

ORIGINAL ARTICLE

Governance WILEY

Competing for father's love? The politics of central government agency termination in China

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Funding information

China Postdoctoral Science Foundation, Grant/Award Numbers: 2017M620055, 2018T110111; Ministry of Education of China, Grant/Award Number: 18JZD048; National Natural Science Foundation of China, Grant/Award Numbers: 1633004, 71774164; National Social Sciences Foundation of China, Grant/Award Number: 18CZZ019

It is well known that public agencies are nearly immortal, but what explains their termination? This article argues that apart from conventional antecedents, political salience defined by top leaders largely shapes government agencies' life cycle. In one of the first large-N analyses of agency termination in a non-Western authoritarian regime, we used longitudinal data for the central apparatus in China from 1949 to 1976 to test this hypothesis. We specifically used Chairman Mao's written directives to measure political salience and found that agencies that received more directives were less likely to be terminated. In contrast, agencies less attended to the boss were less likely to survive major restructurings. We also found that peripheral agencies (e.g., smaller, lower-ranking agencies with noncore functions) benefited more from leaders' attention. We compare the results with the existing literature and suggest some theoretical and policy implications.

1 | INTRODUCTION

Many studies have shown that organizational change, whether in the form of larger reforms or smaller continuous changes, is important for achieving societal or governmental aims (Pollitt & Bouckaert, 2011). According to the seminal work of Gulick (1937), there is a relatively tight connection between governmental goals, the formal organizational structure chosen, and the content of public policy. In Hammond's (1986) classic work he coined the idea that organizational structures are solidifying political preferences and developed several propositions about the impact of organizational structures on bureaucratic policymaking. This means that one should be aware of what the main principles of organization are, that is, how the public apparatus is structured according to various principles of specialization and coordination (Hood & Jackson, 1991).

Earlier versions of this article were presented at the 2018 ASPA Annual Conference, PMRA 2018 Conference, and at a seminar of Sun Yat-sen University.

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But who are the central actors behind governmental change? Some large Western studies have shown that central political and administrative leaders are strongly involved—at least in larger reform processes like those connected with New Public Management (NPM) and post-NPM over the last three decades (Pollitt & Bouckear, 2011). But this trend can be elaborated in at least two ways. First, March and Olsen (1983) showed in their study of federal reforms in the United States that presidents are important in initiating reforms, but have problems in sustaining their attention, because there is more to gain politically by focusing on policy content changes. Second, Patashnik (2008) pointed to the fact that deciding on reforms is one thing, whereas actually implementing them is quite another and these two stages in the process often involve completely different sets of actors, with political leaders much less represented at the implementation stage.

We know that public organizations are generally pretty stable over long periods of time, but also that they are not immortal (Kaufman, 1976), and that their life cycle in general and the termination of specific public organizations is of paramount importance in practical, political, and theoretical terms (Kuipers, Yesilkagit, & Carroll, 2017). Over the past decades, there has been a plethora of studies exploring what drives agency termination in Western democracies (Adam, Bauer, Knill, & Studinger, 2007), including, but not limited to, the United States (Boin, Kofman, Kuilman, Kuipers, & van Witteloostuijn, 2017; Boin, Kuipers, & Steenbergen, 2010; Lewis, 2002; van Witteloostuijn, Boin, Kofman, Kuilman, & Kuipers, 2018), the United Kingdom (Greasley & Hanretty, 2016; James, Petrovsky, Moseley, & Boyne, 2016), Denmark (Mortensen & Green-Pedersen, 2015), Ireland (Maccarthaigh, 2014), and Norway (Rolland & Roness, 2012). In contrast, there are few empirical studies of this salient topic in authoritarian regimes like China (Ma & Christensen, 2018).

In this article, we try to fill this gap by exploring the politics of central government agency termination in China, which is governed by one ruling party (the Chinese Communist Party [CCP]). In such a political context, top political elites are supposed to play a more pivotal role in shaping the destiny of agencies than in Western countries. We highlight how the attention of political elites affects central agency termination and expect that agencies receiving more attention will be less likely to be terminated.

Our key research questions are accordingly:

- How does political leaders' attention affect agency termination?
- How can we understand variations in this attention based on insights from organization theory, in particular an instrumental-structural perspective?

We develop a novel indicator to measure political elites' attention in China. The political variation in the attention paid to agencies by central government can be measured by the number of written directives (*pishi*) issued to the respective agencies (Meng & Chen, 2016; Tsai & Liao, 2017). When political elites focus on certain areas of policy, they issue written directives to the corresponding agencies, which strive for political salience and policy priority.

We chronicle organizational change in Chinese central government agencies from 1949 to 1976 and use an event history model for our analysis. After we controlled for conventional factors, such as budgetary constraints, age and adolescence, and size of the agency, the results showed that changes in the number and frequency of written directives issued by political elites had the biggest influence on agency termination. If an agency had received many written directives during a previous administration, it was more likely to survive the next administration.

The results show that the key to agency survival in the various rounds of government reforms was to get as many written directives from political elites as they could. It seems as if every child has to compete for the father's love in a very big family, and those who do not manage to get the father's love

will have a hard time. The contributions of this article are twofold. First, we theoretically develop and empirically confirm the impact of political attention on agency termination in an authoritarian regime. Second, we develop an innovative measurement of political attention in the form of political elites' written directives, which can be extended to other contexts.

2 | THEORY BASE AND HYPOTHESES

2.1 | An instrumental-structural perspective: Power and attention

According to an instrumental-structural perspective, political and administrative leaders will dominate decision-making processes in public organizations (Christensen, Lægreid, Roness, & Røvik, 2007). The ideal is for leaders both to control the decision-making process and score high on rational insight; that is, they should have clear goals and know what measures to take to fulfill them (Dahl & Lindblom, 1953). This perspective comes in two versions: The first a hierarchical perspective, which emphasizes that there are few leaders making the decisions, and the second is a negotiation version, saying that leaders may disagree and negotiate about goals, means, and perceived effects of decisions (March & Olsen, 1983).

Applying this perspective to agency termination, one presupposes that what political leaders do, whether decided in a strictly hierarchical way or as a result of negotiations, will be closely connected to their political priorities and goals. So, they will consciously attend to the agencies they prefer and support them in different formal ways, while agencies they see as less salient will get less attention.

Thompson (1967) points out that being a leader in an organization grants a lot of leeway and discretion, and therefore power, to organize and control because the opportunities and steering instruments are many and varied. The downside of this is, of course, that the constraints are also many and varied, potentially causing the leaders problems of attention and capacity (Weaver & Rockman, 1993). So how do leaders cope with these opportunities and constraints? Simon's (1957) answer, couched in terms of "administrative man" and "bounded rationality," is that because of the limitations on their control and knowledge, leaders simplify the world. According to the seminal insight of Schattschneider (1960), "organization is mobilization of bias," meaning that in decision-making processes, the formal structure will play a role in including some actors, problems, solutions, and choice opportunities but excluding others (March & Olsen, 1983). The actors who decide on this structure are the top leaders, who thereby secure their own power. We would fully expect this to be the case in China too.

The instrumental-structural way is to organize and structure a public organization so that it becomes clear who has which responsibilities and tasks, which then facilitates decision making. Hierarchically, leaders can increase their control by attending to what is seen as politically important and by delegating responsibilities to leaders and experts on lower levels. But they can also share their power with other leaders to increase legitimacy.

When leaders try to ease their attention and capacity problems in the ways described above, diverse challenges arise. One is that what "objectively" seem to be the goals, tasks, and policies according to which leaders organize will change over time. Another is that we are living in an era of NPM reform, implying delegation of authority to leaders and institutions on lower levels. This delegation could be matched by increasing control (Christensen et al., 2007).

2.2 | Political leaders and their influence on agency change: Some hypotheses

So how does the agency change literature handle the role of the political leadership? Lewis (2002, pp. 91–92) focuses on political and instrumental factors such as the dynamics of coalitions, political

opposition, and political turnover. Adam et al. (2007, pp. 222–226) also talk about the importance of political turnover and of learning how agencies function. Boin et al. (2010) look at environmental dynamics that create opportunities for structural change, which may include political turnover, policy entrepreneurs, and windows of opportunity. Some agency changes are rhetorical and symbolic, but most involve variations of power sharing, resource allocation, and program management (Aberbach & Christensen, 2014). Change in government agencies is to some extent shaped by technological change, economic growth, societal transformation, and political dynamics (Christensen et al., 2007).

In particular, political turnover in Western studies on agency termination refers mostly to political parties and shifts in ideology in power (Boin et al., 2010; James et al., 2016; Lewis, 2002), which seldom refer to persons. However, in this article we argue that political salience as defined by top leaders' written directives, which are quite different from the conventional antecedents about political turnover in Western countries, shapes government agencies' life cycles to a large extent (Pollitt & Bouckeaert, 2011). While political salience matters in agency termination in various other contexts as well, we would expect it to be more prominent in China. The party-state machinery is centralized and strongly controlled by the sole ruling party in authoritarian China, which gives birth to the predominant role of the "first in command." We thus hypothesize that agencies receiving more directives from the top are less likely to be terminated during major restructurings. We use longitudinal data on the central apparatus in China to test this hypothesis, which has not been examined in non-Western contexts.

The founding, survival, and termination of government agencies are shaped, if not determined, by strong political leaders, especially in contexts without equivalent democratic accountability. Party-state officials are appointed by the upper-tier authorities, who are keen to please their superiors (Kung & Chen, 2011). In the meantime, China has adopted a unitary system, and the government runs like a corporation. All these attributes contribute to the salient role played by top leaders in shaping the structure and operation of the bureaucracy.

We argue that agency change is predominantly influenced by the attention of top leaders, who have the discretion to decide which agencies survive and which are terminated (Mortensen & Green-Pedersen, 2015). Agencies are instruments used by top leaders to achieve their visions, and only indispensable agencies supporting their missions can survive and avoid being terminated. Otherwise, agencies that cannot persuade top leaders of their significance are less likely to be favored in government restructuring. Given these considerations, we develop our first hypothesis:

Hypothesis 1: Political salience defined by top leaders' written directives is negatively/positively related to agency termination/survival.

While political salience matters in agency termination, we also expect its impact to be contingent on other factors. Specifically, we examine the moderating effects of agency size, function, and rank in the relationship between political salience and agency termination.

Some agencies are indispensable because of their core functions, and the effects of political salience would be attenuated. In contrast, peripheral agencies striving for political salience depend more on top leaders' attention. The four modernizations strategy (modernization of agriculture, industry, national defense, and science and technology), which is viewed as the symbol of CCP leadership's determination to develop economy, was first raised in the government work report at the inaugural National People's Congress (NPC) in 1954, soon after the CCP leadership eliminated all the imminent threats of the People's Republic of China (PRC), and then written in the CCP Constitution in 1956. After the great leap forward and the famine, the four modernizations strategy was raised again in the third NPC report in 1964 and the fourth NPS in 1975 (Han, 2005).

Although there were political movements during Mao's era, making the poor China great again through modernizations had always been the main concern of the CCP leadership since PRC was founded in 1949. Many political movements, for example the Great Leap Forward and Collectivization of Agriculture, also revealed the desire of the CCP leadership for economic growth and prosperity. Thus, we expect that the economic agencies during Mao's era were more immune to top leaders' influences. We specifically pay attention to the discernible difference between economic and noneconomic functions (e.g., social policy, resources, and environment), and expect the effect of political salience on agency termination to be weaker for the former.

Hypothesis 2: Agency function moderates the relationship between political salience and agency termination, which is attenuated for economic agencies.

The rank of agencies, defined as the formal order of rank for agencies in the organizational chart, also matters for the relationship between political salience and agency termination. Higher-ranked agencies have more formal channels (e.g., cabinet meetings) via which to approach top leaders, and their superior position helps them to consolidate their political salience. In this regard, these agencies are familiar to top leaders and depend less on political salience. Lower-ranked agencies far away from the radar of top leaders, by contrast, benefit more from political salience; otherwise, they are usually neglected by top leaders.

Hypothesis 3: The relationship between political salience and agency termination is negatively moderated by agency rank, and higher-ranked agencies benefit less from political salience.

The size of agencies measured by either head count or budget is also relevant in examining the effect of political salience on agency termination. Some agencies are “too big to fail” and larger agencies with entrenched interests may be immune to termination. Smaller agencies, in contrast, are more vulnerable to political turbulence, and endorsement by top leaders is more indispensable for their surviving organizational restructuring.

Hypothesis 4: The relationship between political salience and agency termination is negatively moderated by agency size, and smaller agencies benefit more from political salience.

3 | CONTEXT

3.1 | The differences between Western and Chinese regimes

The whole idea that Chinese top leaders' attention (political salience in this article) has a negative impact on termination is not as self-evident in the literature because a wealth of empirical studies in Western countries have revealed that congressional oversight as police patrol (political salience in those studies) would make those agencies that got attention in trouble (McCubbins, Noll, & Weingast, 1989; McCubbins & Schwartz, 1984). The impact of Chinese political leaders' attention on agency termination is different from the impact of congressional oversight in Western countries due to the difference in political regimes, which we can take the United States as example.

The U.S. federal government is composed of three branches, legislative, executive, and judicial, which is also regulated by a system of checks and balances defined by the U.S. Constitution. When it comes to important policy decisions, there are two wills (if the judicial branch do not involve). One

is the will of the executive branch, which could originate from the president, and the other is the will of the legislative branch. The legislative branch has to oversee administrative compliance with legislative goals, ensuring that the policy decisions are responsive to the interests or preferences of citizens. If the will of the executive branch contradicts legislative goals, the legislative branch attempts to adopt police-patrol oversight, and agencies that get attention would be in trouble. The impact of congressional oversight is negative on termination when the wills of executive and legislative branches are contradictory.

China's Constitution declares that the country is ruled "under the leadership" of the CCP. The power of CCP is centralized in the Standing Committee of the Politburo, which is elected by the party's Central Committee. Although there are State Council, NPS, and Chinese People's Political Consultative Conference (CPPCC), the heads of these institutions are also members of the Politburo Standing Committee. There is only one will within the administration system in China, which is the will of the CCP leadership. Chairman Mao could exert enormous influence on the will of the CCP leadership. The checks and balances provided by NPC and CPPCC are weak in Mao's era, and the government is largely centralized and authoritarian, which makes the NPC and CPPCC hardly play a role in the veto points or hardwiring mentioned in other studies on organizational survival (Boin et al., 2010; James et al., 2016; Lewis, 2002).

The administrative wing of the government is strongly controlled by the CCP, the sole ruling party in China. Party and state agencies are juxtaposed at each level, with party departments (e.g., the Department of Organization) occupying a relatively higher standing than government agencies. Decisions to restructure agencies are usually made in a top-down and opaque manner, without substantive public participation and consultation. The agencies only need to be compliant with one specific will. And those agencies that execute the will of the CCP leadership well would be rewarded; that is why the impact of top leadership attention is positive on agency survival.

3.2 | Central governmental changes in China

We test the theoretical hypotheses in the context of central government agencies in China, which have not been well documented in the existing literature. The central government apparatus in China is different from that of Western democracies in at least two aspects, which may shape the rationales and antecedents of agency change.

First, the bureaucratic constellations of agencies are very large and complicated, which gives birth to notorious government expansion and agency proliferation (Ma & Christensen, 2018). The State Council (SC) at the central level (the cabinet), for instance, is composed of about 100 agencies with varying affiliations and missions, including three main categories during our research period (1949–1976): (a) ministries (e.g., the Ministry of Agriculture) and commissions (e.g., the National Development and Reform Commission), (b) departments directly under the SC (e.g., the National Bureau of Statistics), and (c) SC offices (e.g., the Legislative Affairs Office of the SC). Government agency change is characterized by rule of man rather than rule of law, which implies that individual party-state leaders wield absolute power in determining the destiny of agencies.

Second, the state machinery has been restructured frequently since the founding of the PRC in 1949, mainly due to the enormous economic and social transformations that have taken place since then as well as the changes in the state itself (Ma & Christensen, 2018). The past seven decades have witnessed at least 13 rounds of government reorganization, with 6 before (1951–1953, 1954–1956, 1956–1959, 1960–1965, 1966–1975, and 1976–1981) and 7 after (1982, 1988, 1993, 1998, 2003, 2008, and 2013) the Reform and Opening-up in 1978, the starting point of China's astonishing

economic rise. Such frequent agency change is similar to that which took place during the New Deal in 1930s America (Boin et al., 2010).

3.3 | Written directives and their circulations

Written directives (*pishi*) are an indispensable component of the daily operation of the Chinese central government. Top leaders use written directives as a formal way of influencing subordinate agencies' priorities, which are mandated to provide feedback about whether and how leaders' concerns are addressed (Tsai & Liao, 2017). Given their tight schedules and scarce attention, top leaders only pay attention to top priorities. Agencies that receive more written directives are thus regarded as more politically significant by top leaders. This helps agencies to acquire resources, request coordination from other agencies, and build their organizational reputations (Meng & Chen, 2016).

There are two channels through which information is conveyed from agencies to top leaders. The first is the formal channel, through which agency reports travel upward through the various levels of the administrative hierarchy, which is the main information transmission channel of Chinese central government. Higher-ranking agencies can handover reports to party secretaries directly, and the heads of some important ministries even have vice premier status. Lower-ranking agencies, on the other hand, cannot give reports to the party chairman directly, but must first address them to the vice premiers or premiers and let them decide whether to pass them on to the party chairman or not.

The second channel is the informal one that runs via internal references (*neican*). Every day top leaders in China read many internal references produced by the Xinhua News Agency, the *People's Daily*, the General Office of the CPC Central Committee, and other information departments, which provide any information they think might interest the top leaders (Zhu, 2009). *Neican* do not have to be passed through the administrative hierarchy, so they provide a certain degree of flexibility; various informal rules (personal ties) will also be more significant in this channel. Lower-ranking agencies are more likely to use *neican* to transmit their information to top leaders.¹

Agencies receive written directives from top leaders mainly in two ways. One is the proactive way, whereby agencies submit reports seeking additional funding, manpower, resources, or approval for certain plans. Because there are so many reports competing for the scarce attention of top leaders, the majority do not get any reply from top leaders, and their requests are not approved. Only a few reports actually succeed in eliciting written directives from the political elites. The other route is more passive; for example, one agency may receive the written directives from top leaders and being asked to cooperate with other agencies to promote certain policies or deal with incidents, because requests from other agencies or incidents reported by *neican* are addressed by top leaders.

4 | METHODS

4.1 | Data sources

We focus on central government agencies directly affiliated with the SC. The unit of analysis is agency-year. We excluded CCP departments, military departments, and state-owned enterprises from our analysis owing to the lack of data and comparability.

The data are from multiple sources. The data about political attention are from the written directives of Mao Zedong, the supreme national leader from 1949 to his death in 1976, which are well documented in his *Chronological Biography* (Literature Research Office of the CPC, 2013). The written directives in our research all come from the *Mao Zedong Chronological Biography* (1949–1976).

The data about agency survival and termination are mainly from government archives compiled by scholars and related departments. The data on other variables are either from official statistics (National Bureau of Statistics of China, 1999) or government archives. The conceptualization, operationalization, and data sources of all variables are reported in Supporting Information Table S1.

We choose the period from 1949 to 1976 as the research period because the power structure was relatively simple, Chairman Mao was the paramount leader, and historical materials are available. However, the findings of our research, political salience defined by top leaders' attention largely shapes Chinese government agencies' life cycle, have universal meaning for other periods in China under the same authoritarian regime. The difference in various periods may only lie in the different influences exerted by different top leaders under different political landscapes. For example, if the power is more concentrated, only a few top leaders' written directives need to be considered. If the power is shared by various top leaders, there are more top leaders' written directives needed to be collected.

4.2 | Dependent variable

We chronicled organizational change in central government agencies from 1949 to 1976 based on objective records about agency survival and termination (Office of Institutional Reform of State Council, 1993). The survival time span of each agency, which runs from the year of establishment to the year of termination (where applicable), is listed in the archive. We used this objective indicator to judge whether an agency was terminated or not in certain years, coding 1 for agency termination, otherwise 0.

4.3 | Independent variables

We coded the written directives of Chairman Mao, which are used to gauge political attention. We identified 2,614 written directives from the 3-million-word *Mao Zedong Chronological Biography* (1949–1976), which was compiled by the Literature Research Office of the CPC. Chairman Mao's written directives were manually identified through his chronology, which details his everyday work and life. These written directives were sent either to central agencies or to their heads, and we used the name list of central cadres (*zhongguan ganbu*) to match them with agencies.

We used the annual number of written directives received to measure political salience, which captures the latest standing of agencies in the eyes of top leaders. In order to check the robustness of this procedure, we also developed a series of alternative indicators (see the Supporting Information).

4.4 | Control variables

We controlled for the conventional variables that may affect agency termination, including budgetary constraints, age and adolescence, and size of the agency (Greasley & Hanretty, 2016).

Some agency heads are members of the central government's small leading team for institutional change. The small leading team for institutional change was responsible for drafting reform programs under the leadership of political elites before each round of organizational restructuring. They are less likely to be terminated owing to their influence on decision making. We created a dummy for the small leading team members.

Change in an organization's managerial leadership, regardless of whether the previous manager left voluntarily or was forced out, potentially raises the risks for the organization because it causes disruption, even if the change might have brought benefits eventually (Friedman & Saul, 1991; Grusky, 1960, 1963). The discontinuity of leadership could make an organization more vulnerable to reorganization in a parliamentary system (James et al., 2016), but that could also be the case in an authoritarian one. Therefore, we expect that the frequent changes of agency heads would jeopardize

agency survival. We calculate the rate of turnover of agency heads before agency termination, creating a dummy of the turnover of agency heads. Those agencies that experienced such turnover in one year were coded 1, otherwise 0.

Larger agencies are more costly to be terminated, and they are usually strongly entrenched to resist restructuring. In contrast, smaller agencies have a higher risk of termination due to their vulnerability. Agency size is measured by an indicator of head count. The administrative layout of government in China is controlled by the organs and posts (*bianzhi*) system, and agencies are usually assigned a certain number of staff after each round of institutional reform (Brødsgaard, 2002). We use *bianzhi* to measure agency size, which usually changes after each round of institutional reform. We obtained the number of *bianzhi* in each year from the Organization Department of the Central Committee of CPC (2000).²

Organizational age is one of the often-discussed factors used to explain agency termination, and there are two camps about it. One argument is “liability of newness,” which argues that new organizations are at greater risk than older ones (Baum, 1989; Stinchcombe, 1965; Wollebaek, 2009). The reason is that organizations can enhance their durability by building over time a reputation for efficiency, expertise, and uniqueness of service (Carpenter, 2001). The contradictory view articulates that organizations can fall out of step with changing technologies and broader environments, which increases the risk they face as they age (Boin et al., 2010). There is little empirical evidence of a clear relationship between an agency's age and the risk it faces at a particular age (James et al., 2016), and we expect agency age to be nonlinearly related to agency survival. Agency age is measured by the number of years since the establishment of the agency. We include the square term of agency age, to see if there is an inverted U-shaped relationship between agency age and termination.

The legislative bases of each agency should also be included. Lewis (2003) discerns four different categories of statutory underpinning: (a) by legislation, (b) by reorganization plan, (c) by executive order, or (d) by departmental order. While Boin et al. (2010) adopt a more simple definition given the limited information, those agencies established by law (strong category) or by departmental or executive order, without a legislative mandate (weak category). The source of agency origin (legislation or executive decree) can increase the ease or difficulty with which political actors can terminate an agency (Kaufman, 1976; Lewis, 2002; Seidman, 1998), and agencies created by statute are more difficult to terminate because their termination requires legislative rather than simply executive action (Boin et al., 2010; Lewis, 2002).

Agencies in China can be established in two ways, via approval from the NPC or via regulations issued by the Central Committee of the CCP or the SC. We created a dummy and coded it 1 for agencies approved by the NPC. We expect that agency termination may be related to how an agency was established, and agencies approved by the NPC are more strongly protected by the law.

The location variable, which refers to the organization's proximity to the central power, could be the proximity to the president, executive office, or cabinet office in different studies (Boin et al., 2010; James et al., 2016; Lewis, 2003), which is found to be negatively related to agency survival. Increased distance should make an organization less vulnerable to termination because it is more politically insulated (Boin et al., 2010; Lewis, 2003). The level of agencies equates to the location variable in this study, and ministry-level agencies are closer to top leaders. We measured the rank of agencies using a dummy, which is coded 1 for ministry-level agencies and 0 for sub-ministry-level agencies. Following previous studies (Boin et al., 2010; Lewis, 2002), we would expect the proximity to Chairman Mao to be negatively correlated with agency survival.

The functions of central agencies were divided officially by the SC into four categories: macro-economic and monetary; specialized economic; education, technology, culture, social security, resources, and environment; and administration and general affairs.³ We used this classification to

recode the functions of agencies during the period under scrutiny. The functions of agencies are measured by a dummy, which is coded 1 for economic agencies (including macroeconomic and monetary agencies, specialized economic agencies) and 0 for others.

Agencies' chances of survival may be affected by the overall munificence of fiscal environment because of restructuring costs (Adam et al., 2007; Lewis, 2002; van Witteloostuijn et al., 2018). In the time of fiscal cutback, agencies are more likely to be terminated to save money. One hypothesis about national fiscal status is that the more financial resources needed to terminate an organization, the more budgetary constraints will favor the persistence of the status quo (Adam et al., 2007). During our study period, China was a centrally planned economy and the government was responsible for everything. The cost of agency termination was huge because all the staffs had to be rearranged by the government. The total government surplus (budgetary revenue minus budgetary spending) measured in 1950 constant RMB yuan is used in this model to gauge the fiscal environment of the government, and we expected it to be positively correlated with agency termination.

The reform window always has significant influence on agency termination. It may be the beginning of a new administration in the United States (Boin et al., 2010; Lewis, 2002), while it may be the beginning of a cabinet in the United Kingdom (James et al., 2016). In the Chinese context, agencies are more likely to be restructured when a new session of NPS begins, and we created dummies for these years, which included 1954, 1959, 1965, and 1975.

4.5 | Model specification

It was appropriate to use an event history analysis (survival analysis) method, such as Cox's proportional hazard regression and logit model, in this study. The two models generate substantially similar results, and we used the logit model for ease of interpretation. The dependent variable was a dummy indicating the termination of agencies, and our data set was time-series cross-sectional data.

We used a random-effects model instead of a fixed-effects model for two reasons. First, the Hausman test suggests that the estimates of the two models are significantly indifferent ($p > 0.1$), and the random-effects model is suitable. Second, many of our agency-level controls were time-invariant dummies, and their estimates would be impossible using the fixed-effects model. In the regression model, we report robust standard errors clustered at agency level to mitigate heteroscedasticity.

5 | RESULTS

5.1 | The descriptive statistics

The descriptive statistics for key variables are reported in Table 1. We included 1,759 observations of 207 agencies over a period of 28 years from 1949 to 1976. The life-span of agencies ranged from 0 (e.g., the First Ministry of Business, the Second Ministry of Business) to 22 years (e.g., Ministry of Public Security, Ministry of Foreign Affairs, Ministry of Finance), with a mean of 6.08 and a standard deviation (*SD*) of 5.43. The largest number of agency terminations took place in 1958 (19), 1954 (40), and 1970 (52).

Chairman Mao on average issued 38 written directives to government agencies annually during our study period, with an *SD* of 29.6. The mean annual number of written directives received by surviving agencies ranged from 0 to 25, with a mean of 0.61 and an *SD* of 1.84. About half of the agencies (94) did not receive any written directives from Chairman Mao.

TABLE 1 The descriptive statistics of key variables

Variable	<i>N</i>	Mean	<i>SD</i>	Min	Max
Agency termination	1,759	0.086	0.280	0	1
Annual directives (log)	1,759	−10.443	6.111	−13.816	3.219
Small leading team	1,759	0.148	0.355	0	1
Head turnover	1,759	0.102	0.303	0	1
Size (log)	1,759	5.909	1.151	2.303	8.561
Age	1,759	6.087	5.430	0	22
Age (squared)	1,759	66.518	98.196	0	484
NPC approval	1,759	0.816	0.387	0	1
Ministry level	1,759	0.807	0.395	0	1
Economic function	1,759	0.534	0.499	0	1
Government surplus	1,724	−6.007	26.854	−90.308	28.490
Year 1954	1,759	0.059	0.236	0	1
Year 1959	1,759	0.042	0.200	0	1
Year 1965	1,759	0.046	0.210	0	1
Year 1975	1,759	0.031	0.173	0	1

5.2 | The logit regression model estimates

As reported in Table 2, the results support our hypothesis that political salience is negatively and significantly correlated with agency termination. The results reveal that other things being equal, a 1% increase in the number of annual written directives will result in a 9.2% decrease in the likelihood of agency termination (Model 1). These analyses show that political salience measured by the annual number of written directives is positively correlated with the life span of agencies, providing strong support for Hypothesis 1.

We find that there is an inverted U-shaped relationship between agency age and termination, while agency size is negative and significant. Agencies are more likely to be terminated shortly after being founded shortly or existing for a long period of time (Freeman, Carroll, & Hannan, 1983). And larger agencies have an advantage in managing to become entrenched. Being a member of the small leading group, the mode of agency establishment, and agency function are not significant in the models. Consistent with our expectation, the results show that ministry-level agencies are more likely to be terminated than lower-level agencies, which means increased distance to top leaders makes an organization less vulnerable to termination.

With the installation of new heads, agencies are less likely to be terminated, which is contradicted with the theoretical expectation. The logics may be that if the agencies attract great attention of political elites and the ministers could not reach the expectation of leaders, those ministers could be removed out of office after being blamed. Therefore it is always those more important agencies (e.g., the State Planning Commission, the Ministry of Health, and the Ministry of Culture) that have more frequent changes of agency heads. The frequent changes of agency heads in authoritarian China may represent the special attention from the political elites for certain agencies reducing the probability of their termination, which could warrant future research given its difference with the parliamentary system.

Fiscal surplus is positively albeit insignificantly correlated with agency termination, which means agencies are less likely to be terminated during years of fiscal deficit, because terminating an agency is costly. For the four different rounds of major institutional reforms (i.e., NPS sessions), the 1954 and 1959 reforms were significant, while the 1965 and 1975 reforms were insignificant. Partly owing

TABLE 2 The random-effects logit model estimates

Model	(1)	(2)	(3)	(4)
Interaction variable		Function	Level	Size
Written directives	0.908*** (0.0297)	0.798*** (0.0480)	0.160*** (0.0203)	0.610** (0.137)
Interaction term		1.193** (0.0877)	5.697*** (0.762)	1.067* (0.0386)
Small leading team	0.424 (0.258)	0.452 (0.276)	0.431 (0.282)	0.425 (0.260)
Head turnover	0.0585*** (0.0403)	0.0554*** (0.0378)	0.0590*** (0.0564)	0.0577*** (0.0390)
Size (log)	1.181 (0.279)	1.240 (0.293)	1.184 (0.304)	2.614* (1.417)
Age	2.560*** (0.625)	2.580*** (0.606)	2.510*** (0.556)	2.506*** (0.632)
Age (squared)	0.968*** (0.00882)	0.968*** (0.00861)	0.969*** (0.00797)	0.969*** (0.00903)
NPC approval	0.104*** (0.0758)	0.106*** (0.0738)	0.108*** (0.0536)	0.109*** (0.0811)
Ministry level	2.210 (1.266)	2.333 (1.350)	5.76757e+10*** (1.05665e+11)	2.266 (1.301)
Economic function	0.943 (0.468)	8.526* (9.481)	0.940 (0.507)	0.986 (0.489)
Government surplus	1.003 (0.00669)	1.003 (0.00681)	1.003 (0.00737)	1.003 (0.00666)
Year 1954	156.5*** (142.4)	163.6*** (144.1)	150.0*** (108.3)	144.6*** (132.6)
Year 1959	22.29*** (21.64)	21.83*** (21.18)	22.55*** (18.25)	22.63*** (22.29)
Year 1965	0.464 (0.301)	0.457 (0.300)	0.457 (0.314)	0.454 (0.297)
Year 1975	2.495 (1.883)	2.518 (1.909)	2.498 (1.867)	2.531 (1.932)
N	1,724	1,724	1,724	1,724
Log likelihood	-404.28	-401.96	-403.80	-403.09

Note. The dependent variable is agency termination. The odds ratio is reported, and robust standard errors are in parentheses.

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$.

to the state of anarchy during the Cultural Revolution from 1966 to 1976, the 1965 and 1975 reforms were rather different from the previous ones, and agencies proliferated instead of shrinking (Ma & Christensen, 2018).

We find that political salience is more strongly correlated with termination for noneconomic agencies than for economic agencies, suggesting that peripheral agencies rely more on political salience to survive (Model 2). The results show that the effect of annual written directives on the odds of agency termination is stronger for ministry-level agencies than lower-level ones (Model 3). In line with Hypothesis 4, we find that the effect of political salience is stronger for smaller agencies, and the moderating effect of agency size is significantly negative in Model 4. For larger agencies (i.e., with more than 600 staff), the effect of political salience on agency termination turns out to be attenuated and becomes insignificant.

We visualize the varying effect of political salience on agency termination by agency function, rank, and size (see Figures 1–3). It is clear that political salience is significantly more crucial for the

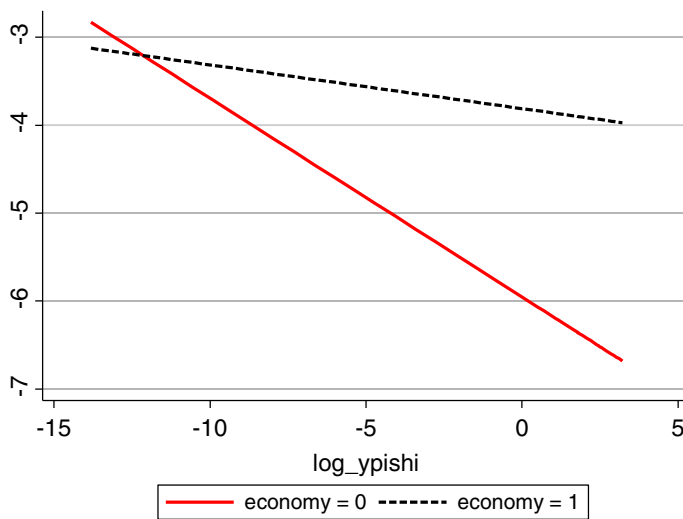


FIGURE 1 The marginal effects of annual written directives (log) on the probability of agency termination by agency function

survival of noneconomic, lower-ranking, and smaller agencies, and their dependence on top leaders' preferences and attention is stronger.

6 | DISCUSSION AND CONCLUSION

Bureaucratic agencies are overall often very stable, but not immortal and it is theoretically meaningful to understand why agencies are terminated (Kaufman, 1976). In this article, we use the case of China's central agencies to examine the impact of political salience on agency termination, and the findings generate interesting theoretical and policy implications. We find that agencies that received more written directives from Chairman Mao were less likely to be terminated, suggesting political salience plays a pivotal role in bureaucratic agencies' survival. So what are the more general

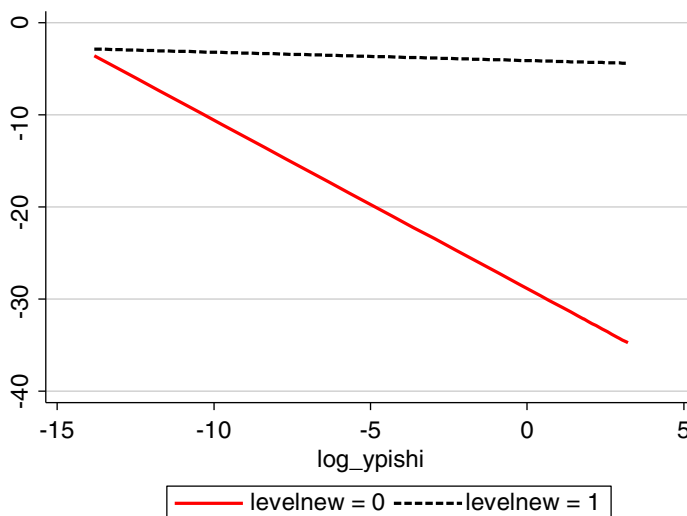


FIGURE 2 The marginal effects of annual written directives (log) on the probability of agency termination by agency rank

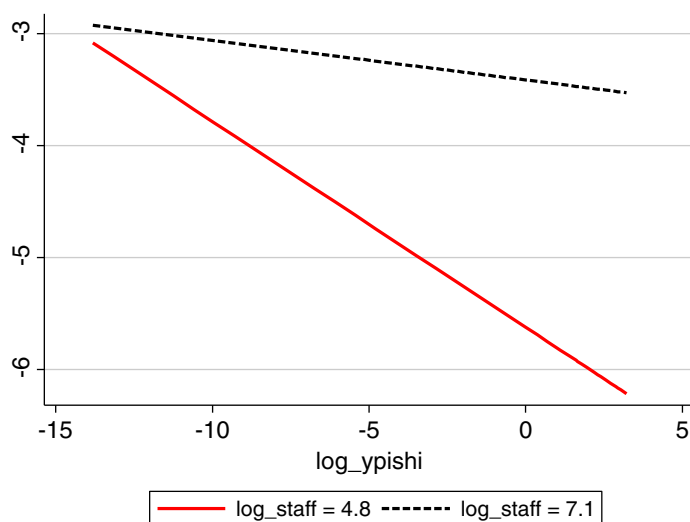


FIGURE 3 The marginal effects of annual written directives (log) on the probability of agency termination by agency size

components in this result and what are the specifically Chinese characteristics? The more general component is political salience, because all over the world political leaders set priorities and systematically support the structural changes and reforms they believe will further their goals (Pollitt & Bouckear, 2011; Wilson, 2000). The more specific component is that the Chinese political system is rather unique in the sense that top leaders' potential for influence and control is very strong.

We also reveal that the effect of political salience depends on agency attributes, particularly agency size, rank, and functions. We find that smaller, lower-ranking agencies with noncore functions benefit more from getting favor from top leaders. With favor and support from top leaders, agencies are less likely to be terminated. Particularly for small agencies, political salience is vital for agency survival (Pollitt & Bouckear, 2011). Large agencies, on the other hand, are in a better position to employ other approaches to consolidate their positions.

These findings add to our understanding of agency termination and contribute to the literature on organizational restructuring. The logic behind this is based on some important insights from the organizational design literature, namely, that size potentially confers more influence and saliency, because large agencies receive more resources for the government and have to account for how they spend them (Egeberg, 2012). If you do not have the asset of size, you have to compensate or be compensated for, and then the attention of top political leaders comes in handy. By the same token, higher-ranking agencies controlling core functions have more opportunities to interact with top leaders, and political salience matters less for their survival.

Our findings support first and foremost the instrumental-structural perspective, which asserts that political leaders tend to dominate bureaucratic restructuring processes, especially in a Chinese context where they are more powerful (Rothstein, 2014). Our results suggest that political leaders in authoritarian regimes without strong checks and balances have a great deal of power to shape bureaucratic agencies' survival and termination. Without taking this political dimension into account, we cannot fully understand the rationale of agency termination in China or in other contexts (Boin et al., 2010; Lewis, 2002).

How could one interpret our main results based on alternative organization theory perspectives? Seen from a cultural-institutional perspective (Selznick, 1957), our main results could be interpreted in two ways. First, they reflect a systematic historical path that political leaders follow, in this case Chairman Mao, meaning that that political priorities are path-dependent and characterized by a lot of

continuity (March, 1994). Second, small agencies may have to rely on informal contacts and network competence, as they receive written directives more frequently through informal channels. Because those small or low-ranking agencies cannot reach top leaders directly through formal channels, they rely more on informal channels to compete for top leaders' attention, and personal ties will hence be more significant in this process. Those small agencies headed by people with a better personal relationship to the top leadership, possibly belonging to the same cohort or generation as the revolutionary elite, will have advantages in ensuring the survival of their agencies (Christensen & Læg Reid, 2009).

Seen from a symbolic perspective (Brunsson, 1989; Meyer & Rowan, 1977), systematic prioritizing by the top political leadership of some agencies may have a strong signaling function. For example, as we see in the way the Chinese leadership in different periods favored various agencies belonging to economy, social/health, or environmental sectors. In such a complex political-administrative system, with limitations on the implementation of public decisions concerning restructuring, the idea-related power of coordination may be very important.

There are three ways in which this study is limited, so we call for future studies to further understand agency survival and termination. First, the mechanisms through which political salience affects agency termination could be further explored in future research. Political salience may affect agency termination both directly and indirectly, and it is interesting to examine the intermediary channels through which agencies survive. Second, the results may be prone to omitted-variables bias, which could be mitigated in future studies by incorporating relevant variables (e.g., direct measurement of agency performance) unavailable in this study. Last, as a placebo test, it is meaningful to extend the time span of the data to see whether Mao's influence survived after his demise in 1976. For instance, after the launch of the Reform and Opening-up in 1978, the leadership of Deng Xiaoping deployed a rather different developmental logic in directing the state (i.e., economic growth outperforms ideological struggle).

ACKNOWLEDGMENTS

The authors would like to thank the participants for their helpful comments. We are grateful for financial support from the National Natural Science Foundation of China (71774164, 1633004), the National Social Sciences Foundation of China (18CZZ019), the China Postdoctoral Science Foundation (2017 M620055, 2018 T110111), and the Key Project of the Ministry of Education of China (18JZD048).

DATA AVAILABILITY STATEMENT

The replication materials of this study (the data set and do file) are accessible at Liang Ma's personal website (<http://liangma.weebly.com>).

ENDNOTES

¹For national leaders like Mao, they are busy with daily affairs and cannot read every report and internal reference. Their political secretary (*mishu*) helps to filter and present only materials that he or she believes important to them. It is theoretically and empirically intriguing to explore the impact of circulations of *neican*, which is beyond the scope of this study and could be pursued in future research.

²Sometimes the number of *bianzhi* is unavailable for certain agencies in certain years, and we instead use the number of *bianzhi* in the nearest year.

³See: Note on the plan for institutional reform of the State Council (in Chinese). Retrieved from http://www.npc.gov.cn/wxzl/gongbao/1998-03/06/content_1480093.htm.

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How to cite this article: Chen S, Christensen T, Ma L. Competing for father's love? The politics of central government agency termination in China. *Governance*. 2019;32:761–777. <https://doi.org/10.1111/gove.12405>