

Remaking the Communist Party-State: The Cadre Responsibility System at the Local Level in China

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The Chinese party-state is restructuring its governing institutions, and is reinventing itself in the process. China is not only remaking its public management, but it is also restructuring its party-state organisation. This project applies a local perspective to study state transformation and the focus is on the introduction of the cadre responsibility system at the local level. It is suggested that part of the radical reform proposals of the 1980s have in fact been carried out at the local level. Findings show that the CCP is ridding itself of some functions to enable it to become more efficient in carrying out others. Neither decentralisation nor re-centralisation is a linear process.

The Chinese party-state is restructuring its governing institutions, and it is reinventing itself in the process. The state is withdrawing, market forces are given greater rein, and government functions are delegated while others are contracted out or privatised. Reforms which aim to change the way the state is functioning do not, however, necessarily lead to a reduced state involvement as commonly assumed. On the contrary, the state is reasserting itself in a different manner that may result in a strengthening of the party-state. The nature of control has shifted from micro-

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to macro-level: the state is no longer directly involved in implementation but instead prefers to provide strategic guidance. The Chinese authorities have delegated many government functions to service organisations that perform administrative duties for them, relieving the financial burden of the centre.¹ In the public administration literature, this is described as ridding the state of some of its functions to enable it to concentrate on its core responsibilities. Freeing the state from daily operations may allow it to exercise more effective control of strategically important issues.² Thus, what is sometimes mistaken as a retreat of the state is often a shift in style of regulation and control. The lessening of regulation at one level may be accompanied by re-regulation at another.³

This article aims to highlight this shift in governance, as well as the attempts by the Chinese Communist Party (CCP) to reinvent itself. China is not only remaking its public management (as excellently described in the volume edited by Lee and Lo), but is also gradually transforming the internal functioning of the party-state.⁴ The restructuring of the party-state organisation itself has been under-researched and deserves more attention. A study of the party-state organisation reveals that the same trend visible in public management is also present in the Communist party-state itself. The focus here is on the reform of the cadre management system of local leaders, and the introduction of the cadre responsibility system (*gangwei zerenzhi*) at the local level in China. Market forces have been used to make the old cadre management system more effective. The cadre responsibility system embodies both the retreat of the party-state in cadre management at one level, but also a strengthening of party-state control at another.

Three pairs of parallel developments are highlighted here. The first pair is the decentralisation of personnel management of ordinary cadres and the delegation of evaluation and monitoring functions to society. This is in combination with the strengthening of party organisation control over its leading cadres. The second concerns the replacement of old mandatory targets with guidance targets. How cadres implement guidance targets is linked to the bonuses they receive. At the same time, the centre's goal

¹ Lam Tao-Chiu and James L. Perry, "Service Organizations in China: Reform and Its Limits," in *Remaking China's Public Management*, ed. Peter Nan-Shong Lee and Carlos Wing-Hung Lo (Westport, Connecticut: Quorum Books, 2001); and Kenneth W. Forster, "Administrative Restructuring and the Emergence of Sectoral Associations in China" (paper presented at the Association for Asian Studies Annual Meeting, Washington, DC, 7 Apr. 2002).

² Jon Pierre and Guy B. Peters, *Governance, Politics and the State* (Houndsmill, Basingstoke: MacMillan, 2000), p. 68.

³ Christopher Hood, Colin Scott, Oliver James, George Jones, and Tony Travers, *Regulation inside Government: Waste-watchers, Quality Police and Sleaze-busters* (Oxford: Oxford University Press, 1999), p. 194.

⁴ Lee and Lo, *Remaking China's Public Management*.

is to ensure that its priority policies are carried out by local leaders, and the implementation of priority targets is linked to promotion and demotion decisions. The final pair is the increasing autonomy given to localities generally but higher levels also increase their control over selected counties. In a way, this is similar to the approach used to control strategically important leaders.

China is generally viewed to have carried out extensive economic reform but has stopped short of political reform. Political reform was on the agenda in the 1980s but is thought to have been abandoned after 1989. The radical proposals from the 1980s to establish a modern civil service and separate party and government were finally adopted in 1993, although what remained was believed to be a much watered-down version.⁵ Despite such a view, it is proposed in this study that part of the radical plan — such as the plan to distinguish between politically appointed civil servants and career civil servants presented at the 13th Party Congress in 1987, and thought by many observers to have been abandoned — has in fact been carried out at the local level. Other parts, such as reforms to improve the efficiency of the bureaucracy, which were seen as less path-breaking at the time, have also been implemented at the local level and have proved more politically significant than initially understood. The Party's organisation department was to control only politically appointed cadres, while the civil service system regulated the personnel decisions of career civil servants.⁶ It was noted at that time that less than 1% of about four million cadres working in the executive branch of government were designated political civil servants.⁷ Today, at the local level, only the leading cadres (*lingdao ganbu*) are included in the cadre responsibility system and controlled by the party organisation department. In this paper, I argue that the leading cadres on the nomenclatura list controlled by the Party Organisation Department correspond to the designated political civil servants in the earlier proposals. In other words, although there is no formal separation between political and career civil servants, the distinction between the two is made within the Party. This particular reform has been executed in practice.

The cadre responsibility system is part of broader administrative reforms and aimed at improving the efficiency of the bureaucracy. Administrative reforms have until recently

⁵ John P. Burns and Jean-Pierre Cabestan, eds., "Provisional Chinese Civil Service Regulations," *Chinese Law and Government* 23, No. 4 (1990/91).

⁶ Chen Yizi, "The Decision Process Behind the 1986–1989 Political Reforms," in *Decision-Making in Deng's China: Perspectives from Insiders*, ed. Carol Lee Hamrin and Zhao Suisheng (Armonk, New York: M.E. Sharpe, 1995), p. 149.

⁷ John P. Burns, "Chinese Civil Service Reforms: The 13th Party Congress Proposals," *The China Quarterly* No. 120 (1989): 741; and Jean-Pierre Cabestan, "Civil Service Reform in China: The Draft 'Provisional Order Concerning Civil Servants,'" *International Review of Administrative Sciences* 58 (1992): 423.

mainly focused on streamlining and downsizing government bodies and personnel. Various rounds of downsizing were introduced in 1982, 1988, 1993, and 1998. The 1998 round was the boldest attempt with the goal to reduce government personnel at all levels by half. Chan and Drewry and Yang all point to how administrative streamlining is intimately linked to reducing the government's role in the economy.⁸ In this way, the objective of reforms is not only to reduce the number of personnel but also to change the role of government and its functions. The notion "small government, big society" illustrates that some government functions are given to society, and societal organisations perform administrative duties on behalf of the party-state. If there is no existing service organisation to carry out these duties, the state creates one. The state is withdrawing at the same time as it reasserts its influence on priority policies. As Chan and Drewry write, "the underlying aim of the organisational reform was not the creation of a 'small government' in the sense of giving up its powers to society or the market but the creation of a 'small government' in the sense of its being more unified and efficient."⁹

The picture of the CCP presented here thus differs from the common view of a communist party in decay, and only an empty shell that will eventually fall apart. The CCP is wrongly viewed as a remnant of an old past which will automatically fall from power as market reforms deepen.¹⁰ On the contrary, the Party is using market forces to reinvent itself, and has proved to be much more innovative than it is usually given credit for. At the same time, the CCP under Jiang Zemin has re-centralised political power and attempted to rebuild party control in the 1990s. The dominating theoretical paradigm in studies on party-state and its cadres is the technocratic perspective which characterises the party cadres as technocrats.¹¹ I maintain that the technocratic approach has become

⁸ Chan Che-Po and Gavin Drewry, "The 1998 State Council Organizational Streamlining: Personnel Reduction and Change of Government Function," *Journal of Contemporary China* 10, No. 29 (2001): 553–72; and Yang Dali, "Rationalizing the Chinese State: The Political Economy of Government Reform," in *Remaking the Chinese State: Strategies, Society, and Security*, ed. Chao Chien-min and Bruce J. Dickson (London: Routledge, 2001).

⁹ Chan and Drewry, "The 1998 State Council Organizational Streamlining," p. 569.

¹⁰ For this view, see for example, Merle Goldman and Roderick MacFarquhar, "Dynamic Economy, Declining Party-State," in *The Paradox of China's Post-Mao Reforms*, ed. Merle Goldman and Roderick MacFarquhar (Cambridge: Harvard University Press, 1999); and David Shambaugh, "The Chinese State in the Post-Mao Era," in *The Modern Chinese State*, ed. David Shambaugh (Cambridge: Cambridge University Press, 2000).

¹¹ One of the first studies to highlight the transformation from revolutionary cadres to technocrats was Hong Yung Lee, *From Revolutionary Cadres to Party Technocrats in Socialist China* (Berkeley: University of California Press, 1991). For recent studies, see for example David Shambaugh, "The CCP's Fifteenth Congress: Technocrats in Command," *Issues & Studies* 34, No. 1 (1998); and Li Cheng, *China's Leaders: The New Generation* (Lanham: Rowman and Littlefield, 2001).

outdated to understand party transformation in China. Although advocates are right in pointing out that cadres are getting younger and better educated, they tell us very little about the way the party-state functions. Recent research also reveals that cadres with higher education are promoted more slowly, an indication that technocratic characteristics by themselves do not necessarily have an effect on governance institutions.¹² Previous studies have described the cadre responsibility system as a straightforward process in which cadres get rewarded for good performance — economically in the form of bonuses, and politically in the form of promotion.¹³ This study analyses the cadre responsibility system as a governing institution and highlights the political control mechanisms of the system.

As a method to capture the dynamic changes taking place, I favour a local approach to study the transformation of the CCP. One important reason why a local approach is valid is that systemic changes can often be observed at the local level first. It is generally agreed in the literature that when policies, laws and regulations are adopted nationwide in China, they first emerged in the localities, as did the household responsibility system, the township enterprises, etc. This is not to say that the centre does not play a role; the central authorities are clearly decisive in allowing or promoting experimentation of policies, and in putting an end or adopting them nationwide. But a large number of policies are first tried out in local areas, whether initiated by the centre or by the localities themselves, and this is certainly true for the reform of the cadre management system. Organisational reforms were first experimented with at county testing sites.¹⁴ Today some central authorities have begun experimenting with the system, even though among local governments it is widely practised.¹⁵ The project draws on seven months of fieldwork conducted at the county and township level between 1996 and 1999.

¹² Bo Zhiyue, *Chinese Provincial Leaders: Performance and Political Mobility Since 1949* (Armonk, New York: M.E. Sharpe, 2002).

¹³ Susan H. Whiting, "The Cadre Evaluation System at the Grassroots: The Paradox of Party Rule" (paper prepared for the workshop "Cadre Monitoring and Reward: Personnel Management and Policy Implementation in the PRC," University of California, San Diego, 6–7 Jun. 1998; revised in Sep. 1999); and *Power and Wealth in Rural China: The Political Economy of Institutional Change* (Cambridge: Cambridge University Press, 2001).

¹⁴ Joseph Yu-shek Cheng and Ting Wang, "Administrative Reforms in China in 1992: Streamlining, Decentralization and Changing Government Functions," in *China Review 1993*, ed. Joseph Cheng Yu-shek and Maurice Brosseau (Hong Kong: The Chinese University Press, 1993).

¹⁵ According to Han, the responsibility system had been practised by 65% of state institutions at the provincial level and by 90% at prefectural-municipal level and below. See Han Tian, ed., *Lingdao ganbu kaocha kaohe shiyong quanshu* (Practical Comprehensive Handbook of Reviewing and Evaluating Leading Cadres) (Beijing: China Personnel Press, 1999), pp. 100–1, as cited in Ma Shu-Yun and Chan Wai-Yin, "The Provision of Public Goods by a Local Entrepreneurial State: The Case of Preservation of the Nanyue Relics in China," *The Journal of Development Studies* (Nov. 2002).

The field research was carried out in a number of different places (12 counties), all very developed areas, in Southern Jiangsu, Shandong and Zhejiang province. Two townships (the first in Suzhou prefecture in Jiangsu, and the second in Zibo prefecture in Shandong) served as base field sites, and other sites were added on to place the information in a comparative perspective. Some 150 interviews were carried out with local cadres and local entrepreneurs, involving personnel from the party organisation department and the personnel bureau at the county level as well as with leading cadres of townships.¹⁶

Decentralising Personnel Management but Controlling Leading Cadres

The basis of CCP control is the nomenclatura system. The nomenclatura, inherited from the Soviet model and still in use, is a list of leading positions over whose appointments the Party exercises full control. Party committees exercise authority over the appointment of senior personnel, their promotion, dismissal and transfer one step down the administrative hierarchy, and the lower level is accountable to the next level up.¹⁷ Higher levels can conduct evaluation of lower levels because they are part of a hierarchical party-state organisation. Principal control is vested in the organisation department of the party committee, which maintains personal dossiers that contain information related to decisions regarding appointments. Before 1983, party organisations controlled personnel decisions two levels down but in 1983 they were decentralised to only one level down the administrative hierarchy. By decentralising cadre management, the authorities sought to reduce the number of cadres controlled centrally and by provincial party committees.¹⁸ It is this system that confers the county party organisation department authority to make personnel decisions involving township leaders.

¹⁶ For a more detailed discussion of the fieldwork, see Maria Edin, *Market Forces and Communist Power: Local Political Institutions and Economic Development in China* (Uppsala: University Printers, 2000).

¹⁷ Burns has written extensively on the nomenclatura system; see John P. Burns, "China's Nomenclatura System," *Problems of Communism* XXXVI, No. 5 (1987); *The Chinese Communist Party's Nomenclatura System: A Documentary Study of Party Control of Leadership Selection, 1979–1984* (Armonk: M.E. Sharpe, 1989); "Strengthening Central CCP Control of Leadership Selection: The 1990 Nomenclatura," *The China Quarterly* No. 138 (1994). See also Melanie Manion, "The Cadre Management System, Post-Mao: The Appointment, Promotion, Transfer and Removal of Party and State Leaders," *The China Quarterly* No. 102 (1985).

¹⁸ After 1989, there was a wave of limited re-centralisation of cadre management. The 1990 nomenclatura added the positions of prefectural bureau chief and deputy chief to the central Organisation Department's scope of management, see Burns, "Strengthening Central CCP Control of Leadership Selection," p. 468.

The nomenclatura is sometimes mistaken for the *bianzhi*. The term *bianzhi* refers to the authorised number of personnel (the number of established posts) in a party or government administrative organ, service organisation, or working unit. Brødsgaard has stressed the importance of making a clear distinction between the two: the *bianzhi* covers all employed in a given unit whereas the nomenclatura only lists the cadres in leadership positions. In other words, all members of staff on the state payroll are included in the *bianzhi* but only the top leaders at different levels are on the nomenclatura.¹⁹ The civil service regulations, and the national regulations on evaluation of civil servants, were passed in 1993 in an attempt to improve government efficiency and to allow the performance of public officials to play a greater role. One of the most important developments in the 1990s has been the separation between the leading cadres (*lingdao ganbu*) and the non-leading cadres (*feilingdao ganbu*), or ordinary cadres. Leading cadres on the nomenclatura are as we have seen, the responsibility of the organisation departments (*zuzhibu*). Ordinary cadres on the *bianzhi* are the responsibility of the personnel departments (*renshibu*) and fall under the civil service regulations.

Simply put, the Party has decentralised control of the ordinary cadres and re-centralised control over the leading cadres. At the township level, these parallel developments are seen from the different ways ordinary cadres and leading cadres are managed: Ordinary cadres, including the vice party secretaries (with the exception of the township head) and the vice township leadership, evaluate all mayors. In contrast, depending on the status of the township, the county or higher levels evaluate the party secretary and township head. All state cadres at the local level are hence evaluated but it is only the leading cadres of the township government — the party secretary and government head — that are held accountable to higher levels. Today party secretaries and township heads literally sign performance contracts (*gangwei mubiao zerenshu*),²⁰ one of the novel features of the cadre responsibility system.²¹ In these contracts, township

¹⁹ Kjeld Erik Brødsgaard, "Institutional Reform and the *Bianzhi* System in China," *The China Quarterly* No. 170 (2002): 363.

²⁰ Performance contracts have been described earlier in Kevin J. O'Brien and Li Lianjiang, "Selective Policy Implementation in Rural China," *Comparative Politics* 31, No. 2 (1999): 172. See also George P. Brown, "Budgets, Cadres and Local State Capacity in Rural Jiangsu," in *Village Inc. Chinese Rural Society in the 1990s*, ed. Flemming Christiansen and Zhang Junzuo (Richmond: Curzon Press, 1998), p. 32. Township leading cadres thus sign contracts of a similar fashion to those signed by collective-run enterprises and households.

²¹ For a more detailed description of the cadre responsibility system, see Maria Edin, "State Capacity and Local Agent Control in China: CCP Cadre Management from a Township Perspective," *The China Quarterly* No. 173 (forthcoming, Mar. 2003). The content of different performance contracts is described there.

leaders pledge and are personally held responsible to achieve certain targets laid down by higher levels. In all areas where I conducted field research, performance contracts were in use. There are different contracts for different fields, such as industrial development, agricultural development, tax collection, family planning, social order, etc. Collective contracts are drawn up between the county and township level, and are signed either by the party secretary or township head, depending on the content of the contract. Economic affairs formally fall under the responsibility of the government head while party affairs naturally fall under the responsibility of the party secretary. Ordinary cadres may also sign contracts, but these contracts are set up with their work unit or the township leaders.

In evaluating and monitoring the leading cadres, the party needs the help of the local community and has therefore delegated some of the evaluation and monitoring functions. Questionnaires and opinion polls are nowadays part of the annual evaluation by higher levels. Colleagues from the cadre's own work unit, and representatives from the subordinate units take part in a democratic appraisal meeting (*minzhu pingyi*). Typically, they fill in a questionnaire rating the work performance of township leaders on a scale from excellent to unqualified along four criteria: integrity, ability, diligence, and performance. The rating is conducted anonymously.²² In the new regulations on leading cadres, an article has been added which stipulates that a cadre should normally be removed from his or her position if more than one-third of the pollers grade the cadre to be unqualified, and has been certified by the authority as being not up to standard.²³ These opinion polls are clearly not decisive. According to interviewees spoken to at the end of the 1990s, the party launches an investigation if many people are dissatisfied with a leader.²⁴ Even if the effect of opinion polls are limited, public input is given which provides the Party with crucial information.

Citizens submitting complaint letters to higher levels fulfil a similar function in the monitoring of local leaders. O'Brien and Li have highlighted how complaint letters affect the evaluation score of local leaders, who may be downgraded if too many

²² The rating of local leading cadres in the appraisal meeting is from the text, Edin, "State Capacity and Local Agent Control in China" and the interview source referred to in fn. 24.

²³ "Regulations on the Work of Selecting and Appointing Leading Party and Government Cadres," Article 55, Central Committee of the Communist Party of China, 9 Jul. 2002. <<http://www.china.org.cn/english/features/45399.htm>> [12 Nov. 2002].

²⁴ Interview SCA1 with the village party secretary cum chairman of the board of the village corporation in Shandong village, 1998; and interview ZCa1 with the vice mayor cum director of the industrial office and the vice director of the industrial office in a Zhejiang township, 1998.

complaints are filed or if complaints are not dealt with properly.²⁵ In one county in Zhejiang, two situations are considered to pose serious problems for the cadres: one is where complaint letters are not treated appropriately at the county level such that the complainant appeals to the next higher level (*yueji shangfang*) and the other is, in direct translation, “to assemble a mob in order to submit a letter of complaint” (*juzhong shangfang*).²⁶ Information from citizens plays a major role in uncovering cadre misbehaviour as it is an alternative channel of information, and intervention from the public also puts pressure on the Party to act. One study reports that 80% of the tip-offs about cadre misconduct and financial irregularities came from letters of complaint sent by the public.²⁷

Both opinion polls and petitioning help higher levels to evaluate local leaders and obtain information they might not otherwise receive. It is also possible that the Party would prefer to have local leaders who are popular, as long as they implement the Party’s priority policies. In this way, opinion polls and petitioning perform at least two functions. The effect of polls and letters is nonetheless limited in that the Party has the prerogative on how it chooses to act upon the information received and is under no obligation to the people to dismiss unpopular leaders. This raises the question whether the delegation of evaluation to the local community is related to democratic influence. The current system combining evaluation by higher-level authorities and popular elections at the village level seems to have substituted genuine democratic reform.²⁸ Village elections are in my view part of the same trend to delegate evaluation and monitoring functions to the local community. While local citizens can exercise more influence, the Party maintains the veto power on personnel decisions. In the case of village elections, the township government maintains the power to appoint the village party secretary. Client rating, part of the market management model, should clearly be distinguished from democratic rights. These are two separate matters: client rating is intended to improve governance and efficiency, while democratic rights are inherent rights that cannot be compromised to gain results. In other words, opinion polls and petitioning is part of a top-down approach to improve political governance

²⁵ Kevin J. O’Brien and Li Lianjiang, “The Politics of Lodging Complaints in Rural China,” *The China Quarterly* No. 138 (1995).

²⁶ Interview ZC5 with the vice director in charge of evaluation in the party bureau of rural affairs in a Zhejiang county, 1998.

²⁷ Lu Xiaobo and Thomas P. Bernstein, *Taxation Without Representation in Rural China: State Capacity, Peasant Resistance, and Democratization, 1985-2000* (Cambridge: Cambridge University Press, forthcoming).

²⁸ Kevin J. O’Brien, “Implementing Political Reform in China’s Villages,” *The Australian Journal of Chinese Affairs* No. 32 (1994): 37.

institutions while at the same time to give citizens a greater say. The responsibility system with its client rating increases transparency and accountability, but not democracy.

The party-state has delegated evaluation and monitoring functions to society, and it has also delegated implementation of policies to local governments.

Delegating Implementation but Enforcing Priority Policies

In the old planning system, mandatory targets were issued to lower levels through the annual and five-year plans. Guidance targets have replaced mandatory targets in the reform era. Local cadres are given more autonomy choosing the means used to achieve the targets given them by higher levels, and economic incentives are provided to improve efficiency. But the difference today is that the CCP spells out its priority policies, and the implementation of these policies weighs much more heavily than other policies in the evaluation of local leaders.

Non-leading and leading cadres are assigned performance targets (*kaohé zhibiao*) which are internally ranked in importance: there are soft targets (*yiban zhibiao*), hard targets (*ying zhibiao*) and priority targets with veto power (*yipiao foju*).²⁹ While non-leading cadres are usually held responsible for fulfilling the soft targets, leading cadres are ultimately held accountable to higher-level authorities for achieving the hard and priority targets with veto power. Soft targets are usually those difficult to measure and quantify, and policies that are not deemed important by higher levels, such as cultural and social development. Hard targets are typically drawn from the economic and social development plan. Tax revenues submitted to the county, for example, were invariably defined as a hard target in all the areas I visited. Priority targets with veto power is an institutional tool exclusively used for key policies of the centre and sometimes also for key policies of local levels. There are two priority targets which are enforced nationwide, mirroring the importance which the CCP places on these policies: family planning and social order (*shehui zhi'an*).³⁰

²⁹ The internal ranking of targets and examples of such targets can be found in Edin, "State Capacity and Local Agent Control in China."

³⁰ The Chinese source Rong Jingben *et al.*, *Cong yalixing tizhi xiang minzhu hezuo tizhi de zhuanbian: xianxiang liangji zhengzhi tizhi gaige* (Transformation from the Pressurised System to a Democratic System of Cooperation: Reform of the Political System at the County and Township Levels) (Beijing: Zhongyang bianyi chubanshe, 1998), p. 271 mentions that the county party committee should accomplish the two compulsory tasks of imposing family planning and maintaining public order. Birth control is also referred to as a task to assume veto power in Kevin O'Brien and Li Lianjiang, "Selective Policy Implementation," p. 172.

In all the areas where I conducted field research, these two were made priority targets. All targets play an equal role in the evaluation in terms of bonus, but attainment of hard targets and priority targets are important for personnel decisions. Veto power implies that if township leaders fail to attain these priority targets, all the other work performance in the comprehensive evaluation, however successful, would be cancelled.

Performance targets are not static, but part of a very flexible governance institution that can quickly adjust to changing circumstances. If higher-level authorities wish to shift priority policy, they can upgrade or downgrade the status of a target. When the Party, for instance, wishes to integrate complaint letters in the evaluation, or simply to focus on social stability, limiting the number of complaint letters would be made a target in the annual evaluation. For example, in a Zhejiang county, keeping down the number of complaint letters was incorporated into the evaluation in 1999 after these letters gained the attention of higher authorities.³¹ Targets also mirror local conditions to some extent. If localities experience serious problems, the problem may become a local priority target. Cremation of the dead, for example, was declared an additional priority target in order to reserve land for productive use in one area, thereby indicating that land waste was a particular problem in that county.³² The current system endorses management by setting goals. However, the CCP seems to have started paying attention to the means used to achieve the goals. One example can be found in the implementation of family planning: in order to improve the responsibility system, new policies emphasise the revision of evaluation criteria to take into account how the policy is executed, whether it is done in accordance with the law and if clients are satisfied.³³

From the ranking of targets, we can deduce that under normal circumstances, the CCP places economic development first, especially the submission of tax revenues to the centre. At the same time, it is evident that the bottom line is social stability and that the Party would not promote economic growth at the expense of large-scale social instability. If social unrest continues to increase in rural areas, the central authorities could be expected to deal with this through adjusting and adding new targets for leading cadres at the local level. In fact, the addition of limiting the number of complaint letters as a target in the evaluation in the example above is a case in point. The heavy burden

³¹ Interview ZE3 with one section chief of the party committee and one section chief of the party committee organisation department in a Zhejiang county, 1999.

³² See fn. 31.

³³ Edwin A. Winckler, "Chinese Birth Policy at the Turn of the Millennium: Stability and Change" (unpublished paper, East Asian Institute, Columbia University, 2002).

faced by peasants is often cited as one important source of social unrest in rural areas.³⁴ If higher levels want to emphasise the importance of reducing the peasant burden, it could be made into a target in the evaluation to become a priority target with veto power that could cancel out successful work performance in other fields. What constitutes serious disturbance to social order varies between areas. Three situations have been defined as such disturbances in one county: economic crime (where more than 200,000 yuan are embezzled), violence (resulting in a person's death), and large-scale demonstrations (with more than 50 people gathered).³⁵

The fulfilment of the different types of performance targets is used as a basis for the issuance of bonuses. Economic incentives are pegged to work performance. The use of bonuses has been well described in the literature.³⁶ Implementation of priority policies are however not only linked to bonuses, but more importantly, to personnel decisions, in particular promotion.

Reasserting Party Control Selectively

Reforms since 1978 have undoubtedly given localities more autonomy, not the least in the economic sector. Decentralisation and fiscal reforms have benefited local governments, and many observers have noted their increasing power. Parallel with this decentralisation, the party-state is reasserting control selectively through political appointments and promotion power. The political appointment of leading cadres is described above. In this section different types of promotion as a means to control selected leading cadres and local governments are described.

Earlier accounts of the evaluation system have described it as a straightforward process where local cadres work towards fulfilling their performance targets and get rewarded economically as well as politically. The assumption is that local cadres work towards fulfilling higher-level goals to further their bureaucratic careers.³⁷ The question pivots upon whether or not there is a correlation between good performance and promotion. The only study of which I am aware that empirically examines this is done by Landry, who has made a survey testing the relationship between the work performance of municipal mayors and their promotion to the post of general secretary (or transfer to a more important municipality). The

³⁴ See, for example, Lu Xiaobo, "The Politics of Peasant Burden in Reform China," *The Journal of Peasant Studies* 25, No. 1 (1997).

³⁵ Interview ZC5 with the vice director in charge of evaluation in the party bureau of rural affairs in a Zhejiang county, 1998.

³⁶ See, for example, Jean C. Oi, *Rural China Takes Off: Institutional Foundations of Economic Reform* (Berkeley: University of California Press, 1999), pp. 49–50.

³⁷ Whiting, *Power and Wealth in Rural China*, p. 18.

performance criteria are 33 socio-economic indicators, which are powerfully biased towards GDP performance. Landry finds that high performance has no bearing on the probabilities of promotion of municipal mayors.³⁸ If Landry's findings hold, how do we explain them? Are they evidence that the evaluation system of cadres is an empty process and that "political reliability" still predominates? Or is the cadre responsibility system foremost a governance institution that is unrelated to performance and promotion? First, it should be noted that there might be a stronger relationship between economic performance and political promotion at the township level than at the municipal level. Second, Landry's list of 33 indicators does not take into account the varying importance of soft, hard and priority targets. As we have seen, the higher levels are more concerned about the hard and priority targets with veto power. Third, it is also possible that municipal mayors are promoted to positions other than the post of general secretary. Fourth, it is likely that economic performance is rewarded in many different forms besides regular promotion.

I interpret Landry's result by looking at the cadre responsibility system as a governance mechanism that integrates political incentives with political control. It is in this light that we ought to view the promotion process or, as I would like to emphasise, the various types of promotions. Higher levels of the party-state aim to control strategically important local leaders, especially those from economically successful areas. I want to draw attention in particular to the practice of promoting successful township leaders concurrently to posts at higher levels of the party and government.³⁹ The difference between regular promotion and appointment to concurrent posts at higher levels is that the township leader does not leave his post at the township, but still moves up one rank in the party hierarchy, usually from section chief to vice division chief. In one county in southern Jiangsu, for example, the township party secretary of the highest ranking township concurrently held the position of vice party secretary of that county.⁴⁰ Successful township leaders might also be promoted to higher level posts in the party or government, such as members of the county party standing committee,

³⁸ Pierre F. Landry, "Controlling Decentralization: The Party and Local Elites in Post-Mao Jiangsu" (PhD dissertation, University of Michigan, 2000). See also Landry, "Local Performance and the Political Fate of Chinese Mayors" (paper presented at the conference "Bringing the Party Back In: How China is Governed," Copenhagen Business School, Copenhagen, 7-9 Jun. 2002).

³⁹ For a longer and more detailed discussion and analysis of how higher levels of the party-state aim to selectively control local leaders, see Edin, "State Capacity and Local Agent Control in China."

⁴⁰ Interview JAb1 with the township party secretary cum vice party secretary of a southern Jiangsu county, 1996.

standing committee of the county level People's Congress, or vice mayor of the county, while still continuing to perform their job at the township level. While this type of promotion is a positive incentive offered by the higher levels, the incorporation of successful township leaders into higher levels also strengthens the latter's political control over local leaders. One township party secretary called it a "political bonus," but at the same time it is also a means for higher levels to secure control over strategically important townships.⁴¹ This combined method of reward and control is not generally applied, but is selectively used on the leaders which higher levels deem to be important.

We may look upon political representation to higher levels in a similar light. Bo has found that provinces with higher revenue contributions and faster economic growth have gained more representation in the central committees compared to other provinces.⁴² Again, a combined method of reward and control is visible in representation to political bodies at higher levels. Also, successful local entrepreneurs are incorporated into the Party in the same fashion, i.e., they hold political positions which give them economic and political advantages, but their appointment also facilitates the Party's control over them. Almost all the successful entrepreneurs that I interviewed were members of either the People's Congress, or political consultative conference at higher levels, or held positions in the township economic committee. In the areas I visited, highly successful entrepreneurs at the village level also held the position of village party secretary. One chairman of the board of a conglomerate in Shandong, for example, was not only the party secretary of the village but also the vice party secretary of the township, party committee member of the district level, and a member of the People's Congress at the provincial level.⁴³ This policy was widespread in the local areas during the 1990s, and was recently reaffirmed at the 16th Party Congress held in Nov. 2002 where a decision was made to invite private entrepreneurs into the Party.

Another form of promotion that works both as a political incentive and political control is the practice of promoting the status of the whole locality. Counties can be upgraded to county-level cities (*xianjishi*). Correspondingly, the bureaucratic rank of its cadres is also upgraded and the tangible benefits to both the county as well as to its cadres increase. Ordinary counties are under the leadership of the municipal governments as part of the decentralisation scheme and the principle "city in charge of the county" (*shi guan xian*). Counties upgraded to county-level cities, however, are part of a re-centralisation effort that places these counties under the direct authority

⁴¹ Interview SCa3 with the party secretary of a Shandong township, 1998.

⁴² Bo Zhiyue, "Provincial Power and Provincial Economic Resources in the PRC," *Issues & Studies* 34, No. 4 (1998); and Bo, *Chinese Provincial Leaders*.

⁴³ Interview SCa1 with the chairman of the board of the village corporation cum party secretary of a Shandong village, 1998.

of the province. The formation of county-level cities gives the province the right to appoint the mayor and party secretary of the new city. Again, the choice made by higher levels is very selective and the aim is to control strategically important counties, especially economically successful ones. Landry finds in Jiangsu province that Nanjing was anxious to gain control over appointment and resource allocation only in areas of critical importance to the province's economic development, whereas ordinary counties remained under firm municipal authority.⁴⁴ This seems to be the case also outside Jiangsu province. Many of the economically successful counties in which I carried out field work in southern Jiangsu, Shandong, and Zhejiang province had been upgraded to county level cities.

In sum, the evaluation process of local leaders is double-sided. It is an effort to improve efficiency of the bureaucracy by rewarding implementation of the centre's priority policies but is also a mechanism of party rule. The Party is reinventing itself — and it is selectively strengthening its control.

Concluding Remarks

The reform era brought decentralisation and delegation of both political decision-making and allocation of economic resources to lower levels of government and society. There is no doubt that local governments and social entities have benefited and been empowered by reform. At the same time, there has been a re-centralisation of political control in the 1990s, and the centre under Jiang Zemin has attempted to strengthen the Party. Also, in the economic sphere, the central government has reclaimed macro-control after delegating day-to-day management to lower authorities and enterprises. This paper suggests a way to understand these two parallel developments that do not necessarily contradict each other. The CCP is shifting the way it governs — withdrawing from some areas while reasserting itself in others. It is not a linear process. The nature of control and regulation has changed from a micro-level to a macro-level. The party-state is ridding itself from some of its functions to enable it to become more efficient in carrying out others. The case study of cadre management at the local level fits well into this broader picture of remaking public management and China's governing institutions.

⁴⁴ Landry, "Controlling Decentralization," p. 80.

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