

Downsizing the Central Government: The Case of the People's Republic of China

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This paper documents the downsizing experience in China since 1954 to 1998. Over years, China's reform initiatives on the central government have been changed. They were attempts in adjusting the extent of functional integration or differentiation of the state organs of the central government in relation to the remainder of the body politic. Post-Mao administrative reforms were taken to deal mainly with the problem of political erosion of administrative authority, thus facilitating the state to recover its administrative functions. Although western countries look for ways to shrink the state in order to integrate the state with politics, China seeks to institutionalize the state so as to suppress politics. Charting the course of administrative reforms in China requires an understanding that China's transformational experience is institutionally associated with the character of the regime.

INTRODUCTION

Downsizing in government has been a global concern. Yet, there has been little analysis of downsizing in government of the People's Republic of China, despite the fact that China had started the first run of downsizing the central government in as early as 1954. The several runs of downsizing in government in China witnessed a change, perhaps a very fundamental one in various fronts. In terms of the perception of the problem, the strategy and the management of downsizing, China's experience provides a good case to compare and contrast similar efforts elsewhere in reduction in work force of the government. Downsizing generally means decreasing, cutting back, retrenching, or streamlining the size and scope of activities of a government or individual agencies and programs within it. More often than not, it involves a decrease in expended resources, for example, budget and staffing (Helfand, 1998). Especially in difficult economic time, downsizing becomes prevalent in most countries. Are China's reform initiatives and transformational experience in downsizing similar to most part of the world? Have the recent runs of downsizing in government in China differed very much from her past endeavors?

China has a different experience in downsizing in government. It is not argued here that the experience is unique to China. What is unique is her point of departure in initiating downsizing in government over a period of time. Before going into the details, it is instrumental to intro-

duce how the central government of the People's Republic of China has been organized. The general features of the several runs of downsizing the central government will also be discussed in order to provide a background for latter analysis. Space does not allow a thorough study. This paper concentrates its analysis on the central government and seeks to provide an analytic theme to explain the recent three runs of downsizing endeavors in China.

The paper argues that Post-Mao administrative reforms seek to depoliticize the party-state, thus facilitating the state to recover its administrative functions. Re-bureaucratization of state is the common theme. Theoretically as well as historically, downsizing overhauls in China can be perceived of as attempts in adjusting the extent of functional integration or differentiation of the state organs of the central government in relation to the remainder of the body politic. Institutionalization of the state is the tool employed to deal with the problem of political erosion of administrative authority in China.

THE CENTRAL GOVERNMENT: THE STATE COUNCIL

THE CONSTITUENT ORGANS OF THE STATE COUNCIL

Generally put, the State Council of the People's Republic of China (before 1954, it was named the Government Administrative Council) has three key components (namely, the constituent organs, the administrative bodies, and the bureaus of the State Council). The foremost and, perhaps, the most important one has been what is commonly regarded as the cabinet, i.e., in Chinese terms, the constituent organs, of the State Council. These constituent organs can be classified into four categories. The first is the macro-control organs. Historically, as a communist regime, the prime concern of Chinese officials has always been its capability to control almost every aspect of the governance structure. For example, the Provisional Regulations of the Work of the State Planning Commission of the People's Republic of China in 1955 stipulates that the State Planning Commission is given the authority, among others,

- to draft overall and comprehensive, in Chinese terms, the mandatory and directory, financial, national grain reserve and production planning;

- to assess, inspect and audit national economic plans submitted to the State Council by other ministries, commissions, provincial governments, direct-controlled cities, self-autonomous regions; and

- to provide specific measures, periodic targets and concrete advice to the State Council in order to achieve all these plans (Su and Han, 1993).

The State Planning Commission had been the base of the conservative groups, probably because of its mission and functions. In fact, the State Planning Commission could penetrate its power and authority into other constituent organs of the State Council. Not until 1998 did

the role and authority of State Planning Commission become substantially diminishing.

The second category is the professional economic management organs. They refer to those ministries and commissions, which are given the authority to look after mainly specialized industries. The third category is the education, social security and resources management organs. They refer to those organizations, which are given the tasks to oversee specific functional areas. Because of their specific functions, ministries of Personnel, Labor and Education are included in this category. The last category is the political administration organs. They refer to those ministries, commissions, committees, and offices, which administer "political work" of the regime. Functions, which might be seen as peripheral to other nations including, for example, family planning, radio, film and television management, culture, are important to China for obviously ideological and political reasons. Ministries of Justice, Public Security, and State Security are seen as integral part of the communist regime. Together with the Supreme Court and the Supreme People's Procuratorate, they are charged with defending the "communist justice" and have become the most important ruling tools of the country.

ADMINISTRATIVE BODIES OF THE STATE COUNCIL

The second key component of the State Council is the administrative bodies. These administrative bodies are to assist the premier. Generally speaking, their scope of control is limited but clear. Their establishments are relatively small and their functions are simple. For example, the Special Economic Zones Office and the Research Office under the State Council in 1993 and 1998, respectively, had unambiguous functions to perform and their scope of authority was, relatively, straight and simple.

BUREAUS OF THE STATE COUNCIL

The third key component of the State Council is the bureaus. These bureaus are authority-bearing organizations in that they can each issue instructions, notices and decisions etc., to lower-level government departments and bodies. Unlike the leaders of those constituent organs of the State Council, the appointment of the leaders of these bureaus does not need the approval of the National People's Congress. These leaders are nominated by the Premier. All these bureaus have specific professional duties to perform. Professional works such as environmental protection, statistics, tourism, taxation, are some examples. Nonetheless, there are instances whereby one can spot the gray areas of classifying the organs under the State Council. For instance, it is disputable to argue whether religious affairs should fall into the ambit of political work, or whether the downgraded State Administration of Radio, Film and Television in 1998 should remain as a political administration body. Obviously the status of the

State Administration of Radio, Film and Television in 1998 had been changed but not its functions.

ADMINISTRATION UNDER THE MANAGEMENT OF MINISTRIES AND COMMISSIONS

Apart from these three key components, there are another three types of organizations, which assist the work of the State Council. There were 15 administrations "under the jurisdiction of ministries and commissions of the State Council" in 1988 and 15 administrations "under the management of ministries and commissions of the State Council" in 1993, respectively. To clarify the span and scope of control of these administrations, the Central Government issued Document Nos. 26 and 39 in April 19, 1993 and July 5, 1993, respectively (The Secretariat Bureau, the General Office of the State Council & the Office of the Central Establishment Commission, 1994, p. 19-22). The Documents state that all these administrations are to be led now by the party core groups, which are constituted and headed mainly by the superior ministry or commission. Important decisions and policies need to be considered and approved by the party core groups before they can be implemented. Before 1993, it was possible that one administration could be "directed" or "advised" by more than one ministry or commission. Here explains the usage of the term "under the jurisdiction of ministries and commissions of the State Council". Both documents issued in 1993 seek to clarify the lines of authority and the relationships between administrations and their superior ministries and commissions. In accordance with Document No. 27, released on April 19, 1993, administrations "under the jurisdiction of ministries and commissions" will cease to exist since 1993 (The Secretariat Bureau, the General Office of the State Council & the Office of the Central Establishment Commission, 1994).

INSTITUTES UNDER THE STATE COUNCIL

Not until 1988 did one find the category of institutes under the State Council. In 1988, the Agricultural Development Research Centre, the Chinese Academy of Sciences, the Chinese Academy of Social Sciences, the Economic Technology and Social Development Research Centre and the New China News Agency were classified as institutes under the State Council (Wang, 1995). To mark the differences between state organs and institutes in China, one needs to look at three aspects. In terms of function, state organs are to exercise the state authority, directly execute ruling authority, and carry out policies and decisions made by the central government. Institutes are «to serve the various economic and social life, to improve the living condition, to promote social benefits, and to satisfy people's material as well as cultural needs» (Qian, 1992, p. 4-5). In terms of the nature of activity, state organs are to fulfil their functions by making policies and decisions, most of them have judicial and legislative authority to back up.

The exercise of all these authorities sets the overall environment for people to interact. Similar to state organs, institutes serve the community without a specific targeted group, i.e., person-unspecific. Institutes engage in activities aiming at enhancing "non-materialistic" "social efficiency". Most people work for institutes by conducting research, performing knowledge-intensive social services, like teaching and publishing newspaper, journals or magazines. In terms of the objectives to be attained, state organs are to consolidate the governance of the regime, to protect and defend the interests of the ruling class. Institutes are to satisfy the cultural needs of people, and to promote the economic and social development (Qian, 1992). The differences may not be as clear as they should be. The way that institutes are to be organized is meant to be as flexible as possible such that organizations with different functions, patterns of activities and objectives can be made to easily fall into this category. Simply put, political functions of the state are to be taken up by state organs, economic functions by enterprises (frequently state-owned), and social functions by institutes.

AD HOC OR PROVISIONAL ORGANS UNDER THE STATE COUNCIL

There are "hidden" bodies under the State Council, which account for continuously periodic and irregular expansion of staffing, establishment and expenditures. These bodies are the so-called "ad hoc" or "provisional" organs. The former is to contrast regular state organs and the latter denotes the life span of an organ. Some of these "ad hoc" organs are advisory by nature. That is to say, most of them are "think-tanks" to the premier, vice-premier, state councilors, leading groups of the central party, ministries, and commissions. The setting up of ad hoc or provisional organs is not a unique feature in China. Four reasons generally account for their prevalence in China:

- ad hoc organ can be set up to perform a national specific task. For example, a national task force, the Leading Group for National Rescue Work, was established to co-ordinate the rescue work caused by the big flood in southern part of China in July 1991;
- a provisional organ can be created to accommodate the need for co-ordination of work across different lines of authority including, for instance, ministries, commissions, party and mass organizations. For example, the Central Party and the State Council created the Leading Group for Nursery of Infants in October 1978 in order to co-ordinate the work with the Ministries of Education, Civil Affairs, Public Health, Finance, and the Federation of Women;
- ad hoc organ can be established simply to show or reiterate the importance of a task. For example, the State Council established in 1982 the Leading Group of Science and Technology under the leadership of the then Premier Zhao Ziyang. Another example was the creation of the Establishment Committee chaired by Li Peng in June 1988. The intention to ask senior leaders to chair these two organs clearly showed that these organs were markedly different from other similar

establishments. In addition, the tasks to be fulfilled by these organs would be accorded a higher priority;

– a provisional organ can be tasked with a specific and professional duty, which cannot be easily taken up by a ministry, commission, administrative body, administration, or institute. An example was the Group for Coordinating the Editing and Publication of Ancient Books established by the State Council in December 1981 (Wang, 1995).

To deal with the problem of excessive expansion of staffing, establishment and expenditure, the State Council issued Document No. 27 on April 19, 1993. Twenty-six “ad hoc” or “provisional” organs were set up within specific ministries, commissions, bureaus, administrations and offices. All other ad hoc or provisional organs were to be dissolved (The Secretariat Bureau, the General Office of the State Council & the Office of the Central Establishment Commission, 1994).

THE PRE-1998 ADMINISTRATIVE REFORM IN THE CENTRAL GOVERNMENT IN CHINA

This section provides firstly a general historical review of China’s administrative reform in the central government. The discussion starts by outlining the major changes in the pre-1988 administrative reform. Before it proceeds to examine the recent three runs of reform in the central government in China, this section analyzes how Chinese officials perceived the problem of downsizing.

When the People’s Republic of China was established in October 1949, the most important task was to build up its governance capacity. Largely modeled on Soviet system, China created the Government Administrative Council. There were altogether twenty-nine constituent organs (four macro-control organs, thirteen professional economic management organs, two education social security and resource management organs, and ten political administration organs), one administrative body and five administrations under the jurisdiction of ministries and commissions. Chinese officials relied heavily on the four macro-control organs to coordinate the work of the central government. For instance, the Commission of Politics and Law ran the Ministries of Internal Affairs, Public Security, Justice, the Commission of Legislative Affairs and the Commission of Nationalities [Ethnic] Affairs. The structure outlined the very basic form of the central government. From 1949 to 1956, Chinese officials sought to create a “minimal” governance structure to consolidate the communist rule (see **Table 1**).

Beginning in late 1956 and till 1965, Chinese officials sought to strengthen its governing capacity and started to implement the planned economy. Partly because of ideological reason and mainly because of the need for tremendous co-ordination work, the State Council uploaded many tasks to be performed. Structural adjustment within the central government had to take place. In 1959, there were thirty-nine constituent organs (including two macro-control organs, twenty-two profes-

sional economic management organs, two education, social security and resource management organs, and thirteen political administration organs), seven administrative bodies, and fourteen bureaus under the State Council.

Table 1. Number of Organs under the State Council in the Several Runs of Administrative Reforms[†] (1949-1998)

Types of Organs	1949	1954	1959	1970	1971	1978	1982	1988	1993	1998
Constituent (sub-total)	29	34	39	26	26	35	43	41	40	29
– Macro-control	4	1	2	1	1	4	5	4	5	4
– Professional Economic Management	13	17	22	17	17	21	23	19	17	8
– Education, Social Security and Resources Management	2	3	2	1	1	4	4	5	5	5
– Political Administration	10	13	13	7	7	8	11	13	13	12
Administrative Bodies under the State Council	1	9	7	1	2	7	3	7	8	8
Bureaus under the State Council	–	20	14	5	6	32	15	19	12	17
Administrations under the State Council [‡]	5	–	–	–	–	–	–	15	15	18
Institutes under the State Council	–	–	–	–	–	–	–	5	10	10
Total	35	63	60	32	34	74	61	87	85	82

[†] Sources: see Appendix.

[‡] Before 1993, administrations under the State Council refer to those organs previously named as “Administration under the jurisdiction of ministries and commissions”. Later, they were re-named as “Administration under the management of ministries and commissions”. For details refer to the text discussion.

When China began to enter its politically turbulent period between 1966 and 1975, political changes nationwide began to de-institutionalize the central government. Briefly put, the anti-bureaucratism prevalent among some senior party leaders led to a drastic cut of the total number of state organs in the central government. Before 1970 structural changes, there were altogether seventy-eight agencies (Su and Han, 1993). In 1970, there were only thirty-two agencies including twenty-six constituent organs (consisting of one macro-control organs, seventeen professional economic management organs, one education, social security and resource management organ, and seven political administration organs), one administrative body, and five bureaus under the State Council. The ways to streamline the agencies included:

- merging functionally or structurally similar organs and putting them under a macro-control organ; for example, an expanded State Planning Commission was set up taking over portfolios previously handled by the original State Planning Commission, the State Economic Commission, the Office of Industry and Transportation under the State Council, the Ministry of Geology, the Ministry of Materials and Equipment, the Ministry of Labor, the State Statistic Bureau, the National Committee of Commodity Prices and the Central Political Department of Industry and Transportation;
- merging functionally or structurally similar agencies and putting them under a party organ; for example, the State Bureau of Broadcasting Affairs and the New China News Agency were merged and directly managed by the Central Leading Group of Cultural Revolution;

- merging functionally or structurally similar organs within the State Council and the Central Party and putting them under a ministry; for example, an expanded Ministry of Foreign Affairs was established to take charge of the original Ministry of Foreign Affairs, the State Bureau of Foreign Experts Affairs, China Administration of Tourist and Sight-seeing Affairs, the Commission of Overseas Chinese Affairs, the Commission of Foreign Cultural Liaison and the Central Political Department of Foreign Affairs;
- disbanding functionally or structurally similar agencies in the State Council and the Central party; and the organs disbanded included the Ministry of Culture, the State Bureau of Housing and Property Management, the State Establishment Bureau, the State Office of Finance and Trade, the State Office of Culture and Education, the Central Political Department of Finance and Trade, the Central Political Department of Culture and Education, the State Office of National Defense Industry and the Central Political Department of National Defense Industry;
- merging functionally or structurally similar organs and putting them under the leadership of the army; for example, the Central Meteorological Bureau and the State Bureau for Surveying and Mapping were merged and managed by the Headquarters of the General Staff and the Ministry of National Defense and the Second, Third, Fourth, Fifth, Sixth and Seven Machine Building Industry Ministries were put under the direct leadership of the General Office of the State Central Military Commission;
- merging functionally or structurally similar organs and putting them under the Work Office of the National People's Congress (NPC) and the Chinese People's Political Consultative Conference (CPPCC); for example, the State Nationalities [Ethnic] Commission and the State Bureau of Religious Affairs were merged with the Work Office of the NPC and CPPCC; and
- merging functionally or structurally similar organs and putting them under the Chinese Academy of Sciences (since 1954, the Chinese Academy of Sciences, though not one of the constituent organs of the State Council, was still under the leadership of the State Council); for example, the State Cadre Bureau of Sciences and Technology and the Commission of Sciences and Technology were merged with and under the leadership of the Chinese Academy of Sciences (Su and Han, 1993). After 1970, under the fabric of "politics takes command", the State Council established the Committee on Political Work as an administrative body under the State Council. In accordance with the Document on «*A Report Concerning the Request for the Establishment of the Committee on Political Work under the State Council*» released on August 5, 1971, this Committee was a ministry-level administrative body mainly responsible for coordinating the political work of various administrative organs under the State Council (Su and Han, 1993). Apparently, this Committee was set up to further penetrate and extend the reach of the party into the State Council. The Committee was eventually disbanded in 1980.

After the Great Cultural Revolution, the State Council began to expand its establishment. Many once disbanded ministries, commissions, bureaus, offices and administrations were reinstated. For example, the State Council reinstated the State Nationalities [Ethnic] Commission, the Office of Overseas Chinese Affairs, and the Hong Kong and Macao Affairs Office in 1978 (Zhang, 1992; 1994). The total number of organs under the State Council reached the peak in 1981. There were altogether fifty-two constituent organs, five administrative bodies under the State Council, and forty-three bureaus under the State Council (Su and Han, 1993). The excessive expansion of the establishment of the State Council compelled the Chinese leaders to downsize again the central government.

Despite the fact that China proclaimed to open the market to the West, China did not seriously undertake any attempt to diminish the importance of planned economy in 1982. In re-structuring the central government, the State Council reduced the number of organs from one hundred to sixty-one in 1982. Yet, it did not establish evidence of reducing state involvement in Chinese national economy. Three incidents regarding the restructuring of the central government lend support to ascertain the importance of planned economy and to reassert the politically penetrative role of the party-state in 1982.

An expanded State Economic Commission was established in 1982. Several organs were disbanded. They included the original State Economic Commission, the State Agricultural Commission, the State Capital Construction Commission, the State Machine Industry Commission, the State Energy Commission, the Group of Finance under the State Council, the State Bureau of Standards, the State Metric Bureau, the State Drug Administration, the State Patent Bureau and the State Bureau of Building Materials. They were put under the management of the expanded State Economic Commission and later on became the directly-managed bureaus under the State Economic Commission (Zhang, 1992; 1994; Su and Han, 1993).

The Ministry of Foreign Trade, the Ministry of Foreign Economic Liaison, the Committee of Foreign Investment Management, the State Administration for Entry-Exit and Quarantine and the Committee for the Inspection of Import and Export Commodities were dissolved. A new Ministry of Foreign Trade was set up to absorb all the functions and tasks performed by these dissolved organs (Zhang, 1992; 1994; Su and Han, 1993).

The jurisdiction and the importance of the State Planning Commission were once again expanded and re-asserted in 1982 run of downsizing. The State Planning Commission was asked to take over the tasks once performed by the Land Bureau (originally under the management of the State Capital Construction), and the Agricultural Regional Planning Office (originally under the management of Agricultural Commission). In addition, it also took over the planning work on sciences and technology once performed by the State Sciences and Technology Commission (Zhang, 1992; 1994; Su and Han, 1993).

These three moves engaged further the state involvement in China's national economy. The re-structuring in fact sought to deal with the problem of "multi-level" or in Chinese term, "multi-heads", management. That is to say, managing one policy problem might involve several economic offices, such as planning, commerce administration, environmental protection, taxation, auditing, etc. The restructuring enabled the State Economic Commission, the State Planning Commission and the Ministry of Foreign Trade to amalgamate all the functionally similar power and authority to direct the economy and to coordinate economic activities.

THE CAUSES OF FAILURE IN THE ADMINISTRATIVE REFORMS IN CHINA

Against the historical background of the pre-1998 reform, the discussion now turns to firstly examine how the Chinese senior officials defined the problem of downsizing in government. It then analyzes the administrative reform of the central government in 1988, 1993 and 1998, respectively.

THE RANDOMNESS OF ESTABLISHMENT

The State Council managed to cut down the total number of organs from eighty-one in 1956 to sixty in 1959, from seventy-nine in 1965 to thirty-two in 1970, and from one hundred in 1981 to sixty-one in 1982, respectively (Su and Han, 1993). But the total number of organs swung back to seventy-two in 1986. After several runs of downsizing the central government, Chinese senior officials realized the seriousness of the problem and started to analyze the causes of failure of downsizing in government.

Document 12 entitled «*Regarding Ways to Stop Expansion of Cadres, Establishment and Organs under the State Council and the Party Central*», released on April 13, 1987 by the Central Organization Department, reports that there is a lack of scientific basis in the establishment and the structural adjustment of the organs within the State Council (Office of the State Establishment Commission, 1991; Office of the Central Establishment Commission, 1993). Government officials simply chose to set up a position or post, and hire a cadre at will. The "randomness" of establishment explained the problem. The same view was reinforced by Document 14 entitled «*Notice Regarding Taking Further Step to Strengthen the Management of the Establishment of the Organs under the State Council*», released on February 23, 1990 by the State Council (Office of the State Establishment Commission, 1991).

THE LACK OF A SUPPORTIVE CADRE MANAGEMENT SYSTEM

To further explain the randomness of the establishment, the former Minister of Personnel, Zhao Dongwan argued that the establishment policy could not effectively "touch on" the entire cadre personnel management system in China. In terms of problem definition, Zhao said that Chinese officials should not perceive every run of downsizing as issues merely for cutting down the establishment, staffing and expenses of organs under the State Council (Office of the Central Establishment Commission, 1993). He further added that it had to tie in with the entire cadre management system. In the past, cadres were recruited mostly for their technical expertise. Their knowledge was "one-dimensional", that is, not comprehensive and management-science oriented. One could hardly expect them to be good at overall comprehensive, administrative and planning responsibilities. In addition, since they had not received proper legal training, they could rarely appreciate the need for setting up regulations and rules in personnel management.

Life employment of cadres was in fact a prevalent feature in cadre personnel management in China. There has not been in place an effective cadre retirement and succession system in China's Nomenklatura. Even with the implementation of a civil service system in October 1993, it remains unclear whether a rational wage system can be established and, even so, whether it can hence release the pressure for continuous expansion of establishment, staffing and expenses of organs under the State Council. Many defects and tensions in China's cadre personnel management can be traced back to the absence of a regular mechanism of wage increases. In the old wage system, the range of salaries for junior-level cadres was too narrow, making promotion the only way to obtain a wage increase. This has put tremendous pressure on the expansion of the number of leading positions in the bureaucracy (Lam and Chan, 1995b). In the absence of retirement and succession schemes, and a rational wage system, internal pressure for continuous expansion of establishment, staffing and expenses of organs under the State Council is understandable.

Downsizing in government could only work if an effective personnel management system was in place. Position classification, recruitment by merit, rational wage system, performance evaluation, promotion and demotion, resignation and discharge, reward and discipline, retirement and compensation, appeals and complaints and administration and supervision, all essential components in personnel management system, were not developed in earlier 1980s. Without all these components, China's earlier efforts in downsizing in the central government were doomed to failure.

OVER-CONCENTRATION OF POWER IN THE PARTY

The most daunting difficulty in implementing downsizing in government in China was about over-concentration of power in the Party. The

unduly penetrative power of the party over the state had been widely acknowledged. Two prominent features dominated China's institutional design: hierarchy and extensiveness (Gong and Chen, 1994). The administrative organization of the country consisted of three levels: the central administration, regional and local governments, and grass-roots working units. Policies and decisions made at the central were usually channeled down vertically through the so-called "system" (*xitong*) or branches (*tiaotiao*). Very often, the central administration relied on regional governments or regional party committees (*kuaikuai*) to implement policies. The extensiveness and hierarchy of *tiao/kuai* relationships encompass both the party and government sides of the system. The organizational arrangements provide a situation whereby governance, i.e., institutional capacity to rule, was divided among different vertical and horizontal (state as well as the party) authority lines.

It is not surprising to expect a government to be actively involved in the management of the economy in socialist China. For one thing, before the opening up of China to the world, property management had been closely associated with the state ownership. In practical terms, each industrial ministry, each level of local government, and each industrial agency within that level have invested in state-owned enterprises (SOEs). Reinforced by the central *tiaotiao* and regional *kuaikuai* lines, this has created a multi-level sectoral and local property control system. Traditional political economy in China justified the use of administrative fiat to control sectoral organizations, enterprises, corporations under each ministry, local government or industrial agency. In the absence of a market, economic decisions had been made within a "cellular polity", where concentration of institutional power went hand in hand with concentration of interests on specialized industrial ministries along the central *tiaotiao* and regional *kuaikuai* lines. If the institutional arrangements remain intact, the management functions and the handed-on management practices of these industrial ministries cannot be altered.

As Liberthal (1995) points out, power in China is highly personal in that individual relationships and factional ties are important in determining career mobility and political decisions. Power at the top is highly concentrated in a very small number of individuals, who wield ultimate authority in the executive, legislative, and judicial spheres. There are aspects of the system that do not appear on organizational charts but are in fact extremely important to the politics and the ordinary functioning of the system (Liberthal, 1995). The net result is that leaders need to engage in a process of building up followers and to cultivate patrons who can provide protection and benefits. In almost every aspect of decision- and policy-making process, there is an incessant "giving-and-taking" among officials at most levels of the national hierarchy. Devising means to protect one's own unit against an uncertain external environment, such as downsizing the work unit, grows naturally from the system itself.

Against these institutional arrangements, the downsizing campaigns could easily be turned into a cycle of streamlining-swelling-streamli-

ning-swelling. Downsizing changed only the size of state bodies, historically mostly temporarily, rather than their functions. Economic management power was vested in the hands of those professional economic management organs. Planned economy was made possible largely by allowing these industrial ministries to specialize in one form of production, such as textile, coal, building materials, machine building, petroleum (oil) and chemical materials, non-ferrous metal, etc. At times, one form of specialized production might become important or less important in national planning. Size of these professional economic management organs could fluctuate over times. Nonetheless, their functions remained important in national planning. Since their functions were still deemed important in national planning, downsizing in government could at best reduce the number of state institutions at a specific point of time, but not diminish their entrenched power and authority.

ADMINISTRATIVE REFORM: THE PROBLEM OF RATIONALIZATION AND THE RELEVANCE OF LOCAL POLITICS

Administrative reforms in general engage institutional efforts in two forms of rationalization. The first is the form of rationalization in relation to the nature, mission and overall agency objectives. This process seeks to determinate the extent of institutional autonomy. Issues raised include the level of efficiency, effectiveness and economy. The second refers to the form of rationalization in relation to the remainder of the political system. The overarching concern is to determine the extent of functional integration or differentiation of the body politic. It can be said that contemporary governments could engage schematically into either one of these rationalization processes. Along a continuum, one end is the fullest extent of functional integration and the other extreme is that of functional differentiation. Theoretically, one can envision such a dichotomous elaboration. Nonetheless, modern governments, more often than not, engage into these two forms of rationalization processes simultaneously. But the intensity towards one particular end differs largely depending upon the various aspects of local politics embroiled in the political economy.

The main thrust of the pre-1988 administrative reform of the central government centered generally on the extent of functional integration of the body politic into a planned economy. Downsizing, as one form of structural adjustment, was analogous to the consolidation of a "statist" politico-administrative system. The initial creation of macro-control organs, such as the Commission of Politics and Law, the Commission of Finance and Economics, and the Commission of Culture and Education in 1949, was a good example. Uninterrupted structural reforms, such as the structural revamp of the 1982 administrative reform regarding the role of the State Planning Commission and the State Economic Commission, established evidence again of the impor-

tance of the task of functional integration within the body politic in China.

Earlier downsizing overhauls in the central government in China could also be understood in terms of the extent of developing institutional autonomy of organs under the State Council in relation to the role of the party. The crux of the problem in developing institutional autonomy was about the efforts in skillfully striking a balance between authority/power and task/responsibilities of organs under the State Council in relation to the predominant role of the party. This problem definition entailed a presupposition that the development of a civilian authority could only be possible if the party were to self-limit its involvement and power over the state. Mainstream literature in administrative reforms in China have documented this theme, and have well explored and identified the limitations of such a development (Burns, 1983; 1987a; 1987b; 1989a; 1989b; Chow, 1991; Cabestan, 1992; Lam and Chan, 1995a; 1995b; 1996; Chan, 1998).

The processes of developing institutional autonomy and of developing functional integration in downsizing endeavors in China are closely interconnected. For one thing, the political functions of the party defined the parameters and limited the extent of structural reorganization in the State Council. For another, organs within the State Council could not unilaterally adopt administratively effective measures to undertake downsizing. Political sentiments prevailed over administrative values. In real terms, political sentiments created substantial hurdles to Chinese officials when undertaking administrative reforms. Ideologically, the political rhetorics justified the anti-bureaucratic theme of "red" against "experts", putting the former (desirable political leadership) in charge of the latter (administrative expertise and professional knowledge) (Harding, 1981). Operationally, "politics in command" discredits the usage of any objective and professional knowledge. Functional co-ordination among state organs was achieved mostly by political considerations. Since politics was allowed to intervene and prevail over administration, administrative improprieties and irregularities were taken for granted. Random establishment, using positions in workforce as a means to show consideration and make allowance for (*zhaogu*) politically favored cadres, and adopting political evaluation in lieu of merit performance, could have been something to be expected in routine management in public administration in China. The earlier reform experience in China suggests that the greater the extent of functional integration of body politic, the lower the extent of institutional autonomy became.

FROM A POLITICALIZED BUREAUCRACY TO THE RE-BUREAUCRATIZATION OF THE STATE: THE ADMINISTRATIVE REFORMS IN 1988, 1993 AND 1998

It is argued in this paper that administrative reforms in 1988, 1993 and 1998 were orchestrated in a way to recover the "governmentality", i.e., the administrative functions, of the state. Paralleled with this, the reform endeavors undertaken in mid-1980s sought to achieve a high level of functional differentiation of the body politic in China. From functional integration to functional differentiation, administrative reforms in China can be characterized as a process of re-bureaucratization of the state. Much ink has been spilled on the theme of strengthening political control over bureaucracy in the mainstream literature in public administration in the West. In an analytic sense, the main problem of administrative reforms confronting Chinese officials was the political erosion of institutional capacity for governance. Contrary to most reform initiatives taken in the West, political control in China had been seen excessive and administrative authority was yet to be established, promoted and consolidated. What captures Chinese officials' attention is a diametrically completely different theme: the partial de-politicization of the party-state (Lam and Chan, 1996). Re-bureaucratization of the state is seen as the undercurrent which underlines all major Post-Mao administrative reforms. In regard to the 1988, 1993 and 1998 administrative reforms, there are two aspects of them that merit a detailed elaboration.

THE TWIST AND TURN OF THE STATE PLANNING COMMISSION

The first is the neutralization and the eventual disbanding of the penetrative role of those politico-administrative organs, such the State Planning Commission. What deeply underlies the change is the intent to revamp the line of power/authority and tasks/responsibilities of those politico-administrative organs such that the administrative functions of the state can be instituted.

When the Planning Commission was established in 1954, it was meant to be the central organ charged with overall and widely extensive power and authority for the national economy. In terms of institutional design, it sought to co-ordinate almost every aspect of the national economy. From the macro-planning, through the production of national economic production targets, production indicators, collecting production information, distribution of planning resources, reviewing and approving national/provisional/ministerial national development and economic plan, to micro-managing banking, production and distribution plans, the State Council took up an impossible task. The more activities it sought to control, the bigger the power and authority it amalgamated. The Provisional Regulations issued in 1955 stipulate that the State Planning Commission shall be in charge of all [national]

planning work while the State Council through its offices, shall assist the State Planning Commission in the administration of all these plans (Su and Han, 1993). «*The Resolution Regarding the Structural Adjustment of the Organs under the State Council*» issued in February 1958, further strengthened the State Planning Commission's power and authority by allowing it to take over the works previously performed by the disbanded State Construction Commission (Su and Han, 1993). The 102nd Meeting of the Standing Committee of the First National People's Congress in 1958 accorded the State Planning Commission an additional power to oversee industry production power originally taken up by the State Economic Commission (Su and Han, 1993).

Through the personnel reshuffling in 1962 and 1964, respectively, the central party boosted up the image and reinforced the importance of the State Planning Commission. Heavy weighed leaders such as Li Xiannian, Deng Zihui, BaoYibo, Chen Baida, Yu Qiuli were asked to assist the leadership of the Commission. An important change took place in June 1970. A new and expanded State Planning Commission was created and was asked to take up the functions previously handled by the disbanded organs under the party and the State Council. These organizations included the State Economic Commission, the Industry and Communication Office under the State Council, the Ministry of Labor, the Ministry of Materials and Equipment, Ministry of Geology, the Commission of Commodity Prices, and the State Statistical Bureau (Su and Han, 1993).

«*The Notification Regarding the Scope of Authority and the Work Method of the State Planning Commission*», released on February 4 1980, further extended the Commission's power and responsibility over financial control on the national economy (Su and Han, 1993). Matters such as the utilization of foreign investment on national construction projects, the overall co-ordination between different lines of authority (particularly the *tiao/kuai* relationship), investigation on ways to promote economic efficiency, direct supervision on local governments' methods of utilizing foreign investment, etc., were to be handled by the Commission.

In the 1982 administrative reform in the central government, the centralization of power and authority regarding the national economy's activities on the State Planning Commission was more and less completed. National economic growth, national domestic income, the production of agricultural products, the national transportation capacity, the total volume, production, selling and purchase of the retailed commodities in society, the comprehensive financial revenue and expenditure, the total amount of currency distributed, the income earned from foreign trade, the total volume of trade from import and export, the total size of demand generated from education, science and technology, health, and other social responsibilities, foreign currency control, the rate of population growth, the total number of workforce, the total amount of wages, the total amount of tax to be collected, etc., all were then under the portfolio of the Commission.

The functionally integrative power and authority given to the State Planning Commission turned the Commission into a giant and structurally more hierarchically body. When it uploaded so much power/authority and tasks/responsibility, it just could not properly function. One natural change took place in the mid-1980s: the internal reorganization of the Commission. In order to co-ordinate the different aspects of activities in the national economy, the State Planning Commission re-organized its offices and bureaus. Specific offices and bureaus were created to cater for the needs for different ministries, bureaus, and administrations. Functional lines taken up by these offices and bureaus within the State Planning Commission resembled more or less the organizational structure of the State Council. These included: the policy study, the national economic planning, the fixed investment planning, the industry planning, the agriculture, forestry and water conservancy planning, the textile industry planning, the petroleum [oil] and dynamic industry planning, the conservation of energy planning, the natural material industry planning, the machine and electric industry planning, the national defense industry planning, the transportation and communication planning, the regional development co-ordination planning, the financial and banking planning, the foreign economic planning, the commerce and foreign trade planning, the science technology planning, the social development planning, the labor and wage planning, the economic co-ordination planning, the land resources planning, etc (Su and Han, 1993). Given the wide and extensive authority of the State Planning Commission, Chinese people usually characterized the State Planning Commission as the "small-sized" State Council.

Perhaps, it would be possible for the State Planning Commission to take up so much integrative power and authority when the national economy was not yet to take off. Ruan Chongwu, the former Minister of Public Security and Labor and now the party-secretary and governor of Hainan Province, once suggested in April 1998 that «the government would have to reduce its power and authority so as to facilitate itself to change its role in time of economic growth» (Liu, 1998, p. 16-17). In his view, the approval power, accorded to organs within the government, in controlling every aspect of national economy was neither necessary nor appropriate. It took Chinese officials not quite a long time to realize the danger and the impossibility of asking the State Planning Commission to take up such over stretching role in the national economy. The *sanding fangan* (the Three Fixed Programs, meaning fixing the staffing, the establishment and the functions) of the State Planning Commission, released in 1988, undertook to revamp the Commission's power and authority in relations to the planning power and authority of other organs in the State Council. Measures were taken to readjust and re-distribute the planning power and authority among the State Planning Commission, the Ministry of Finance, the People's Bank of China, the Ministry of Energy, and the Ministry of Agriculture (Su and Han, 1993).

More important change was also introduced in 1988: the re-definition of the role of the State Planning Commission. In an analytical sense, the role of the State Planning Commission was re-aligned in the light of the emerging market in China. Economic activities were not to be controlled, but instead, to be coordinated. Administrative fiats to direct and control economic activities were soon to be scrapped. The issuing of plans of various kinds and production indicators was not mandatory. There was always an emphasis on the balancing of demand and supply in market. Indicators were to be strategically formulated such that the role of the State Planning Commission could be limited to the macro-economic domain. Micro-management and handed-on control were soon to be relinquished.

As early as in mid-1989, there had been a sign to forestall measures to differentiate the role, power and authority of the State Planning Commission from other organs within the State Council. In view of the nature of power and authority, and the comprehensive and wide range responsibilities accorded, the State Planning Commission undertook an internal re-organization and formulated a Committee System. Different Committees were created along the functional lines of authority in the areas of economic restructuring, state science and technology, finance, the People's Bank, materials and equipment, labor, commodity prices, and statistics. The State Council decided that the State Planning Commission needed to consult the concerned functional organs in the central government when making important decisions regarding their specific functional jurisdictions (Su and Han, 1993).

The 1993 downsizing exercise cut deeply the scope and authority of the State Planning Commission. The 1993 "Three Fixed Programs" of the State Planning Commission categorically altered its role and functions (The Secretariat Bureau, the General Office of the State Council & the Office of the Central Establishment Commission, 1994). The State Planning Commission was tasked with "simplifying" the various indicators produced for different activities in the national economy. In accordance with this program, the State Council would not review any work report but would instead assess the proposal and the feasibility study of major national construction projects. Specifically, the State Planning Commission was designated the task of promoting a nation-wide market system, and acting on it. Besides these, the State Planning Commission would not assess any funding application for national projects. The functional organs within the State Council were now the approval authorities for funding applications.

One of the fundamental changes introduced in 1993 was that the State Planning Commission needed to make use of policies, rules and regulations to assist the management of national economic activities. Policies, rules and regulations would replace administrative fiats in the long run in regulating national economic activities. This is an important step as far as re-bureaucratization of the state organs is concerned. Administrative functions of the organs under the State Council cannot be recovered without policies, rules and regulations. All these measures serve to effectively guard against the political erosion of the ins-

titutional capacity of the state. Political sentiments cannot be as pervasive as they were in the past. Staffing, establishment and functions of organs within the State Council should be fixed in accordance with promulgated policies, rules and regulations.

The State Council introduced substantial measures in differentiating the role and scope of authority of the State Planning Commission in 1998. The State Council issued Document No. 69, that is, the 1998 "three-fixed program" of the State Planning Commission on June 22 1998. The State Planning Commission was renamed as the State Development Planning Commission. This change was fundamental in a sense that its role became definitive: the State Development Planning Commission is responsible for researching and proposing strategies regarding planning, the total balancing and structural adjustment for the national economy and social development. Other important changes aside, the State Council scrapped the sweeping power of the Commission and differentiated its power and authority among various organs in the central government whom were then charged with responsibility and authority for specific functional areas.

The State Economic and Trade Commission would take over the formulation and implementation of property policy, and the functional responsibility for enterprise, financial and banking investment activities. The Commission for Science, Technology and Industry for National Defense was held responsible for the construction and development of national defense industry, the research of military equipment and commodities, and the management of nuclear power, etc. The Ministry of Science and Technology would be in charge of important scientific and technological studies and experiments, as well as the funding arrangements of these activities. The Ministry of Foreign Trade and Economic Co-operation would be responsible for matters regarding foreign trade, foreign economic co-operation, foreign investment and other specific policies and indicators and quotas for imported commodities. The Ministry of Finance was charged with the issuance of national debts. The Ministry of Land and Resources was asked to formulate the general plan for the usage of state land and the related planning laws and regulations. The key operational responsibilities and authority of the State Development Planning Commission now include grain reserve planning and control, and the supply of materials and equipment in the central government (State Council, 1998h).

The twist and turn of the State [Development] Planning Commission witnessed its institutional growth and decline. The process of re-bureaucratization involves mainly the task of rationalizing how authority/power and task/responsibility of the Commission should be re-distributed in relation to other organs within the State Council. Differentiation of the State [Development] Planning Commission's role, authority and power among organs in the central government can only be achieved subject to the willingness and determination of Chinese leaders to make politics less relevant and increasingly less ubiquitous in Chinese bureaucracy.

A question can be raised as to whether the case of the State Planning Commission sufficiently represents the institutionally penetrative role of those politico-administrative organs. If, for any reason, people outside China would like to know how powerful and important an individual organ within the central government could become, the State Planning Commission is the invariable choice. In terms of its role, scope of power, authority and leadership over years, one could comfortably assert and ascertain the importance of its status in Chinese politics.

A BIG SOCIETY BUT A SMALL GOVERNMENT

Another way to compare and contrast the earlier and the recent administrative reforms in the State Council is to examine the extent to which market and state are integrated or differentiated. Until very recently market, as an analytic concept, became more relevant in China studies. Yet, empirically, the party-state took up the distributive functions as if a market were there. The earlier analysis shows that the integrative functions performed by organs within the State Council and the party in the past few decades were insinuated attempts to simulate the existence of market and hence to animate the integrative functions of the party-state. Undoubtedly, these earlier administrative reforms to integrate "market" and state in general and power and authority in a few "super organs" over the national economy in particular collapsed the administrative functions of other organs within the State Council.

Mainstream public administration theories seek to promote an "exogenous state". The exogenous state strives to reduce its ascendancy over national and local economy. Accordingly, a high degree of bureaucratization is seen as obstructive to the proper operation of the state. Coupled by the claim to strengthen political control over administrative authority, scholars advocated that the legitimacy of an integration between administrative system and society [market, as an alternative] is gauged by its capacity to become immersed in and blend with, rather than subsume, society (Belloubet-Friet and Timsit, 1993). The point of departure in China differs fundamentally from that of most western countries. Administrative reforms taken since the opening up of China in general and 1988 in particular did not seek to shrink the state. The problem confronting Chinese officials is mainly "too much political control". Administrative reforms are to re-locate the identity and to re-institute the functions of the state. In an analytical sense, China also seeks to promote society [market] to work on its own. But the path China is now taking towards these destinations is diametrically different. China seeks to institutionalize the state so as to suppress politics whereas the West looks for ways to shrink the state and to re-integrate the state with politics.

In differentiating the market from the state, senior Chinese officials, like the former General Secretary of the State Council, Luo Gan and Ruan Chongwu, contemplated a scenario of «a big society but a small

government» (Liu, 1998, pp. 16-17). By that, they meant the rolling back of the party-state. There is a need to set the new framework of governance free from the notorious interference of the party.

The early analysis shows that the declining involvement of the State Planning Commission in the national economy allows more space for a market to emerge and eventually to take root in China. In the past, the State Planning Commission gained complete control in almost every front of the national economy starting from initiating the production processes, monitoring the supply and market networks, managing personnel and finance, to distributing materials. Now with its role redefined in 1998, the State [Development] Planning Commission can no longer maintain its pervasive authority over other organs within the State Council.

The recent three runs of downsizing in the State Council show Chinese officials' determination to differentiate the market from the state. The number of professional economic organs has gone down from nineteen in 1988, seventeen in 1993, to eight in 1998. The functions of these ministries including internal trade, coal industry, machine building industry, metallurgical industry, petroleum [oil] and chemical industry, light industry, textile industry, non-ferrous metal industry and building materials industry, were now asked to be specifically redefined in order not to stifle the smooth functioning of a market. The very fact that these organs were stripped of their ministerial status shows that they were not the constituent organs of the State Council and hence they could not issue direct instructions and exercise handed-on control over enterprises, business corporations and industries in the market.

In order to clarify the functions of the bureaus of light industry, the petroleum (oil) and chemical industry, building materials industry, textile industry, machine building industry, metallurgical industry, and non-ferrous metal industry, the State Council issued Document Nos. 53 to 59 on June 16 and June 17 1998, respectively. The State Council fundamentally altered the functions of these bureaus in view of the emerging market. Among many others, three main observations deserve closer attention. Firstly, these documents stipulate that there must be a clear separation between state and enterprises. These bureaus, though with their functions specialized in those industries and enterprises, are prohibited to exercise direct control. Each of these bureaus will neither take up the task of setting up, assessing, and approving investment projects of these industries and enterprises, nor issue any mandatory production or distribution plan.

Secondly, these bureaus are assigned the main task of developing rules and regulations in respect of their functional jurisdictions. In his speech delivered to the First Meeting of the 9th National People's Congress on the proposal of the administrative reform in the State Council, Luo Gan attributed the main problem of the administrative reforms in 1988 and 1993 to the direct and handed-on approach of state organs in the market. To him, direct and handed-on control by the state could only result in "responsibility slack" and "misjudgment on investment" in the market (The Secretariat Bureau, the General Office

of the State Council & the Office of the Central Establishment Commission, 1998). Ruan Chongwu vividly described the notion of «a market economy [...as] a rule-of-law economy» (Liu, 1998, pp. 15-17). In a market economy, state organs should not be given any approval authority that entails an arbitrary use of state revenue. State organs are to enable the functioning of a market by promulgating laws, regulations and policies.

Thirdly, Li Ding, the President of the Economic Study Association, and the former Deputy Minister of the United Front Department of the CCP, explained his view of how to deal with the problem of administrative reforms in government. In a news report published by *The China Economic Journal* on October 28 1997, he suggested that other than a separation between state and enterprise, a further distinction needed to be made between state functions and social management functions. The state ultimately needed to return all those social management functions to social organizations. These organizations included:

- the tertiary industry, for example, associations of economists, lawyers, stock brokers, accountants, etc.;
- those sectoral associations, and business corporations that provide overall guidance over certain industries, like textile industry, light industry, petroleum [oil] and chemical industry, coal, etc.; and
- those voluntary associations organized by urban or rural citizens.

In fact, in the 1993 administrative reform, the Ministries of Textile and Light Industry were turned into the Textile Industry Corporation of China and Light Industry Corporation of China, respectively. For some reasons, these two corporations were listed back to the establishment of the State Council and were turned into two administrations under the State Council in the 1998 administrative reform. The immediate as well as middle-ranged objective is to re-orient those specialized ministers/bureaus from administering micro-economic activities to sectoral guidance. The long-term objective is to turn them into sectoral associations.

The abolition of those specialized industries is a precondition for differentiating the market from the state. The 1998 administrative reform restructured the internal lines of authority in order to strip the specialized ministers still in operation. The State Bureau of Internal Trade, the State Bureau of Coal Industry, the State Bureau of Machine Building Industry, the State Bureau of Metallurgical Industry, the State Bureau of Petroleum [Oil] and Chemical Industry, the State Bureau of Light Industry, the State Bureau of Textile Industry, the State Bureau of Non-Ferrous Metal Industry, and the State Bureau of Building Materials Industry are now Administrations under the Management of the Economic and Trade Commission. After the restructuring, the Economic and Trade Commission becomes a “super-ministry”, taking over portfolios previously handled by the disbanded ministries. The appointment of Sheng Huaren, the President of China Petroleum Corporations, as head of the Commission shows that Premier, Zhu Rongji, treasured knowledge and experience of market much more than his predecessor.

CONCLUSION

This paper is an exploratory work, aiming at laying a ground for future research work on administrative reforms in China. It perhaps has raised more questions than provided answers. A cursory review of the administrative reforms in China naturally raises many puzzles to readers. One of them is the bureaucratic response to the recent downsizing endeavor imposed by Premier Zhu Rongji. Another is the institutional feature after the downsizing of the central government in 1998. Obviously, this paper has not assessed the limitations of the recent run of downsizing of the central government in China. Answering all these questions requires substantial empirical research.

One would be tempted to ask if the cycle of streamlining-swelling-streamlining-swelling could occur again. A clue to it is to examine the extent of the retreat of politics in Chinese political economy. If the extensiveness and hierarchy of the party-state remain intact, the structural differentiation within the organs of the State Council could be slowed down. A politicized bureaucracy will restrain the adoption of merit systems, and an employment of any objective and professional knowledge governing separate functional fields. "Politics in command" facilitates only the amalgamation of power and authority in those politico-administrative organs.

In dealing with the problem of political erosion of administrative authority, macro-level politics is not sufficient enough. Micro-level politics needs to be fixed as well. In China's cadre personnel management system, cadres rely very much on their work units (*danwei*) in every aspect of their life. Each work unit controls every cadre's dossier. On the one hand, work units can provide material benefits from cradle to grave for each cadre. On the other hand, work units can also effectively restrain the mobility of every cadre, for example, finding a new job, or getting a residence registration, through the dossier system. There emerges a system of organized dependence, by which there is fusion of work units' and cadres' interests (Walder, 1986). Work units are both economic and political organizations, economic in that the work units are the main provider of welfare and daily necessities, and political in that work units are the political inspector. Given this peculiar situation, one would expect that cadres will be united and fight to defend any action detrimental to their work units. Downsizing in governments obviously threatens the entrenched interests of both cadres and their work units since it usually involves cutting down the staffing, the establishment and the expenses of agencies. It goes without saying that getting rid of this organized dependence between cadres and their work units is the key for successful administrative reforms in China.

Lastly but not the least, charting the course of administrative reform of a specific country is not easy. It is more difficult to undertake comparative study across countries. This paper aims to show the relevance of local politics. Escape from politics is impossible. China's transformational experience is institutionally associated with the character of the regime. The ways problems are defined and solutions proposed

regarding downsizing in the central government in China are historically related to its body politic.

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APPENDIX: SOURCES FOR TABLE 1

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