is more crucial for policy success than that of other demographic groups, the bureaucracy is likely to evince a higher level of responsiveness towards them. Both proposed mechanisms point to grassroots stakeholders as especially important constituencies for authoritarians to respond to.

5.3 Empirical Analysis: Online Consultation in China’s Healthcare Reform

To test for authoritarian responsiveness, this chapter examines the case study of China’s healthcare reform in 2009, a landmark policy stipulating the expansion of access to medical
insurance for 95% of China’s population by 2011. The reform also included unprecedented measures, such as stupendous increase in government investment in public health and primary care infrastructures, establishment of an Essential Medicine Catalogue, and experimentation with structural reforms in public hospitals such as privatization (Yip & Hsiao, 2015). During the reform’s drafting process, the government collected consultative input so as to enable coordination among multiple stakeholders, including bureaucrats, medical personnel and pharmaceutical companies (Wang & Fan, 2013).

Online consultation was one of the key instances of gathering societal input on the healthcare reform. In October 2008, the Communist Party of China (CCP) Central Committee and the State Council released a first draft of a plan for a comprehensive healthcare reform that was intended for open public consultation. The document was subsequently posted on the National Development and Reform Commission (NDRC) website, and the government invited the public to comment on the proposed reform blueprint. From October 14 to November 15, a total of 27,899 online comments regarding the draft were posted at the NDRC website (Kornreich, Vertinsky, & Potter, 2012; Thompson, 2009). In the vast majority of cases of Internet consultation conducted in China, the content of online input is not publicly disclosed, but this time, all comments were made publicly available via the NDRC portal. Later, in April 2009, the CCP Central Committee and the State Council unveiled the final draft of the healthcare reform. Analyzing the contents of these comments, the chapter assessed whether the likelihood of a policy revision increased with the number of online comments calling for that revision.

The chapter uses a combination of quantitative and qualitative analyses to study authoritarian responsiveness. The qualitative evidence on responsiveness and autocrats’
incentives to act responsively set the context for the statistical analysis—the chapter’s core empirical component.

The qualitative section is based on government documents, media reports and interviews. Whereas this chapter utilizes official documents and media reports to understand government policies and formal policy procedures, the analysis deploys interviews to acquire information on issues that cannot be gleaned from the written sources, such as 1) the existence of internal government routines to process online input, which can serve as evidence that the Chinese government takes online comments seriously; 2) Incentives of policymakers to respond to online feedback; and 3) Interest group advocacy efforts to affect policy revisions, a potential threat to causal identification. To obtain these information, the author conducted semi-structured interviews with individuals who had experience of participation in the drafting process of the healthcare reform, including government officials, academics, hospital directors, leaders of pharmaceutical associations and journalists. For identification of interview subjects, the author relied on both media reports on China’s healthcare reform and recommendations from public health experts in China. (For information on the selection criteria for informants, see Appendix K).

5.3.1 Qualitative Evidence of Responsiveness

This chapter provides multiple pieces of qualitative evidence to suggest that online comments play a key role in policymaking in China. According to a manual for handling online comments published by the Legislative Affairs Office of the State Council, all government units are required to conduct statistical analysis of online consultative input, and adopt netizens’ opinions
citizens’ suggestions when appropriate (LAO, 2010a). There is also direct evidence to demonstrate that government units compiled statistical reports of online input, specifically in relation to the healthcare reform. In 2006, the government administered a first round of online consultation over healthcare reform, and the MOH arranged descriptive statistics reports on netizens’ top policy recommendations (HPSP, 2007). The government also engaged in analysis of comments in the second round of online consultation over healthcare reform, the focus of this chapter. During this consultation, the NDRC, which was responsible for compiling statistical reports on the content of public input, circulated the reports among relevant government units and explicitly asked them whether it was feasible to make revisions accordingly. Officials then held meetings to discuss possible revisions (Interview 42). An equivalent process of handling public comments, which includes circulation and internal discussions of the content of online input, also takes place at the NPC (Interview 47). In short, there is considerable qualitative evidence suggesting that processing online feedback is an integral part of the institutional routines for administering revisions of policy pronouncements.

In addition to evidence on the existence of internal routines to process online comments, there are also several examples of government responsiveness to the online consultation over the healthcare reform. For instance, 42% of all sample comments were focused on the low salary of grassroots medical staff, and 41% of all comments concentrated on the need to improve oversight in public hospitals. Medical staff participating in the online consultation portal also implored the government to make efforts to rectify doctor–patient relations, bolster the morale of medical staff, and strengthen medical accident insurance. These suggestions were endorsed in the final draft, reportedly in response to medical sector input (Kornreich et al., 2012).
5.3.1.1 Qualitative Evidence on Autocrats’ Incentive to Respond to Citizen Input

There is also evidence regarding autocrats’ incentives to respond to consultative input. According to official documents, the reason for incorporating citizens’ feedback into policies stems from the government’s efforts to demonstrate that its policies are reflective of public opinion (LAO, 2010b; Wang Z., 2014). To showcase responsiveness, the authorities render the contents of comments public knowledge, enabling citizens to observe the degree of responsiveness. For example, during the drafting processes of major social policies, such as the healthcare reform (2009), education reform (2010) and Labor Contract Law (2006), the Chinese government either made online comments public or published reports on netizens’ input (NPC, 2006; Wang & Fan, 2013; Wang, Zhang & Liu, 2010).

Another incentive for responsiveness is to address the grievances of front-line workers. According to public health experts, since 2003, after the outbreak of SARS, the Chinese government has paid a high level of attention to the dire working conditions of 1.7 million grassroots professionals who were the backbone of a well-functioning public health system (Interviews 3, 15, 53). This trend suggests that bureaucrats had strong incentives to respond to demands articulated by this constituency.

These qualitative evidence may prompt conjecture that the government is responsive to public consultation, and that the bureaucracy is more likely to prioritize responsiveness towards frontline implementers. In the next section, this chapter moves beyond these separate pieces of evidence, providing a systematic analysis to test authoritarian responsiveness.
5.3.2 Data and Sources

The statistical analysis is based on a random sample of the online comments. In addition to this sample of the comments—which are used to construct the independent variable—this chapter relies on documentary evidence of policy revisions for creating the dependent variable. In measuring policy changes, this chapter draws on Wang Hufeng’s book (2009), in which the pre- and post-consultation blueprints are compared and all revisions are highlighted. In the proceeding analysis, I test the potential effect of the following variables—number of comments, media content, and bureaucratic preferences—on policy amendments.

5.3.3 Coding Scheme and Procedures

This chapter is based on a manual coding of a random sample representing 2% (558 comments) of the entire corpus of online comments (27,899). The online portal originally contained seven sections of comments, each one including comments corresponding to one of the seven chapters of the healthcare reform draft. Because the comments in each section were numbered in their order of appearance, it was possible to select a random list of numbers for each section representing 2% of the total comments.

The comments consist of complaints regarding issues pertaining to China’s health system and recommendations—concrete prescriptions for the courses of action that the government should pursue. This chapter analyzes the latter. The recommendations contain clear guidelines regarding what the government needs to do, making them more valid indicators of potential correlations between public input and policy revisions. The dataset contains 878 separate instances in which commenters made recommendations.
To construct the ‘comments’ variable, I coded individual policy recommendations rather than comments. Across the 878 instances of recommendations, there were 162 unique policy revisions requested (for a detailed list of policy recommendations, coding procedures, difficult comments and key policy revisions, see Appendices D, E, F and H, respectively)\(^57\). Each distinct revision request is considered an observation. The ‘comments’ variable is thus a count of the number of comments made per a given policy revision. We can think about the structure of the resulting data as consisting of the following types of observations: 1) observations with a high number of online recommendations and corresponding policy revisions, 2) observations with a high number of online recommendations and no corresponding revisions, and 3) observations with low number of comments and corresponding policy revisions. The dataset excludes a fourth category, changes that netizens did not request for policies the government did not alter. I also excise observations from a sizeable fifth category—49 netizen recommendations that the government had already endorsed in the pre-consultation draft and retained in the post-consultation draft. It is worth noting that observations from both the fourth and fifth categories would arguably have at least modestly strengthened support for the claim of government responsiveness: category 4 represents non-revisions consistent with citizen non-demands, and category 5 represents a substantial number of policy decisions consistent with citizen preferences but made prior to the expression of online preferences. In focusing only on the direct impact of

\(^57\) To assess reliability, the author ran a test for 240 comments coded by an RA. Because the standard reliability index, Cohen’s kappa, does not perform well when there is a high number of infrequent categories, I only ran the test for six comprehensive categories. The average agreement rate was 93.3%, while the kappa value was 0.8. For more on reliability see explanations and Table 10 in Appendix G.
comments on actual policy revisions, the analysis thus represents a relatively conservative test for authoritarian responsiveness.

I deploy the ‘Comments’ variable to test the following hypothesis:

**H1**: The higher the number of comments in favor of a given policy, the higher the likelihood of a policy revision

If H1 is correct, then the association between the Number of Comments and Policy Revision will be positive and statistically significant.

### 5.3.4 Coding Scheme and Criteria for Media Selection

Mass media content is used here as a control variable. Numerous media reports on healthcare reform were published concomitantly with the Internet consultation (14 Oct to 15 Nov, 2008) and thus could act as a potential confounder. If a correlation between a high number of comments and policy revisions exists, it is possible that policymakers amended policies in response to media feedback, or broader social preferences reflected in the media, rather than in response to online comments. We know that Chinese government units regularly collect and analyze media content (Interview 47; LAO, 2010a) and that the media features interviews with leading academics, whose views are highly regarded by policymakers (Interview 47). The Chinese media also represents the opinions of powerful interest groups that have exerted influence over health policies, such as the pharmaceutical associations (Kornreich et al., 2012; Wang & Fan, 2013) and directors of leading public hospitals (Interviews 11, 19, and 20).

A sample of 121 media reports—published concomitantly with the conduct of online consultation—was coded using the same scheme applied to the sample of online comments and
revisions. The sample includes media outlets subsumed under three distinct categories—official, business/finance, and popular. Outlets belonging to each of these categories typically reflect the positions of particular stakeholders in relation to the healthcare reform. Official media represent the views of elite administrators within the public sector, such as directors at urban tertiary hospitals. The finance press articulates the opinions of the private sector (Zhao, 2008), notably the pharmaceutical associations in the context of healthcare reform. Popular papers, which consist of both commercialized and semi-official newspapers (Stockmann, 2013), are likely to give voice to the concerns of the urban middle class. For full details on the criteria for the selection of media outlets, see Appendix I.

Two publications, People’s Daily and China Youth Daily, were included in the Official category with a total of 35 reports; another two publications, Caijing and 21st Century China Business Herald represent the Business/Finance category with 29 total reports; and four publications—Beijing Times, Southern Metropolis Daily, Xinmin Evening News, and Yangzi Evening News—form the Popular category, with 57 reports.

5.3.5 Policy Categories

In addition to media input, Policy Categories are also added as control variables. These dummy variables are derived from the healthcare reform blueprint, which is divided into the following thematic chapters: Public Hospitals, Grassroots Medical Facilities, Insurance, Public Health, and Pharmaceuticals. The assumption underlying the insertion of this control variable is that policy amendments might be driven by government intention to prioritize some policy areas while delaying progress in others. It is possible that revisions might be shaped by government
preference for moving forward in certain policy domains rather than by the number of online comments.

5.3.6 Bureaucratic Manipulation

The analysis also controls for the possibility of bureaucratic manipulation of citizen input. Policymaking in China is often beset by bureaucratic competition (Lieberthal & Lampton, 1992; Lieberthal & Oksenberg, 1987). It is plausible that contending bureaucracies may leverage online comments to gain the upper hand in issues of intra-government dissensions. If either one of the bureaucratic parties manufactured comments that support its particularistic interests, the number of comments would be endogenous to bureaucratic preferences. To test for this possibility, I identified policy areas with intense bureaucratic cleavages from records of intra-government ‘research and investigation’ tours (diaoyan) associated with healthcare reform (MOH, 2007). These documents reveal that officials from four of the key health system bureaucracies in China held contradictory positions regarding healthcare reform (for full details on bureaucratic controversy, see Chapter 3). Based on consulting these sources, a new variable is added to the analysis. “Controversy” is composed of five policy categories: three categories of bureaucratic disagreements—“Public Hospitals,” “Pharmaceuticals,” and “Insurance”—for which the score is 1, and two policy areas of agreement—“Public Health” and “Grassroots Facilities”—for which the score is 0.
Table 5.1 Summary Statistics

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>Std. Dev</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy Revisions</td>
<td>0.46</td>
<td>0.49</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Comments Per Policy Item</td>
<td>5.42</td>
<td>8.08</td>
<td>0</td>
<td>59</td>
</tr>
<tr>
<td>Media</td>
<td>1.00</td>
<td>1.94</td>
<td>0</td>
<td>15</td>
</tr>
</tbody>
</table>

**Policy Categories**

<table>
<thead>
<tr>
<th>Category</th>
<th>Mean</th>
<th>Std. Dev</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Hospitals</td>
<td>0.25</td>
<td>0.43</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Grassroots Facilities</td>
<td>0.19</td>
<td>0.39</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Insurance</td>
<td>0.16</td>
<td>0.36</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Public Health</td>
<td>0.09</td>
<td>0.29</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Pharmaceuticals</td>
<td>0.14</td>
<td>0.35</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

**Bureaucratic Preferences**

| Controversial Policy Areas| 0.48  | 0.50     | 0   | 1   |

*Note: N=162 Distinct Observations of Policy Items*
5.3.7 Results

To test the impact of comments on policy revisions, I estimate five logit models, each specified somewhat differently (see Table 5.1 for summary statistics, and Table 5.2 for results). In Model 1, we estimate the association between the number of comments and policy changes. This association is positive and statistically significant. The statistical relationship between comments and policy revisions remains positive and significant after adding Media (Model 2), Policy Categories (Model 3), and Bureaucratic Manipulation (Model 4) as control variables.

Model 5 estimates the odds ratio to demonstrate the substantive association between the number of comments within the sample, which represents 2% of the total corpus of comments, and revisions. The results show that each increase in one comment—while controlling for both media content and policy categories—enhances by 11% the odds of policy revisions over no revisions. Applying the sample results to the entire corpus of comments, the Model predicts that each addition of 50 comments increases the odds of revision by 11%.

58 The results in Model 4 suggest that the above findings are not an artifact of bureaucratic manipulation. Even after controlling for controversial topics, the relation between the number of comments and revisions remains positive and significant. Meanwhile, controversial issues are negatively associated with policy revisions. This finding implies that rival bureaucracies either did not leverage or were unsuccessful in leveraging online content for prevailing in inter-departmental feuds.
Table 5.2 Number of Comments and Policy Revisions

<table>
<thead>
<tr>
<th>Variable</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5) ODDS RATIO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comments</td>
<td>0.088**</td>
<td>0.06*</td>
<td>0.105**</td>
<td>0.08**</td>
<td>1.111**</td>
</tr>
<tr>
<td></td>
<td>(0.03)</td>
<td>(0.03)</td>
<td>(0.04)</td>
<td>(0.3)</td>
<td></td>
</tr>
<tr>
<td>Media</td>
<td>0.15</td>
<td>0.25</td>
<td>0.24*</td>
<td>1.291</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.11)</td>
<td>(0.14)</td>
<td>(0.12)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Controversy</td>
<td></td>
<td></td>
<td></td>
<td>-1.28***</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(0.37)</td>
<td></td>
</tr>
<tr>
<td>Policy Categories</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Constant</td>
<td>-0.61**</td>
<td>-0.66**</td>
<td>0.266</td>
<td>-0.22</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.21)</td>
<td>(0.21)</td>
<td>(0.486)</td>
<td>(0.24)</td>
<td></td>
</tr>
</tbody>
</table>

*Note: N=162 Distinct Observations of Policy Items

*P≤0.5, **P≤0.01, ***P≤0.001

To give further meaning to these results, we test the changing probability of policy revisions with every increase in five comments in favor of a given potential revision within the sample (Figure 5.1). The findings suggest that there is a steep ascendance in the likelihood of
revisions with each addition of five comments between 1 to 21 comments (or from 50 to 1050 for the entire corpus of comments). Beyond 21 comments, there are decreasing returns to each increase in five comments. There is a possible explanation for this outcome. When the number of comments exceeds the high threshold of 21 comments (1050 for the entire corpus), officials might begin to pay heightened attention to the proposed policy item and thus be more likely to pursue revisions. Any addition of comments is not likely to dramatically increase their attention to this policy item.

Figure 5.1 Predictive Margins for 5-Comments Increases

Having found a positive and significant relation between the citizens’ demands and policy revisions, the analysis now explores the scope conditions for responsiveness, examining the impact of contradictory comments on policy changes. Two officials who were directly involved in handling comments relayed to me that the existence of conflicting citizen recommendations complicated bureaucrats’ ability to adjudicate responsiveness (Interviews 42, 47). For instance,
some commenters supported government control over hospitals, whereas others opposed it. To empirically test the potentially negative impact of contrarian recommendations on policy revisions, I generate a dummy variable, ‘Contradictory’ to assign the value of ‘1’ for the existence of conflicting messages and ‘0’ for their absence. I find that when conflicting comments are absent the probability of revisions is higher than when such comments are present (see Figure 5.2A & B).

Figure 5.2 Predictive Margins for Contradictory and Non-Contradictory Comments (A & B)

Meanwhile, the wide standard errors for contradictory comments indicates that the dampening effect of these comments on revisions is not certain. I propose two possible reasons for these results. First, even if the comments contain conflicting citizen recommendations, the bureaucrats in charge of handling comments might have strong, one-sided convictions regarding the debated policy item, and, thus, are likely to have fewer hesitations regarding the direction of policy revision. Second, while contrarian comments might exist, an overwhelming number of comments in favor of either one of these rivaling options could facilitate decision-making on the part of the bureaucrats.

59 Meanwhile, the wide standard errors for contradictory comments indicates that the dampening effect of these comments on revisions is not certain. I propose two possible reasons for these results. First, even if the comments contain conflicting citizen recommendations, the bureaucrats in charge of handling comments might have strong, one-sided convictions regarding the debated policy item, and, thus, are likely to have fewer hesitations regarding the direction of policy revision. Second, while contrarian comments might exist, an overwhelming number of comments in favor of either one of these rivaling options could facilitate decision-making on the part of the bureaucrats.
5.3.8 Demographic Groups and Revisions

In the previous analyses, we discovered that the Chinese government is responsive to online comments. Nevertheless, there is little reason to assume that the Chinese central government responds to the mere number of comments. It is possible that some social groups are more likely than others to elicit responsiveness from the authorities. In particular, the bureaucracy might be more willing to accommodate suggestions from professional and technical grassroots stakeholders—such as grassroots medical personnel in the case of the healthcare—because successful policy implementation depends on the cooperation and support of this group. Testing this assumption, however, poses a challenge, because the majority of commenters (68%) do not divulge their social position in the body of comments. While netizens were required to fill in their demographic information prior to participating in the online consultation, the Chinese government did not make these details public.

Nevertheless, we can leverage information in the 32% of comments in which netizens did disclose their social position to create a coding scheme for those in which social identities are not disclosed. The identified comments reveal that group identities are associated with types of policy recommendations: members of each social group raise issues that directly relate to their

60 Strategic concealment of identity is unlikely due to the fact that all participants in the online consultation portal were required to submit their personal details (such as profession, age, income and place of residence) prior to posting their online comments (People. Com, 2008). After consultation ended, the government published a statistical report on the breakdown of demographic identities of commenters (Wang & Fan, 2013). Hence, government officials had a clear idea of the social identities of the commenters, and, thus, they could adjudicate responsiveness vis-à-vis distinct social groups. For further information on the clustering see Appendix J.
interest in healthcare reform. For example, low-tier medical staff complain about the inferior working conditions, including low remuneration, and lack of access to welfare provisions, while migrants implore the government to facilitate access to health insurance in their physical place of residence (full details of the coding scheme can be found in Appendix J). For the remaining 68% of the sample in which netizens do not disclose their identity, I impute commenters’ group identity based on the content of comments.

Deploying this imputation strategy, I divide the sample comments into six distinct demographic categories\textsuperscript{61}: Grassroots Medical personnel, all employees within medical facilities, such as urban community, rural clinics, and township hospitals, who are engaged in clinical roles (55% of all comments in the sample); Patients (12%); Migrants (5%); Laid-off Workers (2%); Pharma (2%); and Other (24%).

I utilize these demographic categories to test the following hypotheses:

\textbf{H2:} The government is more likely to exhibit responsiveness to demands articulated by grassroots medical personnel than any other demographic group participating in the consultation process.

\textbf{H3:} The interaction between the number of comments in favor of a given policy and the proportion of medical personnel making the comment will increase the likelihood of policy revision.

\textsuperscript{61} The random sample includes both comments in which commenters’ identity information is explicitly provided, and those in which commenters’ identity is imputed.
If H2 is correct, then the association between Medical Staff and Policy Revision will be positive and statistically significant. If H3 is correct, then the interaction between Medical Staff and the proportion of Comments made by medical staff (PMP) will be positive and statistically significant.

Table 5.3 Summary Statistics of Number of Comments By Social Groups

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mean</th>
<th>Std. Dev</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy Revisions</td>
<td>0.45</td>
<td>0.49</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Medical Staff</td>
<td>3.81</td>
<td>6.35</td>
<td>0</td>
<td>45</td>
</tr>
<tr>
<td>Patients</td>
<td>0.33</td>
<td>1.04</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>Migrants</td>
<td>0.28</td>
<td>1.25</td>
<td>0</td>
<td>11</td>
</tr>
<tr>
<td>Pharma</td>
<td>0.92</td>
<td>0.33</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Laid-off Workers</td>
<td>0.02</td>
<td>0.15</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Other</td>
<td>0.89</td>
<td>1.68</td>
<td>0</td>
<td>13</td>
</tr>
</tbody>
</table>

*Note: N=162 Distinct Observations of Policy Items*

5.3.9 Results with Clustering and Revisions

Having clustered comments according to imputed social identities (see Table 5.3 for summary statistics), we then examine variation in government responsiveness to online comments across demographic groups (Table 5.4). In both Models 1 and 2 I find a positive yet statistically insignificant association between the likelihood of revision and the number of recommendations.
received from medical staff. However, in Model 3, after inserting the Policy Categories variables in Model 3, the association between Medical Staff and policy revisions is statistically significant. The results in Model 3 are stronger than those in Models 1 and 2 because Model 3 is more specified than its counterparts. Model 3 contains one of the Policy Categories variables, ‘Public Hospitals’, which includes policy recommendations for structural reforms in public hospitals. This issue is the core controversy within China’s health system bureaucracy (HPSP, 2007), so revisions in this policy domain are less likely to take place. Medical staff are more likely than any other demographic group to discuss policy items pertinent to ‘Public Hospitals’ because these issues have direct implications for both their working conditions and income. ‘Public Hospitals’ is negative and statistically significant; thus, the absence of this variable in Models 1 and 2 dampens the effect of comments from medical staff. With this control variable in place, however, as in Model 3, we can more accurately measure the impact of medical staff on policy revisions.
Table 5.4 Demographic Groups and Revisions

<table>
<thead>
<tr>
<th>Variable</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical Staff</td>
<td>0.07</td>
<td>0.07</td>
<td>0.13**</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.04)</td>
<td>(0.04)</td>
<td>(0.05)</td>
<td></td>
</tr>
<tr>
<td>Patients</td>
<td>0.10</td>
<td>0.08</td>
<td>-0.03</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.20)</td>
<td>(0.20)</td>
<td>(0.25)</td>
<td></td>
</tr>
<tr>
<td>Migrants</td>
<td>0.22</td>
<td>0.18</td>
<td>0.14</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(0.16)</td>
<td>(0.17)</td>
<td>(0.19)</td>
<td></td>
</tr>
<tr>
<td>Pharma</td>
<td>0.62</td>
<td>0.50</td>
<td>-0.35</td>
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</tr>
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<td></td>
<td>(0.69)</td>
<td>(0.69)</td>
<td>(0.81)</td>
<td></td>
</tr>
<tr>
<td>Laid-off Workers</td>
<td>0.02</td>
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<td>(1.10)</td>
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<td>0.00</td>
<td></td>
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<td></td>
<td>(0.15)</td>
<td>(0.18)</td>
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252
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<td></td>
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<tr>
<td>Proportion of Medical</td>
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<tr>
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<td></td>
<td>(0.21)</td>
<td>(0.21)</td>
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*Note: N=162 Distinct Observations of Policy Items
*P≤0.5, **P≤ 0.01, ***P≤ 0.001

Model 3 indicates that the government might be more responsive to comments from medical staff. Another way to assess this possibility is to estimate an interaction between the number of comments and the proportion of medical personnel making those comments (PMP). The results in Model 4 suggest that an interaction between the number of comments and the PMP potentially affects the degree of government responsiveness.
To further explore the results in Model 4, I test the conditional average marginal effect (AME) of the number of comments—at different levels of PMP—on the probability of policy revision. We can observe a general upward trend of an increase in the AME of number of comments on the probability of revisions as the PMP rises from 0 to 1 (Figure 5.2). When the PMP reaches above 0.6, the AME of an additional comment becomes both positive and statistically significant. These results show that the higher the rate of participation by medical personnel, the greater the association between the number of comments and policy revisions. Above the 0.6 level, the rise in the AME is relatively moderate. Possibly, after the PMP reaches a certain level, bureaucrats recognize that the issue is of strong concern to medical personnel and thus warrants a revision. Any increase in the PMP above this threshold may not substantially alter these bureaucrats’ perception of the need to amend the policy.

Figure 5.3 Average Marginal Effect of the Interaction on Policy Revisions
A test of the predicted probabilities of policy revisions and the number of comments voiced by medical staff lends further credibility to the assumption of government responsiveness to this demographic group (Figure 4A). Each addition of one comment in the random sample—when the number of comments ranges from 1 to 20—is likely to steeply enhance the probability of revisions. Once the number of comments authored by medical personnel reaches 20, the probability of revision is at the 80% level. These calculations are based on a random sample consisting of 2% of the entire corpus of comments, so if we multiply the results by 50, when the number of comments made by medical personnel reaches 1,000, then the probability of revision is approximately 80%.

A test of the association between the comments written by non-medical personnel and policy revisions demonstrates that a slight increase in probability with each additional comment, much less than for medical personnel (Figure 4B). Meanwhile, the Margins model also shows that the confidence intervals for a high number of comments made by non-medical staff are wide; the reason is the few observations in which the number of comments is high and the proportion of commenters who are non-medical staff is also high. In most observations, a high number of comments is coupled with a high PMP value, making it difficult to confidently parse the effect of the number of comments from that of the PMP. The results leave the possibility that the aggregate number of comments alone, rather than the proportion made by medical staff, is the best of predictor of policy change.
Figure 5.4 Predictive Margins for Medical Staff and Non-Medical Staff (A and B)

5.4 Threats to Causal Identification

While the quantitative analysis puts forward evidence of a causal relationship between citizen input and policy revisions, there are still threats to causal identification, such as censored
comments, interest group capture and overlapping consultative inputs. In this section, I discuss each of these threats, arguing the even though uncertainty regarding the causal conclusions still remains, there are strong indications to suggest that these potential threats do not undercut this chapter’s argument.

5.4.1 Potential Measurement Error: Censored Comments

The potential exclusion of censored comment might have generated a measurement error in the analysis. However, there are cues to suggest that the degree of censorship was not high.

In interviews with health reporters, the informants intimated that the level of censorship on health issues in the Chinese media is low. This could imply that because health is not a politically sensitive topic the extent of censorship in the online consultation procedure was also not high (Interviews 18, 46, 52).

The healthcare reform also did not have a collective action potential—the main cause of Internet censorship in China (King et al, 2013). This chapter consults two sources to back this claim. First, a survey of large scale mass incidents in China demonstrates that conflicts over issues, such as labor, land, pollution and ethnic tensions, rather than the healthcare reform, triggered major collective action incidents in 2008 (Tong & Lei, 2010). Second, a social media survey, which explores the 20 focusing events drawing the highest level of netizens’ attention in 2008 (Zhu et al. 2009), does not include the healthcare reform. Because this policy did not have a collective action potential, it is plausible that censorship of online consultation was not heavy-handed.
While incidents of collective protest and violence in China’s hospitals abound (Hesketh et al., 2012), these manifestations of collective action launched by patients’ relatives are directed against medical personnel; not against the regime. Because the authorities are not the target of resentment, the level of political risk for the CCP is minimal, and, thus, censorship of this issue is lax.

The absence of cheerleading comments can serve as further indication of the low level of censorship. According to King et al. (2017), the Chinese government adopts a twin strategy of handling threatening Internet content. Concomitantly to censoring online posts with collective action potential, it also instructs the Fifty-Cent Party to author cheerleading posts in favor of the regime. The author’s sample of online comments, however, did not contain a single comment in the form of cheerleading. In fact, most comments were critical of the government’s health policies. The absence of Fifty-Cent Party commentary indicates that the government did not view the healthcare consultation as politically perilous, and, therefore, censorship might not have been heavy-handed.

5.4.2 Potential Confound: Interest Group Capture of Online Consultation

The potential capture of consultation outlets by organized interest groups might be a confound for the measurement of authoritarian responsiveness to public input. Such supposition is supported by studies of ‘Notice and Comment’ procedures in the context of administrative rulemaking in the United States (West, 2005; Yackee, 2005; Yackee & Yackee, 2006). In China’s case, however, dominant interest groups do not participate in online consultation because they have alternative channels of access to decision-makers. Evidence from this
chapter’s analysis of media contents demonstrates that two of the most influential stakeholders in China’s healthcare system—elite medical personnel and pharmaceutical associations—shaped the discourse of press reports in the official and finance media, respectively. Field interviews and additional studies also reveal that both interest groups have an ability to informally contact decision-makers (Interviews 11, 19, 51; Kornreich et al., 2012; Wang & Fan, 2013). A senior informant within China’s medical sector confided to me that both public advocacy efforts and private communication with officials reinforce each other (Interview 22). An official from the MOH admitted that revisions in the post-consultation draft regarding drug procurement policies were enacted in response to lobbying activities organized by the pharmaceutical associations (Interview 48). Because powerful interest groups can easily access policymakers, they lack incentive to capture online consultation.

5.4.3 Overlap with Parallel Consultation Procedures

Overlap is also possible between the contents of online consultation and concomitant formal consultative procedures to which I do not have access. Concurrent with the online consultation—in late 2008—the Ministry of Health (MOH) solicited feedback from 73 government units. The MOH Party Committee also launched a ‘research and investigation’ tour (diaoyan) in different parts of the country in order to consult with health departments at the provincial, municipal, and prefectural levels (MOH, 2008). These consultative procedures, however, differ from online consultation. In their case, feedback was solicited from the bureaucracy, either at the central or local level, whereas online consultation served the purpose of gathering information from the
relevant issue public. Because the composition of participants in these consultative fora differs, it is likely that the contents of input voiced within these outlets would diverge.

The analysis may also underestimate the effects of Chinese People’s Consultative Conference (CPPCC) input, which is not publicly available, over revisions. From March 3 to 13, 2009—near the completion of the final blueprint of the healthcare reform on March 17—the annual ‘Two Meetings’ of the NPC and CPPCC took place. Reportedly, in the final days of revisions, policymakers inserted two new clauses in response to CPPCC members’ suggestions (Chai, 2009; Liu, 2009). Nonetheless, the CPPCC often represents the views of elites, either high-level medical professionals or economists, whereas online comments mirror grassroots concerns.

5.5 Conclusion

This chapter finds that the Chinese government is responsive to grassroots concerns articulated in online consultation. Meanwhile, existing scholarship established that the regime incorporates input from other social groups, including business elites, upper middle class, and general public—each group via different institutions, such as legislatures, commercialized media and public opinion surveys (see Manion 2016; Stockmann, 2013; Thornton, 2011; Truex, 2016). Taking the finding of this study together with those of previous scholarship, we can see that China has a multipronged, yet segmented, institutional infrastructure to reach out, engage and, ultimately, respond to the concern of different members of the public. Through this compartmentalized architecture of consultation, the CCP can form vertical relations with diverse segments of the population, while forestalling of the establishment of horizontal communication
across social groups, which could foster collective action. In recent years China under Xi’s helmsmanship has been moving towards a strongman rule (Fewsmith, 2018), yet Xi also vowed to deepen ‘consultative democracy’ (Dickson, 2016). Consultation is likely to continue because of the benefits that it brings to the regime.

The second finding—responsiveness to grassroots medical personnel—also has implications for our understanding of China’s capacity to manage frontline bureaucrats. Scoggins & O’Brien (2016) note that the functioning of the Chinese government is dependent on the cooperation of frontline bureaucrats, such as police officers, teachers, medical personnel and SOE employees. Meanwhile, members of this demographic group are demoralized due to both inferior working conditions and the absence of institutional mechanisms to relay their grievances upwards (O’Brien, 2017). This chapter shows that online consultation enables the regime to not only give frontline implementers a voice, but also to exhibit responsiveness to their concerns. These findings demonstrate that China has the institutional mechanisms to tackle the problem of disaffected frontline implementers.

This chapter studies the impact of the number of comments on policy revisions. Subsequent studies should examine the effect of the quality of comments on responsiveness. In the sample of comments analyzed in this study, some of the commenters provide evidence-based information to stake their claims, whereas others do not make reference to any factual data to justify their demands. It is possible that informative comments were more likely to be taken seriously than those consisting of plain demands. However, this question goes beyond the scope of this analysis, which focuses on the existence of responsiveness and the participation of
frontline bureaucrats. The exploration of the potential impact of the quality of commentary on policy revisions warrants the conduct of a separate study.
Chapter 6: Conclusion

The closing chapter of the dissertation does the following. First, I summarize the dissertation’s key findings in light of the theoretical predictions articulated in Chapter 2 and 5 on expert and public consultation, respectively. Second, I elaborate on the broader implications of the findings to the literatures on bureaucratic delegation, authoritarian deliberation and societal inclusion and cooptation under authoritarian systems. Third, I speculate on how participatory procedures are likely to evolve in the aftermath of the 19th Party Congress and the consolidation of a strongman rule under Xi. Fourth, based on the dissertation’s findings, I propose future directions for explorations on how authoritarian consultation and deliberation operate.

The dissertation has three main takeaways. First, policymaking under authoritarian systems could become highly deliberative in the occasion of bureaucratic conflict. If a high magnitude elite conflict arises, competing bureaucracies and bureaucrats are likely to leverage procedures of formal participation in order to inhabit these institutional arrangements with supportive participants. This strategic utilization results in the emergence of a pluralized consultation process, in which diverse, and even contending views, could be articulated. Second, authoritarian governments are responsive to consultative input from non-elites, and bureaucrats handling citizens’ feedback are likely to endorse the most frequently recurring demands expressed in public consultation. Third, there is strong indication that government ministries in charge of consultation display a higher level of responsiveness towards professional and technical stakeholders than other demographic groups.

Taken together, the findings regarding the conditions underlying ‘quality of deliberation’ and ‘responsiveness’ contribute to our understanding of substantive consultation. In Chapter 1, I
define substantive consultation as “formal procedures for gathering input from both state and non-state actors, in which the input gathered in consultation contributes to improved policy outcomes. In case of expert participation, the analysis demonstrates that bureaucratic conflict contributes to high quality of policymaking. Bureaucratic disputes engender an expert procedure in which diverse perspectives clash and compete, and ultimately, this multiplicity of perspectives leads to the adoption of innovative policies in the final policy draft. As for grassroots consultation, the findings point out that an authoritarian government revises policies in accordance with the positions of grassroots stakeholders. Because these actors’ views are informed by local knowledge, which is not easily available to elites, their incorporation into final policy blueprints contributes to improved policy outcomes. When the government devises policies that align with the incentives of grassroots stakeholders, the chances of policy success at the implementation stage are greater.

6.1 Expert Participation: Bureaucratic Conflict and Deliberation

The comparison of the health reform (2009) in Chapter 3 and the education reform (2010) in Chapter 4, establishes that the magnitude of an inter-bureaucratic conflict shapes the design and quality of expert consultation procedure. The more intense the inter-bureaucratic dispute, the greater the quality of deliberation.

6.1.1 Intense Bureaucratic Conflict

We have seen that several factors shaped the degree of bureaucratic conflict. In the case of the healthcare reform, as elaborated in Chapter 3, a plurality of bureaucratic actors engaged in a
zero-sum game dispute. First, the bifurcation of the service provision of health into medical service and insurance created two separate bureaucracies scrambling for resources—the MOH and MOHRSS. Second, the MOH was implicated in a fierce struggle with the economic bureaucracies—the MOF and NDRC—over both budgeting for healthcare services and structural reforms of public, healthcare providers. In the education reform, however, as elucidated in Chapter 4, the unity of public service provision under the MOE prevented the eruption of a zero-sum game bureaucratic conflict over the distribution of resources. The high level of government funding for education and the failure of previous retrenchment efforts also precluded the precipitation of high stakes conflict over education funding and education administration reform between the MOE and the economic bureaucracies.

The salience of marketization and private sector dynamism also shaped the degree of bureaucratic conflict. In the healthcare reform, a high salience of marketization in the public arena triggered a high stakes conflict between the MOH and the economic bureaucracies. In the education reform, however, the demise of marketization from government agenda and the decline in private education kept an equivalent bureaucratic conflict from emerging during the drafting process.

The degree of autocrats’ resolve in relation to the policy trajectory had a decisive impact over the magnitude of bureaucratic fissures. The existence of a public debate over health and the ambiguity in autocrats’ public pronouncements indicate that there was uncertainty regarding the appropriate way of reforming China’s healthcare system. In Chapter 3, I identified several structural features in China’s healthcare system that constrained autocrats’ ability to reach a decision. These factors included: 1) a complex financing system, which was bifurcated into two
streams: healthcare providers and insurance; 2) Rising health expenditures accompanied by a
dramatic increase in senior age population; and, 3) An extremely intricate pricing mechanism,
which consisted of 4170 items that need to be adjusted. As autocrats refrained from disclosing
their position in an ongoing debate, bureaucrats took that as a sign that contestation within their
administrative jurisdiction was legitimate.

In the case of education, however, the state and Party leaders made public their preferences
for reversing the marketization of education. Key structural facets of China’s education system,
which are dissimilar to those in the health system, were key in shaping the autocrats’ decisive
statements and actions. These factors included: 1) a simplified funding structure controlled by
the MOE; 2) Moderate increases in education expenditures coupled with shrinking numbers of
young population; and, 3) A rather simplified pricing system that consisted of less than 100
items, and, hence, did not require complex adjustments. Autocrats’ decisiveness sent a message
to bureaucrats that the policy trajectory had already been determined. As a result, the latter were
cautious in pursuing departmental interests, and an inter-bureaucratic dispute was staved off.

The structure of the Inter-ministerial coordinating body further affected the intensity of the
bureaucratic rift. In health, as described in Chapter 3, a horizontal design of the Inter-Ministerial
Coordinating Small Group jointly chaired by both the MOH and NDRC meant that controversies
had to be resolved through arduous negotiations and bargaining. In education, however, the
vertical structure of the Inter-Ministerial Leadership Small Group headed by Premier Wen Jiabao
facilitated the brokering of compromises among the wrangling bureaucracies.
6.1.2 Fierce Bureaucratic Conflict and High-Quality Deliberation

Chapter 3 and 4 demonstrated that in both the health and education reforms, the magnitude of the bureaucratic conflict had decisive implications over the structure of the expert consultation procedure. In the healthcare reform, the process was highly deliberative. The procedure was broad and diverse in so far as it consisted of competing blueprints, featuring experts of divergent persuasions. Participating experts also worked in an environment that was relatively autonomous from administrative intervention. The design of the consultation procedure in education, as opposed to health, was characterized by a low degree of diversity of views, as most experts were supportive of a government-led reform. The process was also quite narrow, since it did not comprise of contesting blueprints. In addition, experts’ work was subject to tight administrative scrutiny.

The degree of bureaucratic conflict had direct impact over this variation across the two cases. In health, as I explain in Chapter 3, the formal consultation consisted of three stages. In each distinct stage, competing bureaucrats who were in an inferior position operated behind the scenes to insert into the consultation procedure advisors who were supportive of their positions. At the first stage, the autocrats mandated the solicitation of blueprints from three international organizations and three local institutions, after bureaucrats failed to arrive at a consensus over the healthcare reform. While autocrats initiated the opening up of this forum, the weak bureaucracy, the MOH, successfully maneuvered to shape the selection and content of the blueprints among the Chinese universities and think tanks participating in the consultation. In the second stage, after it was evident that the MOH was leveraging the consultation procedure to gain advantage in the inter-bureaucratic bargaining, its rivals—the MOHRSS, NDRC and
MOF—lobbied for the inclusion of a new cohort of advisors with views that were more favorable to the preferences of these ministries. In the third stage, bureaucrats who were relatively weak took advantage of the opening up of the consultation procedure in order to promote the entry of their trusted confidants into the formal process. The end result of these consecutive phases of expansion was a broad and diverse consultation procedure, which spurred the production of a blueprint consisting of various policy innovations.

The education reform, as elucidated in Chapter 4, did not feature a comparable dynamic of Schattschneiderian spiral. The consultation commenced as a procedure controlled by the MOE, which appointed former officials and leaders of research institutes affiliated with the ministry to head 11 separate chapters of the education reform blueprint. Since the MOE and the other key education bureaucracies—MOF, NDRC and MOHRSS—did not have serious disagreements, there was not much opposition to MOE control over the consultation procedure. Additionally, in the absence of high stakes conflict, the other bureaucracies did not have any incentives to lobby for the enhancement of the consultation procedure so as to prevail in the inter-bureaucratic contestation. Eventually, the lack of dispute spawned an anemic consultation process, yielding very few novel policy ideas.

I discuss in Chapter 4 the Party’s obsession with ideological control and its possible impact on the design of consultation on education. Meanwhile I also demonstrate that despite tight censorship on discussion of the CCP’s monopoly over the contents of education, public debates over marketization, privatization, distribution of resources and administrative reform are permitted. Since such issues remain uncensored, bureaucratic contestation and recruitment of experts articulating diverse views is possible, as long as participants refrain from directly
critiquing the CCP monopoly over education. The CCP’s impulse to silence discussion of this aspect of the education system, I argue, cannot fully account for the anemic character of the consultation procedure on education.


Whereas in the first part of the dissertation—Chapters 2, 3 and 4—I generate a theory of elite consultation, in the second part, which consists of Chapter 5, I look at formal participation of non-elites in policymaking.

Examining government responsiveness to online consultation over China’s healthcare reform (2008-2009), Chapter 5 has two key findings. First, while mass media, which features elite views, appear to have a considerable impact over policy decisions, the Chinese government is still responsive to grassroots consultative input. The higher the number of comments in favor the adoption of a given policy item, the greater the likelihood of a policy revision.

Second, there are some indications that the Chinese government is more responsive to grassroots medical personnel than other social groups participating in the online consultation portal. However, this evidence of a higher degree of responsiveness to medical personnel is not conclusive, since medical personnel constitute 55% of the participants in the online consultation and, thus, they also propose more policy recommendations than any other social groups. It is possible that a comparatively high level of responsiveness to medical personnel might be attributed to the impact of sheer numbers, rather than medical personnel per se, on bureaucrats’ decisions to revise policies.
To account for the findings in Chapter 5, I contend that through online consultation the Chinese government is able to communicate and engage with ‘issue publics’—the social groups who deeply care about a given policy. I support this argument with evidence that the ‘issue publics’ in authoritarian online consultation comprise of grassroots groups, such as rural and urban community medical personnel, migrants, laid-off SOE workers, and employees in small-size pharmaceutical companies. I argue that for an authoritarian system this type of communication with the grassroots is a pressing need, considering the facility with which elite groups—such as experts, pharmaceutical associations, officials and elite medical doctors—are able to access policymakers. Online consultation serves to shore up the deficit in grassroots participation and political access.

Building on the concept of ‘issue publics’, I propose two alternative mechanisms for theoretically accounting for authoritarian responsiveness. First, I argue that autocrats use responsiveness to compensate for the lack of democracy. Through online consultation autocrats demonstrate that even in the absence of democratic institutions, they can still deliver democratic goods, such as responsiveness to public opinion. For this reason, autocrats are more likely to incorporate citizens’ most recurring suggestions. Second, I contend that in order to ensure smooth policy implementation, bureaucrats need to obtain the policy support of frontline implementers, such as grassroots medical personnel. Hence, bureaucrats display a higher level of responsiveness towards this groups than other demographic groups participating in online consultation.
6.3 Broader Implications

Aside from their bearing on the theories regarding both expert and public consultation proposed in both Chapters 2 and 5, my theories and findings have broader implications regarding the study of authoritarian politics and policymaking. In this section, I elucidate the possible contribution of the dissertation to the study of authoritarian regimes in four areas: bureaucratic politics, consultative authoritarianism, authoritarian deliberation, and cooptation and social inclusion.

6.3.1 Bureaucratic Politics

This dissertation has several contributions to the comparative, China-specific and authoritarian regime literatures on bureaucratic politics. First, the dissertation proposes a new theory to account for the salutary impact of bureaucratic competition on expert participation procedures. Second, while exploring themes that are similar to the works of Downs and Enthoven on bureaucracy, this dissertation specifies a new mechanism through which inter-agency contests shape policy innovation. Third, this work departs from the Fragmented Authoritarianism framework, which often assumes that bureaucratic conflict in China undermines high quality of policymaking. Fourth, this dissertation uncovers inter-bureaucratic disputes as a new mechanism undergirding open policy debates under authoritarianism. Fifth, it specifies new conditions that enable bureaucratic entrepreneurialism within authoritarian regimes.

This study proposes a new theory for understanding the contribution of bureaucratic competition to improved policy outcomes. Existing studies establish that bureaucratic competition has a salubrious impact on budgetary allocations and policy implementation.
Competition is likely to attenuate bureaucrats’ pursuits of budget maximization (Conybeare, 1984; Moe and Miller, 1983; Niskanen, 1971, 1975), reduce user fees (Niskanen, 1971), and engender a high level of policy enforcement (Mertha, 2005, 2006).

While these authors identify the virtuous impact of bureaucratic competition on budgetary allocations and policy implementation, they do not explore the positive effect of bureaucratic contestation on expert consultation. In establishing that bureaucratic competition contributes to a high quality of deliberation, this dissertation adds new knowledge to the existing literature on bureaucratic competition.

The dissertation also enhances our existing knowledge regarding the contribution of bureaucratic competition to internal government deliberations. Enthoven and Rowen provide two key insights on this issue (1961). First, bureaucratic competition leads to the emergence of alternative policy positions. Second, the proliferation of alternative positions is useful for tackling complex problems, for which there is a great degree of uncertainty (Enthoven & Rowen, 1961). This dissertation suggests that when competing experts serve as proxies of contesting organizations, bureaucratic divisions indirectly produce an even greater contribution to the quality of policymaking than what is envisioned by Rowen & Enthoven. Experts, more so than bureaucrats, are trained to think through complex problems, and generate innovative ideas. When experts compete, as this dissertation demonstrates, they have even more incentives to become innovative so as to outdo their rivals. As a result, the quality of policymaking is enhanced.

The dissertation’s findings also augment Downs’ theory on the contribution of bureaucratic politics to policy innovation. Downs’ delineates a theory of a spiraling process of policy innovation, stipulating that while intense bureaucratic conflict can spawn severe hostilities
within government administration, it can also engender a cycle of retaliatory policy innovation (Downs, 1967). As this dissertation has shown, the same logic could be applied to the politics of expert consultation. A high-magnitude bureaucratic conflict produces an expansive consultation process, which eventually contributes to policy innovations. Yet, this dissertation does not only explore themes that are similar to Downs’ work, but it also enhances Downs’ theory. It specifies a new mechanism through which bureaucratic contests breed innovation—via experts, who act as both proxies for the contending bureaucrats and agents of new ideas for policy reforms.

The dissertation also provides a fresh perspective on bureaucratic politics in China. While the majority of studies on Chinese bureaucracy, which subscribe to the Fragmented Authoritarianism (FA) paradigm, uncover the vicious effect of bureaucratic conflict on policymaking outcomes, this work contends that bureaucratic disputes facilitate an improved quality of policymaking. The FA framework is an offshoot of Graham Allison’s bureaucratic politics model (Allison, 1969, 1971; Allison and Halperin, 1972), which assumes that bureaucratic conflict leads to suboptimal outcomes, such as policy delays (Allison and Halperin, 1972; Halperin and Clapp, 2006; Holland, 1990), and inconsistency in policy implementation (Cézar, 2017; Hicks, 1990; Keane and Diesen, 2015; Peters, 1981, 2001; Rosati, 1980). Following the bureaucratic politics model, existing FA scholarship explores the problems that arise as a result of the fragmented structure of China’s administrative apparatus. Adherents to this framework demonstrate that bureaucratic conflict in China undermines policy coordination and sharing of knowledge (Halpern, 1992), slows down policymaking, and produces inconsistency in policy implementation (Lieberthal and Lampton, 1992; Lieberthal and Oksenberg, 1987; Mertha, 2009). Studies of China’s legislative processes also find that
bureaucratic fragmentation causes legislative gridlocks (Truex 2018), and spurs the passage of laws that are reflective of narrow bureaucratic interests (Lu et al., 2017).

As opposed to the FA model, this dissertation establishes that bureaucratic conflict in China can have a positive impact on policy outcomes. This study also expands our knowledge of China’s bureaucracy by proposing a new theory to explain how bureaucratic conflict affects the quality of expert deliberation.

While the dissertation argues that bureaucratic competition has a salutary impact over expert consultation, I do not deny the validity of the bureaucratic politics model. In fact, I speculate that bureaucratic contestation can have either virtuous or vicious effects on different stages of the policymaking process. While bureaucratic conflict can engender a highly deliberative expert participation process, it can also spur policy delays and incoherent policy implementation. The formulation and implementation of China’s healthcare reform is a case in point. While bureaucratic conflict generated an incredibly deliberative policymaking process, it has also produced gridlocks that afflict China’s healthcare system to this day. This dissertation, however, focuses on the virtuous effect of bureaucratic conflicts, which is more puzzling and counterintuitive.

The dissertation also contributes to our understanding of how elite fragmentation, particularly when the bureaucracy is involved, engenders more open debate in authoritarian systems. In a recent article, Schuler (2018) finds that an existing division of labor between the Party and government in Vietnam spawns open debates, both in the media and the legislature, over policy issues, since the Party is interested in generating public critique of the bureaucracy. This dissertation expands our knowledge of elite fragmentation in authoritarian regimes by
discovering that fierce inter-bureaucratic disputes, in addition to Party versus bureaucracy conflicts, is another cause of more extensive deliberation.

The dissertation also adds to our knowledge of bureaucratic entrepreneurship within authoritarian contexts. In their seminal study of politicians and bureaucrats in Western democracies, Putnam et al. found that in the American political system, bureaucrats are *energizers* rather than *equilibrators* (Aberbach and Rockman, 2006; Putnam et al., 1981). The bifurcation of the American system into President and Congress invigorates bureaucrats to become more entrepreneurial, so as to be able to gain resources and protect their administrative turf in a volatile and uncertain political environment. In a more recent piece, Lü Xiaobo and collaborators (2017) demonstrate that an equivalent scenario of bureaucratic entrepreneurship could occur in authoritarian settings. In cases of leadership incongruence, bureaucrats are likely to take advantage of this predicament in order to actively build coalitions and push for policies that extend their organizational turfs. In this dissertation, I provide an additional framework for understanding bureaucratic entrepreneurship: bureaucrats are likely to take initiative under conditions of inter-bureaucratic conflict.

### 6.3.2 Consultative Authoritarianism

In bringing together both substantive elite and non-elite consultations, the dissertation generates insights on consultative authoritarianism. As discussed in Chapter 1, both elite and non-elite consultations can contribute to improved policymaking in complimentary ways. Elites, such as experts, utilize professional knowledge to infer generalized principals for policy solutions. Meanwhile, grassroots stakeholders furnish policymakers with local knowledge that is essential
for the application of professional knowledge to particular social settings. This dissertation, which uncovers the conditions underlying both elite and non-elite substantive consultations, establishes that authoritarian regimes have the capacity to collect and potentially integrate both professional and local knowledges. The fact that in the healthcare reform both expert and grassroots consultations were substantive (see Chapters 3 and 5, respectively) does not necessarily imply that in all episodes of consultation an authoritarian regime is able to successfully gather both professional and local knowledges. However, the findings do show that under specific conditions—bureaucratic conflict, high number of comments, and feedback from frontline bureaucrats—both substantive elite and non-elite consultations are possible.

In studying both types of consultations together, the dissertation breaks new ground. Existing studies on authoritarian consultation focus on either expert consultation or grassroots consultation. Studies of expert consultation argue that it contributes to improved policy outcomes (Chen and Naughton, 2016; Dong and Gallagher, 2011; Halpern, 1988, 1992; Naughton, 2002a; Ru P., 2016; Thompson, 2009). Meanwhile, studies of grassroots consultation find that such procedures enhance policy acceptance and regime legitimacy (Fewsmith, 2013; Fishkin et al., 2010; He and Thogersen, 2010; He, B., 2014a, Unger et al., 2014). However, in analyzing these types of consultation in isolation, these studies overlook the complimentary relation between expert and grassroots consultations. In doing so, they are missing the full view of the contribution of authoritarian consultation to improved policymaking. This dissertation’s findings compensate for this gap in the literature.
6.3.3 Authoritarian Deliberation

The dissertation also contributes to our understanding of authoritarian deliberation in several respects. This dissertation provides insights on the mechanisms undergirding deliberation in authoritarian systems. Work on authoritarian deliberation sought to reconcile the seeming conceptual contradiction between authoritarianism and deliberation, establishing that the two phenomena could theoretically exist in non-democratic contexts (He and Warren, 2011), and that an authoritarian culture might include deliberative elements (He, 2014; He and Leib, 2006). The ‘authoritarian deliberation’ approach also accounted for the reasons underlying the promotion of deliberation in authoritarian regimes (He and Warren, 2011). Yet, these studies did not propose the mechanism to explain variation in the degree of deliberation in authoritarian contexts. This dissertation seeks to identify and study these mechanisms.

In proposing to study the interaction between deliberation and bureaucracy, this dissertation follows Warren’s framework of ‘governance-led democratization’. Warren (2009) suggests that bureaucrats, both in democratic and authoritarian regimes, are at the forefront of democratic innovations, as they need to adapt to changing policy circumstances. While capitalizing on Warren’s insights, this dissertation complements Warren’s work by elaborating on the conditions under which bureaucrats seek to promote deliberative policymaking. In particular, innovative policymaking and deliberation are likely to occur under conditions of intense bureaucratic competition.

The dissertation also shows that authoritarian deliberation can exist and thrive above the level of local government. The majority of studies on this phenomenon focus on deliberation at the grassroots and local levels, such as residents’ committees (Tang B., 2014, 2015), public
Chapter 5 of the dissertation, which focuses on the political functions of online consultation, contributes to our understanding of the role of participatory institutions in authoritarian regimes. We know that autocrats harness diverse types of institutions for accomplishing social inclusion. Authoritarian regimes utilize encompassing political parties as conduits for managing broad social participation (Collier and Collier, 1991; Easton, 1965; Huntington, 1968; Levitsky and Way, 2013; Magaloni and Kricheli, 2010; Nathan, 2003; Smith, 2005), and, as I mention in Chapter 5, they also rely on legislatures for achieving elite cooptation through the distribution of rents and other material inducements. Leninist regimes leverage formal consultation procedures to enable the social inclusion of experts and professionals (Bunce and Echols, 1981; Jowitt, 1975). Aside from these traditional instruments of social incorporation, autocrats, as I show in
Chapter 5, take advantage of commercialized media to garner the support of the urban middle classes, and use public opinion surveys as a stratagem for gauging popular sentiments and accomplishing mass inclusion.

In Chapter 5 of the dissertation, I show that online consultation can be an additional vehicle for social inclusion in authoritarian systems. More specifically, I demonstrate that in China, online consultation has served for engagement with grassroots stakeholders who otherwise would have been excluded from direct participation in the policy formulation processes, and I also provide evidence that online consultation facilitates the cooperation of frontline technical and professional groups in policy implementation. In this way, the dissertation contributes both theoretically and empirically to the literature on social inclusion and consultation in authoritarian systems. Empirically, it provides evidence of social inclusion, via quasi-democratic institutions, of grassroots stakeholders, rather than either elites or urban middle-classes.

Theoretically, I contend that in studying online consultation we may be observing a form of inclusion that is different from the accounts in the literature. While followers of Huntington and Gandhi’s seminal studies on parties and legislatures are interested in broad societal inclusion that is likely to continue over a long period of time, policymaking in contemporary authoritarian system requires ad-hoc and flexible institutions to be used for a brief spell—the duration of the policy drafting process. Whereas parties and legislatures tend to include stable constituencies, in policymaking episodes, each policy arena is composed of divergent social groups and stakeholders.
Internet portals are also qualitatively different from another inclusionary strategy in China, the usage of public opinion surveys (Thornton, 2011). Whereas the surveys are utilized for acquiring a representative sample of public sentiment, the Internet portals are established in order to learn about the preferences of a narrow set of ‘issues public’ whose stakes in a given policy are very high (Converse, 1964; Stockmann, 2013). The government’s purpose here is to include these stakeholders in the policymaking process; not necessarily the general public. Presumably, the bureaucracy does so because stakeholders are more likely to have specialized knowledge and incentives, and have higher capacities to act as veto players if they are unhappy, even through passive resistance.

6.3.5 Autoritarian Resilience

Taken together, both the empirical and theoretical insights from Chapter 5 attest to the fact that authoritarian system are equipped with sophisticated and pliant institutional mechanisms to engage and include diverse societal groups. In doing so, this dissertation further substantiates the theoretical framework of authoritarian resilience. One of the factors undergirding authoritarian durability is the existence of a host of input institutions that allow people to express grievances, and, thus, leads them to believe that they have some influence over policymaking (Nathan, 2003). Whereas existing studies explored the contribution of some input institutions, notably CPPCCs (Yan X., 2011), commercialized media (Stockmann, 2013), legislatures (Truex, 2016), and parties (Huntington, 1968), to enhancing authoritarian resilience, this study expands the framework by examining how a novel type of input institution, online consultation, helps to sustain authoritarian power.
6.4 Future of Consultation and Deliberation in the Xi Era (2012 to Present)

In the dissertation, I draw on empirical cases of deliberation and consultation over health and education policies from the Hu-Wen era (2002-2012), in which an ensuing conflict within different wings of the CCP provided greater scope for discussion within the Party (Fewsmith, 2018). In the Xi era, the political climate of relative pluralization within the CCP has progressively changed as a result of Xi Jinping’s successful efforts to assert his dominance over the Party (Fewsmith, 2018). In the 19th Party Congress (October 2017) and the 13th NPC (March, 2018), for example, Xi Jinping Thought was elevated to become a plank of the official Party ideology and presidential term limits were eliminated (Miller, 2018). China now appears to be in an era of a one-man rule (Pei M., 2018). Under this scenario of a strongman regime, Xi Jinping is likely to take advantage of his dominance over the Party and state in order to circumvent dissenting views, thus narrowing the scope for substantive consultation and meaningful deliberation.

If this view is correct, then it is possible that this study’s conclusions might have limited validity with respect to the Xi era. Yet there are several reasons why this generalization may not hold, and my findings and theoretical framework may still be applicable to China under Xi. From a general perspective, no matter how much power is concentrated, the CCP still faces problems of legitimacy, information, and resistance that are likely to increase rather than decrease, driven by the complexities inherent in the CCP’s needs for development as the basis for regime maintenance and survival. And, in fact, official discourse on deliberation shows continuities between the Hu and Xi era. Under Hu, procedures for participation of both experts and the public
became institutionalized (Chen and Naughton, 2016; Fu and Distelhorst, 2018). Under Xi, the Party’s commitment to pursuing such governance reforms were reiterated in official documents. In 2015, the CCP Central Committee unveiled two documents stipulating the establishment of a ‘socialist consultative democracy’, consisting of specific provisions regarding the institutions in which such ‘democracy’ should take place (CCP Central Committee, 2015, 2015a). In Xi’s 19th Party Congress Report, which endorses Xi Jinping Thought—the term ‘xieshang’ which in the English version of the Report is translated as either ‘consultation’ or ‘deliberation’ in various places (Xi J., 2017a)—appears 24 times (Xi J., 2017). These official documents suggest that ‘deliberation’ and ‘consultation’ have become an official part of the Party agenda even after Xi’s ascendance to the position of a strongman.

We see these same continuities in Chinese scholarship. As academics in China often focus on policy issues that are at the core of the regime’s agenda, the expansion and increasing sophistication in academic discourse on deliberation attest to the persistence of this form of governance alongside Xi’s increasingly personalist power arrangements. During the Xi era, academic interest in deliberative democracy within China has not subsided, indicating that the topic remains high on the CCP’s policy agenda. A recent study, which is based on content analysis of 559 academic articles published in China from 2003 to 2016, delineates three distinct periods of scholarship on deliberation. First, the period of 2003 to 2010, which is the height of the Hu era, saw an emergence of a large body of scholarship on deliberation. Second, from to 2010 to 2014, during the period of transition from Hu to Xi, there was a steep decline in the number of publications on deliberation. Third, from 2014 to 2016, after Xi consolidated his dominance over the Party, there was a resurgence in the volume of published work on
deliberation. At the same time, academic discussion expanded, and novel terms that include deliberative elements, such as ‘Socialist Consultative Democracy’, National Governance, Social Governance, Local Governance, were coined (Han R., 2017).

There is also empirical evidence from the Xi era that expert consultation still takes place, and that policymaking processes remain deliberative. For example, the drafting process of the 13th Five Year Plan, from 2013 to 2015, featured elaborate expert consultation, as the NDRC solicited different 25 studies to be written by experts, each about a specific facet of the Five Year Plan (Wang and Yan, 2016). While this extensive consultation, which did not comprise of competing studies, might have not featured a high quality of deliberation, the drafting process of the Environmental Protection Law (2011-2015) was characterized by a high degree of deliberation. In the beginning of the process, during the Hu era, in 2012, experts played a significant role in an ongoing bureaucratic wrangle. Through both 2013 and 2014, after the leadership transition had already occurred, other elite groups with policy expertise, notably environmental NGOs, were able to participate and exert impact over the policy process (Dong J., 2015; Zhang B., 2016). These examples suggest that expert consultation and deliberation still remain congruent with Xi’s overweening ambition to dominate China’s political system, and is probably even a conscious part of his strategy.

There is also empirical evidence that grassroots and online consultation remain vibrant. While repression of contentious citizen activism has intensified during Xi’s tenure, the process of institutionalization of formal participatory outlets—such as, online appeals to officials, freedom of information requests, and lawsuits against government agencies—has continued unabated. Meanwhile, there is no evidence to establish that the state attempts to restrict popular access to
these participatory channels (Fu and Distelhorst, 2018). In addition, NPC statistics attest to a high rate of participation in online consultation over National laws, in which social interests are highly concentrated. For example, the NPC website recorded 110, 737 and 57075 online comments on the revisions to the Criminal Law (2015) and the new Public Health Promotion Law (2017), respectively (NPC, 2018). These figures could imply that public consultation portals, like the one I study in Chapter 5, are likely to continue to serve as participatory and consultative devices during the Xi era.

There are reasons to believe that the proliferation of participatory procedures, which is described above, is likely to continue under Xi’s rule. Assuming that the purpose of repression and censorship is to buttress both the CCP’s authoritarian grip over Chinese society and Xi’s personalist control over the CCP, it is likely that repressive measures will be directed against either against contentious collective action or Xi’s rivals within the political elites—that is, threats to the CCP’s and Xi’s monopoly on power. Since online consultation is not considered contentious collective action and elite factions do not participate in it, these participatory outlets are not considered politically threatening, and, thus, are less likely to become the target of repression. Furthermore, since the existence of vibrant consultative channels provide significant benefits to Xi and the CCP in the form of regime legitimacy and policy-specific legitimacy, Xi should have incentives to retain, regularize, refine, and perhaps even deepen and expand these kinds of mechanisms.

Predicting the future of elite deliberation, however, might be a bit more difficult than that of grassroots consultation. In Chapter 3, which expounds on the healthcare reform drafting process, we saw that indecision on the part of the senior leaders engendered bureaucratic
conflict, which in turn spurred a dynamic of a diverse and pluralized expert participation procedure. If Xi, as a leader that is far stronger than Hu, is able to dominate the Chinese political system and impose his own policy agenda, then the space for bureaucratic contention is likely to become much more circumscribed, thus constraining the Schattschederian dynamic that generates high quality deliberation. At the same time, it is still possible that in some occasions, as a result of the complexity of a given policy arena, Xi might not easily arrive at a decision, thus, enabling the creation of space for bureaucratic contention. If Xi is uncertain regarding a given policy plan, the encouragement of elite debates, involving both experts and bureaucrats, might be beneficial for Xi. This assumption is based on insights from *The Prince*, in which Machiavelli (1980) urges the prince to cultivate a loyal entourage of advisors, permitting them to openly express their opinions. This method, according to Machiavelli, can assist the prince in skirting the perils of flattery. Xi Jinping might also realize that having a coterie of yes-men undermines good governance, and, that a certain degree of debate and discussion are needed in order to obtain novel points of view. If Xi embraces this perspective, then he might tolerate inter-bureaucratic quarrels and solicit advice from diverse sources.

### 6.5 Consultation, Deliberation and China’s Political Future Beyond Xi

Examining the evolution and incremental institutionalization of consultation, one might speculate that this would spawn the emergence of functionally democratic institutions within the Leninist shell beyond the Xi era, in the more distant future. Looking at the institutional design of these consultative procedures, I am less inclined to support this line of argumentation. As we have seen in this dissertation, these institutional innovations facilitate a tradeoff between the
rulers and ruled. The former permits to latter to have a voice, and in exchange the former derives feedback, which is useful for either strategic leverage or for ensuring grassroots compliance. Meanwhile, the regime does not set up these institutions in a way that permits participants to have veto power over decision-making, and, as such, these institutions do not produce democratic spaces within the Leninist shell. They primarily benefit public policy implementation and political stability. While in the distant future these institutions are not likely to engender a democratic transition, in the aftermath of a hypothetical regime change, these input institutions are likely to facilitate trust and communication between the regime and the populace, potentially contributing to democratic consolidation.62

6.6 Future Directions of Study

This dissertation investigates two contrasting cases of expert consultation, so as to arrive at a fine-grained analysis of the mechanism undergirding the expansion of consultation. An in-depth, within-case analysis of other high-profile cases of formal expert consultation in China could potentially serve to further validate this dissertation’s conclusions, and also further refine the proposed theoretical framework. In particular, the case of expert consultation over science and

62 Linz and Stepan (1996) argue that certain institutional legacies from a country’s authoritarian past can contribute to democratic consolidation after a transition to democracy has taken place. Among these institutions, the authors enumerate: civil society, political society, constitutionalism and rule of law, professional norms and autonomy of state bureaucracy, and a pluralized economic structure. Inspired by these insights, I speculate that input institutions might also contribute to consolidation, but not to transition.
technology during the Hu-Wen period, which is covered in the literature (Chen and Naughton, 2016; Zhi and Pierson, 2017), might make for an interesting comparison.

An alternative avenue of exploration of the theoretical framework is that of lawmaking in China, in which the combination of elaborate consultation and bureaucratic contestation must provide a fertile ground for further testing of this dissertation’s Schattschneiderian theory (Chou CC., 2017; Dong and Gallagher, 2011; Lü et al., 2017; Tanner, 1999; Truex, 2018). Nevertheless, this framework might have to be slightly modified to fit the institutional structure of legislation in China, which does not include inter-ministerial coordinating bodies. In most cases, experts draft laws under the aegis of a relevant ministry. Under this scenario, the Schattschneiderian framework might unfold differently. Weak ministries might employ experts in the public arena to criticize the ministries in charge of drafting the law, so as to wrest control over the drafting process. However, there might not be a parallel process of expansion in the consultation procedure.

The empirical evidence from Chapter 3 suggests that public policy schools in China play an increasingly more prominent role in policymaking, notably at China’s elite Academic institutions, such as Qinghua, Beida, Renmin and BNU. Existing studies of expertise in China, however, primarily examine the role of think tanks in the provision of policy advice (Halpern, 1992; Fewsmith, 2001; Leonard, 2008; Li C., 2017; Naughton, 2002; Shambaugh 2002; Sleeboom-Faulkner, 2007; Tanner 2002; Zhu X., 2013). Yet, this literature might be overlooking the entry of competitors to the think tank community. Public policy schools, which were first established in China during the early 2000s, might have a competitive edge over think tanks due to the following reasons: 1) Reputation: resulting from a large number of academic staff holding
doctoral degrees from abroad; 2) International Linkages: policy schools are far more involved than think tanks in exchange programs with foreign universities, which potentially facilitate favorable access to knowledge from abroad; and, 3) Expertise in complex areas of policymaking, such as healthcare, social insurance and environment, which originally were not part of the specialization of government-sponsored think tanks, primarily focused on economic reforms. A meticulous study of public policy schools and their contribution to policymaking could yield new insights on the politics of expertise in China.

Chapter 5 of the dissertation’s findings suggests that authoritarian regimes might display a high level of responsiveness to frontline bureaucracy. Meanwhile, the analysis also shows that frontline bureaucrats, such as grassroots medical personnel, participate in relatively large numbers in formal consultation. The dissertation, however, does not explore the political attitudes of these participants. What motivates this demographic group to take part in online consultation? What is their level of trust in the government? What are their past experiences of political participation and how these experiences inform their decision to participate in online consultation? In which parts of the country frontline bureaucrats tend to be more politically active? A study on the political participation of this group, which combines both qualitative, in-depth interviews, and quantitative surveys, might answer these questions, which could potentially shed light on the seemingly new and possibly durable form of authoritarianism being invented in China.
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Appendix A : Major Policies and Laws

A.1 List of Policies and Laws

<table>
<thead>
<tr>
<th>Policy</th>
<th>Date</th>
<th>Coordinating Body</th>
<th>Unit in Charge of Consultation</th>
<th>Structure of Consultation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sustainable Cities</td>
<td>December 2007</td>
<td>State Council Leading Small Group for Revival of North East</td>
<td>NDRC</td>
<td>NA</td>
</tr>
<tr>
<td>Farmers’ Income</td>
<td>December 2007</td>
<td>MOF and Ministry of Agriculture</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Marine Industry Planning</td>
<td>February 2008</td>
<td>State Council, NDRC and Ministry of Marine Area</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Administrative Management Reform</td>
<td>February 2008</td>
<td>NA</td>
<td>NA</td>
<td>CCP Bianzhi Office studied the issue</td>
</tr>
<tr>
<td>State Council Structure Reform</td>
<td>February 2008</td>
<td>NA</td>
<td>NA</td>
<td>CCP Bianzhi Office studied the issue</td>
</tr>
<tr>
<td>Promote Disability Industry</td>
<td>March 2008</td>
<td>NA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>City and Country Governments</td>
<td>May 2008</td>
<td>LAO</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Anti-Corruption</td>
<td>May 2008</td>
<td>NA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Topic</td>
<td>Date</td>
<td>Leadership Small Group Office</td>
<td>Small Group Office</td>
<td>CCP Bianzhi Office studied the issue</td>
</tr>
<tr>
<td>--------------------------------------------</td>
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<td>-------------------------------</td>
<td>--------------------</td>
<td>-------------------------------------</td>
</tr>
<tr>
<td>Property Rights over Forests</td>
<td>June 2008</td>
<td>NA</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Local Government Structure Reform</td>
<td>August 2008</td>
<td>NA</td>
<td>NA</td>
<td>CCP Bianzhi Office studied the issue</td>
</tr>
<tr>
<td>Pearl River Delta Development</td>
<td>September 2008</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Rural Development</td>
<td>October 2008</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Stimulating Consumption</td>
<td>December 2008</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Township Government Structure Reform</td>
<td>January 2009</td>
<td>NA</td>
<td>NA</td>
<td>CCP Bianzhi Office studied the issue</td>
</tr>
<tr>
<td>Food Safety Law</td>
<td>February 2009</td>
<td>Leadership Small Group (not clear who is heading it)</td>
<td>LAO</td>
<td>Experts participate in meeting (yantaohui)</td>
</tr>
<tr>
<td>Use technology for Economic Development</td>
<td>March 2009</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Healthcare Reform</td>
<td>March 2009</td>
<td>Inter-ministerial Coordinating Small Group. Leadership Small Group under Li Keqiang at a later stage.</td>
<td>NDRC and Ministry of Health</td>
<td>10 different proposals</td>
</tr>
<tr>
<td>Financial centre in Shanghai</td>
<td>April 2009</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Ethnic Minorities Culture</td>
<td>June 2009</td>
<td>NA</td>
<td>State Ethnic Affairs Commission</td>
<td>Solicits expert opinions.</td>
</tr>
<tr>
<td>Cultural Industry Development</td>
<td>July 2009</td>
<td>NA</td>
<td>Ministry of Propaganda is leading</td>
<td>Soliciting expert opinions</td>
</tr>
<tr>
<td>Topic</td>
<td>Date</td>
<td>Expected Participants</td>
<td>Initiator</td>
<td>Notes</td>
</tr>
<tr>
<td>----------------------------------------------------</td>
<td>-------------</td>
<td>---------------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td>Experimentation with Rural Pensions</td>
<td>September 2009</td>
<td>MOHRSS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reconstruction of the North East</td>
<td>September 2009</td>
<td>NDRC heads the office. (at least in 2003).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medium and Small Enterprises</td>
<td>September 2009</td>
<td>After documents a leadership small group</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supply and Marketing Cooperative Reform</td>
<td>November 2009</td>
<td>Inter-Ministerial drafting committee involving 21 ministries. Deputy Premier, Hui Liangyu, was the initiator.</td>
<td>Ministry of Agriculture and Supply and Marketing Cooperative as leaders</td>
<td>No evidence of expert participation.</td>
</tr>
<tr>
<td>Development of Tourism</td>
<td>December 2009</td>
<td>NA</td>
<td>Legal Affairs Committee of NPC in charge</td>
<td>Soliciting views and meetings (yantaohui, zuotanhui) with experts</td>
</tr>
<tr>
<td>Intruder Liability Law</td>
<td>December 2009</td>
<td>NA</td>
<td>Legal Affairs Committee of NPC in charge</td>
<td></td>
</tr>
<tr>
<td>Rural Development</td>
<td>December 2009</td>
<td>Rural Work Leadership Small Group headed by Hui Liangyu</td>
<td>Chen Xiwen from Party Centre is heading the Small Group Office</td>
<td></td>
</tr>
<tr>
<td>Protection of Islands</td>
<td>December 2009</td>
<td>Leadership Small Group</td>
<td>NPC Environmental Protection and Natural Resource</td>
<td></td>
</tr>
<tr>
<td>Topic</td>
<td>Date</td>
<td>Group/Office</td>
<td>Committee</td>
<td>Notes</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>------------</td>
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<td>---------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Coastal Areas Defense</td>
<td>January 2010</td>
<td>CCP, State Council and Military</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Defense Personnel Law</td>
<td>February 2010</td>
<td>Leadership Small Group</td>
<td>State Defense Personnel Committee</td>
<td>NPC Law Committee and Legal Affairs Committee solicit views from law schools, and also consult experts in meetings <em>(zuotanhui)</em>.</td>
</tr>
<tr>
<td>NPC and local LPCs Election Law</td>
<td>March 2010</td>
<td>NPCSC</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Human Resource Development</td>
<td>April 2010</td>
<td>Coordinating Small Group</td>
<td>Central Organization Department in charge of Office</td>
<td>Soliciting opinion from experts. Special forums <em>(lunzhenghui)</em> with academic and research institutions.</td>
</tr>
<tr>
<td>Foreign Investment</td>
<td>April 2010</td>
<td>No record</td>
<td>NDRC and MOFCOM</td>
<td>NA</td>
</tr>
<tr>
<td>Private Investment</td>
<td>May 2010</td>
<td>No record</td>
<td>NDRC</td>
<td>NDRC is engaged in research.</td>
</tr>
<tr>
<td>Opening up the West</td>
<td>June 2010</td>
<td>Opening Up the West Leadership Small Group, headed by Wen Jiabao</td>
<td>NDRC in charge of Office</td>
<td>NA</td>
</tr>
<tr>
<td>Education Reform</td>
<td>July 2010</td>
<td>Leadership Small Group, Wen Jiabao</td>
<td>MOE</td>
<td>11 special topics, experts’ committee</td>
</tr>
<tr>
<td>Topic</td>
<td>Date</td>
<td>Group/Body</td>
<td>Organization</td>
<td>Notes</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>------------</td>
<td>------------------------------------------------------</td>
<td>--------------------</td>
<td>--------------------------------------------</td>
</tr>
<tr>
<td>Forest development Outline</td>
<td>July 2010</td>
<td>Leadership Small Group established after drafting document.</td>
<td>NA</td>
<td>NA</td>
</tr>
<tr>
<td>Post-Earthquake Recovery at Zhouqu, Gansu</td>
<td>August 2010</td>
<td>Leadership Small Group</td>
<td>NDRC</td>
<td>Argumentation forums</td>
</tr>
<tr>
<td>Urban Residents’ Committees</td>
<td>August 2010</td>
<td>NA</td>
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<td>Private Investment</td>
<td>NDRC. (2010, May 14). NDRC Official in Charge Answers Questions on “State Council Several Opinions on Stimulating and Attracting Private</td>
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## Appendix B  Public Opinion Surveys Prior to ‘Two Sessions’

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Appendix C  Interviews

### Appendix D  Policy Recommendations

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Improve or Rectify Management of Individual Accounts 2 0 0
Set Limits on Individual Account Expenses 1 0 0
Rectify Abuse or Mismanagement of Insurance Funds 3 0 0
Increase Level of Government Investment 4 0 3
Facilitate Processing of Insurance Claims 1 0 0
Merge Insurance Programs 13 1 6
Facilitate Compensation Outside of *huji* (Retired Migrants) 8 1 2
Enroll in Local Insurance: Migrant Workers 5 0 0
Enroll in Local Insurance: Retired Migrants 1 0 0
Equalize Levels of Compensation or Coverage across Different Insurance Programs 3 0 1
Equalize Levels of Compensation or Coverage across Rural and Urban Insurance Programs 2 0 0
Promote Private Insurance 4 1 1
Do Not Promote Private Insurance 2 0 1
Allow Insured to Select Hospitals 5 0 1
Emphasize Quality Rather than Price in Regulation of Price 1 0 1
Abolish Discrimination of Local Industry in Government Regulation of Price 1 0 1
Abolish System of Basic Medicines 1 0 1
Abolish Pre-Selected Manufacturers/Centralized Procurement of Basic Medicines 1 1 3
Abolish Government Procurement of Drugs 3 0 0
Increase Oversight of Drug Procurement 3 1 0
Set Up an Environment to Support R & D 2 1 0
Do Not Maintain the Existing Multi-layered Structure of Pharmaceutical Industry 13 1 0
Protect Patents 1 0 0
Enable Universal and Free Access to Health 3 0 1
Enable Universal Access to Health Insurance 3 0 3
Enable Universal Access to Basic Health Services 10 1 1
Address Inequalities in Access to Health 1 0 1
Reform Needs to Have Concrete Items/Direct Vision 20 1 15
Reform Should Be Written in a Clear Language 5 1 6
Reform Should Take into Account Perspective of Medical Staff 4 1 0
Reform Should Take into Account Perspective of Medical and Pharmaceutical Sector 3 0 0
Reform Take into Account Perspective of Grassroots Medical Staff 2 0 0
Reform Take into Account Perspective of Rural Medical Staff

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</tr>
<tr>
<td>Other Medical Facilities Should, in Accordance with Regulations, Also Use Basic Medicines</td>
<td>0</td>
</tr>
<tr>
<td>All Retail Pharmacies Should Sell Basic Medicines</td>
<td>0</td>
</tr>
<tr>
<td>Stimulate Internal Consumption</td>
<td>0</td>
</tr>
<tr>
<td>Improve Assessment and Oversight of Public Health Services</td>
<td>0</td>
</tr>
<tr>
<td>Facilitate Enrollment in Health Insurance Outside of Place of Residence</td>
<td>11</td>
</tr>
<tr>
<td>Every Province, Prefecture, and Municipality Will Be Responsible for the Pilot Project (Instead of ‘Local Government’ in the Pre-consultation Draft)</td>
<td>0</td>
</tr>
<tr>
<td>Increase Level of Public Trust</td>
<td>0</td>
</tr>
<tr>
<td>Implement Mutual Recognition of Medical Checks among Hospitals of the Same Rank</td>
<td>0</td>
</tr>
<tr>
<td>Issue</td>
<td>Yes</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>-----</td>
</tr>
<tr>
<td>Increase Public Hospitals’ Oversight</td>
<td>59</td>
</tr>
<tr>
<td>Increase Salary of Medical Personnel</td>
<td>49</td>
</tr>
<tr>
<td>Total</td>
<td>878</td>
</tr>
</tbody>
</table>
Appendix E  Coding Scheme and Procedures

I develop an intricate, hierarchical coding scheme that captures both general themes and granularity in the contents of comments. I first divide the data into six key topics—Healthcare Providers and Services, Medical Staff, Insurance, Pharmaceuticals, Affordability and Healthcare Blueprint—and under each topic I generate subtopics representing broad categories. For example, for the topic ‘Medical Staff’, I created the following subtopics: ‘Work Treatment’, ‘Medical Accidents’ Insurance’, ‘Professional Qualifications’, ‘Morale’, ‘Relations with Patients’, ‘Relations with Hospitals Directors’, ‘Social Prestige’ and ‘Employment Flexibility’. Relying on these comprehensive categories, I am able to identify dominant trends in relation to problems that commentators are most concerned about. Under these subtopics, I also develop codes that correspond to particular policy items. For example, under ‘Work Treatment’ (gongzuo daiyu), I create particular codes for medical staff’s opinions and complaints: ‘Low Salary’, ‘No Income Security’, ‘No Access to Pensions’, ‘No Paid Vacations’. Taking note of grievances, I separately code recommendations for the implementation of concrete policy items, such as ‘Increase Salary’, ‘Guarantee Income Security’, ‘Provide Access to Old Age Insurance’, ‘Provide Paid Vacations’.

Similarly, in coding for netizens’ recommendations in favor of increasing the level of insurance compensation, I generate a coding scheme to capture the particular attributes of insurance compensation (catastrophic health, outpatient services, inpatient services for chronic disease, etc.).

In my coding scheme, I derive the conceptual separation between ‘suggestions’ and ‘opinions’ from official documents. In State Council Legislative Affairs Office document on
online consultation, it is stipulated that policymakers should conduct an analysis of both ‘opinions’ (yijian) and ‘suggestions’ (jianyi) (LAO, 2010a). According to Chinese sources, ‘opinions’ refer to subjective views on issues, whereas ‘suggestions’ denote more concrete course of action that should be taken (LAO, 2010a). While coding both ‘opinions’ and ‘suggestions’, in the dataset, I include only the former. This is because ‘suggestions’ contain clear guidelines regarding what the government needs to do, therefore, serving as a more valid indicator of potential correlations between public input and policy revisions.

In coding netizens’ recommendations, I do not simply use a keyword to make coding decisions. Instead, I code the actual policy suggestion put forward by commenters. For example, I have two distinct codes for recommendations in favor and against the privatization of public hospitals. Moreover, in some cases, commenters opposing either privatization of public hospitals or the privatization of pharmacies might use safety concerns to support their arguments. I code their safety concerns under the category of ‘Hospitals’ Oversight’. Meanwhile, in the dataset, I include the actual policy suggestions—‘Do Not Privatize Public Hospitals’, and ‘Do Not Separate Hospitals’ from Pharmaceuticals’. This because my key interest is in the policy implications of netizens’ comments.
Appendix F Difficult Comments

The combination of manual coding and high level of familiarity with the details of the proposed healthcare reform blueprint permitted me to construct a coding scheme that captures nuance differences in content across comments. The attention to fine-grained details is essential for identification of the fit in meaning between citizen input and policy revisions. I provide below four example of how, using this coding scheme and procedure, I was able to distinguish and code these difficult comments.

*Marketization of Health Services:* The sample contained comments that were both in favor or against the marketization of health services. Below, I provide examples of comments representing each of these contrasting policy orientations.

Table 6.1 Comments on Marketization of Health Services

<table>
<thead>
<tr>
<th>Policy Recommendation</th>
<th>Comment</th>
</tr>
</thead>
</table>

**Marketize Health Services**

The problem of ‘Seeing a Doctor Is Difficult’ (*kan bing nan*) is mainly because the people go to tertiary hospitals in big cities for medical treatment. Sometimes, it is impossible to register for a medical check (*guahao*) even within a single day, not to mention to see a doctor. What is the reason for this? It is because health resource distribution is tilted towards urban centers. Why are high-quality medical resources distributed to large cities? Because ‘non-profit’ public hospitals hold a monopoly over medical services. Moreover, public hospitals were established during the Planned Economy Era. After so many years of development, there has not been a large increase in the number of hospitals, and private hospitals have not been allowed to enter the health market. Even if they did enter, they were classified as ‘For-Profit’, and it was difficult for them to survive. In the 30 years of reform and opening up, China's economy and society have been greatly developed. However, since competition has not been introduced into the medical market, there has not been any major development in the health sector, and this has caused the problem of ‘Seeing a Doctor Is Difficult and Expensive.’

The shortcomings of the current public medical services institutions are obvious. Efficiency is low, quality of service is not high, internal competition mechanism is absent, and the phenomenon of denying people medical treatment due to poverty is ubiquitous.

It can be seen that the medical market must adhere to the principle of fair competition. Only by introducing competition can we improve efficiency, and distribute resources according to market demand. Pharmaceutical prices should also be determined according to market mechanisms. These measures will
solve the problem of ‘Seeing a Doctor Is Difficult and expensive.’ (Section 3, #863)
**Do Not Marketize Health Services**

Medical personnel should be remunerated according to their skill; they should not be blindly pursuing profit. Their salary should reflect their adherence to the public interest (gongyi xin) and their level of medical skill. Medical staff are not business people. They should concentrate on learning. The market economy cannot be brought into hospitals. Instead, the state should invest in hospitals and medical training in order to improve the quality of medical services. If medical personnel depend on the market to make money, the national medical sector will not develop. (Section 4, #1239)

*Separation between Hospitals and Pharmaceuticals:* One of the key controversies surrounding the healthcare reform was the question of separation between public hospitals and pharmaceuticals. Some argue that the separation would lead to reduction in the prices of medical services. Others insist that the privatization of pharmacies would compromise patients’ safety. I code the comment below as a recommendation against the separation of pharmacies from hospitals. While the commenter raises safety as a concern, my interest is in *policy implication* rather than in the way the argument is constructed.

**Table 6.2 Comment on Separation Between Hospitals and Pharmaceuticals**

<table>
<thead>
<tr>
<th><strong>Policy Recommendation</strong></th>
<th><strong>Comment</strong></th>
</tr>
</thead>
</table>

| Do Not Separate Pharmaceuticals from Hospitals | Pharmacies can't be separated from hospitals. This is because both hospitals and pharmaceuticals are related to health, doctors need to have oversight over pharmacies. The separation of hospitals and pharmaceuticals will eventually lead to the pursuit of self-interest among drug manufacturers at the expense of people’s health. This is also the reason why a large number of drug incidents have occurred in recent years. (Section 7, #2364) |

**Migrants:** The sample of comments includes two types of migrants: 1) **migrant workers**, who are normally young and from rural areas, and, 2) **retired migrants**, who are not necessarily rural dwellers. Often, retired individuals move with their children to urban centers where the latter found employment. In this manner, they could take care of the grandchildren, while their children financially support and take care of the aging parents. Because of China’s Household Registration System (*hukou*) both migrant workers and retired migrants faced administrative hurdles in receiving insurance reimbursement in their new place of residence. Therefore, in the comments, members of both groups plead with the government to facilitate the administrative procedures that would allow access to insurance coverage for medical treatment outside of one’s original place of Household Registration (*huji*).

Even though the content of the demands articulated by both groups was identical, the demographic distinction is key for causal identification. This is because the pre-consultation blueprint endorsed the facilitation of reimbursement procedure for migrant workers, whereas the
post-consultation blueprint also stipulated the enactment of a similar policy vis-a-vis retired migrants. The differentiation between the two social groups allows us to accurately measure policy change.

Table 6.3 Comments on Migrant Workers and Retired Migrants

<table>
<thead>
<tr>
<th>Policy Recommendation</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facilitate Obtainment of Insurance Compensation for <strong>Retired Migrants</strong></td>
<td>We live in the area of Shengli College, University of Petroleum (Dongying City, Shandong). We are old and very sick. However, our children are not working in Dongying. If you are in a child's place of residence, you are not able to see a doctor. You have to return to your city’s health insurance bureau every year in order to get reimbursement. You can only access medical care (at the child’s place of residence) in cases of emergency. What can we do if we are still unable to move there? (In Dongying) There are no family members to take care of us, and there is no community support for the elderly. It is difficult! I hope that this reform can solve the problem of elderly people seeking medical care outside their place of household registration (huji).</td>
</tr>
<tr>
<td>Facilitate Obtainment of Insurance Compensation for <strong>Migrant Workers</strong></td>
<td>We are migrant workers whose medical insurance is practically equal to having no insurance. Because we do not have a local household registration, we cannot get reimbursed for medical service, and, thus, cannot afford to seek medical treatment. Think about how many migrant workers in China! I hope you can solve this issue.</td>
</tr>
</tbody>
</table>
Chronic Disease: The revised blueprint of the healthcare reform emphasized that public health policies should focus on the monitoring and prevention of chronic disease. The sample contained comments on chronic disease. Yet, they were coded differently depending on their contents. Some comments referred to chronic disease in the context of *public health and disease prevention policies*. Others recommended coverage of chronic disease treatment by health insurance. In the coding scheme, I differentiated these two types of comments.

Table 6.4 Comments on Chronic Disease

<table>
<thead>
<tr>
<th>Policy Recommendation</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1) Focus on Chronic Disease Prevention</strong>&lt;br&gt;<strong>2) Increase the Salary of Medical Personnel</strong></td>
<td>Illness is divided into two situations, one is inevitable or unforeseeable; the other is just the opposite, controllable and predictable, as long as there is scientific health education, public's promotion of reasonable eating habits and health lifestyles, the introduction of pragmatic and effective methods of strengthening the body, and the standardized treatment and prevention of some common diseases and chronic diseases will definitely reduce the national mortality rate. But all this requires the true work of medical staff, especially for health workers in the grassroots community. Take a community health service center as an example. If the total number of medical staff in the urban community health center is fixed and the community population served is also a relatively stable number, and the level of government of funding is stable, then the number of illnesses will drop significantly. Do you think that community health workers who contribute to this should receive an income? (Section 7, #712)</td>
</tr>
<tr>
<td><strong>Expand Insurance Coverage to Include Chronic Disease Treatment</strong></td>
<td>Medical reform policies must prioritize long-term patients suffering from chronic disease and disability. The most important thing in a socialist medical reform is to prevent patients from either becoming poor or returning to poverty due to illness. Therefore, it is recommended that the government and commercial insurance cooperate, share the account information of insured patients, and use financial subsidies to help patients participate in the medical insurance for catastrophic illnesses. (Section 1, #782)</td>
</tr>
</tbody>
</table>
**Insurance Coverage: Outpatient versus Inpatient Services:** Recommendations to increase insurance coverage included two types of reimbursements: outpatient and inpatient services. The table below illustrates the two distinct types of comments.

Table 6.5 Comments on Outpatient and Inpatient Services

<table>
<thead>
<tr>
<th>Policy Recommendation</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expand Insurance Coverage for <strong>Outpatient Services</strong></td>
<td>The state has implemented the New Rural Cooperative Medical Scheme and Urban Resident Medical Insurance, partially reducing the cost of medical treatment. However, because of the high cost of drugs, outpatient drug charges are not reimbursed, and the ordinary people are still unable to obtain medical treatment. It is recommended that the government further increase the proportion of reimbursement, and outpatient expenses must also be reimbursed on a pro-rate basis, since ordinary people use outpatient service more frequently than inpatient ones. (Section 7, #656)</td>
</tr>
<tr>
<td>Expand Insurance Coverage for <strong>Inpatient Services</strong></td>
<td>Improve the rate of medical insurance reimbursement. For any disease that can be prevented, the state should fund prevention free of charge. If the disease is the person’s fault since the person did not prevent it, then the proportion of reimbursement should be greatly reduced. The proportion of reimbursement for inpatient services for unpreventable diseases and post-operation treatment can greatly reduce the phenomenon of becoming poor due to illness. (Section 7, #269)</td>
</tr>
</tbody>
</table>
Appendix G  Coding Scheme Development and Reliability

The procedures for writing the coding scheme and ensuring inter-coder reliability were iterative, comprising of consecutive stages of reading, discussion, refinement and revisions. In collaboration with a research assistant, we first read 50 randomly selected texts to generate an initial coding scheme consisting of both broad themes and specific policy recommendations. We then met in order to discuss and share our separate coding schemes. Having merged both schemes, I drafted an initial manual for the coding scheme. The manual was then further refined through a stage where the research assistant and I individually coded an additional set of 50 random comments. While coding, we exchanged via email difficult comments and suggested new codes. Afterwards, we met again to revise the coding scheme. Following the revision, each of us proceeded to code a separate random sample of 50 comments, and afterwards, we further updated the coding manual. Throughout the process of revising coding scheme, I ensured that the research assistant was updated of the proposed changes by sending her memos once revision was completed.

Having finalized the coding scheme, both the RA and I separately coded an identical set of 50 randomly selected comments. After comparing our coding, I went over the coding with the RA and pointed area were mistakes were made. Later, my research assistant coded 240 comments and I coded 318 comments. During the coding process, I discussed difficult comments with the research assistant, while adjusting the coding scheme as problems arose.

To assess reliability, I conducted my own blind-coding of a set of 240 of the comments coded by the RA. I ran the reliability test for the six comprehensive topics in the coding scheme: ‘Healthcare Providers and Services’, ‘Medical Staff’, ‘Insurance’, ‘Pharmaceuticals’,

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‘Affordability’ and ‘Healthcare Blueprint’. The average percentage agreement for coding the six topics was 93.3%, while the Kappa value was 0.8.

There are two reasons for focusing on a limited number of topics. First, it is difficult to compute reliability for a large number of categories—162 in this sample. Second, as the majority of coding categories in the dataset are infrequent, the standard index of reliability, Cohen’s kappa, is likely to yield very low k values (Di Eugenio & Glass, 2004), even if the degree of observed agreement is high (Syed & Moin, 2015). Because kappa can misrepresent reliability when there is a high number of non-prevalent categories, I only ran the test for the comprehensive categories.

Table 6.6 Reliability Scores

<table>
<thead>
<tr>
<th>Category</th>
<th>Percent Agreement</th>
<th>Cohen's Kappa</th>
<th>N Agreements</th>
<th>N Disagreements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Providers</td>
<td>89.2</td>
<td>0.77</td>
<td>214</td>
<td>26</td>
</tr>
<tr>
<td>Medical Staff</td>
<td>93.75</td>
<td>0.87</td>
<td>225</td>
<td>15</td>
</tr>
<tr>
<td>Insurance</td>
<td>94.2</td>
<td>0.83</td>
<td>226</td>
<td>14</td>
</tr>
<tr>
<td>Pharmaceutical</td>
<td>92.9</td>
<td>0.76</td>
<td>223</td>
<td>17</td>
</tr>
<tr>
<td>Affordability</td>
<td>94.2</td>
<td>0.74</td>
<td>226</td>
<td>14</td>
</tr>
<tr>
<td>Health Blueprint</td>
<td>95.8</td>
<td>0.81</td>
<td>230</td>
<td>10</td>
</tr>
</tbody>
</table>
Appendix H  Key Policy Revisions

**Nature of Revisions:** Although major policy documents in China tend to be abstract and thin in content, the paucity of concrete details in central government documents does not necessarily entail that responsiveness is merely symbolic. Rhetorical changes within official documents do have an impact on implementation on the ground. Because the language of official documents is parsimonious, the meaning of every word is significant. If revisions to the document occur, local officials and bureaucrats are likely to take cues from these words to interpret the intentions and shifting priorities of the central government and Party leaders. Underlings who act in a contrarian manner to the language of official documents could be held accountable for violations of central directives.

**Key Policy Revisions:** I provide below ten key revisions as well as comments that match in content policy revisions.

Table 6.7  Key Revisions
1) Increase Public Hospital Oversight

|  | In today's commodity economy, the directors and employees of township hospitals are only interested in the wallets of the masses. They never want to improve the level of medical technology, reduce the people’s medical spend expenses, and enable patients to receive good medical treatment. At present, the status quo of township hospitals is the following: 1) ‘family hospitals’ are everywhere. Just take a township hospital, out of every ten employees, six have relatives working in the same hospital. 2) The hospital director treats the hospital as her own. Expenditures and employment policies are carried out at her discretion, without being subject to any laws and regulations. Illegal expenditures are ubiquitous, and there are commissions for drug purchases, for which the ratio is quite high. 3) At present, in township hospitals, small diseases are treated as catastrophic diseases, short-term illnesses are treated as long-term ones, and patients requiring outpatient services are assigned to inpatient services. This is a serious violation of the state's regulations on the New Rural Cooperative Medical Scheme, and a large amount of state funds are funneled to hospitals. The hospital and the director make the masses suffer. No wonder the masses do not support the national health reform! Therefore, the more funds the state invests in township hospitals, the greater the losses for the state. If you do not strengthen the management and oversight of township hospitals, reform will not succeed! The above |
three facts we witnessed are the biggest types of corruption in hospital management! However, there are no departments and units such as discipline inspection, supervision, anti-corruption, auditing, and price to investigate and deal with them. Occasional hospital inspections conducted by the New Rural Cooperative Medical Bureaus are meaningless! To this end, we suggest that oversight of township hospitals should be rapidly strengthened. (Section 4, #1095)
2) Equalize the Salary of Grassroots Medical Doctors to that of Public Service Units (shiyedanwei) Employees. I am a grassroots medical worker. I am very excited to see the full text of the ‘Opinions on Deepening the Reform of the Medical and Health System’. I know that this is a prelude to the medical reform program, which will soon enter a substantive phase. For a long time, we, the grassroots medical workers, have been anticipating the medical reform. Let's talk about our treatment (daiyu). I work in the county. My pay is less than 800 yuan per month. The current prices are so high. My salary can only cover food and clothing for me and my children. Although we have a low income, we still need to take exams that charge high fees. Sometimes I really can't stand it, but I still can't help it. How can we work for the people with peace of mind in such circumstances? Even though our hospital is a public service unit, but there is very little government investment in the hospital. The hospital has to be self-sufficient. The doctors have to prescribe medications in order to make a living. Otherwise, there will be no wages. If the doctor cannot make ends meet, how can the doctor’s family survive? The doctor also wants to eat! The suggestion I want to make is: abolish the practice of living off prescribing drugs and, increase the doctor's salary so that doctors can better serve the people. (Section 7, 6720)
By equalizing the salary of medical personnel to that of employees in other public service units, the state is increasing the salary of medical personnel. This is because prior to the healthcare reform the salaries of those employed in grassroots medical facilities were lower than their counterparts in other public service units (Fang F., 2010; MOH, 2009; Zhou & Fan, 2009).
<table>
<thead>
<tr>
<th>3) More Concrete Policy Items and Specificity (e.g., timeline for implementation: 2009 to 2011, specific amount of government subsidy per person for insurance, 120 RMB; public health subsidy per person 15 RMB; a concrete number of medical facilities to be constructed, 29,000 township hospitals, 2400 urban community service centers in poor areas)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The medical reform plan submitted for public consultation should be clearly outlined, since it is too long and difficult to understand. It seems to be all-inclusive. In fact, it feels empty and not specific. For example: How many community or township health centers have been established so far? How much is the standard and level of investment? How many facilities will be built after the medical reform? What would be the standard and level of investment? How much will the state invest to solve the specific problems of the people? Because the country's current medical services that can be guaranteed for the whole people are low-level, what would be the lowest standard for medical services and how much money would be provided. The medical reform blueprint is still unclear about the usage of national funds. If it is opaque, it will be easy to operate in a black-box. If citizens are unable to supervise, it will not change the existing situation, which in medical institutions and pharmaceutical production enterprises lobby the government. As the medical reform is about the Ministry of health and medical system, the reform will not be successful. (Section 7, 8714)</td>
</tr>
<tr>
<td>4) Improve the Morale of Medical Staff (through an Improvement in the Overall Working Conditions and Environment of Medical Personnel).</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>5) Improve Doctor-Patient Relations</td>
</tr>
<tr>
<td>6) Protect the Legal Rights (<em>hefa quanyi</em>) of Medical Personnel</td>
</tr>
<tr>
<td>---</td>
</tr>
<tr>
<td>7) Facilitate Obtainment of Insurance Compensation for Retired Migrants</td>
</tr>
<tr>
<td>8) Expand Insurance Coverage for Outpatient Services</td>
</tr>
<tr>
<td>-------------------------------------------------</td>
</tr>
<tr>
<td>9) Expand Insurance Coverage for Catastrophic Illnesses</td>
</tr>
</tbody>
</table>
Standardize and Strengthen Occupational Insurance for Medical Doctors

With the improvement in the quality (suzhi) of the people, understanding of the legal system has been continuously enhanced, and medical disputes have increased significantly. Some patients believe that their legal rights have been violated. Other patients exploit the government’s tendency to seek stability and avoid trouble, maliciously petitioning the authorities. Few patients behave calmly and act according to procedures. In addition, the dual identity of the Ministry of Health as both the ‘trainer’ (jiaolian yuan) of the medical system and the arbitrar makes it difficult for patients to accept their investigation results and decisions. ‘Medical trouble’ (yinao) has now become a malignant tumor that seriously interferes with normal medical procedures, rendering the contradictions between doctors and patients more acute and affecting the healthy development of the medical system. Can the state learn from the ‘Mandatory Traffic Insurance’ model, and require all medical institutions to apply for compulsory medical insurance? In case of disputes, the insurance company and the affected party will negotiate, and patients will no longer negotiate with hospitals.
Appendix I Media Analysis

I.1 Retrieval of Media Reports

Media contents are derived from two electronic sources: China Knowledge Resource Integrated Database (CNKI), primarily for official newspapers, and Duxiu, for popular and business outlets. Media reports are identified through search for the following terms: ‘Healthcare Reform’ (yigai), ‘Medical’ (yiliao), ‘Health’ (weisheng), ‘Medical Insurance’ (yibao), and ‘Medicine & Pharmaceuticals’ (yiyaoy).

I.2 Newspaper Selection Criteria

Official newspapers (People’s Daily and China Youth Daily: a total of 35 reports). These media are under the direct supervision of the Party and state organs either at the national or local level, or under government institutions (Stockmann, 2013). Official newspapers, which are circulated within government units through mandatory subscription, are intended for instructional purposes, i.e., to furnish officials with guidelines on how to carry out state directives (Qin et al., 2016). The People’s Daily was selected for the sample because it is the mouthpiece of the CCP Central Committee and thus has the most authoritative voice with respect to the Party’s position. In the context of healthcare reform, the People’s Daily features interviews with elite medical doctors and administrators, such as directors and department heads at urban tertiary and military hospitals.

In contrast, the China Youth Daily (CYD), which is placed under the control of the comparatively politically liberal Communist Youth League, furnishes journalists with some level of autonomy to craft their own discourse on various policy issues (Stockmann, 2013), including
health (Interview 46). Because CYD editorial also includes reporters who specialize in health issues, it is one of the most influential newspapers in the public debate over healthcare reform (Interview 46). In 2005, CYD published a very influential report by the State Council Research and Development Center on the vulnerabilities of China’s health sector, prompting the Chinese government to launch a new round of healthcare reforms (Thompson, 2009). In 2008, when online consultation took place, CYD featured interviews with Li Ling (Beijing University), who was the leading voice of opposition to marketization in China’s health sector. CYD provided a platform for Li Ling because of practical rather than ideological considerations. In late 2008, Li was available for interviews by CYD, whereas her opponents were already committed to other newspapers (Interview 46).

Business and Finance Newspapers (Caijing and 21 Century Business Herald: a total of 29 reports). These newspapers, which command an authoritative voice in the discussions of social and economic policies (Zhao, 2008), follow a distinct editorial line in favor of market reforms (Interviews 18, 54). Typically, these outlets represent the positions of rising business elites and government officials working within the finance and economic administrations. In covering healthcare reform, finance newspapers reflected the interests of the pharmaceutical industry. I selected Caijing for the media sample because in 2008, this publication was the leading finance newspaper in the country. The sample also includes 21st Century Business Herald because it had specialized reporters dedicated to covering healthcare reform who produced influential reports on this policy (Interview 55). This outlet also featured opinion columns by Gu Xin, a professor
from Beijing University who was, along with Li Ling, the most prominent intellectual participating in the public debate over healthcare reform (Interview 54; Kornreich et al., 2012).

Popular papers (Jinghua Shibao, Xinmin Wanbao, Yangzi Wanbao, and Nanfang Dushibao: a total of 57 reports). Catering to median public opinion of urban, middle class residents rather than to political and economic elites, these outlets speak in a voice that is distinct from either the official or finance media (Stockmann, 2013). In reporting on the healthcare reform, popular media emphasize everyday concerns of urban residents, such as rising health costs and doctor–patient frictions. Even though these papers are published locally, the central government still pays attention to their contents because these outlets serve as an indispensable source for learning about the public opinions of urban dwellers on national issues, including social policies (Stockmann, 2013).

There is variation in the level of political openness and editorial freedom across these newspapers. Popular media consists of two categories: commercialized metropolitan press (dushibao) and semi-official evening papers (wanbao). Both types of papers are subsidiaries of government-controlled press conglomerates but differ in their ownership and revenue structures. Whereas the dushibao derive revenues from private investment, sales, and advertisements, wanbao finance themselves through similar sources but are not allowed to sell shares to private investors. These structural differences can be translated into divergent levels of editorial freedom, as the more commercialized dushibao have a higher degree of independence from the Propaganda Department’s directives than the semi-official wanbao (Stockmann, 2013). The sample contains both commercialized newspapers, such as Southern Metropolis Daily and
Jinghua Shibao, and semi-official outlets, such as Xinmin Wanbao and Yangzi Wangbao. This selection design captures discursive variation across popular papers.

In addition to divergent degrees of editorial freedom, the criteria for selection of popular papers include sales statistics provided by Century Chinese International Media Consultation Inc. (CMCC, 2013), a private company specializing in the analysis of China’s media market, and World Association of Newspapers and News Publishers (2014). My assumption is that a larger readership is associated with a higher degree of government attention.

I analyze the contents of newspapers with the highest sales figures from the three largest media markets in China: the metropolises of Beijing, Shanghai and Guangzhou and their regions (e.g. Jiangsu and Guangdong Provinces) (CMCC, 2013). The premise is that because the papers are published in China’s most vibrant media markets, they have a stronger discursive power than other locally-based outlets, and, thus, the central government pays the highest level of attention to their contents. In the case of Shanghai, I select two semi-official papers, Xinmin Evening News and Yangze Evening News. While Yangze Evening News is published in Nanjing, it is ranked third in terms of sales in Shanghai after New People Evening News and Shanghai Morning Post, respectively (CMCC, 2013), and it is the regionally-distributed, semi-official paper with the second highest magnitude of sales in China (World Newspaper Association, 2014), surpassing Shanghai Morning Post. For this reason, I selected this paper rather than Shanghai Morning Post. For Beijing, I selected Beijing Times, a commercialized newspaper ranked the third in terms of sales in the capital city. Two newspapers, Beijing Evening News and The Beijing News, that are ranked above this outlet, did not have any reports on the healthcare reform from the relevant period. In Guangzhou, both Guangzhou Daily and Yangcheng Evening
News are ranked first and second, respectively. Yet, the first one is an official paper and therefore I exclude it. I selected Southern Metropolis Daily rather than Yangcheng Evening News because the former ranked the third in Guangzhou is a commercialized newspaper with the highest level of sales among all newspapers distributed in Guangdong Province (World Newspaper Association, 2014).
Appendix J  Coding Procedures for Assigning Demographic Categories

I impute commenters’ group identity based on the content of comments. Deploying this strategy, I divided the comments into six distinct demographic categories.

J.1  Resemblance to Official Statistics

The results of my clustering, in which commenters are divided into six distinct social groups, are similar to the demographic details of the commenters reported in official statistics, which were based on information netizens’ were required to provide before submitting their public comments (People.Com, 2008). Both my own analysis and published government figures show that 55% of the commenters are from the medical sector. In addition, 21% of my sample consists of grassroots groups, including migrants, laid-off workers, patients unable to afford medical care, and representatives of small pharmaceutical companies. This is more or less consistent with the government survey comprising 20% grassroots commenters. Moreover, in my sample and the government report, the proportion of participants from other demographic groups is 24% and 25%, respectively. The resemblance between my breakdown of the proportion of comments made by each of the demographic groups and government statistics could indicate that my analysis is representative of the actual demographic breakdown of participants as viewed by the Chinese government. For an elaboration on each of the imputed categories see below.

J.2  Medical Staff

This category (55% of the sample) encompasses two typologies of comments. The first typology consists of comments expressing grievances about the inferior working conditions in low-tier
medical facilities in China, such as low remuneration and lack of access to welfare provisions. These comments, which normally do not extend beyond a short paragraph, constitute 37.8% of the random sample. The second typology of comments includes policy recommendations on a wide range of topics pertaining to China’s medical system, and 17.2% of the comments in the sample are subsumed under this typology.

I decided to collapse the two typologies—short passages on working conditions and lengthy comments on China’s medical system—into one single category for two reasons. First, there is concrete evidence to establish that the Chinese government perceives medical personnel as a single group. In an analysis of netizens’ input from a previous episode of online consultation on healthcare reform, which took place in September 2006, the Ministry of Health treats medical personnel as a unified category, instead of separating grassroots medical personnel from high-level medical doctors (HPSP, 2007, pp. 182–185). Deploying the government’s own demographic categories can capture government perceptions of these publics and thus its priorities in responding to this key stakeholder.

Second, as I mention earlier, there is a similarity between my coding scheme and Chinese government statistics (Wang & Fan, 2013, pp. 98-99). According to both government reports and my own calculations, 55% of commenters participating in the online consultation over the healthcare reform were medical personnel.

Triangulating government figures with my findings, I infer that the majority of commenters from my sample hail from the ranks of grassroots medical personnel. The Chinese government reports that the majority of commenters, 55%, were medical professionals, and 95% of all commenters were of low-and middle income groups, earning less than 50,000 RMB per annum.
(Wang & Fan, 2013, pp. 98-99). Meanwhile, in 2009 the average salary of grassroots medical personnel in Beijing, where income is among the highest in the country, was 42,000 RMB per year (Fang F., 2010). The combination of these two income figures suggests that the majority of medical personnel participating in the consultation worked in grassroots medical facilities, where the staff were often underpaid.

Other figures from my data lend further credence to official statistics: 32% of all comments feature either complaints or recommendations regarding the treatment (daiyu) of medical personnel—a Chinese concept which encapsulates both income level and welfare provisions. The coding scheme provides an additional indicator of the identity of this demographic group. Among the comments containing policy recommendations on public hospitals (69% of all comments in the sample of comments), 38.9% refer to grassroots medical facilities (38.9%), whereas only 5.13% mention urban tertiary hospitals. Assuming that medical staff primarily invoke in comments problems that occur in their work units, we could infer that the majority of medical personnel participating in the online consultation were from grassroots medical facilities.

Meanwhile, there is evidence that that a minority of medical personnel were actually elite medical doctors. Government statistics imply that 5% of all commenters might have belonged to high income group. In addition, in a sample of 541 participants in the online consultation over the healthcare reform, Balla finds that elite, urban medical doctors took part in the online consultation process (Balla 2012, 2014; Balla & Liao 2013). However, as opposed to my sample, which is based on a random selection of comments, Balla’s sample is unrepresentative of the
composition of participants, since only a self-selected group of participants agreed to take part in a follow-up survey to the online consultation carried out by Beijing University.

Because participating medical personnel did not directly divulge their income, I do not have sufficient empirical evidence to draw a sharp line between comments made by elites and non-elites. However, I believe that I have sufficient evidence to substantiate my claim that the majority of participants were grassroots medical professionals.

J.3 Patients

Patients (12% of sample) often complain about their personal challenges of accessing healthcare services. In most cases, the commenters plead with the government to either control medical fees or accommodate their special needs within existing health insurance schemes. Patients who are the most frequent users of the medical system, prominently those suffering from either chronic or catastrophic disease, tend to participate in the consultation procedure.

J.4 Migrants

Migrants (4.8% of sample) consist of two groups: 1) migrant workers hailing from rural areas and 2) retired migrants who settled outside of their place of household registration (huji) after retirement. Both types of migrant populations face arduous bureaucratic hurdles in applying for insurance compensation at their physical place of residence. Migrants participating in the online consultation recommend that the procedures for accessing health insurance in their current place of residence should be facilitated.
J.5 Pharmaceutical Industry Insiders

These netizens (2.5%) work in small pharmaceutical manufacturing companies. They complain about the difficulties that their companies face in navigating the brutally competitive Chinese pharmaceutical market and the heavy-handed bureaucratic intervention in pricing pharmaceuticals.

J.6 Laid-off Workers

Commenters from this group (2.1%) were laid off in the period of state-owned enterprises restructuring from the mid-1990s to mid-2000s. In 2008, a large number of laid-off workers did not have access to either pension or health insurance, so these netizens implore the government to provide them with access to medical insurance.

J.7 Other

This classification (23.8%) captures commenters who do not easily fit within any of the other clusters.
Appendix K Interviews for Chapter 5

During my fieldwork in China on both health and education reforms, I conducted a total of 80 interviews with experts, think tank researchers, representatives of pharmaceuticals associations, government officials, medical doctors and hospital directors. I discussed with the interviewees not only the online consultation procedure, but also other formal participatory outlets, notably expert consultation. For this chapter, I primarily cite interviewees whose experience is directly relevant to this paper’s content.

Officials. I conducted seven interviews with officials holding the ranks of Deputy Minister, Department Head (sizhang) and Bureau Head (chuzhang) from the Ministry of Health, Ministry of Human Resources and Social Security, National People’s Congress (NPC) and China Insurance Regulatory Commission. The number of interviews was limited because of the difficulty to gain access to officials from China’s central government. Among these seven officials, three had direct experience of participation in the drafting process of China’s healthcare reform, and one official from the NPC was involved in handling online consultation at China’s legislature. Out of these four informants, two officials, who held the rank of Bureau Head (Interviews 42, 47), were willing to discuss the administrative procedures for processing online input.

The four officials with direct experience in the processing of online consultation conceded that online comments have impact over policy revisions; none of these officials conceded that online comments do not shape policymaking.
Interviews with officials did not prove to be a good source for learning about the mechanism of responsiveness. While senior ranking officials, such as Department Heads and Deputy Ministers, make decisions over policy revisions, they often refrain from disclosing details on the inner-workings of the decision-making process within the Chinese bureaucracy. By comparison, less senior officials, notably Bureau Heads, are willing to openly discuss their work and the organizational procedures deployed for handling online comments. Yet, because they are excluded from the decision-making process, they lack direct information on the incentives of their superiors to revise policies. Therefore, I consult official documents to gauge the incentives for responsiveness.

**Additional Interviews.** In addition to officials, I also conducted interviews with health policy experts in order to assess the evolution of government policies towards grassroots medical staff, and the period when the government started to prioritize the improvement of this constituency’s working conditions. I approached these experts for interviews because of their specialization in the field of grassroots medical services in China. Two of the interviewees are from the Public Health School at Beijing University (Interviews 15, 53), and are recognized nationally as authorities in the study of grassroots medical services in China. Another interviewee is from the Social Development Department at the State Council Development Research Center (Interview 3), a key research institution in the health policy research since the mid-2000s (Wang & Fan, 2013).

My interviewees also included journalists whose experience was most pertinent to the drafting process of the healthcare reform. Having followed the Chinese media coverage of health
issues for several years, I have become familiar with the newspapers that shaped the public discourse on health. I conducted four interviews with health journalists from *Caijing* and 21*st Century Business Herald* (Interviews 18, 50, 54, 55), two media outlets which are the most vocal advocates of marketization of health services. I also interviewed another journalist from *China Youth Daily* (CYD) (Interview 46), a paper that published consequential reports in opposition to marketization.

Health journalists also proved to be a reliable source for learning about the level of censorship in this policy arena. The journalists who discussed censorship with me represented relatively wide spectrum of China’s media. One journalist previously worked as a health reporter in the central government news agency, *Xinhua*, and, later, covered health issues in outlets specializing in health policies, such as *China Hospital CEOs*, and *Jiankang jie.cn* (Interview 52). Another journalist is from *China Youth Daily*, an official outlet that is more politically liberal than the orthodox *Xinhua* (Interview 46). A third informant is from the commercialized newspaper 21*st Century Business Herald* (Interview 18). Because each of these individuals had been covering health issue for more than ten years, they were in a position to assess the degree of censorship in this policy domain.

To understand the impact of interest groups, such as pharmaceutical associations and tertiary hospitals (*sanjia yiyuan*), I rely on interviews with informants who were directly involved in lobbying the government to revise health policies. One of the interviewees is a CEO of a consulting company that specializes in the pharmaceutical market. Concomitantly, this individual also holds the title of a deputy head of a national pharmaceutical association. In this capacity, this informant engaged in numerous lobbying activities vis-à-vis the government
(Interview 4). Another interviewer is a high level administrator at a tertiary hospital. He successfully leveraged both personal connections with officials and public advocacy efforts via the media to promote a distinct vision of the healthcare reform (Interview 22). A third interviewee was a Bureau Head in the Ministry of Health Policy & Regulations Department, which is responsible for drafting policy documents such as the healthcare blueprint. In the capacity of a drafter, this official witnessed the impact of interest groups on policymaking (Interview 48). My research has greatly benefited from the invaluable insight of these individuals who are highly qualified to discuss the impact of elite groups on China’s healthcare reform.