CONSTRUCTING AN ACCOUNTABLE GOVERNMENT IN CHINA

RESUMO

A construção de um governo *accountable*, que preste conta de suas ações, tem sido a principal mudança nos últimos 30 anos, desde que se iniciou a reforma e a abertura na China. É visível que o governo chinês tem se tornado mais responsivo. Entretanto, há uma contradição na implementação de processos de responsabilização. Por um lado, as responsabilidades dos governos tendem a ser excessivamente economicistas e, por outro, os mecanismos operacionais tendem a ser excessivamente politizados. Esta contradição resultou em muitos efeitos negativos, que reduzem a capacidade que o governo tem de se auto-reformar. Para resolver isso, o governo deveria se tornar mais democrático e racionalizado, e caminhar no sentido de uma tranformação de um governo responsivo para um governo *accountable*, que presta contas de suas ações.

PALAVRAS-CHAVE Responsabilidades, *accountability*, economicista, politizado, reforma e abertura democrática.

Yang Xuedong yang_xuedong@163.com
Institution affiliation: China Center for Comparative Politics and Economics

Artigo submetido em 16 de junho de 2010 e aprovado em 16 de novembro de 2010.
Submitted: Jun, 2010; Accepted: November, 2010.

ABSTRACT *Building an accountable government has been a major part of government change in the past 30 years since the reform and opening-up. It is clear that China government has become more responsive. However, there is a contradiction in implementing responsibilities for government. On one hand, the governments' responsibilities tend to be over economized. On the other hand, the operational mechanism tends to be over politicized. This contradiction has resulted in many negative effects which weaken the government to reform itself. In order to solve it, the government should become more democratized and rationalized and change from a responsive government to an accountable government.*

KEYWORDS *Responsibilities, Accountable government, Over-economized, Over-politicized Reform and opening-up*

INTRODUCTION

During the past three decades, China's authority has endeavored to make government more accountable, make it more aware of accountability and strengthen its abilities of being accountable. The government accountability reforms are well suited to the developmental needs of the market economy, and to the society, as it continues to become more open and diverse. These reforms, thus, have a positive influence on promoting economic growth, on maintaining social stability, and on government behaviors' conforming to the norms of the international community.

However, relative to the high speed of social and economic changes occurring at all levels, adjustments and reforms to make government more accountable have not only been ineffective and lagged behind in certain areas, but they have actually become obstacles in the overall reform and development process. As the reform and opening policy continues to gain momentum, the government's own internal reforms have become the center of gravity for the entire reform process. The government must learn to fulfill its obligations within the context of a smoothly functioning market economy and a developing civil society. Meanwhile, Governments or government departments at some levels have established interests which stand to losers in the reform process. In such a situation the reform effort must be intensified.

This paper is comprised of five parts, the first lays out an analytic framework with which to investigate the changes in accountability of the Chinese government. The second part discusses the Chinese government's development and major achievements in strengthening its accountability. The third part discusses, from local government's perspective, the problems that have arisen from the *total economic approach to government accountability*; that is, governments are required to make economic growth the top priority at the expense of social management and public services. The fourth part discusses the challenges to the implementation of government accountability measures arising from increased problems in governance. The fifth and final part is the conclusion.

I. THE ACCOUNTABILITY OF GOVERNMENT AND AN ACCOUNTABLE GOVERNMENT

Every government is necessarily held accountable to a certain extent, but not all governments are accountable. A government's accountabilities are determined on the one hand by social and economic relationships and on the other hand by the internal delineation of authority and responsibility within the structure of government.

This paper proposed that to understand more accurately and comprehensively basic accountabilities of government, government must be looked at within the context of two sets of relationships. One set is domestic, the "civil society / government / market" relationship; the other is global, the "government / other international actors" relationship. International actors include foreign governments, international organizations, international non-government organizations, multi-national corporations, etc. As globalization has progressed, these two sets of relationships have become tightly interconnected, forming a sort of network which constrains and shapes government accountability behavior. A government's basic obligation is to use public power to deal with these two sets of relationships in order to realize and protect public interest.

Government accountabilities change and are enriched by social and economic development. In contemporary society government obligations are diversified, and there are heated debates concerning what a government's obligations ought to

be. After a summarizing the various definitions of government accountability advanced by scholars outside China, John Ackerman (2005) proposed that the definition of government accountability depended on how people understood the functions of the state. In any event, should a government fail to fulfill its obligations as promised, it will lose public trust and its legitimacy will be undermined.

Only those governments which have the capability to meet the needs of social and economic life and a system to guarantee that its obligations are discharged can be called accountable governments. The government accountability process has two parts, "response" and "implementation". "Response" refers to mechanisms used by government organizations and officials to provide information and explanations to the public and to supervisory organizations regarding their decisions and actions. "Implementation" refers to the ability of the public and supervisory organizations to investigate possible misconduct and to penalize government organizations for infractions. There are currently four mechanisms in place to achieve government accountability; namely democratic elections, internal monitoring and control, public participation and the rectitude of officials. The first three constitute the government accountability system, while the fourth concerns the actions of officials charged with implementing the accountability system. Only the efficient functioning of these four mechanisms guarantees stable, continued fulfillment of obligations, as well as reductions to the system's operating costs.

At this point there is a need to differentiate between an accountable government and a "responsive" government. Some scholars say the former is a government accountable to the public, while the latter a government that responds to the public's demands, and they argue that there is a fundamental difference between the two. Bernard Manin and his colleagues (1999) believe that if a government formulates policies in accordance with the preferences of its citizens, then it possesses the characteristics of a "responsive" government. On the other hand if the public can see clearly whether their government represents their interests, and can take punitive action in the case of failure, retaining the worthy and removing the negligent from office, then such is an "accountable" government. Thus, a "responsive" government emphasizes the motivations for its actions while an "accountable" government emphasizes the quality of its actions. Accountable governments are also responsive governments, but responsive governments are not necessarily accountable governments. However, all governments, whether accountable or responsive, must shoulder responsibilities to a certain extent.

Our analysis of the development and changing nature of government accountability in China during the past three decades starts with three critical elements of government accountability. These are a government's fundamental responsibilities, the system of responsibilities fulfillment, and the capability to deliver fulfillment. The followed analysis is based upon two preconditions:

The first is, the Chinese government is in the process of transitioning from developing a "responsive" government to developing an "accountable" government. Governments at different levels are making adjustments and introducing reforms in accordance with the development of a market economy and changes in social conditions. The second is, judging from current conditions, the Chinese government is caught in the middle of conflicts which result from having unlimited responsibilities and limited capabilities. This is especially apparent at local levels of government

II. SOCIO-ECONOMIC DEVELOPMENT AND THE CHANGE IN GOVERNMENT ACCOUNTABILITY

In December 1978, two years after the conclusion of the Cultural Revolution, at the Preparatory Meeting of the Third Plenary Session of the Eleventh Central Committee of the Communist Party of China (CCCPC) Deng Xiaoping (1994:150) pointed out that in enterprises and business units, and in Party and State organizations at all levels, lacking of accountability posed a very serious problem. An urgent need for a rigorous accountability system existed. Deng indicated that "this (constructing accountability) was to be the primary role of politics in the days to come. Politics which did not play this role would be empty politics, and would be unable to provide great benefits to both the Party and the people."

The "Organic Law of the Local People's Congress and Local People's Governments of the PRC", enacted in 1978, tried to delineate the obligations of the central government and those of the regional and local governments. Further, the 1982 Constitutional Amendment, made clear provisions for accountability systems at all levels of governments, stipulating that "the State Council was to institute the Premier accountability system, while all Departments and Commissions were to institute a Minister accountability system." Article 86 stipulated that all levels of the People's regional and local governments were to institute a Chief Executive (CE) accountability system.

The Chinese Government is centralized and unitary, as such, there is considerable uniformity in departmental structure and in the functions various departments perform at different levels of government. Here, we will be concerned mainly with adjustments to the structures and functions of central government. Since 1982 the central government structures have undergone six major adjustments, during the Fifth National People's Congress of 1982, the Seventh of 1988, the Eighth of 1993, the Ninth of 1998, the Tenth of 2003, and the Eleventh of 2008. Since 2003, the development of an accountable government has become an explicit goal of government reform.

The development of government accountability in China is a positive response to a number of factors: the constantly accelerating rates of market growth, social diversification, urbanization and globalization. Significant achievements have been made:

Firstly, as the economy has continued to grow, and especially as the targets of the socialist market economy's development have been gradually established, the detailed contents of government accountability systems have gradually become better defined. In 1984, six years after the decision was made to move from a planned economy to a market economy, the CPC Central Committee made the "Decision Regarding Reform of the Economic System". This proposed that leading and organizing economic development are basic functions of the state. But for these functions to suit the needs of economic and social development, governments and enterprises must be separate, and governments at different levels must not directly operate or manage commercial enterprises.

In 1993 the CPC Central Committee's "Decision on a Number of Issues Regarding the Building of a Socialist Market Economic System" stipulated what the government's role is in managing a market economy: the government establishes and implements macroeconomic control policies, it builds basic infrastructure, and it creates an environment conducive to economic development. At the same time, in order to achieve national economic and social development goals, the government nurtures and supervises the market, ensures a level competitive playing field, regulates the distribution of wealth, organizes a social security system, endeavors to control population growth and to protect the environment and natural resources, manages state owned assets and supervises the operations of those assets. At this

point the discussion of the government's economic management role was basically concluded.

In 2003 the CPC Central Committee issued the "Decision on Certain Questions Regarding Improvements to the Socialist Market Economic System" in an attempt to curb excessive government intervention in economic life. The Decision proposed that "the government's economic management become one of servicing the market and of creating an environment conducive to development." This is the earliest mention of the notion of a "service-oriented government". The 2003 Decision also stated that "within the context of a socialist market economy, the four major functions of government are economic regulation, market supervision, social management and the provision of public services." [1]In 2004 the target of building a "service-oriented government" was clearly defined. It was proposed that, in addition to regulating the economy and supervising the market, governments at all levels needed to pay more attention to social management and the provision of public services. More funding and resources were needed in these areas and more leadership was needed to promote the development of public services and a harmonious society. In March 2008 the "Opinion Regarding the Intensification of Structural Reform of the Administrative Management System" was issued. This stated clearly that by 2020 the reforms would be completed and the government's role would be to create an environment conducive to development, provide quality public services, and maintain social justice.

Secondly, the division of responsibilities between different government levels has become much clearer, and the building of internal accountability systems within different government departments has been largely completed. In a centralized system, the responsibilities of governments at different levels are largely the same, but they do differ to certain a extent due to differences in jurisdictions and administrative scope. Therefore, a lower-level government is accountable not only to a higher-level government, but also to the residents in its own jurisdiction. Since the reform and opening began, the responsibilities of government to residents within its jurisdiction have been made more concrete. After the 1994 "Reform of the Tax Distribution System" [which mandated a formula to divide tax revenues between the central government and lower level governments], a clear division of responsibilities was made in the area of expenditures between the central and lower level governments. Local governments became almost completely responsible for economic and social development and management within their respective localities. This not only increased the obligations of local governments, it put them under considerable pressure to perform.

Various systems and mechanisms have been put in place to strengthen government accountability. These have been complemented by legal and institutional developments. Systems addressing the needs for political accountability, administrative accountability and accountability to the society have each reached different levels of development. The chief components of the political accountability system are the system of "cadre management by the Party" and the system for "appointment and dismissal of cadre by the People's National Congress". The administrative accountability system depends on various laws, including the "Administrative Litigation Law" issued in 1989, the "Administrative Review Law" of 1999, the "Administrative Licensing Law" of 2004, and the "Civil Servants Law" of 2006. In 2004 the State Council issued "An Outline for the Complete Implementation of Administration According to the Law". This estimated that it would take some 10 years to complete the development of government rule of law. Administrative organizations must meet their obligations to manage economic, social and cultural matters according

to the law; failures to meet obligations or violations of the law must be dealt with according to the law. The system of accountability to the society relies mainly on citizen participation and supervision by the news media. Although there are definite limits to the effectiveness of citizen participation and media supervision, they have played a role in the resolution of some problems and to a large extent have helped to compensate for inadequacies of the political and administrative accountability systems. This has increased the government's responsiveness to the demands of society and has helped to facilitate the transformation from a "responsive" government to an "accountable" government.

Thirdly, following structural improvements to the market system and the development of social forces, the government has consciously transferred certain responsibilities to enterprises and social organizations. Economic reform began by delegating responsibilities and authority to enterprises. This was followed by the separation of state and enterprises. After more than 20 years of efforts, enterprises from various industries have become autonomous and are now the backbone of the market. The government's role is changing from one of being a participant in the economic development process to one of formulating and upholding rules and principles to guide the process. The development of civil society organizations has been relatively slow, but their emergence and growing strength has resulted in them taking a share of what formerly were the government's "all inclusive" responsibilities. They have been instrumental in checking the excessive expansion of political power. Social organizations are of two basic types: one group is made up of government sponsored, autonomous grassroots level popular organizations in both urban and rural areas. Such organizations have democratic elections, democratic decision making, democratic management and democratic supervision; they enable people to manage affairs themselves, educate themselves and provide needed services. The other type is civil society organizations. The number of civil society organizations increases each year. Organizations of all different sizes with a wide range of different agendas are emerging and, what is especially worth noting, some popular organizations which were formerly organized under the auspices of the government are now changing their status to become civil society organizations in order to suit the needs of the society.

Fourthly, as the world becomes increasingly globalized and China's power increases, the governmental must shoulder ever increasing international obligations. After the reform and opening policies were adopted, the Chinese government's foreign policy principles, which underpin its international obligations, are maintaining world peace, achieving development, opposing hegemony, and strengthening unity among Third World Nations. In the past these principles were heavily influenced by the Cold War environment and by the "ideology of struggle" which China adopted during that period. Since the end of the Cold War and especially in light of China's increasing national strength, while the principles of maintaining world peace and achieving development which benefits all remain central, in terms of method, content and in other respects China's fulfillment of its international obligations has undergone considerable change. The outbreak of SARS in 2003 motivated China to adopt a more open and cooperative attitude on many issues. In September 2005 at ceremony celebrating the United Nations' 60th anniversary, Chinese President Hu Jintao would be a responsible member of the international community endeavoring to build a prosperous and harmonious world. This increase in international obligations has not only enlarged the scope of government accountability, it has also provided impetus to realize gains in domestic accountability programs. The report of

the Seventeenth CPC National Congress in 2007 contained a clear explanation of the relationship between the two. It proposed that China had to strengthen cooperation with the international community in the fields of politics, economics, culture, security, environment protection, joining together with others to solve problems, meet challenges, and share the fruits of development in order to achieve common prosperity.[2]

Fifthly, the democratic mechanisms which underpin government accountability have been strengthened and made more complete. This is apparent in three areas: (1) the People's Congress, the principal from which the government derives its authority, has played a more rigorous and active role; (2) the development of grassroots level democratic elections; and (3) the gradual increase in the degree of public participation in policy-making.

During the past 10 years, the People's Congress at regional levels and their Standing Committees have gradually acquired more authority and in some respects have made significant progress in performing their functions. The effective operation of the People's Congress system becomes apparent not only when its increased stature among ordinary people and government officials is taken into consideration, but also when the innovative systems and processes used to make it effective are examined. Grassroots level democratic elections at present may still take place only at the lowest levels of self-government in villages and urban neighborhoods, but they are of strategic importance accountability process more democratic. To be more specific, first the authority has used direct elections to return the power of self-governance to rural villagers and urban residents, so that, from a legal standpoint, there is a clear line dividing the state and the society. In this way the authorities can no longer directly impose its will by simply appointing members of rural Villagers' Committees or urban Residents' Committees, and this serves to limit the expansion of state power. Second, regular direct elections enhance the people's awareness of their political rights and the concept of "democratic empowerment" takes concrete shape. When village and township cadres discuss "Villagers' Committee" elections, many emphasize that, although there are still numerous problems and that the elections pose challenges to traditional work methods, the development of democratic election is a historical trend. More importantly, villagers have become more aware of their political rights and their freedom of choice, and have become more demanding of basic level cadres. Third, these elections provide inspiration and impetus to develop competitive election on a larger scope and at higher levels.

It is through participation that the public exerts pressure on the government to implement the accountability system and then supervises its implementation. The government must open up more areas for citizens' participation on the one hand, and provide channels and means of participation on the other. The public's ability to participate has improved significantly with improvements in information technology. They can readily obtain information on government behaviors, and also have at their disposal numerous channels to express their demands and dissatisfactions. Telephone hot lines and online communication (including relatively new methods of disseminating information like chat rooms and blogs) have become fashionable ways to participate. Faced with the public's enthusiasm to participate and with their increased ability to do so, the Sixteenth CPC National Congress Working Report proposed to "expand the orderly political participation of citizens". Subsequently in 2007 at the Seventeenth CPC National Congress, it was further proposed to "expand the orderly political participation of citizens at all levels and in all areas, in order to mobilize and organize the people manage natio-

nal, social, economic, and cultural affairs in accordance with the law".

Sixthly, the administrative accountability system has improved steadily The establishment of the system was proposed as early as 1987 in the work report of the Thirteenth National Party Congress and, subsequently, such laws as the "Administrative Litigation Law" and the "Administrative Review Law" were drawn up. After the outbreak of SARS in 2003, society's attention became focused on administrative accountability. The "Regulations for Public Health Emergencies" unveiled in May 2003, which was designed to prevent government officials (or their designees) from falsifying information or omitting relevant facts in the event of an emergency. This is now considered to have been the first step in the development of an administrative accountability system. Subsequently, the CPC Central Committee unveiled the "Provisional Regulations Regarding the Resignation of Party and Government Leadership Cadres" which provided more detailed regulations regarding the connections between resignation and accountability, the circumstances surrounding a resignation, and the form an investigation could take. Various local governments and Party organization also took steps to develop accountability systems. Premier Wen Jiabao's "Government Work Report" presented to the Fourth Session of the Tenth National People's Congress in 2004 pointed out that it was necessary to establish an accountability system for decision making, and to implement an accountability system for law enforcement, as well as a system to investigate and penalize infractions. In early 2006 the State Council officially made the establishment and implementation of the administrative accountability system an item on its daily work agenda. Premier Wen Jiabao's 2006 address proposed accelerating the development of an administrative accountability system focused on the chief executive, integrating administrative accountability with administrative inspection, audit and supervision duties, so that there is accountability for the fulfillment of all obligations and investigation any time there are infractions. Consequently, as the accountability system has improved and been strengthened, some officials have received penalties commensurate with their infractions.

Seventhly, the government's internal performance appraisal system is gradually being developed. The development of the systems borrows from the experiences of Western nations. After 10 years of development, there have been achievements in four areas: (1) The group of performance targets, which are used to appraise local governments' overall performance, has become more balanced and comprehensive. The importance of success in promoting economic development has been reduced to a more appropriate level and other targets which help to judge a government's effectiveness in areas like the promotion of social justice, environmental protection and government innovation have been added to the mix. (2) Various government departments with different functions have tailored the appraisal system in ways which make it suitable to the needs of particular departments. (3) The operation of the appraisal system has become more open and there is more extensive p participation; (4) Various unscientific methods such as too pragmatic practices, widely conducting veto without considering specific conditions, have been eliminated and the uses to which those results are put have become more rational. Performance appraisal results are increasingly having an impact in areas such as cadre appointments, rewards and punishments for officials and the deployment of human resources.

III. ECONOMIC GROWTH AND THE "GROWTH OBSESSION" AS THE ONLY MEASURE OF LOCAL GOVERNMENT ACCOUNTABILITY.

Local governments are charged with being accountable. At the start of the reform and opening period, accelerating the pace of economic development and increasing government revenue thus became the two primary goals of local governments. In the process of achieving these goals, local governments became “entrepreneurial”, taking an active role in economic development process. Although some governments were more practical in their approach than others, excessive interference in the economy during the 1980’s produced some negative results. For one, in their attempts to increase revenue, some governments undertook too many grandiose infrastructure projects, and tried to build "all-encompassing" total industrial systems by administrative fiat, producing distorted economic structures and poor results. For another, administrative measures such as regional “blockades”, discriminatory taxes, and disguised subsidies were used to protect local industries against competition from other localities. The resulting local protectionism had various consequences, one of which was the competitive “scramble” for raw materials among the localities.

In addition to their responsibilities in the area of economic development, local governments came to bear more and more social economic management responsibilities. Specifically, responsibilities were added in five areas: (1) The central government delegated to local governments the authority to manage planning, some fixed asset investments and development of townships or municipalities. (2) The central government made more demands on local governments to meet modernization goals in education, agriculture, health care, etc., as well as demanding that local governments be prepared to meet unexpected problems and emergencies. (3) As the responsibilities of higher level functional departments have been spelled out in greater detail, some of those responsibilities have been delegated to lower level departments and incentives such as "model unit" designations have been developed to facilitate fulfillment. (4) Enterprise management authority devolved from higher to lower levels, with lower level governments assuming responsibility for unprofitable enterprises, among others, and this not only increased local governments' economic management functions, it gave them new responsibilities in the area of social management, for instance, dealing with the problems of laid off and redundant workers. (5) In addition to the increased demands from higher level governments, rapid social and economic development has also created numerous new demands which local governments must deal with. These include addressing problems arising from urbanization and industrialization. The demands of local residents are also changing. They not only expect local governments to facilitate rapid economic growth and provide high quality infrastructure, a stable, safe environment, and a high level of employment; but as people's awareness of legal and democratic rights increase, they are more willing to question governments' behavior, even taking the government to court in some instances.

Local governments must have sufficient revenue to fulfill their increased obligations. It was obvious early on that most local government did not have adequate financing because, on the one hand, the level of local economic development was unable to provide adequate tax revenues, and on the other, the central government’s system of payment transfers was far from perfect, meaning the society’s self-management capabilities were inadequate. With funding support from the central government and other public sources no longer available, local governments were entirely on their own to fulfill various social management and service obligations. By 1990 it was obviously they were under heavy pressure to fulfill obligations on both the economic and social fronts. The 1994 reform of the tax distribution system did not alleviate the pressure; rather it continued to

increase.[3]

For local governments trying to cope with these dual pressures, the only choice was to push economic growth at any price, using any means available to increase income. Thus, government obligations began to be defined entirely in terms of this "growth obsession". This manifested itself in three areas:

First, bringing outside investment to the locality became a major task for regional and local governments at all levels. The 1990's saw the decline of state owned enterprises with many losing money and some being effectively bankrupt. Not only were these enterprises no longer the primary source of funds for local governments, but in many cases they created both financial and social burdens for governments which had to deal finding jobs for workers formerly employed by state owned enterprises. For local governments in need of new sources of funding, it obviously made sense to seek outside investors. Investment promotion of this sort was also encouraged by the central government.

Local governments adopted various measures to attract capital, making for intense competition between governments in different regions. Initially, governments focused on infrastructure improvements to upgrade the business environment and attract investment. Over time, as more and more localities had first class infrastructure to offer, the competition moved into other areas. Governments competed to offer the most favorable tax and investment policies, the least red tape and the best service. After China entered WTO in 2002 a number of the preferential policies were eliminated, but governments continued to compete in the area of services to attract investors. At present, in both developed and developing areas, attracting new investment remains the principal means for localities to achieve economic growth and, as a result, the competition for investment remains intense.

Outside investment has played an active role in promoting economic development, and it has been instrumental in promoting various changes in the way government functions. This can be seen very clearly in the reforms of government review and approval procedures, and in the introduction of business management practices to government. The government's obligations to investors and investment capital take precedence over its obligations to higher levels of government and to the people. In the process they have violated policy directives from higher levels of government and infringed on the rights of the people. Additionally, some local officials have compromised their positions by colluding with investors in various inappropriate or illegal money making schemes.

Second, public services, which should be provided by government, were pushed into the marketplace. In China most public expenditures for items such as education, health care and sanitation services, social welfare benefits and basic infrastructure construction are borne by governments at the provincial level and below.[4] Education, health care and sanitation services are normally provided by governments at the county level and below; social welfare benefits are the responsibility of provincial and various local level governments. With limited financial resources available, governments have been unable to meet all of their obligations in these areas. They have been forced to make changes to the ways such services are provided and to the structures used to manage delivery of services. Making use of private capital and market mechanisms became the method of choice for local governments to address problems in this area. It is possible to view this "marketization" process in China as part of a larger international trend, "The New Public Management Movement". However, because both the market and legal systems had many shortcomings, the delivery of services in many

localities did not improve. Instead they became "commodities" the cost of which local residents could little afford to bear. The "marketization" of public services took two forms. In some cases services which had been provided in the past by government were "privatized", with all or part of a service organization sold to private sector investors. Although this certainly reduced the financial burdens of government, it also completely changed the nature of the public services organizations affected. What were formerly service organizations became for profit entities. In other cases a service organization's functions were contracted out for a fee, sometimes to the service organization's management, sometimes to outside managers. In the process the service organization became a "money machine" for the local government. Not only did the service organization no longer require any government funding, it became a source of government income. Naturally the groups contracting to manage such service organizations wanted to turn a profit and raised fees in any number of ways in order to do so. By making outside funding available to develop public services, the "marketization" of public services did to some extent reduce the financial burdens of local governments. There were real achievements in some areas, for instance, infrastructure construction. But overall "marketization" changed the nature of public services organizations in negative ways and instead of allowing government to share some its responsibilities, it damaged in very basic ways the government's ability to fulfill its obligations. As the new millennium begins, difficulties arising from the high cost of public services like education and health care have become the focus of much concern.

Third, economic incentive mechanisms to motivate regional and local governments were put in place. As the reforms got underway in 1978, authority and rights of various kinds began to be delegated to local governments. In effect the central government recognized local governments to legally constituted entities with particular interests and it delegated to them authority and rights within specified limits. In this way, building on the foundation of older incentive mechanisms based on the notion of "loyalty to commands", a new "loyalty to performance" incentive mechanism took shape at the operational level of local government.

With clearly defined incentive targets in place, achieving top performance results became a very high priority of local governments and leaderships. Officials put a great deal of time and energy into devising ways to get the most achievements in the least amount of time. Competition among local governments became intense. An incentive system based on achieving performance results was positive in the sense that it made room for governments and individuals to show initiative and make use of their creative talents. Performance appraisal results were, however, heavily dependent on achieving economic targets and this created a number of problems: (1) Anxious to get fast results, governments rushed pell-mell into all kinds of projects without giving careful consideration to their suitability, resulting in an enormous waste of resources and cases of official corruption and malfeasance. (2) There was too much focus on projects which would yield short term gains, at the expense of projects promising longer term, sustainable development. (3) Overly ambitious leaders in a hurry to gain recognition provided inflated or bogus statistics to make themselves look good. With an incentive system fixated on meeting economic development targets, local governments and officials put most of their energy into promoting rapid economic growth. This resulted in some short term successes, but it worked against a focus on sustainable development designed to unleash a localities potential in the long term and it led to imbalances in the national economy. (4) The fixation on economic

growth also led governments to ignore other areas of development resulting in unbalanced social development.

The economic growth fixation influenced government behavior in many ways, but in the area of making government more accountable, there are three issues worth noting.

First, the duties of local governments became more practical, having a direct bearing on the livelihood of people with their jurisdictions and serving the needs of those people. In this way local became accountable not only to higher lever government authorities, but also to local people. Responsibilities to local residents and responsibilities to higher level governments overlapped in many respects because regional economic and social development was a goal shared by all. Second, given limited financial resources, governments had to make choices, inevitably giving priority to economic development at the expense of other kinds social development and public services. An incentive system based on meeting growth targets and self-interest on the part of both governments and officials made the focus on economic development all the stronger. In the event as economic growth did occur, governments increased their incomes which left them better able to fulfill their various obligations and, at the same time, put government officials in a position better to protect their own interests. Finally, at all levels of the system, there was a pronounced disconnect between the obligations which a government was supposed to fulfill and its ability to do so. In general, the lower the level of a government, the more serious the problem became. A highly centralized finance system with a flawed mechanism for payment transfers was at the root of the problem. The fact that government functions overlap at different levels in a centralized system exacerbated matters. Higher levels of government were able to fulfill their obligations, in effect, by passing their responsibilities down the line to lower levels of government. A Chinese saying, "There are a thousand threads at the top, but only one knitting needle at the bottom." succinctly describes this phenomenon.

IV. POLITICAL RISKS AND DEFINING GOVERNMENT ACCOUNTABILITY MECHANISMS IN ENTIRELY POLITICAL TERMS.

Defining accountability mechanisms in totally political terms means that higher level authorities, particularly the central government and Party committees at various levels, define key tasks as “political tasks”, demanding that lower level governments and functional departments put all of their energy into completing these tasks. Success or failure brings commensurate political rewards or penalties (usually in the form of promotion or demotion for officials). There is no contradiction between defining the mechanisms used to realize accountability in totally political terms and defining the obligations which governments are accountable for achieving completely in economic terms, achieving growth targets and the like. The one refers to the means higher level authorities use to get lower levels to fulfill key obligations, while the other refers to the fact that the key obligations for local governments are to achieve economic development targets. In fact these are two intimately related facets of the accountability realization process. On the one hand with the advent of the reform and opening policies, economic construction to achieve economic development became the fundamental political line, the highest expression of politics and, naturally, government’s responsibilities revolved around carrying out economic construction. On the other hand, higher levels of government made

use of "politicized" accountability mechanisms to motivate lower levels in order to guarantee that economic development proceeded smoothly. Obligations which were concerned with economic development issues and the "politicized" mechanisms used to motivate governments to fulfill those obligations became an integrated whole.

The basic purpose of accountability mechanisms defined in totally political terms is to ensure that the directives of higher level authorities are implemented. In practical terms, this means: (1) At the point a particular task becomes a "political task", its status rises and it becomes more significant than the many mundane tasks on a government's agenda. (2) Next the government or functional department charged this "political task", in order to fulfill its responsibilities, makes adjustments to its resource and staff allocation plans, in some cases heavily skewing allocations in favor of the "political task". (3) Once a task has been declared a "political task", to ensure unified implementation of the task, the behavior of lower level authorities or functional departments is subjected to a definite level of control to prevent shirking or contravention of orders. Inappropriate behaviors result in "political" penalties, which for individual officials means diminished political and career prospects. (4) By declaring something to be a "political task" higher levels of government, and especially the central government, show that they consider this task to be of particular importance. This serves to maintain or improve their public image and enhances their legitimacy.

Government obligations elevated to the status of "political tasks" are defined in terms of adjustments the central government makes to its overall development strategy and the changing responses it has to especially pressing problems. During the initial period of the reform and opening policies economic development became the first "political task" to be accomplished by governments at all levels. After Deng Xiaoping's 1992 Southern tour, the development of a market economy became the goal of the national construction effort and the status of the "political task" of economic development was elevated still further. In addition to its role it plays in meeting economic development goals, the same kind of accountability mechanism is applied to other tasks which the government considers important. Economic growth brings with it an increasing number of factors which have an impact on social stability; thus, maintaining social stability has become a "political task" for governments at all levels. The effort to maintain social stability constantly brings new, specific tasks to the fore - the need for law and order, dealing with people's grievances and complaints, price fluctuations, work place safety, food safety, environmental protection, etc. These too become high level political obligations which much be fulfilled by governments at all levels.

Besides promoting economic development and maintaining social stability, the two fundamental "political tasks", there are other tasks, family planning and birth control efforts, for instance, which have their political status elevated. As needs change over time, the central government and lower level governments may add new "political tasks". After a task is defined as "political" or "having political stature", special mechanisms to ensure accountability are adopted. The two most important are: the "chief executive" method to direct the obligation fulfillment process to completion and the "veto by one vote" method to determine rewards or penalties for the process result.[5] When a lower level government or functional department receives a task, the government or department head, the "chief executive", becomes personally responsible for managing the work of task completion. This "chief executive" has access to administrative authority enabling him or her to mobilize the resources and staff needed to complete the task. The "veto by one vote" method

refers to the way in which annual performance in carrying out “political” tasks is evaluated. When governments, functional departments, and individual officials have been charged with completing a “political” task, successful completion of that task becomes the only criterion used to assess performance. Failure to complete the task means the agencies or individuals involved are not eligible to receive any rewards regardless of their performance in other areas. Naturally, not all of the tasks which are evaluated according to the "veto by one vote" method use the "chief executive" method. It is important to note that today the "veto by one vote" method is being used to assess government performance and accountability in a wide range of areas - preserving cultural relics, ensuring work place safety, protecting public health, enforcing truth in advertising standards and promoting energy conservation to name some. This appraisal method is used by the government, not only for internal appraisals, but also for appraisals of enterprises and pubic institutions. Some local government, for example, stipulate that enterprises which do not meet environmental protection standards are not eligible to receive city-level "model enterprise" designations and the responsible person(s) at the enterprise are not eligible to receive the honorary "model worker" designation.

In a system characterized by continually increasing responsibilities, the choice of "politically defined" accountability mechanisms is inevitable. There are three main reasons giving impetus to this development.

First, the centralized structure of the resource allocation system provides a systemic environment for "politically defined" accountability mechanisms. Although devolution of some authority to lower levels and development of the market have significantly changed what was formerly a very centralized structure for resource allocation, structurally the Chinese government remains centralized. For one thing, when considering the relationships between governments at different levels, lower levels must submit to higher levels, and local governments must submit to the central government. Higher levels of government, the central government included, control many of the resources lower levels need to develop. In addition to control over resources such as funding, higher levels more importantly are able to approve the behavior of lower levels, in effect granting them legitimacy. For another thing, within functional departments, implementation is the responsibility of the department head, the "chief executive", under the leadership of the department's Party committee; with the chief executive having real authority over the department's resources. The chief executive, as a result, focuses more on some tasks and his or her personal involvement in particular tasks inevitably leads to adjustments in the allocation of departmental resources.

Next, one of the political system's guiding principles - the Party manages cadres - serves a vehicle for elevating some obligations to the level of "political obligations". This principle means that officials at all level must first of all submit to the leadership of the Party and carry out the Party's orders. Centralized management methods are adopted to implement this principle, with authority becoming more centralized as it moves up the hierarchy.

Last but not least, with local governments and departments increasingly focused on their own interests, higher level governments are constantly strengthening "politically defined" accountability mechanisms as a way to ensure that government decrees are carried out. Since the reforms and opening got underway, local governments and functional departments have been invigorated and become more aware of their own interests and more likely to take the initiative in their work. But there have also been some less desirable outcomes - "putting departmental interests above all else",

using public authority to satisfy personal desires" and "the legalization of departmental interests". In 2006 Premier Wen Jiabao proposed “to improve administrative efficiency and to strengthen the government’s executive capabilities, as well as the level of the public's trust”. He was critical of some local governments and departments, singling out two obvious problems. One was hindering the implementation of government directives or being lackadaisical in their implementation. The second was contravening the law or regulations and losing the public's trust as a result.

In an era of very rapid change, there can be no doubt that "politically defined" accountability mechanisms help to keep the government's most pressing responsibilities at the top of its agenda. They also are an impetus to finding effective solutions to important, difficult problems, guaranteeing that the government is basically fulfilling its obligations. This is an important reason why, since the beginning of the reforms and opening, governments at all levels have been able to deliver on the needs of social and economic development in a timely fashion. On various occasions when the reforms have run into obstacles or resistance, defining these problems as "high level political problems" has allowed the obstacles or resistance to be overcome, ensuring that overall the country remains on track and is able to continue implementing its national strategy.

When all is said and done, however, the government accountability cannot depend in the long term on the various levels of government pressuring each other, one on top of the other. More importantly, use of such a highly "politicized" method has negative consequences. While lower levels have submitted to higher levels in carrying out directives, the public's trust has been undermined in the process. There are five aspects worth noting:

The first is the emergence in different localities of various kinds of “political show projects”, many of which are in fact "chief executive" projects. Although some of these have been undertaken to meet the demands of higher level authorities, in many cases local officials have simply been indulging their own whims and fancies. Various development projects have been undertaken with little consideration given to their suitability for the local economy, their costs or their efficacy; and in some cases after completion the projects have been abandoned and never used.

Second, the power of the "chief executive" - the primary person being held accountable - is increased. Within a centralized system, the "chief executive" is held accountable for his unit's performance and, at the same time, has the authority to allocate resources within the unit and to appoint or dismiss staff. In a less than perfect system, the "chief executive" is in a position to abuse his administrative powers in the push to fulfill responsibilities. More importantly, in making staff assignments, the "chief executive" is in a position to appoint only people whom he trusts, while pushing out anybody who disagrees with him. It is easy under the circumstance for a network of patron-client relationships to develop. Increases in the chief executive's power can, thus, easily lead to corruption.

Third is the tendency of administrative behaviors to become coercive. Functional departments have a propensity to use coercion and this can get out of hand in the absence of effective constraints and supervision. The indiscriminate use of coercion by government authorities for whatever reason has a dramatically negative impact on social stability. It is difficult to calculate the damage it does both to social order and to the government’s credibility. A number of undesirable incidents have been the result of this behavior.

Fourth, defining accountability mechanisms totally in political terms has hindered the development of other kinds of accountability mechanisms, causing the accountability system to

be unbalanced. In addition to politically defined mechanisms to achieve accountability, there are also legal and moral accountability mechanisms. To strengthen government's accountability, all of these mechanisms need to be effective and working together in tandem. Politically defined accountability mechanisms have, however, come first meaning the approach to government accountability has been a political one. Thus, despite steady improvements in the legal mechanisms for accountability, these have not yet been widely used.

Fifth, the use of politically defined accountability mechanisms inadvertently leads to situations in which some governments and/or officials find ways to evade their responsibilities. Administrative commands and political consciousness are the primary means of getting lower level governments and officials to fulfill the tasks for which they are held accountable by politically defined mechanisms. However, the cost of supervising the administrative process to see that orders are carried out is high and political consciousness is a sort of "soft constraint". Thus, in a situation where each level is exerting pressure on the level below it, governments and officials at the bottom are anxious to find ways to evade some of their responsibilities. One is for lower levels to manipulate data and put together reports with misleading or fabricated statistics which meet the expectations of higher level superiors.

V. CONCLUSION: FROM A RESPONSIVE GOVERNMENT TO AN ACCOUNTABLE GOVERNMENT

During nearly 30 years of reforms China has made tremendous progress in the area of government accountability - how accountability is defined, in the mechanisms to achieve accountability, in government's capacity to implement these mechanisms, in the quality of the obligations fulfilled, etc. These have basically satisfied the needs of China's social and economic development. Compared to most developing nations, the Chinese government has already attained a relatively high level of "responsiveness". This is a requisite step s in the development of an "accountable" government.

China's government accountability system is characterized by the following: (1) government's obligations not only exist on different levels, they are also e varied. All levels of government, from the central government down to county and township governments are involved in the accountability process. Additionally, there are Party organizations, government sanctioned people's organizations and various grass roots level organizations which exercise public authority to some extent and, thus, take on a level of governmental responsibility. These organizations not only support the government, in certain cases they act on its behalf in fulfilling public obligations. (2) The definition of government accountability is constantly being refined and adjusted. How the adjustment process plays itself out is determined by three elements - the development of China's socialist market economy, the diversification of the social structure, and the pace at which China joins in the globalization process. As the process unfolds, government's primary obligations are gradually shifting from promoting economic development to providing public services and preserving social justice. Furthermore, the obligations have taken on an international dimension. (3) The mechanisms for realizing government accountability are basically in place. Systems for elections, administrative supervision, legal supervision, social supervision, as well as the Party's internal supervisory system are constantly being developed and improved, and taken together constitute the

accountability mechanisms; (4) The realization of government accountability possesses a mobilizing nature. From the central government on down, governments at different levels have similar obligations and responsibilities. Higher level governments have both sufficient authority and the necessary resources to impel lower levels to fulfill their obligations. When a particular obligation becomes the focus of attention at higher levels of government, fulfillment of the obligation becomes a "political task", with all levels of government do what is needed to complete the task.

Although the Chinese government continues to take on more responsibilities, and is highly "responsive" in nature, it still has a long way to go before it becomes an accountable government. In order to reach this goal four major challenges must be addressed: first, government obligations are structurally unbalanced, with the obligation to promote economic development taking precedence over all other obligations. This imbalance has given risen to abuse of administrative power and interference excessively in the operations of the market economy. Besides, there are also serious asymmetries in division of responsibilities between different levels of government and in the abilities various levels have to meet their responsibilities. Governments at the lower end of the hierarchy have the least resources available and the most limited capabilities, but are burdened with the heaviest responsibilities Such asymmetries often lead higher level governments or departments to use "political means" to push for compliance to directives and accountability, while at the same time motivating the lower levels to look for ways to evade their "unlimited" responsibilities. Furthermore, the development of accountability mechanisms which rely on elections lags behind mechanisms which rely on administrative and political commands from higher levels to be effective. Governments at all levels tend to pay the most attention to their obligations to higher levels, while neglecting their obligations to the public. Last but not least, the work various departments do to fulfill their obligations and be accountable is often uncoordinated with the efforts of other departments. Departments pursue their own interests and there is a both shirking of responsibilities and buck passing, all of which has a negative impact on the overall performance of the government.

In a 2006, address Premier Wen Jiabao said that building of an accountable government is important.[6] In order to transform a "responsive" government into an accountable government, the reforms must be in the direction of rationalization and democratization. "Rationalization" in this context means that the obligations which government undertakes to fulfill are rational, that the mechanisms to ensure accountability are operational to make the governments efficient and effective. "Democratization" here means government's democratic accountability mechanisms and mechanisms which make it accountable to the society must be strengthened. The two are inter-dependent. Without democracy a "responsive" government will not transform essentially to an accountable government; without "rationalization" the government will not have the ability to fulfill the obligations that it must fulfill.

What needs to be done are: First, government functions must be further adjusted, the definition of government accountability must be refined, and obligations of government, market, and civil society must be clearly defined. Second, government's democratic accountability mechanisms must be strengthened. Apart from continuing to push for basic level elections and strengthening the functions of the People's Congress, conditions which support and encourage the public's participation in government activities must be created, so that democratic accountability mechanism will have solid social support. Third, reform of the financial system is needed to

eliminate the asymmetries between the responsibilities governments at various levels bear and the resources they have available to meet those responsibilities. Governments at different levels should have clearly defined responsibilities and the resources they need to fulfill their obligations. Fourth, to create a balanced system of accountability mechanisms and build a comprehensive government, administrative accountability, legal supervision, and public supervision must all be developed in tandem. Fifth, government officials must become more aware of what accountability means and provided with the skills they need to make accountability mechanisms function effectively. It will be government officials at all levels who make government accountability a reality and to do so they need training and support of all kinds to strengthen their sense of responsibility to the society.

NOTES

[1] Address in the "Innovations in Government Administration and E-Government Special Topic Seminar" for the cadre of provincial and ministerial levels at the China National School of Administration (Premier Wen Jiabao, 2003).

[2] Hold High the Great Banner of Socialism with Chinese Characteristics and Strive for New Victories in Building a Moderately Prosperous Society in All Respects. Report to the Seventeenth National Congress of the Communist Party of China (Hu Jintao, 2007).

[3] In the depiction on governmental financial status, there is this saying: the Central Government has enough to be celebrating all the time; financial situation at Provincial level is daily on the rise; City level governments are making do; County level governments are like hungry babies crying for milk; and Village levels are like orphans and poor as a church mouse.

[4] Challenges Facing China in Public Spending – A Road to Better Effectiveness and Justice (OECD Policy Brief, 2006).

[5] It is believed that the "veto subject to one vote system" is borrowed from the United Nation Security Council voting system, where a resolution can be vetoed by any one of the five permanent members.

[6] Wen Jiabao's statements in the video-phone conference regarding "Fortifying Government's Self-construction and Promoting Innovations in Governance." (Wen Jiabao).

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