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RESEARCH ARTICLE



Top-level design, reform pressures, and local adaptations: an interpretation of the trajectory of reform since the 18th CPC Party Congress

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ABSTRACT

Since the 18th Party Congress of the CPC, the Chinese leadership has emphasized ‘top-level design’ in their strategic thinking on reform. In practice, they have attempted to dialectically combine ‘top-level design’ with the approach of ‘crossing the river by feeling the stones’. Such efforts have led to the emergence of a range of decision-making, implementation and supervision institutions primarily aimed at implementing ‘top-level design’. With top-level decision makers demonstrating both ambition and a sense of urgency, the shift in reform strategies has also placed new pressures on local Party and government organizations, which have been forced to accordingly adjust their thinking and behavior. There are some tensions between the current top-down manner of institutionalization and the tradition of lower-level autonomy which began after the initiation of reform and opening up. How to translate such tensions into momentum for reform is an issue meriting further observation and analysis.



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The concept of ‘Top-level Design’ first emerged after the CPC’s 18th Party Congress. The new reform concept emphasizes that reforms should be promoted in a systematic way and under unified leadership, in order to overcome the problems inherent in self-initiated reform and the difficulties posed by the fact that China’s reform drive is now in ‘unchartered waters’ and faces serious hurdles. The concept was institutionalized at the 3rd Plenum of CPC’s 18th Party Congress in November 2013, when the ‘Decision of the Central Committee of the CPC on Some Major Issues Concerning Comprehensively Deepening Reform’ was adopted. The decision clarified the targeted areas and major tasks of reform and set out the timetables and roadmaps for relevant reform measures. On the basis of this decision, the CPC established the Leading Group for Comprehensively Deepening Reform (LGCDR), appointed Mr. Xi Jinping as leader and set up an ad hoc office with responsibility for designing, coordinating and promoting reform measures as well as monitoring their implementation. A similar

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organizational structure was also introduced at provincial level. Against this backdrop, the approach to reform, which had been predominantly bottom-up during the last three decades, experienced a fundamental shift (at least ostensibly), exhibiting more top-down and result-oriented features.

Although decision makers continue to put emphasis on 'combining top-level design with experiments at local-level' and 'giving play to the initiative of both the central and local governments', problems like how to promote local initiative, where to start and what approaches to take are still unresolved for local officials, who have long been accustomed to the experimental mindset and behavioral modes which were shaped in the previous decades. These problems will definitely result in some unease among local officials and may cause resistance among them. Thus, how to effectively utilize initiative and creativity at local level is an important issue in China's drive to comprehensively deepen reform.

This article comprises five parts. Part one reviews popular arguments concerning the initiative of local governments in China. Part two explains why the concept of 'Top-level Design' was originally put forward as a way to carry out further reform. Part three summarizes the ways in which 'Top-level Design' is practiced. Part four examines the local response to top-down reform measures and adjustments issued by the central government. Finally, part five offers a brief conclusion.

I. Theories on Local Initiative in China's Reform Process

Despite differing explanations on the reasons for and manifestations of local initiative, researchers have reached a consensus on the pivotal role played by Chinese local governments in sustaining China's economic miracle for more than 30 years. In reality, myriad factors have contributed to local initiative. The fundamental one, however, could be said to be the institutional singularity of China. As important actors in China's centralized one-party system, local governments face and respond to institutional constraints and incentives inherent within this system. Therefore, even when examining cases where local governments respond autonomously to market and social demands, we should first take institutional constraints, incentives and space into account.

The main arguments regarding local initiative that take an institutional perspective constitute three branches. The first branch is the so-called 'Special Authoritarian Paradigm', which is particularly popular among western researchers. According to this argument, the Chinese system, although authoritarian in nature, is quite 'resilient' and 'flexible'.¹ It still retains some institutional strengths inherited during its revolutionary past² and as such has developed numerous mechanisms for institutional innovation such as 'local experiment'.³ The influential 'Fiscal Federalism' argument also goes along the same lines. These explanations have attempted to place China within established western theoretical models and examine whether China is in line with or deviant from these. In not factoring in the rapid change in China or its apparent institutional singularity, western researchers have chosen to leave their theoretical models unaltered.

The second branch is the 'Institutional Strength of the Chinese System' argument, which is officially endorsed by the Chinese government. According to this argument, China tries to combine the initiative of both the central and local governments in the design and operation of its system. This argument was first put forward and

systematically analyzed by Mao Zedong in his article 'On Ten Relations', written in the 1950s. After reform and opening up began, Deng Xiaoping used such metaphors as 'crossing the river by feeling the stones' and 'whether a cat is black or white makes no difference; as long as it catches mice, it is a good cat' to first support the idea of local initiative, which was followed by the delegation of institutional reforms within the fiscal system and the cadre management system. In his speech to celebrate the 30th anniversary of reform and opening up, Hu Jintao named 'the mobilization of local initiative' as one of the reasons for the success of reform and opening up. Although there may be obvious disparities between the official discourse and reality, this official argument on mobilizing local initiative is rather persuasive. However, it does not provide a full explanation for the pervasive passivism which persists in some local governments.

The third branch is the so-called 'Chinese Explanation' argument, which has been gaining currency among Chinese scholars in recent years. Not completely satisfied with either the 'Special Authoritarianism Argument' or the official Chinese argument, some Chinese scholars, from diverse backgrounds such as economics, sociology and political science, have attempted to theorize the dynamic realities of China's political system. In doing so, they have put forward several theories and concepts, including the 'Administrative Contracting System', the 'Political Tournament Model',⁴ 'Project Management', and 'the Pressurized System'. These theories and concepts seem to better reflect China's political realities. Their descriptiveness is a common feature, which ensures they better grasp the dynamic nature of the Chinese system. However, they tend to fall short in terms of providing solid theoretical foundations and in-depth theoretical discussion.

Despite differing standpoints and emphasis, these three branches share some common pitfalls. First, all three choose to discuss local initiative from the perspective of the actual performance of China's system with the tremendous social and economic progress China has made since reform and opening up serving as their departure point. By doing so, they all tend to smooth over the inherent problems of the Chinese system. Second, they all appear to concentrate on local governments' role in enabling economic growth while largely ignoring the roles of local governments in other fields, particularly institutional innovation. Finally, they all concentrate on post-1978 China and fall short in providing in-depth analysis of the different stages of reform and opening up in the last four decades.

For example, Yang Xuedong once put forward the term 'pressurized system' (*yaxingtingzhi*) to describe the dynamics of local government in steering development. Placing local government behavior against the historical background of China's impatient drive for modernization, the term 'pressurized system' emphasizes the fact that local initiative in China is a response to state-imposed pressure for modernization. The dynamics of local initiative are dictated by higher levels of government, thus allowing them to also set the parameters for local government initiative. In this sense, the concept 'pressurized system' incorporates an analysis which not only depicts the dynamic processes within the Chinese political system, but which also combines historical factors, institutional factors and factors at individual level.

In recent years, some authors have applied this concept in explaining the behavioral logic of local governments in other fields, using it to untangle the relations between

higher-level pressures brought on by competition pressure from other governments in the same region as well as pressure from the general public.⁵ In such a highly centralized and ‘politics-commanding-everything’ system as China’s, competition pressure from other governments in the same region and social pressure from the public can be translated into pressure exerted by higher-level authorities on local governments. This would suggest that separating different types of pressure local governments face is hardly feasible in practice.⁶ There are three mechanisms through which higher-level governments are able to put pressure on lower ones: the mechanism for task setting and allocation among lower-level governments, the mechanism for joint problem resolution by relevant departments and the mechanism for multi-level evaluation with materialized incentives.⁷

Since the 18th CPC Party Congress in 2012, the central authorities have implemented the concept of ‘Top-level Design’ and have issued a host of general plans and instructions, such as the ‘Overall Plan for Promoting Economic, Political, Cultural, Social, and Ecological Progress’ and the ‘Four-pronged Comprehensive Strategy’. This has allowed higher-level authorities to impose more comprehensive and much stricter demands on local governments. Consequently, local governments at various levels are facing a variety of pressures arising from the need to change their mindset, adjust behavioral modes, fulfill multiple objectives, and relay pressures to lower-level governments. Therefore, the concept of ‘Pressurized System’ holds as an explanatory power in describing and comprehending the behavioral changes of local Chinese governments over the past 4 years.

II. Adjustment of the reform strategy: the shift from ‘Crossing the river by Feeling the Stones’ to ‘Top-level Design’

Despite showing ‘revolutionary features’ in some respects, China’s reform drive is largely piecemeal by nature, especially when compared with the reform experience of the former Soviet Union. What is interesting is that this piecemeal reform has an ‘architect’, namely Deng Xiaoping. Although he did not set out a detailed reform blueprint, Deng successfully controlled the direction and pace of China’s reform by using his sophisticated political skill, and thus was able to keep the reform drive under control.

Deng’s approach to reform was famously summarized as ‘crossing the river by feeling the stones’, which was purportedly first put forward by Chen Yun as a work method. At the 27th meeting on the political affairs of the State Council held in April 1950, Chen Yun stressed in his speech that ‘neither price increases nor decreases are conducive to production. We should cross the river by feeling the stones and remain sure-footed’.⁸ Implying a consciousness of the need to learn from concrete experiences, this term actually originated from the revolutionary and socialist experiences of the CPC. Mao Zedong, for example, once put forward very similar demands in ‘Sixty Working Methods’ (draft), which was proposed under his direction in 1958.

At the Central Working Conference held in December 1980, Chen Yun reiterated that reform should start with small steps and be steadily implemented, which is not a far cry from ‘crossing the river by feeling the stones’. In his concluding speech at the same conference, Deng Xiaoping unequivocally supported Chen Yun’s stance and

suggested that it should become a longer-term guideline for the reform process. On several occasions in later speeches, Deng Xiaoping elucidated from different angles the idea of ‘crossing the river by feeling the stones’ as a reform approach. He stated, ‘Ours is an entirely new endeavor, one that was never mentioned by Marx, never undertaken by our predecessors and never attempted by any other socialist country. So there are no precedents for us to learn from. We can only learn from practice, feeling our way as we go.’⁹ On another occasion, he said, ‘We are bound to make mistakes, and problems are bound to arise. The crucial thing is to review what we have done and correct every wrong step promptly’.¹⁰

One typical way to put the idea of ‘crossing the river by feeling the stones’ into practice was to encourage local-government pilot reforms by delegating power and offering materialized incentives. Such practices took the complexity and diversity of China into account and helped to lower the systemic risks posed by pursuing reform. More importantly, the piecemeal approach to reform dwarfed the ‘Shock Therapy’ approach adopted by the former Soviet Union in terms of results, thus boosting the confidence of Chinese decision makers. In his speech to commemorate the 30th anniversary of reform and opening up, Hu Jintao further refined the essence of ‘crossing the river by feeling the stones’, stating that it was ‘to link promoting reform and development with maintaining social stability, to keep the momentum of our development pace, and to ensure unity, harmony and stability in our society’.¹¹

The rapid development of the past 30-plus years has brought about tremendous changes in China’s domestic and international environments. Although China has made tremendous achievements in the past three decades, its reform drive is nevertheless entering ‘unchartered waters’. Chinese decision makers face three outstanding challenges. First, some of the most difficult reform tasks lie ahead for China. Xi Jinping vividly captured this challenge when he stated that ‘all good meats have been eaten, with only hard bones left’.¹² These difficult reform tasks put strains on the approach of ‘crossing the river by feeling the stones’ both in terms of time and space. Second, China is now facing a less conducive environment for reform. Domestically, a consensus on further reform is largely absent and China needs to overcome the impediments of outmoded mindsets and endemic vested interests.¹³ On the international front, there are increased expectations on China, with hopes that it will shoulder greater international responsibilities. Third, China faces the problem of fragmentation in reform which has led to difficulties in the implementation of some reform measures. Many government departments are inclined protect their own interests from being affected by reform; in initiating reforms, the lack of coordination is an outstanding problem; and some localities and departments also tend to block the implementation of reforms. In responding to these challenges, Chinese decision makers elected to strengthen the top-level design of reforms.¹⁴

The concept of ‘Top-level Design’ for reform reflects both a sense of urgency and confidence among Chinese decision makers. Urgency is based both on their judgments concerning the difficulty of carrying out further reforms, and on the pressing timetable for achieving development goals. Deng Xiaoping always stressed that China’s reform drive had different tasks for different stages, and he once put forward a general timetable for these tasks. This timetable became the reference point for later CPC leaders when making significant reform decisions. After the 18th Party Congress, the CPC

further clarified this timetable by setting out the concrete tasks related to the enshrined 'Two Centenary Goals'. In relation to the timetable for comprehensively deepening reform, the CPC stated that decisive breakthroughs will be made in key areas by 2020. According to Xi Jinping, 'the responsibility of our generation is to keep resolving the problems we come across on the road ahead'.¹⁵ The confidence of Chinese decision makers originates from the tremendous achievements China has made so far in reform and opening up. In addition, the significant changes in the international power structure that have taken place since the 2008 financial crisis have also convinced Chinese decision makers that China's system has its own strengths. This is why the *Report to the 18th Party Congress* stressed the importance of having firm confidence in the path, theories and system of socialism with Chinese characteristics. Further to this, the Sixth Plenum of 18th Party Congress also added 'confidence in Chinese culture' to this list. It is this sense of urgency and sense of confidence that have compelled decision makers to use top-level design as a means to push forward China's reform drive.

In contrast to the reform approach of 'crossing the river by feeling the stones', the 'top-level design' approach gives greater emphasis to the following four aspects. The first aspect is having unshakable confidence in China's reform. This confidence is based on that fact that China's success would be unthinkable without reform and that the only way to resolve all problems facing China is through further reform. Second is building social consensus. This involves finding common ground between different regions, classes, and fields and on this basis focusing on targeted reform tasks.¹⁶ Third is comprehensively planning reform measures. This requires that China practice top-level design and formulate an integrated plan for comprehensively deepening reform; work out the strategic objectives, strategic focus, priorities, main directions of attack, work mechanisms, and ways to propel reform forward; and lay out an integrated program, roadmap, and timetable for reform on the basis of thorough research and investigation. Fourth is implementing reform measures in a coordinated way. Reform is a systemic endeavor, so the connectivity and interplay between different aspects of the reform process need to be increased significantly. While all reform measures should be carried out as part of the whole, breakthroughs also need to be made in key areas so that a powerful concerted force for reform and opening up can be formed.¹⁷

From the perspective of China's decision makers, 'top-level design' and 'crossing the river by feeling the stones' are mutually complementary rather than exclusive, as the latter 'is a method of reform that exemplifies the wisdom of the Chinese people and accords with Marxist epistemology and praxis'.¹⁸ On the one hand, there is a right way to cross a river by feeling the stones, and as such reform should proceed on the basis of principles that are familiar, and should not become uncontrollable or be at the mercy of what is going on around it. On the other hand, 'crossing the river by feeling the stones' and strengthening top-level design constitute a dialectical unity. Reform and opening up measures that have a limited scope and timeframe need to be premised on strengthening top-level design; conversely, top-level design needs to be strengthened on the basis of reform and opening up measures.¹⁹

Within the 'top-level design' approach, decision makers generally place more importance on the overall progress of reforms and demand that reform measures be implemented in a correct, coordinated, law-based and orderly manner, although they

do continue to encourage pilot and groundbreaking reforms. In his speech at the Central Economic Conference held in December 2013, Xi Jinping set out explicit requirements regarding the reform efforts of various departments and regions, stating:

We need to move reform forward in the right way. All of the reform measures laid out at the Third Plenary Session of the 18th CPC Central Committee have undergone thorough consideration and careful planning. They need to be implemented in accordance with the Central Committee's requirements, not carried out blindly without an understanding of the situation. They should not be pushed beyond the limits specified by the Central Committee, as going too far would be just as bad as not going far enough, and this would be counterproductive. We need to carry out reform in an orderly fashion. Localities should not jump the gun on reforms for which the Central Committee has to make unified arrangements, or delay reforms that need to be finished quickly. Reforms for which trials are required should not be broadly implemented in haste before trials have been carried out; reforms for which thorough research is required should not be carried out until that research is completed; and reforms for which legal authorization is needed should not get under way until it is given. We need to avoid rushing into action prematurely or before the conditions are ripe—more haste, less speed. We need to coordinate the progress of reforms. Comprehensively deepening reform involves a wide range of areas, so the requirements for advancing reform in a systemic, comprehensive and coordinated manner are very high. We need to pay attention to the interrelations and links between reforms; keep the whole picture in mind as we move forward; pay attention to coordinating our reform efforts; strive to maximize comprehensive benefits; and avoid giving too much weight to some matters and too little to others, focusing on one thing to the detriment of everything else, and letting everyone do things their own way and impede each other.²⁰

III. Top-level design: centralized decision making and effective implementation

More than just an approach to reform, top-level design also represents a change in decision making modes and implementation mechanisms. As a decision making mode, it emphasizes centralized decision making and unified arrangements. As an implementation mechanism, it demands that lower levels obey the orders of higher levels, observe relevant rules and earnestly implement higher-level decisions. In Xi Jinping's words, 'we need to boost our confidence, build consensus, plan reform measures comprehensively, and implement them in concert with one another'.²¹

Institutionalizing decision making agencies and enhancing their authority

After the 3rd Plenum of the 18th Party Congress, the CPC established the Central Leading Group for Comprehensively Deepening Reform (CLGCDR), with Xi Jinping as director and Li Keqiang, Liu Yunshan, and Zhang Gaoli as deputy directors. An ad hoc office was established under the CLGCDR of which Wang Huning, director of the Central Office for Policy Studies and a member of the Politburo, was named as director, and an executive deputy director and another full-time deputy director were

also appointed. The reason for such measures is that ‘Comprehensively Deepening Reform is a complicated systemic endeavor that is most likely beyond the power of one or a few departments. Therefore, higher-level leadership is needed’.²² There are six specialized groups under the CLGCDR with responsibility for systemic reform in the areas of the economy and ecological civilization, democracy and the rule of law, cultural management, social management, institutionalization of the CPC, and inspection and supervision. These special groups are to oversee the 60 reform tasks endorsed by the 3rd Plenum of the CPC’s 18th Party Congress, covering a total of 15 fields. The responsibilities of the CLGCDR include (a) studying and determining the important principles, guidelines, overall proposals and policies of reform in relevant fields; (b) making unified arrangements for important nationwide reforms; (c) integrating and coordinating important reform measures that are national, longer-term, or trans-regional in nature; and (d) guiding, promoting, and supervising the implementation of important reform measures endorsed by the central authorities.

Up to the end of 2016, the CLGCDR had held 31 meetings and approved over 200 reform-related documents (see Table 1). According to the Report of the 31st Meeting of the CLGCDR issued on December 30th, the CLGCDR held 12 meetings and examined 146 reform-related documents in 2016; and 97 annual reform tasks designated by CLGCDR and 128 ‘other reform tasks’ had largely been accomplished. Furthermore, relevant departments of the CPC Central Committee and the State Council had also finished 194 reform tasks and a total of 419 reform proposals had been published. At the meeting, Xi Jinping stated, ‘after three years of hard work, we have released a number of game-changing and crucial reform proposals, made advances in the reforms of some important fields and aspects, and delivered a series of important outcomes in theoretical innovation, institutional innovation and practice innovation. A major framework for comprehensively deepening reform has been put in place’.²³

As the principal leader of the Party, the State and the military, Xi Jinping acts as director of a number of leading groups. Apart from serving as director of the CLGCDR, he is also the director of a range of other important leading groups which are responsible for overseeing reform in key fields and addressing some key issues. Among these are the Leading Group for Financial and Economic Affairs, the Leading Group on Cyber-security and Information Security and the Leading Group for National Defense and Military Reform of the Central Military Commission. These arrangements not only enhance the authority of leading groups, but also facilitate the coordination of reform measures in different sectors.

The CPC also made further institutional adjustments to ensure that ‘it plays its role as the core leadership in exercising overall leadership and coordinating all efforts’. According to some media outlets, since 2015, Party groups of the Standing Committee of the National People’s Congress (NPC), the State Council, the Chinese People’s Political Consultative Conference (CPPCC), the Supreme People’s Court and the Supreme People’s Procuratorate have started delivering annual work reports to, and

Table 1. Number of documents examined by the CLGCDR (2014–2016).

| | 2014 | 2015 | 2016 | Total |
|------------------------------|------|------|------|-------|
| Number of Meetings | 8 | 11 | 12 | 31 |
| Number of Documents Approved | 37 | 65 | 106 | 208 |

receiving instructions from, the Standing Committee of the Politburo. In June 2016, the *Interim Regulations for the Work of Party Groups of the Communist Party of China* came into effect.

Unifying thinking and maintaining ideological consistency

Unifying thinking and emancipating minds have been two basic elements in the CPC's ideological work since the reform era began. After the 18th Party Congress elected a new generation of leadership with Xi Jinping as its core, the new leadership attached greater importance to unifying thinking within the Party by making the Constitution of the Communist Party of China the benchmark for unifying thinking and taking the lead in responding to people's concerns. On 4 December 2012, the Politburo issued an eight-point decision on improving work style and strengthening the ties between the Party and the people. The decision covers a wide range of activities including styles of meetings and reporting, activities of senior leaders, and official receptions. In his speech to the Sixth Plenum of the 18th Central Commission for Discipline Inspection in 2016, Xi Jinping made it clear that the members of the Politburo must set an example in observing all eight points of the decision.²⁴ In November 2016, Xi Jinping published an article titled 'Seriously Studying and Strictly Observing the Party's Constitution' in the *People's Daily*, which urged Party members and cadres, especially senior cadres, to study the Party Constitution and consciously improve their moral integrity, enhance their sense of purpose and responsibility, and work earnestly for the Party, the country and the people.²⁵

Between June 2013 and January 2014, the CPC launched a 'Mass Line Campaign' to eradicate formalism, bureaucratism, hedonism, and extravagance within the Party. In April 2015, the CPC launched the 'Three Stricts and Three Honests' educational campaign aimed at officials at and above division-level. These officials were required to 'be strict in cultivating their moral character, preventing abuse of power and disciplining themselves; and be steady in planning matters, initiating undertakings and conducting themselves.' In his speech at a meeting of Politburo members on December 2015, Xi Jinping urged senior officials at various levels 'to consciously align themselves with the Central Committee and with the theories, guidelines and policies of the Party,' which, in Xi's words, were 'the most urgent politics in this country'. In February 2016, the CPC launched another educational campaign to instruct members on 'studying the Party Constitution and rules, studying speeches by Xi Jinping and becoming competent Party members'. During these campaigns, Xi Jinping's status as the core of the Party was gradually established. On 29 January 2016, the Politburo publicly called for all Party members to be 'conscious of the need to maintain political integrity, think in big-picture terms, uphold the leadership core and keep in alignment'. At a series of subsequent political events, 'consciousness of the need to uphold the leadership core and keep in alignment' was further emphasized. At the Sixth Plenum of 18th CPC Party Congress, held in October 2016, Xi Jinping's status as the core leader of the Party was formally confirmed. 'Consciousness of the need to uphold the leadership core and keep in alignment' was also written into the *Code of Conduct for Intraparty Political Life under New Circumstances*, according to which, 'a core leader is of great importance to a country and a party'.

Moreover, measures such as a heavy-handed crackdown on corruption intensified efforts to extradite overseas Chinese fugitives and the CPC's efforts to inspect every organization of the Party and State have also helped to 'unify thinking' within the Party. According to statistics compiled by the Central Commission for Discipline Inspection (CCDI) of the CPC, during the period between the 18th Party Congress and the end of 2016, the CCDI investigated 240 senior cadres who were on the nomenklatura of the CPC Organization Ministry, with disciplinary action being taken against 223 of these cadres. During the same period, local commissions for discipline inspection at different levels investigated more than 1.16 million cases and nearly 1.2 million people were punished. More than 1.14 million Party members and cadres at or below township level were disciplined, and of these 550,000 were at village level. Since 2014, 2566 fugitives have been extradited back to China, and of China's 100 most-wanted fugitives, 37 have been captured, which has resulted in the retrieval of embezzled assets worth a total of 8.64 billion yuan.²⁶

Strengthening the sense of responsibility among officials at all levels

'Having a sense of responsibility' is one of the terms that have been frequently reiterated by Chinese decision makers since the 18th Party Congress. They believe that a sense of responsibility among cadres is imperative if the difficult reform tasks ahead are to be carried out. At the National Meeting on Organization Issues in May 2013, Xi Jinping named 'having a sense of responsibility' as one of the five criteria for being a 'good cadre'. He stated, 'cadres in leadership positions should play exemplary roles and cadres at lower levels will follow suit. This is an effective method to furthering all areas of our work'.²⁷

Cadres at various levels are also required to be conscious of the need to think in big-picture terms and put the overall interests of the country first. On 17 February 2014, in a speech at a workshop for principal officials at or above provincial and ministerial level on studying and implementing the guiding principles of the Third Plenary Session of the 18th CPC Central Committee and on comprehensively deepening reform, Xi Jinping urged cadres working in localities and government departments 'to consider problems and carry out their work from the vantage point of the Party and the nation's overall interests, and not just be selective, taking what they need, or even going as far as serving local interests in the name of reform'.²⁸ At the 28th meeting of the CLGCDR, in October 2016, Xi Jinping again instructed cadres to rise above the narrow interests of their own localities and departments and take a broader and longer-term perspective in relation to adjustments concerning various powers and interests.

Decision makers also introduced concrete measures to strengthen cadres' 'sense of responsibility'. First, the responsibilities of cadres in leadership positions were augmented and made more specific (see Table 2). The scope of 'Major Responsibilities', 'Dual Responsibilities of Single Positions', 'Principal Responsibilities', and 'Lifelong Responsibilities' were substantially expanded. Second, the mechanisms for strengthening cadres' 'sense of responsibility' have been continuously improved. For example, cadres working for local Party committees and local governments previously faced different punishments for similar failings in their duties. To address this problem, the CPC central authorities proposed that both Party and government organizations should

Table 2. Responsibilities Assumed by Major Local Party and Government Cadres since the 18th Party Congress (based on incomplete statistics).

| Content of responsibilities | Time | Relevant documents or decisions |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| 'Three Promises': The current administration promised not to build new government buildings, increase government employees or increase expenses on official reception, official visits overseas or official vehicles during its tenure | 2013 | Guidelines of the General Office of the State Council on Further Strengthening Supervision and Inspections on the Implementation of 'Three Promises' |
| 'Dual Responsibilities of Single Positions' | 2013 | Decision of the Central Committee of the CPC on Some Major Issues Concerning Comprehensively Deepening the Reform |
| 'Lifelong Responsibilities for Major Decision Makers' | 2014 | Decision of the CPC Central Committee on Major Issues Pertaining to Comprehensively Promoting the Rule of Law |
| 'Mechanisms to Record, Report and Investigate Interference by Leading Cadres in Judicial Cases' | 2014 | Decision of the CPC Central Committee on Major Issues Pertaining to Comprehensively Promoting the Rule of Law |
| 'Party and Government Leaders Assuming Equal Responsibilities for Decisions Concerning Environmental Issues' | 2015 | Interim Proposal for Supervising and Inspecting Environmental Protection-Related Issues |
| 'Responsibilities for Promoting Ecological Progress' | 2015 | Guidelines of the CPC Central Committee and the State Council on Promoting Ecological Progress |
| 'Mechanisms Allowing for the Demotion of Leading Cadres' | 2015 | Interim Regulations on Allowing for the Demotion of Leading Cadres |
| 'Responsibilities Concerning Ideology-Related Issues' | 2016 | Measures to Ensure Party Committees and Party Groups Implement their Responsibilities Concerning Ideology-Related Issues |
| 'Individuals Assuming Primary Responsibility for Development of the Legal System Development' | 2016 | Regulations on Major Party and Government Officials Taking Primary Responsibility for Development of the Legal System Development |
| 'Responsibilities for Decisions Concerning the Promotion of Cadres' | 2016 | Guidelines on Preventing Corrupt Cadres from Being Promoted |
| 'Responsibilities for Maintaining Public Security' | 2016 | Regulations on Implementing Responsibilities for Maintaining Public Security |
| 'Responsibilities for Improving Rivers and Lakes' | 2016 | Guidelines on Fully Implementing the "River Chief System" |
| 'Responsibilities for Poverty Alleviation' | 2016 | Measures for Evaluating the Poverty Alleviation Work of Provincial Party Committees and Governments |
| 'Responsibilities for Implementing Reforms' | 2016 | Decision of the 31st Meeting of the CLGCDR |

'assume equal responsibilities for their decisions'. In the past, some cadres were transferred to other positions after they had made hasty or poor decisions, which meant they did not take responsibility for the consequences of their decisions. This is particularly true for environment-related decision making, for which the consequences always take much longer before finally coming to light. To address these problems, the central authorities introduced mechanisms to enforce lifelong responsibilities and mechanisms to allow for retroactive action to be taken in cases where responsibilities have

not been fulfilled. Third, responsibilities were categorized more specifically. In the *Regulations of the CPC on Dealing with Violations of Party Discipline*, amended in 2016, actions that violate Party discipline, national laws and social morality and their corresponding punishments were listed in great detail.

IV. Enforcing implementation

Top-level design must be implemented if it is to be effective. As Xi Jinping stated, 'We need to be aware that our ability to implement institutions and our governance capacity have become important factors in utilizing the strengths of our country's socialist system and progressing the cause of our Party and country'.²⁹ Xi often uses vivid expressions, such as 'the spirit of hammering nails' and 'our grip should mark the iron tools we clutch and our steps should leave footprints on the stones we tread,' to emphasize the importance of implementing reform. At the first meeting of the CLGCDR, held in January 2014, Xi Jinping urged specialized reform groups, the Central Office for Reform Issues and departments spearheading or participating in relevant reforms to make timetables to ensure that every single reform measure is concretely implemented.³⁰ At the first plenum of the State Council after he was elected as China's premier in 2013, Li Keqiang discussed several of the requirements for doing government work well, one of which was 'improving the credibility, efficacy and efficiency of government'. He stated, 'efficacy and efficiency are the sources of our strength' and 'decisions made by the State Council must be implemented uncompromisingly and we will not allow any kind of 'creative implementation'. This is our responsibility to our country'.³¹

To ensure implementation, decision makers took two measures.

First, they issued stern warnings and criticisms to those who failed to implement relevant reforms. In a speech at the second full assembly of the 18th Central Commission for Discipline Inspection, Xi Jinping warned that 'we must get rid of local and departmental protectionism and sectionalism. We will never tolerate phenomenon such as lower levels inventing ways to get around policies set by the higher levels and conduct such as not implementing or half-heartedly implementing decisions made by the central authorities'.³² Both Xi Jinping and Li Keqiang criticized perfunctory implementation at local level and 'officials who shirked their responsibilities'. At an executive meeting of the State Council in April 2015, Li Keqiang issued a warning against delaying the implementation of specific reform policies due to complex coordination processes among relevant departments.³³ Thereafter, the General Office of the State Council issued the *Notice on Relevant Issues Concerning the Implementation of Decisions by the Executive Meeting of the State Council*, which set concrete requirements for timetables regarding document printing and countersigning.

The second measure was to strengthen supervision and inspection. The current administration has attached great importance to supervision and inspection since its very first day in office. In August 2014, the General Office of the State Council issued the 'Guidelines on Further Strengthening Government Supervision and Inspection Work,' which was followed by a nation-wide inspection campaign. Thereafter, the State Council introduced annual inspections on the implementation of certain major policy measures. To keep inspections objective and unbiased, measures like third-party

evaluation were introduced.³⁴ Specific policy incentives are also being utilized to positively recognize and encourage effective measures and good practices by specific departments and local governments.³⁵ In 2016, the practices of 32 local governments and 17 specific departments across the country were praised by relevant authorities.³⁶

V. Regulating pilot reforms

Pilot reforms are designed to address issues ‘that must be resolved but for which no sound reform measures have been available so far’.³⁷ Once their feasibility has been tested and confirmed in the experimental stage, pilot reforms can be expanded to wider areas. In this sense, pilot reforms are ‘the spearhead’ of China’s reform drive.³⁸ Pilot reforms should not be initiated randomly or arbitrarily however. Instead, they should be placed under the guidance of a top-designed framework and implemented carefully.

By the end of 2016, of the 31 meetings held by the CLGCDR, 19 discussed and adopted pilot reform-related documents (35 documents in total). These pilot reforms cover a wide range of sectors including the judiciary, law enforcement, the medical system, free trade zones, rural areas, mass organizations, SOEs, general planning, ecological conservation, and pilot-reform management (see Table 3). Pilot reforms concerning the judiciary account for the bulk of these. In terms of content, some pilot reforms target the most outstanding and difficult issues in specific areas while others reflect the reform priorities of central decision-makers.

To better implement pilot reforms, the CLGCDR introduced the *Guidelines on Strengthening and Regulating Pilot Reforms* at its 22nd meeting in March 2016. However, this document has not yet been opened to the public. According to media reports, the purpose of the document is to strengthen the coordination and implementation of pilot reforms. By regulating and categorizing pilot reforms, it aims to replicate their exemplar effects throughout the overall reform process. In a meeting to study the speeches of President Xi Jinping held during his inspection tour of Anhui Province in May 2016, for example, Li Ming, the Party leader of Chuzhou city in Anhui Province, urged all localities and departments to study the *Guidelines on Strengthening and Regulating Pilot Reforms* and implement in an orderly manner relevant pilot reforms based on the overall planning of the Central Committee and Provincial Party Committee.³⁹

Some provinces have adopted their own regulations on pilot reforms. For example, in August 2016, the Leading Group for Comprehensively Deepening Reform of Hunan Province approved a trial document titled *Guidelines on Encouraging and Regulating Pilot Reforms*.⁴⁰ According to this document, pilot reforms should be guided by a number of principles, such as correct political direction, issue-orientation, coordination, practicality and lawfulness. And those that have initiated successful pilot reforms or policy experimentations should be rewarded with positive personal evaluations, honorable titles, bonuses, or promotion, or by seeing that a positive image of them is fostered among the public. In relation to pilot reforms, the document calls for more efforts to be made to regulate their implementation, organization, supervision and experience-sharing. This will help to ensure that pilot reforms are implemented in the right way.

Table 3. CLGCDR meetings on pilot reforms and relevant documents (up to the end of 2016).

| CLGCDR meetings and dates | Relevant documents |
|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The 3rd meeting, 6 July 2014 | Guidelines on the Framework of Pilot Reform of the Judicial System Implementation Plan on Pilot Judicial Reform in Shanghai |
| The 6th meeting, 27 October 2014 | Guidelines on Progressing the Chinese (Shanghai) Experimental Free-Trade Zone Development and Replicating Relevant Reform Experiences |
| The 7th meeting, 2 December 2014 | Guidelines on Pilot Reforms on Rural Land Acquisition, Transactions Involving Rural Collective Land and Rural Housing Land for Construction and Business Purposes Trial Plan of the Supreme People's Court for Establishing Circuit Courts Trial Plan for Establishing Trans-regional People's Courts and People's Procuratorates |
| The 11th meeting, 1 April 2015 | Guidelines on the Overall Pilot Reform of Urban Public Hospitals Trial Plan for People's Jury System |
| The 12th meeting, 5 May 2015 | Action Plan for Expanding the Pilot Reform on Chinese Technology Association-affiliated Professional Societies Taking Over Delegated Government Functions |
| The 14th meeting, 1 July 2015 | Trial Plan for Conducting Natural Resources Audit for Outgoing Senior Officials |
| The 16th meeting, 15 September 2015 | Trial Plan for Establishing a Separate Hierarchy System for Judges and Prosecutors Trial Plan for Wage System Reform for Judges and Procuratorates |
| The 18th meeting, 9 November 2015 | Plan for Pilot Reform of the National Federation of Trade Unions Plan for Pilot Reform of Mass Organizations in Shanghai Plan for Pilot Reform of Mass Organizations in Chongqing Pilot Plan for Building National High-Level Think Tanks |
| The 19th meeting, 9 December 2015 | Pilot Plan for Compiling Power and Responsibility Lists for State Council Departments Pilot Plan for Establishing National Park System in Sanjiangyuan Area Instructions on Implementing the Judicial System Pilot Reform Nationwide Plan for Pilot Reform of the Hierarchical Structure for Law Enforcement Officers with the Police Force Plan for Pilot Reform of the Hierarchical Structure of Technical Staff within the Police Force |
| The 21st meeting, 23 February 2016 | Progress Report by Shanghai Municipality on the Implementation of Centrally-Delegated Pilot Reforms Report by Kaihua County on the Pilot Reform of "One/Integrated xx Overall Planning" |
| The 22nd meeting, 22 March 2016 | Guidelines on Strengthening and Regulating Pilot Reforms |
| The 23rd meeting, 18 April 2016 | Pilot Action Plan for Spatial Planning in Ningxia Hui Autonomous Region |
| The 24th meeting, 20 May 2016 | Pilot Plan for Developing an Arable Land Rotation System |
| The 25th meeting, 27 June 2016 | Report on the Progress of the Pilot Reform for "One/Integrated Overall Planning" |
| The 26th meeting, 22 July 2016 | Pilot Reform Plan for Sharing Income Generated from Water, Electricity and Mineral Resources in Poor Regions Pilot Plan for Reforming the System of "Confession Lenience" Guidelines on Establishing a System to Bring County- and Prefecture-level Environmental Monitoring, Inspection, and Law Enforcement Bodies Directly under the Jurisdiction of Provincial-level Environmental Bodies |

(continued)

Table 3. Continued

| CLGCDR meetings and dates | Relevant documents |
|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| The 27th meeting, 30 August 2016 | Progress Report Concerning Pilot Reform of the Ecological Compensation System in Targeted Provinces Progress Report on Streamlining xx and Regulating Pilot Reforms |
| The 28th meeting, 11 October 2016 | Pilot Action Plan for Provincial Spatial Planning |
| The 30th meeting, 5 December 2016 | Pilot Plan for Improving the National Management System for Natural Resources Pilot Plan for Implementing the Giant Panda National Park System Pilot Plan for Implementing Siberian Tigers and Far Eastern Leopards National Park System |
| The 31st meeting, 31 December 2016 | Pilot Action Plan on Implementing an Information Release System for Administrative Enforcement, an Recording System for the Law Enforcement Process and a Legal Review System for Major Legal Decisions Pilot Action Plan for Realizing the Legal Functions of Board of Directors in Central Enterprises |

Local adaptations and central responses

Facing pressing and diverse reform tasks imposed by the central authorities, local governments have responded by adjusting their mindsets and behavioral modes.

First, echoing the demands of the central authorities

In China, appeals and demands from higher levels have always been repeated by actors at lower levels. Since the 18th Party Congress, local Party committees and governments at various levels have echoed the demands of the central authorities, especially demands with political connotations. Local Party committees and governments have wasted no time in studying important speeches, documents and decisions of the central authorities, and local Party leaders and governors have rushed to be the first to ‘express an attitude’ in relation to these. For example, after the central authorities initiated ‘the Mass Line Education Campaign’ in 2013, all provincial Party leaders expressed their attitude toward the campaign and vowed to take the lead and make it effective.⁴¹ Apart from expressing an affirmative attitude to various meetings, they have also released study results and information about the measures that have been taken in their localities through official outlets such as the *People’s Daily* and *Qiushi Journal*.

Second, transferring pressure from one level to the next

After the 18th Party Congress, and especially during ‘the Mass Line Education Campaign’, ‘transferring pressure to lower levels,’ an expression which vividly captures the essence of policy implementation, became popular in official documents and among the public (see Table 4). On 5 August 2013, the *People’s Daily* published a commentary titled ‘Ensuring Each Level Fulfills their Responsibilities and Pressures Are Transferred from One Level to the Next’. This commentary argued that the best way to ensure policy implementation was for each level to set a good example for the next level and to play a leading role in implementation. This kind of work style, it argued, was the most effective way to eliminate the pitfalls of a hierarchical system. In Shaanxi Province, the Leading Group for issues concerning ‘the Mass Line Education Campaign’

Table 4. Search results for the phrase “Transferring pressures from one level to the next” on CNKI (10 February 2017).

| Year | Keyword search results | Full text search results |
|------|------------------------|--------------------------|
| 2016 | 94 | 9121 |
| 2015 | 85 | 7165 |
| 2014 | 35 | 4580 |
| 2013 | 5 | 2556 |
| 2012 | 1 | 2480 |

explicitly called on relevant governments and departments to transfer pressure from one level to the next, issuing specific instructions that pressure should be transferred from city governments to county governments, and from county governments to township governments and finally to village committees.⁴²

Third, improving evaluation work and putting an incentive system in place

On 6 December 2013, the CPC’s Central Organization Department issued the *Notice on Improving Evaluations of Local Party and Government Leadership and Leading Cadres*, which laid out some general principles for evaluation work related to comprehensiveness, long-term effects, simplified indicators, and categorized management. It also criticized some of the pitfalls which had resulted from the old evaluation approach, including multiple and overlapping evaluation missions, arbitrary application of ‘one-indicator veto’ principle, and local officials being too overwhelmed and overburdened to meet the demands of various evaluation tasks. Initiatives to simplify the evaluation indicator system and differentiate multiple evaluation missions were welcomed by local governments and officials. For example, Chongqing municipality abolished a host of overlapping evaluation tasks with only 27 out of a total of 271 tasks being retained. The number of evaluations carried out by the municipal Party committee and government on district and county Party committees and governments was reduced from 86 to 1. The number of evaluations by specific municipal departments on corresponding departments at the district or country level also saw a reduction, decreasing from 185 to 26.⁴³

Some localities introduced dramatic measures to incentivize local officials. For example, Yuexi county of Anhui Province set up a so-called ‘Snail Award’ for officials who did not, or who were slow to, take up their responsibilities. Officials were given the ‘Snail Award’ if they failed to meet poverty alleviation targets on time, failed to finish tasks related to important projects on time, performed poorly on certain evaluation indicators or were slow to respond to legal appeals from the public. In addition, they were subject to disciplinary action for shirking their responsibilities and ordered to correct their conduct.⁴⁴ Similar measures were also introduced in Bazhou city and Wuqiao counties in Hebei Province. Authorities in these areas even cancelled weekends and holidays for local officials in order to complete certain major tasks.

Although local actors went to great lengths to adapt to the new circumstances and demands, it appears that the incentives for local initiative and creativity were not strong enough. Some officials complained that their job was ‘no longer easy’ and some even chose to remain idle in their positions. The efforts by the central

Table 5. Search results for the Phrase “Not Doing His Own Job as an Official” (weiguanbuwei) on CNKI (16 November 2016).

| Year | Frequency as the keyword | Frequency as the article title |
|------|--------------------------|--------------------------------|
| 2016 | 296 | 208 |
| 2015 | 561 | 413 |
| 2014 | 218 | 154 |
| 2012 | 1 | 1 |

Table 6. Search results for the phrase ‘Lazy Officials’ (lanzheng) on CNKI (16 November 2016).

| Year | Frequency as keyword | Frequency as article title |
|------|----------------------|----------------------------|
| 2016 | 233 | 149 |
| 2015 | 311 | 183 |
| 2014 | 144 | 101 |
| 2013 | 47 | 63 |
| 2012 | 29 | 40 |

government to simplify administrative procedures and delegate powers were passively resisted in some places, with governments either refusing to delegate powers or failing to properly exercise the powers delegated to them. Some citizens complained that while it was easier to enter government buildings and they were less frequently met hostile faces there, it was harder to get things done. In some places, the problem was not just that officials lacked adequate incentives for innovation, but that they were not even carrying out their routine tasks properly (Tables 5 and 6).

To address these problems, decision makers employed five measures.

First, public criticism of the abovementioned problems was intensified. At several State Council Executive Meetings in 2014, Premier Li Keqiang issued stern warnings to those officials who were failing to fulfill their official duties, stating on one occasion that ‘officials who choose to remain idle are committing corruption’.⁴⁵ At the meeting to conclude the ‘Mass Line Education Campaign’ in October 2014, Xi Jinping also spoke about these problems:

‘Are we imposing too strict demands on our cadres and Party members? The answer is no. These demands are not something new and they are actually very basic. They are not too strict but too loose’.⁴⁶

Second, publicity work was carried out to encourage a hands-on approach to reform. Since the 17th meeting of the CLGCDR in October 2015, the central authorities have been encouraging localities to conduct experiments based on local conditions, emphasizing the importance of fostering an enabling environment for reform. One focus of the 21st meeting of the CLGCDR in February 2016 was reform implementation. At the meeting, it was emphasized that officials at various levels should become the promoters and implementers of reforms. In particular, major leading officials in localities and departments were instructed to take direct responsibility for reform implementation. To promote initiative and creativity among officials at various levels and foster an enabling environment for reform, the central authorities adopted a two-pronged strategy: to encourage local innovation on the one hand and tolerate trial and error on the other. At the 25th meeting of the CLGCDR in June 2015, Xi Jinping reiterated the important role of local governments in promoting reforms. He urged all actors to continue with encouraging innovation at the grassroots level, with promoting

true reformers and demoting those who obstruct reform and with concluding and expanding innovative practices in a timely manner. At the 28th meeting of the CLGCDR in October of the same year, he called on central Party and government organizations to strengthen their confidence in and take a farsighted approach to reform. As decision makers and promoters for reform policies, they were to take the initiative to study and push forward reform.

Third, calls for local innovation were issued. At the 17th meeting of the CLGCDR in October 2015, the importance of reform and innovation at the grassroots level was emphasized. Xi Jinping stated that grassroots level reform and innovation can bring local officials and local people together. 'We must put the right policy incentives in place to encourage grassroots level reform and innovation,' he stated. It was also stressed that any reform plan adopted by the central authorities must allow and encourage local initiative in implementation if it is to be implemented as expected. At the 31st meeting of the CLGCDR, held at the end of 2016, the importance of concluding and expanding pilot reform experiences was stressed. At the meeting, it was stated that relevant departments should summarize pilot reform experiences in a timely manner and intensify their support and guidance for implementing difficult pilot reforms. They were also to summarize their experiences regarding local pilot reforms and do their utmost to apply them to other places. Regarding controversial pilot reforms, situations were to be reported truthfully and relevant policy designs improved.

At the urging of the central authorities, some localities started to introduce incentive mechanisms to encourage reform and innovation and to tolerate reform-related mistakes. Jiangxi provincial government released a document to incentivize officials to take the initiative in pursuing reform and innovation. Hangzhou municipality issued measures for establishing mechanisms to encourage reform and innovation and tolerate reform failures for Party members and cadres, with a view to expediting the implementation of major decisions and the completion of tasks endorsed by the central and local authorities. Shaoxing city in Zhejiang Province also issued documents to encourage local officials to use their initiative in implementing difficult reforms and fulfilling their duties.⁴⁷

Fourth, measures were taken to simplify administration and delegate powers to lower levels. After coming into office, Premier Li Keqiang announced that simplifying administration and delegating powers to lower levels was to be a 'top priority' of the new administration. According to Premier Li, local government reform is the linchpin for overall government reform.⁴⁸ This is because local governments directly interact with enterprises and the people, thus allowing the market and social forces to impose more pressure on government for further reform. Local governments have been instructed to completely let go of all powers that should be exercised by the market or society, and to properly exercise the power of review over all items that have been delegated to them by higher-level governments. By the end of 2015, the power for government review for 311 items had either been delegated to lower levels or cancelled altogether, the requirement for verification or approval for 123 professional qualifications had been abolished, and the practice of non-administrative review had been completely stopped. The number of pre-registration items for which new businesses are required to obtain government approval was cut by 85%, and the system whereby businesses need obtain a separate business license, organization code

certificate, and taxation registration certificate was replaced by one with a unified business license and social credit code.⁴⁹

Fifth, work was carried out to strengthen inspection. At the 20th meeting of the CLGCDR in January 2016, members discussed the issues around carrying out inspection, examining performance, and encouraging implementation. At the next CLGCDR meeting, also held in 2016, Xi Jinping explicitly called for the establishment of an inspection framework that is vertically integrated and that facilitates horizontal coordination. Greater emphasis was also put on ensuring more efforts to correct problems. When addressing problems discovered during an inspection, localities, and departments now need to draw up a list of corrective measures, assign responsibility for these measures, set a timetable for completion and monitor implementation. They also need to make a priority list for projects that have been inspected to ensure corrective measures are implemented. According to the instructions of the CLGCDR, they should also draw up specific action plans for establishing inspection teams, appointing specialized inspectors and ensuring the implementation of reform tasks. An example of such a plan is the *Inspection Action Plan for Comprehensively Deepening Reform in Hunan Province*, which was published in March 2016. It lays out 'six scenarios where inspections must be carried out' (*liubidu*) and 'six scenarios where corrective measures must be taken' (*liubicha*). The first six scenarios concern implementing major reform decisions taken by the central authorities or provincial Party Committees, implementing reform action plans adopted by the CLGCDR or its provincial branches, implementing annual priority tasks set by Provincial Leading Groups for Comprehensively Deepening Reform, implementing pilot reform tasks set by the central or provincial authorities, building reform implementation mechanisms, and ensuring their functioning and handling reform-related comments, suggestions as well as other assigned tasks by provincial leaders. The second set of scenarios refer to major delays in reform implementation, implementation of reform measures in a way that is counterproductive to or deviates from their original intentions, lack of coordination among different reform tasks, reform measures failing to meet expectations, resistance to reform measures at the intermediary level and the public rejection of reform measures.⁵⁰

V. Tentative conclusion: to rebalance institutionalization and autonomy

How to give full play to the initiative of both the central and local governments is a fundamental question facing China as it works to modernize its governance system. Setting the objective to comprehensively deepen reform brought about a change in the institutional environment for local governments and affected how they exercise initiative. From the perspective of central decision makers, the comprehensive deepening of reform is being carried out within an institutional framework that is fundamentally 'sound'. So, the purpose of reform is to perfect established institutions and increase their maturity and functionality by 2020. They are of the firm belief that further reforms must take place within the established institutional framework and that all reform measures must 'derive their legitimacy from the law'.

In China, officials simultaneously fulfill administrative and political functions: they are administrators of local public affairs as well as members of the Party. After the 18th Party Congress, two notable developments occurred around the same time. First,

the central authorities worked to delegate more powers to lower levels by adopting measures to simplify administrative procedures and carry out reform of the fiscal system. Second, more stringent political responsibilities (both in terms of scope and enforcement) were also imposed on officials at all levels, which served to overwhelm lower levels of government and impact their ability to carry out the administrative functions they had taken on. These political responsibilities were further defined through the implementation of a variety of institutional measures such as political study, internal Party discipline regulations and cadre promotions as well as clearer and more rigid parameters for the conduct of local officials. In a country that emphasizes political attitude and political consciousness like China, such developments made political reckoning the overriding concern among officials at various levels. This served to further increase political pressures.

Local autonomy, therefore, is not derived from the imperative to resolve local issues, but depends on how central decision makers (during the top-level design process) view specific problems as well as their potential solutions. The more seriously central decision makers view a problem, the more emphasis they will place on coordination and implementation, and the more they will be inclined to curtail local autonomy to ensure their demands are met. Through a sophisticated hierarchical system, such demands tend to become more specific as they are passed down toward the lowest echelon, thus resulting in local initiative and creativity being constrained and local autonomy being curtailed.

Central decision makers have been emphasizing local initiative and creativity by conducting pilot reforms, fostering an environment conducive to expressing opinions on reform, advocating diverse reform measures and differentiated implementation, and tolerating failure in reforms. However, these cannot incentivize local actors to pursue autonomous innovation. When unified leadership and top-level design are underlined for any reform, major reform measures will need to derive their legitimacy from the law and the implementation of the reforms will become a target for inspection and evaluation work. In such cases, local reforms are, therefore, nothing more than tasks imposed from above.

China is a large, complex, and fast-changing country. Institutionalization is inevitable if it is to realize long-lasting stability and sustainable development. Institutionalization, however, should not stifle local autonomy, but provide it with strong institutional safeguards. How to better address this problem is a question which remains on the current reform agenda.

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