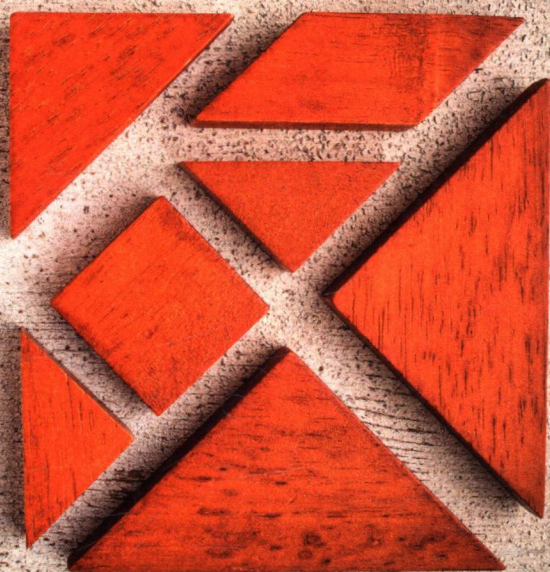


# CHINA'S GOVERNANCE PUZZLE

ENABLING TRANSPARENCY AND PARTICIPATION  
IN A SINGLE-PARTY STATE

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JONATHAN R. STROMSETH  
EDMUND J. MALESKY  
DIMITAR D. GUEORGUIEV



"This book provides excellent empirical strategies to scholars, students, and policy-makers interested in the successes and failures of Chinese governance reforms and policy innovations. As the authors demonstrate, Chinese policy-makers are increasingly adopting better governance practices to stave off political threats. Moreover, these reforms are not just window-dressing; they have changed the way laws are enacted and compliance is at least partly achieved."

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"This illuminating volume changes the way you think about the role of information in China. The authors make a powerful case that, even amid tight political control, transparency is altering China's government, with deep implications for the economic and political future."

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STROMSETH. MALESKY  
AND GUEORGUIEV

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# China's Governance Puzzle

*Enabling Transparency and Participation in a  
Single-Party State*

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Jonathan R. Stromseth, Edmund J. Malesky, and  
Dimitar D. Gueorguiev

with Lai Hairong, Wang Xixin, and Carl Brinton



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# China's Governance Puzzle

China is widely viewed as a global powerhouse that has achieved a remarkable economic transformation with little political change. Less well known is that China's leaders have also implemented far-reaching governance reforms designed to promote government transparency and increase public participation in official policymaking. What are the motivations behind these reforms and, more importantly, what impact are they having? This puzzle lies at the heart of Chinese politics and could dictate China's political trajectory for years to come.

This extensive collaborative study not only documents the origins and scope of these reforms across China, but offers the first systematic assessment by quantitatively and qualitatively analyzing the impact of participation and transparency on important governance outcomes. Comparing across provinces and over time, the authors argue the reforms are resulting in lower corruption and enhanced legal compliance, but these outcomes also depend on a broader societal ecosystem that includes an active media and robust civil society.

## **Jonathan R. Stromseth**

*Senior Fellow and Lee Kuan Yew Chair in Southeast Asian Studies  
Brookings Institution*

Jonathan Stromseth is a Senior Fellow at the Brookings Institution, where he holds the Lee Kuan Yew Chair in Southeast Asian Studies. He is affiliated with the Center for East Asia Policy Studies at Brookings and has a joint appointment with the Brookings John L. Thornton China Center. From 2014 to 2017, Stromseth served on the Secretary of State's Policy Planning Staff at the US Department of State, advising the Department's leadership on China, Southeast Asia, and East Asian and Pacific affairs. Previously he was The Asia Foundation's Country Representative to China (2006–2014) and Vietnam (2000–2005), and earned a doctorate in political science from Columbia University. The views expressed in this volume are his own and not necessarily those of the US government.

## **Edmund J. Malesky**

*Professor of Political Science  
Duke University*

Edmund Malesky is a Professor of Political Economy at Duke University and is a noted specialist in economic development, authoritarian institutions, and comparative political economy in Vietnam. In 2012, Malesky received a state medal from the Government of Vietnam for his role in promoting economic development for USAID's Vietnam Provincial Competitiveness Index and, in 2013, he was appointed by President Obama to serve on the board of the Vietnam Education Foundation. He has published extensively in leading political science and economic journals and has received various awards including the Harvard Academy Fellowship and the Rockefeller Bellagio Residency Fellowship.



**Dimitar D. Gueorguiev***Assistant Professor of Political Science**The Maxwell School of Citizenship and Public Affairs**Syracuse University*

Dimitar Gueorguiev is an Assistant Professor of Political Science at the Maxwell School of Citizenship and Public Affairs at Syracuse University, where he teaches courses on Chinese politics, research methods, and foreign policy. Gueorguiev's work covers a wide range of topics concerning governance and public relations under quasi-democratic institutions. His work is primarily empirical, relying heavily on randomized public opinion surveys and original data on sub-national legislative and judicial activity. Outside of China, Gueorguiev's work focuses on elections, corruption and foreign investment and has been published in the *American Journal of Political Science* and the *Asian Journal of Economics*.

**Contributors:****Lai Hairong***Director of the China Center for Overseas Social and Philosophical Theories**Central Compilation and Translation Bureau*

Lai Hairong is Director of the China Center for Overseas Social and Philosophical Theories at the Central Compilation and Translation Bureau. He studies political restructuring in China and has published works on Chinese governance in different languages. He has been Editor-in-Chief of the *Journal of Foreign Theoretical Trends* (Chinese, monthly) and Executive Editor-in-Chief of the *Journal of Comparative Economic and Social Systems* (Chinese, bi-monthly). Lai also served as Deputy Director of the China Center for Comparative Politics and Economics.

**Wang Xixin***Vice Dean, Peking University (PKU) Law School**Deputy Director, Center for Studies of Constitutional Law and Administrative Law at PKU Law School*

Wang Xixin, Professor of Constitutional and Administrative Law at Peking University, is one of China's preeminent authorities on administrative law. He has published more than 30 papers in major law journals in both China and the United States and established the Center for Public Participation Studies and Supports, and later, in collaboration with the Yale Law School's China Law Center, the Open Government Information Watch Alliance. He is a Research Consultant for the NPC Standing Committee General Office, Vice Chairman of the Beijing Administrative Law Society, and was a core contributor to China's draft Administrative Procedure Act.

**Carl H. Brinton***Horace W. Goldsmith Fellow**Harvard Business School*

Carl's work has focused on evaluating and improving governance and public policy through rigorous testing and scaling of successful programs. He has conducted field and strategy work with local NGOs and sustainable development cooperatives in rural Guizhou Province. Additionally, the results of his randomized controlled trials of development interventions with Stanford University and the Chinese Academy of Sciences have been accepted by China's State Council and signed into policy action. He has presented research at international conferences around the world and his writing has been published in international development journals.

*To my parents, Walter and Betty, and to Lisa, Katie and  
Claire – JS*

*To Ed and Linda, my parents – EM*

*To Annie and Mitko, my parents – DG*





## Preface

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This book emerged from the interplay of governance reforms, legal debates, and development programs taking place in China in the mid-to-late 2000s. It was designed from the outset as a collaborative initiative between academics and governance specialists in China and the United States, and the chapters apply a cohesive research methodology to examine Chinese reforms enabling government transparency and public participation in official policymaking. The book investigates the origins of the reforms, assesses the impact they are having across the country, and contemplates their likely effects on China's future political trajectory.

The grist for these reforms and related debates came from even earlier efforts to build administrative law in China.

When I arrived in Beijing in 2006 to become country representative of The Asia Foundation in China, I was fortunate to inherit a series of programs supporting administrative law reform. During the 1990s, Chinese legal reformers had worked to establish the basic structures of administrative law and curtail arbitrary decision-making and administrative discretion by government officials. Through workshops and exchanges, the Foundation supported these efforts in cooperation with the State Council's Legislative Affairs Office, Chinese Academy of Governance, Peking University Law School, and the China Administrative Legislation Research Group – a network of legal scholars advising the National People's Congress (NPC) on law reform and legislative drafting. By the early 2000s, the Foundation was supporting members of this network who were drafting a comprehensive Administrative Procedure Law (APL) that would mandate transparency, public participation, and consistency in Chinese rule-making.

This national drafting effort stalled in 2003, but it was only the beginning of a larger journey. Before long, Chinese legal scholars started looking to the provinces – setting their sights initially on Hunan, the large and politically important province in southern China where Mao Zedong was born. They advised and then assisted the Hunan authorities

to develop a provincial version of the APL, and in 2008 the provincial government enacted the first ever Administrative Procedure Rule in China that significantly increased requirements for public participation in policymaking. Observing this shift, I worked with my Chinese colleagues at The Asia Foundation to recalibrate our governance and law programs to support and assess the Hunan reforms, partly in the hope that it might rekindle interest in the national APL. We also supported the Hunan authorities to draft forward-leaning implementing guidelines for national Open Government Information (OGI) regulations issued that same year by the State Council.

Soon these programs expanded to assist similar reforms in other areas of China, including Jiangsu, Gansu, and Shandong provinces, and the cities of Xi'an and Shantou. As these reforms and programs grew, I had an opportunity to travel across China to witness how the transparency and participation reforms were being developed and implemented in diverse local settings. I also saw how the reforms were prompting a groundswell of popular activity, widely covered in the domestic press, as Chinese citizens tried to take advantage of their new information rights and recently mandated opportunities to participate in official decision-making. Not only did the reforms seem significant in their own right, but they appeared to be generating new forms of interaction between citizens and the Chinese state – raising popular expectations for government disclosure and responsiveness along the way.

During this period, I was also struck by what seemed to be contradictory political trends unfolding in China. While official firewalls continued to impede free access to the Internet, the authorities had issued OGI regulations that were enhancing government transparency and increasing citizen access to official information. And while China remained a one-party state with no appetite for political pluralism or liberalization, government authorities were taking concrete steps to expand opportunities for citizens to participate in the formulation of laws and policies that would affect their daily lives.

These puzzles and on-the-ground observations led me to begin conceptualizing a research project that would document the extent of these reforms as part of a broader assessment of Chinese governance. As a development practitioner with a background in political science, I was interested in examining Chinese governance on several levels. First, from a macro perspective, how did China stack up against other countries based on “good governance” frameworks emphasizing transparency, participation, accountability, and rule of law? Second, at a micro level, what were the policy effects of the recent reforms promoting transparency

and public participation? With regard to participation, for instance, were citizens actually influencing specific policies, and, if so, were they more satisfied with the results? Third and finally, what did these reforms imply for political change in China over the long run?

It was around this time that I reached out to law and governance specialists in China to discuss these questions and broach the idea of launching a collaborative research project. Specifically, I conferred with Wang Xixin, Vice Dean of Peking University Law School and one of China's preeminent authorities on administrative law, public participation, and government transparency. I also consulted with Lai Hairong, Director of the China Center for Overseas Social and Philosophical Theories at the Central Compilation and Translation Bureau, and a widely recognized expert on Chinese governance and political restructuring. They responded with ideas and enthusiasm and agreed to create thematic research teams at their respective institutions – with Wang overseeing the transparency research, and Lai leading the participation research as well as related work on accountability trends in China.

I also contacted my friend Eddy Malesky, then teaching Political Science at the University of California at San Diego (now at Duke University), with whom I had previously collaborated in launching a provincial competitiveness index in Vietnam. Eddy had designed the research methodology for that project, which continues to this day, and I was eager to get his insights on how to approach and formulate a broader research endeavor on Chinese governance. As a quantitative social scientist, he recommended that our study not only document the scope of the ongoing reforms, but also test core hypotheses in the governance literature by analyzing the impact of transparency and participation on important outcomes such as reduced corruption and improved policy compliance and effectiveness. We also agreed to investigate the motivations of Chinese leaders to carry out the reforms in the first place, understanding that they may well be doing so for instrumental reasons and purposes.

The research got underway not long thereafter, in 2010, in the form of an Asia Foundation program called the Chinese Governance Assessment Project (C-GAP). The project team started by establishing overarching objectives for C-GAP. Ultimately, we hoped the results would provide practical tools and useful insights for development practitioners, Chinese policymakers, and international observers of Chinese politics. Development practitioners would ideally have improved indicators for monitoring programs supporting governance reforms, in China or elsewhere, while national and local Chinese policymakers could better

evaluate the success and impact of reforms by tracking progress more precisely and tailoring new policies to build on current initiatives in effective ways. For their part, international observers and scholars would have a clearer understanding of China's unique modes of governance, including new insights into the Chinese development model.

Having established these objectives, we set out to develop an innovative and cohesive research methodology. Eddy worked with the Chinese research teams to create a mixed-method design that would quantitatively and qualitatively analyze variance across Chinese provinces while documenting the origins and impacts of the governance reforms. Rather than treating China as a unitary political entity or basing our conclusions on a single locality, we planned to incorporate China's immense regional and administrative diversity into our research design. This would require developing measurable quantitative indicators and systematically collecting hard data on all Chinese provinces, followed by case study research in several key provinces to compare locales with diverse conditions as well as varying levels of participation and transparency.

In addition, the project recruited political science and methodology experts, notably Lily Tsai from the Massachusetts Institute of Technology and Jeremy Wallace from Ohio State University, to support the research teams in developing quantitative indicators using publicly available sources (e.g., provincial yearbooks and archived websites) that would guide the collection of hard data. Subsequently, when the quantitative research phase was running at full steam, the project hired 75 research assistants to collect a total of 130,000 data points on 1,000 indicators, containing information on 31 provinces over two decades. These research assistants were supervised by individual team leaders and an Asia Foundation research coordinator, Carl Brinton, who monitored the data collected, sources used, best practices found, and challenges encountered.

Finally, as the project progressed, we were very fortunate to recruit Dimitar Gueorguiev of Syracuse University to collaborate with Lai Hairong on the participation research, and also provide assistance to the research teams on case study methodology generally. Dimitar brought critical expertise to the project, especially insights and research experience on public consultation in China, and his role expanded over time to become one of the principal co-authors of this book.

The project remained highly collaborative to the end, and we each had complementary roles and responsibilities during the course of implementation. For my part, I launched and directed C-GAP in China, managed cooperation with our Chinese research partners, co-authored



Chapter 1 with Dimitar, and edited the entire volume with Eddy. In turn, Eddy led our methodological work, wrote the three chapters in the transparency section with input and contributions from Wang Xixin and Carl Brinton, and wrote the concluding chapter on the implications of our research for the future of the Chinese regime. Dimitar wrote the three participation chapters in close collaboration with Lai Hairong. He also compiled a shareable dataset of all the quantitative data collected for the book, including the code used to produce the graphics and tables, which is now available on Dataverse ([dataverse.org](https://dataverse.org)) for anyone to review and analyze. Additionally, Wang Xixin and Lai Hairong played critical roles in the research enterprise by managing the data collection efforts of their respective teams, helping to shape the case study designs, and conducting interviews with local officials and non-state actors to obtain the primary source material for our qualitative case studies.

Beyond these core participants in the C-GAP enterprise, we want to recognize and thank numerous individuals who supported the project in important ways. In China, we would like to recognize the multifaceted contributions of The Asia Foundation's program team in Beijing, particularly the support and guidance provided by Ji Hongbo, Tini Tran, and Zhang Yanyan. We also want to recognize the extensive research contributions of Zhao Chao and Zhang Lijun of the China Center for Overseas Social and Philosophical Theories, as well as Li Yuanyuan, Tian Feilong, Peng Chun and other members of the research team at the Center for Public Participation Studies and Support at Peking University Law School. In the United States, we especially want to thank Susan Shirk, who played a key role in encouraging the endeavor, guiding our thinking on the research design, and commenting on multiple draft chapters. Important research support was provided by Anh Do, Jason Todd, and Aaron Tsang at Duke University, and draft versions of the chapters were presented at workshops on Chinese governance at Stanford University and the University of Michigan – receiving valuable input from Yuen Yuen Ang, Francis Fukuyama, Melanie Manion, Dani Stockmann, and Dali Yang. Eddy also benefitted from a writing fellowship at the Rockefeller Foundation's Bellagio Center, where he finalized the transparency section and helped edit the participation chapters. In addition, we want to express our appreciation to two anonymous reviewers recruited by Cambridge University Press, who provided helpful comments and criticism as the book neared completion.

Lastly, and on behalf of my co-authors, I would like to thank The Asia Foundation for support that came in many forms, including giving me leave for writing and editing. This multi-year research endeavor always

sat at the intersection of academic inquiry, public policy, and development practice, and we are deeply grateful that the Foundation's senior leadership saw the value of supporting a cross-cutting initiative of this kind. We hope this book has achieved at least some of the objectives we identified at the outset by offering useful insights to scholars, policymakers, and practitioners alike. We also hope it is a stimulating and enjoyable read.

Jonathan Stromseth  
Washington, DC

## Abbreviations

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APL	Administrative Procedure Law
APR	Administrative Procedure Rule
C-GAP	Chinese Governance Assessment Project
CAB	Civil Affairs Bureau
CCDI	Central Commission for Discipline Inspection
CCP	Chinese Communist Party
CNAO	Chinese National Audit Office
CPPCC	Chinese People's Political Consultative Committees or Chinese People's Political Consultative Conference
CPSS	Center for Public Policy Studies
EIA	Environmental Impact Assessment
EPB	Environmental Protection Board
EPL	Environmental Protection law
FCPA	Foreign Corrupt Practices Act
LAO	Legislative Affairs Office
LCL	Labor Contract Law
LNC	Lanzhou New City
LND	Lanzhou New District
MEP	Ministry of Environmental Protection
MPC	Municipal People's Congress
NPC	National People's Congress
OGI	Open Government Information
PBSC	Politburo Standing Committee
PC	People's Congress
PPC	Provincial People's Congress or Party Central Committee
PRC	People's Republic of China
SOEs	State-Owned Enterprises
UNDP	United Nations Development Programme

