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# Leading groups: public sector reform with Chinese characteristics in a post-NPM era

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## ABSTRACT

In recent decades, the emerging post-New Public Management (post-NPM) reform wave has introduced a variety of coordinative organizational forms, among them super-ministries and networks. In this study of Leading Groups (LGs), a form of network that characterizes China's public sector reforms, an instrumental-structural and a cultural-value perspective are used to analyze the post-NPM features of the LG model, paying special attention to its Chinese characteristics. It reveals that LGs are in fact part of China's public reform tradition and have been revived in the Xi era. They resemble post-NPM in that they are designed to strengthen integration and coordination, but they also show a great deal of cultural path-dependency. LG reform efforts are a central part of a broader Party-dominated network framework involving the recentralization of administrative power to the Party, which is typically Chinese.

## ARTICLE HISTORY

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## Introduction

In the late 1990s, what has been labeled post-New Public Management (post-NPM) emerged in Australia and New Zealand, partly in response to the challenges that NPM reforms had raised over the previous 15 years (Lodge and Gill 2011). Post-NPM has been rather broadly defined and has been given a number of labels, such as “whole-of-government”, “joined-up government”, neo-Weberian state, New Public Governance, network governance, etc. In some ways, post-NPM is an alternative and competing paradigm (Reiter and Klenk 2019; Torfing et al. 2020) to NPM, but it has also been combined with NPM in a layering process (cf. Mahoney and Thelen 2010). A comparative study of cross-sectoral post-NPM reforms in 13 countries from 1980 to 2014 shows that policy integration and administrative coordination have grown stronger over the past 20 years, but there have also been considerable variations over time, policy sectors, and countries (Trein and Maggetti 2020).

Post-NPM implies both a set of ideas about how to organize the public sector and more specific organizational forms of various kinds (Christensen and Laegreid 2007; Pollitt and Bouckaert 2017). The ideas are dominated by the notion of “putting the system back together again” (Gregory 2003), meaning that after a period of deregulation and structural fragmentation inspired by NPM, a strengthening of central political and administrative capacity and greater coordination and collaboration between public policies and programs was due (Boston 2011). As regards specific organizational forms, post-NPM encompasses a broad spectrum, from structural mergers and strong centralizing and coordinating measures, on the one hand, to rather informal and loose network-like features on the other.

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In the past two decades, transcending NPM to embrace post-NPM has become a global trend not only in Western countries in general and Anglo-American countries more specifically (Pollitt and Bouckaert 2017), but also in China, where it goes by the name of Service-Oriented Government (SOG) (Tian and Christensen 2019). From the current literature on China's central government reform, it's evident that SOG reforms are characterized by other, related post-NPM structural features, such as the super-ministries introduced in the 2008, 2013, and 2018 reforms. This does not, however, necessarily mean that this represents global convergence. Even though globalization and internationalization as driving forces have a strong impact on domestic governance reforms, the impact varies according to the domestic political-administrative context and culture (Trein and Maggetti 2020).

In an authoritarian regime like China, whose global influence has grown enormously and thus become a strong focus of attention, central political leaders are supposed to play a more critical role in bringing about recentralization than in Western representative democracies (Christensen and Fan 2018). While the Chinese SOG reforms did indeed adopt the super-ministry model from the West, as Christensen et al. (2008) have already analyzed, they also re-introduced forms of network, such as the Leading Groups (LGs), that originated in the Mao Zedong era and are now being revived under Xi Jinping (Lai 2015; Tsai and Zhou 2019). Xi is making greater use of LGs than his predecessors to promote further reforms. In the face of the unexpected COVID-19 pandemic, the Communist Party of China Central Committee (CPCCC) set up a Central Leading Group for Novel Coronavirus Prevention and Control (CLGNPC) headed by Premier Li Keqiang. This LG is especially important for explaining China's approach to containing the spread of the virus.

These two forms – super-ministries and LGs – can both be seen as post-NPM structural elements in the sense that they are designed to improve coordination (Tian and Christensen 2021), but clearly their origins and modes of operation are different. There have been a number of studies on the importation of the super-ministry model (Christensen et al. 2008; Dong et al. 2010), on the role of the super-ministry in China's reforms (Christensen and Fan 2018), on difficulties and resistance to reform in China (Qiu and Li 2008), on effects (Ma 2016) and also on post-merger outcomes (Liu and Christensen 2020), but little work has been done on LGs. In other words, in the post-NPM era, LGs have not been given the scholarly attention they deserve.

We believe that LGs are an important organizational form in China's public sector reforms, and thus it is necessary to clarify their historical evolution and political operation. An even more important task is to identify what, if any, their typically Chinese characteristics are, given the nature of China's Party-state system. The article will contribute to the slim literature on LGs at the central level by combining two theoretical perspectives that draw heavily on organization theory and have been used in several studies of Chinese government reforms in recent years (Tian and Christensen 2019). One is an instrumental-structural perspective following the tradition of Gulick (1937, 5), who distinguished two primary means of coordination, by organizations (tightly coupled structure) and by ideas (loosely coupled structure). The second one is a cultural-value perspective, highlighting the importance of the unique internal cultural identity of informal norms and values (Selznick 1957).

Accordingly, our specific research questions are:

- What changes have occurred over the past decades with respect to LGs at the central Party-state level?
- How can one understand China's LGs in terms of post-NPM based on the two organizational theory perspectives? And, what are their Chinese characteristics?

Our study is not preoccupied with how the LGs are actually working, including whether they have a real or symbolic function, but with their development and organizing, as post-NPM entities, analyzed through the instrumental and cultural perspectives.

It should be noted that LGs in most cases do not appear in any formal organizational charts of the Party-state system since they usually deal with sensitive political issues. This is further complicated by the fact that their operations are shrouded in secrecy. What is more, most scholars, including us, do not have access to relevant top-level officials for interviews. In our interviews with low-level officials, LGs at the central level are also described as being in opposition to transparency. Under such circumstances, individual LGs are not easily probed into. Nevertheless, we still single out the LGs for financial and economic affairs and look at their evolution over time. At the same time, by focusing on the publicly available Party and government documents, memoirs or biographies of top officials, interviews with low-level officials, media reports and academic literature, a framework is offered for understanding China's public sector reforms and for gaining insights into their specifically Chinese characteristics, particularly in the Xi era.

In the following, the theoretical perspectives are outlined. Then the Chinese context is reviewed, including the Party-state regime, the organizational structure of the SC, and the basic concept of LGs. This is followed by a descriptive examination of the evolution of LGs and a detailed discussion. In the conclusion, the findings of this study are summed up and the contributions of our research effort outlined.

## Theoretical perspectives

Our theoretical perspectives, the *instrumental-structural perspective* and the *cultural-value perspective*, come from an organizational approach to governance (Christensen et al. 2020). The instrumental-structural perspective is based on "bounded rationality" (Simon 1997, 118), meaning that in a complex and uncertain environment, individuals with limited capacity, knowledge, and attention are unable to consider every aspect of a multi-faceted issue simultaneously in policy-making. They therefore need to simplify the policy-making environment by systemically designing organizational structure, demography, and locus, so that the selection of problems and solutions in decision-making processes is made easier (Egeberg 2012; Egeberg et al. 2016). Among these organizational factors, the formal structure, involving specialization and coordination, is the most important one. Thus, an organization is defined as a rational instrumental structure designed to solve specific tasks effectively and efficiently. A typical feature of post-NPM reforms is the change in organizational structure from increased horizontal and vertical specialization (such as single-purpose organizations) toward more structural integration and coordination, presumably with the ultimate aim of creating a more holistic public sector (Christensen and Laegreid 2007).

Leaders in any public sector will inevitably face the task of coordination. As Dahl and Lindblom ([1953]1963, 22) explained long ago, leaders may have the following structural choices: hierarchy (hierarchical coordination based on command-and-control), polyarchy (voting and preference counting), market mechanisms (negative coordination based on competition for self-interest), and collegiality (positive coordination based on bargaining and negotiation) (Christensen and Laegreid 2007, 19; Lieberthal and Lampton 1992, 36; Tian and Christensen 2019). Polyarchy normally exists within political systems like the democracies typical for the West. Our article focuses more on a central governance structure in a one-party state, so it does not deal with polyarchy. Among the other three organizational structures, NPM embraces more market mechanisms, while post-NPM has to some extent reverted to the previous model of hierarchy, but also moved beyond it, in the form of super-ministries, but it also advocates collegiality in the form of inter-organizational networks, such as working groups, taskforces, and also the LGs discussed in this article.

Thus, in analyzing post-NPM reforms, a distinction is made in this instrumental-structural perspective between a hierarchical variant and a negotiational variant (Christensen et al. 2020), implying that tasks and problems are identified and then solved either in a top-down hierarchical way or as a result of negotiations among different actors at the same level with partly conflicting goals. Specifically, super-ministries in a hierarchical structure are typical of vertical coordination,

while all the various forms of network structure, including LGs, reflect horizontal coordination among different public organizations.

Public organizations are *also cultural-value systems* embedded in a wider social and cultural context. Therefore, it is not enough just to pay attention to purely rational-instrumental decision factors. In other words, public organizations are not only the result of conscious design, but also gradually evolve through natural and unplanned adaptations to new situations through internal and external pressure (Selznick 1957, 12). In this evolutionary process of path-dependency, public organizations develop their own historical trajectories and traditions manifested in informal cultural-value features (Brunsson and Olsen 1993). Such historical traditions and cultural compatibility play an important role in public sector reforms. If reform initiatives are compatible with historical traditions and cultural identity, they are more likely to be implemented and sustained; if they are not, obstructions or modifications may occur (Christensen and Laegreid 2007, 114).

Hence, when examining post-NPM reforms one has to bear in mind that historical trajectories heavily influence current public sector reforms, positively or negatively (Pollitt and Bouckaert 2017). Formal instrumental structures, whether NPM or post-NPM, are both important in policy-making and implementation, but they have always been supplemented by cultural values. Specifically, a central cultural-value feature of NPM is that one-dimensional market values, such as efficiency, are important. The major cultural-value reasons why post-NPM emerged from the late 1990s onward are that NPM was regarded by many as undermining traditional executive control, failing to yield increased efficiency, and leading to social inequality (Christensen and Laegreid 2007). By contrast, the aim of post-NPM is not only to strengthen hierarchical leadership through recentralization and integration, but also to foster collective values by emphasizing cultural integration inside government (Christensen and Fan 2018).

From this cultural-value perspective, political leaders may adopt organizational structures, such as LGs, that are compatible with the traditional political-administrative culture with few or no modifications, so as to promote their organizational mission. But, they can also filter, translate, and modify transnational instruments to fit the domestic political-administrative culture (Westney 1987), as in the case of China's adoption of the super-ministries model from the West (Dong et al. 2010).

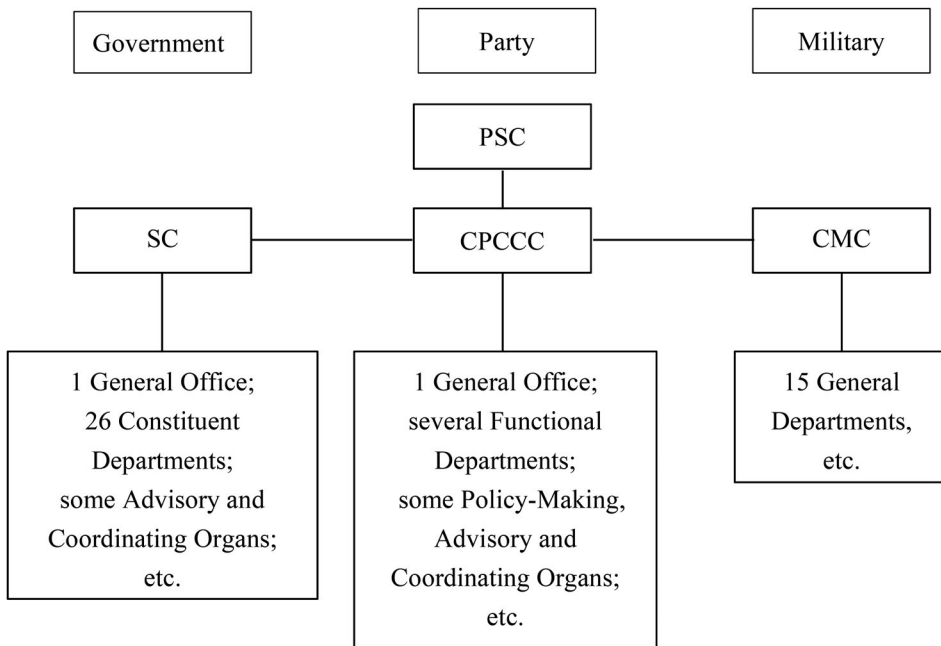
Summing up, these two perspectives help us to understand why NPM and post-NPM both compete with and supplement each other, highlighting different aspects of comparative public sector reforms. Public sector reforms cannot be understood simply; rather, they are a co-product of structural and cultural features.

## The Chinese context

Although post-NPM as a reform movement has global potential, nationally based reforms also have unique features (Lan 2000). In the case of China, the Chinese context in which LGs were born is important for understanding the path taken.

In contrast to Western democratic systems, China is an authoritarian state ruled by the Communist Party of China (CPC) and presents itself as a Party-state governance system, or "partocracy" (Guo 2020). More technically, as [Figure 1](#) illustrates, the main bureaucratic structure of China at the central level is formally comprised of three systemically and vertically integrated, but interlocking hierarchies: the Party, the government, and the military, variously going from the central down to the local level.

In a partocratic form of governance, the Party's ruling status is permanent, and it exerts monopolistic control over governments at all five levels (center, province, prefecture, county, and township). This control ranges from the appointment of government personnel to the allocation of resources and policy design (Guo 2020), and it has played an important role in launching all government reforms ever since the People's Republic of China (PRC) was established in 1949.



**Figure 1.** China's formal bureaucratic structure at the central level.

Based on Kim (2003) and internet information from China's official websites.

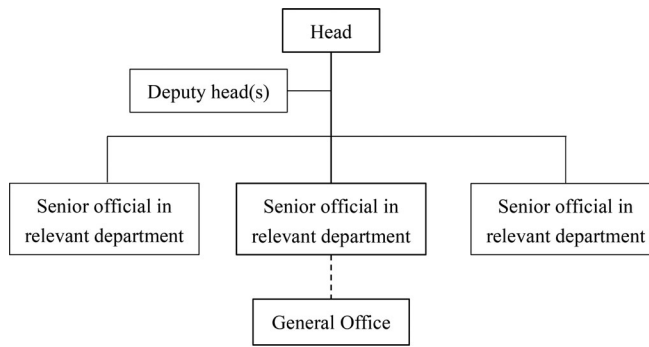
PSC = Politburo Standing Committee; CPCCC = Communist Party of China Central Committee; SC = State Council; CMC = Central Military Commission.

Note: Traditionally, considering China's Party-state system, the Party-state institutions at the central level could include the CPCCC, the Standing Committee of NPC, SC, CMC, and the National Committee of the CPPCC, so-called the "five teams" (Wutao Banzi). But comparatively speaking, the Party, government and military, instead of NPC and CPPCC, have the real power and construct their own complex bureaucracy systems respectively. More importantly, the paramount leader is normally described as the leader holding the formal positions of General Secretary of the Party, President, and Chairman of the Military. For the sake of simplicity, we just include the Party, government and military

For example, most senior government officials are Party members, and they are supposed to follow Party instructions. In addition to the dual official status, the Party also makes use of a dual organizational structure to enhance its own control, by establishing Party Committees at various levels, by implanting party groups (*dangzu*) within government organs as their leading cores, and by setting up policy-making, advisory, and coordinating organs, normally called Central Leading Groups (CLGs) or Central Commissions (CCs), to administer various aspects of Party-state affairs, and so forth.

The Party-controlled government is divided into two parts, a ministerially organized system at the central level, namely the State Council (SC), and a geographically organized system at four local levels. After eight rounds of large-scale central government reforms since China's reform and opening-up (Tian and Christensen 2019), the current SC consists of seven categories of permanent organizations, including a General Office, twenty-six Constituent Departments (superministries fall into this category) and others. Besides, there is also a category of nonpermanent organization, Advisory and Coordinating Organs. These organs don't have parallel relations with the other seven categories of organizations and usually overlap with them. Inter-departmental State Council Leading Groups (SCLGs) or National Leading Groups (NLGs), special commissions and taskforces are normally labeled Advisory and Coordinating Organs and cover everything from food safety to healthcare reform. They are expected to advise the SC on policies and coordinate their implementation among the relevant ministries and departments.

As mentioned, Leading Groups (LGs) (*lingdao xiaozu*), also translated as Leading Small Groups (LSGs), operate within the Party (CLGs) and the SC (SCLGs) down to the township level,



**Figure 2.** Network structure of a typical LG.  
Based on Miller (2014) and Tsai and Zhou (2019).

but also in the military. They are informal joint Party-state organizations, do not appear in the Party-state organizational charts, and rarely disclose their full membership. Generally, a typical LG consists of one head, more than one deputy head, and some senior government officials in relevant functional departments as group members (see Figure 2). The head of an LG is one or half a level above the other members, who are usually also the leaders or deputy leaders of the relevant government departments, so an LG's relative importance in the Party-state hierarchy is determined by who heads it (Dumbaugh and Martin 2009).

LGs provide a mechanism for top leaders to coordinate and integrate different departments to reach a consensus over policy-making and create guidelines for implementation in a given sector when the existing bureaucratic structure is unable to do so (Miller 2014; Tian and Christensen 2021; Tsai and Zhou 2019). Some LGs are temporary organizations established to coordinate specific tasks or manage emergency situations, while others are more or less permanent. Also, the General Office of an LG is sometimes attached to another department. For example, the CC for Comprehensive Law-Based Governance is headed by Xi, but its General Office is located within the Ministry of Justice of the SC. That is to say, a LG's General Office usually does not occupy its own standing office space as an independent unit.

In theory, LGs are not formalized bodies and have no permanent staff. They can be seen as meta-organizations or super-organizations characterized by complex webs of negotiations and interactions (Ahrne and Brunsson 2008). Within this network structure, a super-ministry can even be part of an LG. Moreover, LGs do not formulate concrete policies but instead issue guiding principles and recommendations, which have considerable influence on the policy-making process. In practice, LGs' recommendations, particularly those of the CLGs headed by a member of the Politburo Standing Committee (PSC), are often taken by consensus. This makes LGs supra-ministerial organs that are sometimes more powerful than the ministries themselves, including super-ministries. In many cases, LGs make policies, while the ministries merely implement those policies (Huang 2014).

Based on the arguments above, our article mainly focuses on two basic types of LG, determined according to the body that appoints them and the one to which they are subordinate: the CLG within the CPCCC bureaucracy and the SCLG in the central government bureaucracy. A third type of LG exists within the military system, but this is not included in our analysis.

### Mapping the evolution of LGs at the central party-state level

Although there is a growing Western literature on China's reforms, LGs have been given little attention in the scholarly community. For one thing, the most studied aspect of the public sector is the government bureaucracy, not the Party bureaucracy. For another, scholars tend to focus on

formal organizations like Constituent Departments of the SC (Ma and Christensen 2020), rather than informal organizations or mechanisms like LGs, even though they recognize the importance of LGs. To a large extent, LGs are closely related to the evolution and development of China's public sector reform. They have a relatively long history dating back to the early 1950s, but they were largely hidden from public view after the Mao Zedong era, and only under Xi have efforts been made to re-introduce LGs. So, LGs reemerge in a new and modern context.

### ***LGs in the pre-Xi era***

As pointed out, the Chinese leadership has frequently made use of LGs that first appeared in the Mao era. In the 1950s, in order to strengthen the Party's centralized management of state affairs and deal with the insufficient ability of the newly established government in handling complex governance work, LGs became an important part of the national governance system (Hamrin 1992, 98; Lai 2015, 105).

After the Fourth Plenary Session of the 8<sup>th</sup> CPCCC in May 1958, the Party released a *Notice on the Establishment of Five Groups for Financial and Economic, Political and Legal, Foreign, Scientific, and Cultural and Educational Affairs* on June 10, 1958. In this notice, Mao Zedong stressed the integration of the Party and government: "These groups belong to the Party Central Committee (PCC) ... There is only one 'politics design institute,' not two. General policies and specific arrangements are unified, and there is no distinction between the Party and government" (Mao 1992, 268-269). This passage was a severe criticism of the earlier Party-government relationship that the decision-making power of the central economic affair was vested in the Central Five-Person Group for Economic Affairs (CFPGEA, established in 1957) and the SC, not in the Political Bureau of the PCC. Now these five central groups were subordinate to the Political Bureau and the Secretariat of the PCC and reported directly to them. The Political Bureau was responsible for general policies, and the Secretariat was in charge of specific arrangements. Of course, similar groups had existed prior to these five LGs, such as the CLG for Taiwan Affairs (CLGTA), formed in 1954. But this Notice was the first formal proposal to create LGs at the central Party level, suggesting that this was the point when LGs as an emerging network organizational form started to be active in China's Party-state governance system (Lai 2015, 82; Zhou 2019), and that LGs first appeared as part of a broader effort to institutionalize the process of policy-making and implementation under a collective leadership system (Miller 2008).

However, these institutional arrangements – usurpation of the government by the Party – did not work well, and some of them were dissolved because of the endless political disasters such as the Great Leap Forward Movement (1958–1960) and the Cultural Revolution (1966–1976). Ironically, the most infamous LG that for a time almost displaced the PSC and even the SC, namely the CLG for the Cultural Revolution, was established in 1966, showing the potential for abuse of this monolithic Party leadership structure. In 1978, the Third Plenary Session of the 11<sup>th</sup> CPCCC positioned Deng Xiaoping as the core of the second-generation leadership and proposed that under the Party's unified leadership, usurpation of the government by the Party should be solved.

In the post-Mao era, Deng Xiaoping made serious efforts to push forward reform and opening-up and to reestablish a collective leadership system. With his support, the 13<sup>th</sup> Party Congress held in 1987 explicitly emphasized that the key to the political reform was to separate the Party from the government, abolishing the existing Party Groups within government organs (Zhao 1987) while allowing the Party to retain its supremacy in defining broad political goals and making final decisions on sensitive issues (Dumbaugh and Martin 2009). Thereafter, political leaders launched the 1988 central government reform, with the objectives of downsizing the government, reducing staff, improving administrative efficiency, and more importantly, separating



the Party from the government and also separating the government from the state-owned enterprises (SOEs) (Tian and Christensen 2019).

In this context of separation between the Party and the government, some transactional CLGs were converted to SCLGs, and some primary CLGs were restored within the Party system (Lai 2015, 134). For example, the State Council Commission for Financial and Economic Affairs (SCCFEA) was established in 1979 and headed by Chen Yun, who was once the Vice Premier and just elected as the PSC member in 1978. The SCCFEA was a commission of the SC exercising unified leadership over financial and economic affairs. Although it was replaced quickly in 1980 by a CLG for Financial and Economic Affairs (CLGFEA) (1980–1989) headed by Zhao Ziyang, who would soon be the Premier (1980–1987), the State Economy Commission (SEC) was reestablished in 1978 as a Constituent Department of the SC. The SEC was first established in 1956 and once incorporated into the State Planning Revolutionary Commission (SPRC) together with the State Planning Commission (SPC) and other departments in 1970. In addition, the Central Commission for Patriotic Health Campaign (CCPHC), first established in 1952 and once abolished during the Cultural Revolution, was reestablished in 1978 and converted to the National Patriotic Health Campaign Commission (NPHCC) in 1988. The Central Afforestation Commission (CAC) established in 1982 was also converted to National Afforestation Commission (NAC) under the SC in 1988. In 1980, the CLG for Political and Legal Affairs (CLGPLA) was revised and updated to become the Central Commission for Political and Legal Affairs (CCPLA) with Politburo member Peng Zhen as its head (1980–1982). The CLGTA, headed by Deng Yingchao (1979–1991), Zhou Enlai’s widow, and the CLG for Foreign Affairs (CLGFA), with PSC member Li Xiannian as its head (1981–1987), were also resumed in 1979 and 1981, respectively. In 1988, the CCPLA was downgraded again to its former status as the CLGPLA, and its remit limited to a narrower set of policy and research concerns. As part of the reform to separate the Party from the government, this had the potential to enhance the independence of jurisdiction to a certain degree. Thus, in the 1980s, the leadership of some primary CLGs was distributed among PSC members, an arrangement with the potential to reinforce the collective leadership system (Miller 2008 and 2014).

However, the political crisis resulting from the 1989 incident caused a reversal of these reforms. After the Fourth Plenary Session of the 13<sup>th</sup> CPCCC held in June 1989, the new central leadership changed the political reform plan previously accepted by the 13<sup>th</sup> Party Congress. The plan to separate the Party from the government was abandoned, the previously abolished Party Groups within government organs were gradually restored, and the subsequent government reforms in the 1990s were just aimed at separating the government from the SOEs, so as to satisfy the requirements of market-oriented economic reform. In most cases, an objective of the 1980s and 1990s reforms was to “shift from a situation where activities are guided by traditional vertical relations within the bureaucratic apparatus to one where a wider range of activities is shaped by purely rule-guided and especially market relationships” (Lieberthal and Lampton 1992, 23–24). In this stage, even if an LG was set up within the government, the Party’s leadership was also emphasized (Lai 2015, 137). Notably, the CLGFEA was dissolved again with Zhao’s downfall in 1989, and the CLGPLA reverted back to its Central Commission status in 1990. Later, in 1992, the CLGFEA was reestablished again, with Jiang Zemin at the helm. However, in reality, deputy head Zhu Rongji (Vice Premier 1993–1998, Premier 1998–2003) was in overall charge of the financial and economic affairs for much of the time (Lu 2001, 47). Anyway, from then on, the CLGFEA was always headed by the General Secretary rather than the Premier.

Generally, this collective leadership system was sustained throughout Jiang’s (1989–2002) and Hu’s (2002–2012) tenures as General Secretary, and the role of LGs, particularly under Hu (there were seven PSC members in both Jiang’s and Xi’s tenure, while nine in Hu’s tenure), in turn consolidated this collective leadership policy-making structure, as Table 1 shows. For example, in 2000 the Central Coordinating Group (CCG) for Xinjiang Affairs was established headed by Luo

**Table 1.** Some LGs under Jiang, Hu and Xi.

LG	LG's head		
	Jiang's tenure as General Secretary (1989–2002)	Hu's tenure (2002–2012)	Xi era (2012–Present)
CLG for Financial and Economic Affairs (upgraded to CC in 2018)	Jiang, Zhu Rongji (deputy head)	Hu, Wen Jiabao (deputy head)	Xi, Li Keqiang (deputy head)
CLG for Political and Legal Affairs (reconstituted as CC in 1990)	CLG, Qiao Shi (1988–1990); CC, Qiao Shi (1990–1992); Ren Jianxin (1992–1998); Luo Gan (1998–2002)	Luo Gan (2002–2007); Zhou Yongkang (2007–2012)	Meng Jianzhu (2012–2017); Guo Shengkun (2017–Present)
CLG for Foreign Affairs (upgraded to CC in 2018)	Li Peng (1988–1993); Jiang (1993–2002)	Hu (2002–2013)	CLG, Xi (2013–2018); CC, Xi (2018–Present)
CLG for Taiwan Affairs (restored as CLG in 1979, reshuffled as CG in 1991 and CLG in 1993)	CG, Yang Shangkun (1991–1993); CLG, Jiang (1993–2002)	Hu (2002–2013)	Xi (2013–Present)
CCG for Xinjiang Affairs (formed in 2000)	Luo Gan (2000–2002)	Luo Gan (2002–2007); Zhou Yongkang (2007–2012)	Yu Zhengsheng (2012–2017?); Wang Yang (2017?–Present)
CCG for Tibet Affairs	?	Jia Qinglin (?–2012)	Yu Zhengsheng (2012–2017?); Wang Yang (2017?–Present)
CCG for Hong Kong and Macao Affairs (dating back to 1978 as CC, reshuffled as CCG in 2003, updated to CLG in 2020)	CC ?	CCG, Zeng Qinghong (2003–2007); Xi Jinping (2007–2012)	Zhang Dejiang (2012–2018); Han Zheng (2018–2020); CLG, Han Zheng (2020–Present)
CLG for Deepening Overall Reform (formed in 2013, upgraded to CC in 2018)			CLG, Xi (2013–2018); CC, Xi (2018–Present)
CLG for Cybersecurity and Informatization (formed in 2014, upgraded to CC in 2018)			CLG, Xi (2014–2018); CC, Xi (2018–Present)
Central National Security Commission (formed in 2014)			Xi (2014–Present)
CLG for Deepening National Defense and Military Reform (formed in 2014)			Xi (2014–Present)
Central Civil-Military Integration Development Commission (formed in 2017)			Xi (2017–Present)
CC for Comprehensive Law-Based Governance (formed in 2018)			Xi (2018–Present)

*(continued)*

**Table 1.**  
Continued

LG	LG's head		
	Jiang's tenure as General Secretary (1989–2002)	Hu's tenure (2002–2012)	Xi era (2012–Present)
Central Audit Commission (formed in 2018)			Xi (2018–Present)
CLG for Educational Affairs (formed in 2018)			Wang Huning? (2018–Present)
SCCG for Functional Transformation (first publicly reported in 2013, reshuffled as SCCGPFT in 2015 and SCCGPTGFRF in 2018)		?	SCCG, Zhang Gaoli (2013?–2015); SCCG, Zhang Gaoli (2015–2018?) SCCG, Han Zheng (2018–Present)
CLG for Novel Coronavirus Prevention and Control (formed in 2020)			Li Keqiang (2020– Present)

Based on Lai (2015) and internet information from authoritative media. Regarding the heads of CLGFEA under Jiang and Hu, there was no public official report before.<sup>1</sup> Some earlier studies (Kim 2003, 128; Miller 2008) and media reports<sup>2</sup> also referred to then-Premier Zhu Rongji and Wen Jiabao, while others<sup>3</sup> (Miller 2014) recently argued that “it is a Party tradition that the General Secretary heads the CLGFEA”.

LG = Leading Group; CLG = Central Leading Group; CC = Central Commission; CG = Central Group; CCG = Central Coordinating group; SCCG = State Council Coordinating Group; SCCGPFT = State Council Coordinating Group for Promoting Functional Transformation; SCCGPTGFRF = State Council Coordinating Group for Promoting the Transformation of Government Functions and the Reform of “Fangguanfu”.

Gan, a PSC member and also the head of the CLGPLA at that time. In 2003, the Central Group (CG) for Hong Kong and Macao Affairs, dating back to 1978, was reshuffled to become the CCG for Hong Kong and Macao Affairs, headed first by PSC member Jia Qinglin and then by Xi Jinping. In 2020, this CCG was updated to become the CLG for Hong Kong and Macao Affairs in charge of supervising and coordinating the Party-state's policy toward Hong Kong and Macau, which was characterized by stronger central leadership over these two entities. Overall, some new CLGs were established in the Xi era, as we will discuss below. These CLGs were mostly led by Xi and have played ever-larger and increasingly personalized and centralized policy-making, coordination and supervision roles.

As shown above, LGs' locus, namely whether they belong to the PCC or SC, could explain major differences in LGs in different periods (1958–1978, 1978–1989, 1989–present), and further embody different Party-government relations. In the period of 1958–1978, most of the LGs were established within the Party, such as the original five CLGs. In doing so the Party strengthened its interference in state affairs, producing usurpation of the government by the Party. In the 1980s, LGs were distributed in the Party and government according to their functions. Some CLGs were converted to SCLGs based on the separation of the Party from direct management of state affairs. For example, the CCPHC and the CAC previously owned by the Party were converted to commissions under the SC, the NPHCC and the NAC respectively. After 1989, particularly in Jiang's and Hu's tenures, the trend of distinguishing LGs between the Party and government didn't change rapidly, and the LGs in the government usually worked at a more operational and practical level, but with reaffirming the Party's leadership. This evolutionary process is also roughly confirmed in our interviews, and we will go into more details in the appendix, focusing on the LGs for financial and economic affairs.

### **Bringing LGs back in**

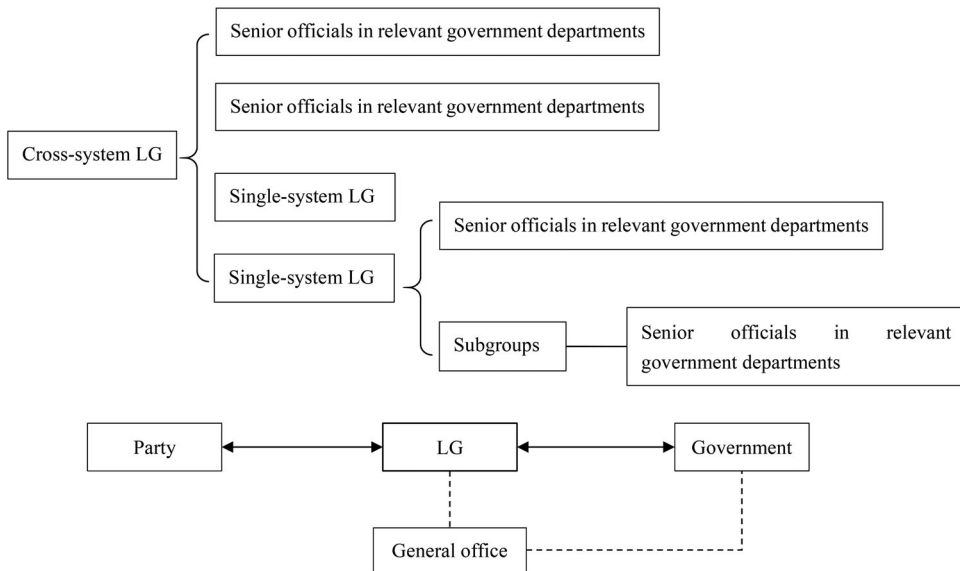
It is a quite common viewpoint among our interviewees that in the new era under General Secretary Xi Jinping (since November 2012), LGs have proliferated and become a more widely used organizational form in many fields. Unlike his predecessors, Jiang and Hu, Xi has managed to further strengthen and institutionalize his own personal authority and the Party's comprehensive leadership, and made them (Two Upholds, resolutely uphold General Secretary Xi Jinping's core position on the CPC and in the Party as a whole, and resolutely uphold the CPC's authority and its centralized, unified leadership) a permanent feature of China's Party-state governance system, by reintroducing and strengthening the role of CLGs in policy-making, coordination and supervision over implementation (Gore 2014; Tsai and Zhou 2019).

After Xi became General Secretary, the Third Plenary Session of the 18<sup>th</sup> CPC held in November 2013 decided to establish the CLG for Deepening Overall Reform (CLGDOR), a policy formulation and implementation body whose remit was to design an overall reform concept, coordinate various departments, remove institutional barriers, and supervise policy implementation. On December 30, 2013, the Politburo announced that this CLG had been formally charged with deepening overall reform.

Starting in 2013, besides the CLGDOR, the Party established several other CLGs, such as the CLG for Cybersecurity and Informatization (CLGCI), the Central National Security Commission (CNSC), the CLG for Deepening National Defense and Military Reform, the Central Civil-Military Integration Development Commission, the Central Commission for Comprehensive Law-Based Governance, and the Central Audit Commission, all personally headed by Xi. Obviously, Xi's serving as head of these new LGs gave him more power over other PSC members. Moreover, Xi appointed his most trusted associates as the deputy heads or office directors of the CLGs (Tsai and Zhou 2019).

The 2018 reform came in the wake of the Constitutional Amendment, which repealed the term limits for the President and Vice-President, strengthened the supervision as part of the anti-corruption campaign and stated clearer the aim of developing a socialist system. It comprised not only a reorganization of the departmental machinery of government, but also essential changes in the Party organizations. This reform, announced in the *Plan on Deepening Reform of Party and State Institutions* issued at the Third Plenary Session of the 19<sup>th</sup> CPC in February 2018, emphasized the top-level plan to enhance the Party's leadership by integrating the Party with the government administration. For example, the State Administration of the Civil Service was put under the direct guidance and control of the Organizational Department of the CPC. More specifically, during this reform, these two CLGs, the CLGDOR and the CLGCI, together with the other two CLGs, both led by Xi, the CLGFEA and the CLGFA, were transformed and updated to become institutionalized special commissions (e.g. the Central Commission for Deepening Overall Reform, CCDOR). According to convention, the use of such labels as "leading groups" and "commissions" implies that "the latter have more enduring status and more direct guidance over subordinate units than the former" (Kim 2003, 126). This is an important measure, because it gives these coordinating mechanisms a more prominent status and thus allows the Party to exercise its leadership over the government.

The then-Premier, Wen Jiabao, first proposed an SOG reform initiative at the central level in 2004. Thereafter, the Hu-Wen administration launched the first SOG reform in 2008. Its successor, the Xi-Li administration, continued SOG reforms in 2013 and 2018. As the dynamics of SOG reforms changed, some SCLGs also assumed new roles, whereas others were abolished, and additional SCLGs were set up to cope with new issues. For example, according to an SC Notice issued in 2008, twenty-nine SCLGs were retained or set up altogether, whereas twenty-five old ones were abolished, including the SCLG for Administrative Examination and Approval Reform (SCLGAEAR) (State Council 2008).



**Figure 3.** The broader Party-dominated and LG-centered network framework. Based on Kim (2003) and Tsai and Zhou (2019).

For these SOG reforms, a compelling feature is the introduction of super-ministries, a post-NPM structural element learned from the West that focuses on hierarchical coordination by merging some government departments with similar functions (Dong et al. 2010). When it came to promoting the transformation of government functions, however, the specific tasks were mainly handled by a more important SCLG, the State Council Coordinating Group for Functional Transformation (SCCGFT), first publicly reported in 2013 and headed by then-Vice Premier, Zhang Gaoli. The previous, dissolved SCLGAEAR was also converted into a special subgroup of the SCCGFT. Later, in 2015 and 2018 respectively, the SCCGFT was reshuffled to become the SCCG for Promoting Functional Transformation (SCCGPFT) headed by Zhang Gaoli and then the SCCG for Promoting the Transformation of Government Functions and the Reform of “Fangguanfu” (streamlining administration, delegating power, strengthening regulation, and improving services) (SCCGPTGFRF) with Vice Premier Han Zheng as its head.

### **Some typical LGs in the Xi era**

As mentioned above, Xi set up several new CLGs above the existing political structure and personally assumed the leadership of some primary CLGs (see Table 1). Among the CLGs headed by Xi, the CCDOR (former CLGDOR) is a cross-system overarching LG that potentially has a lot of reach because of its all-inclusive portfolio (Gore 2014). Thus, it is a more important organ than the Politburo in determining policy (Tsai and Zhou 2019). This CLG integrates and coordinates major national reforms and has six affiliated special subgroups in charge of reforms in six different areas: the economic system and ecological civilization system, the democratic and legal systems, the cultural system, the social system, the Party building system, and the discipline inspection system.

According to some observers, making the CCDOR, with Party General Secretary Xi as its head and Premier Li Keqiang as one of the three deputy heads, responsible for reform policy has helped the Party to consolidate its central power over the government, resulting in a Xi Jinping administration, rather than a Xi-Li administration (Huang 2013). Thus, the central government reform agenda, namely SOG reform, appears to have been incorporated into this comprehensive

CLG. This arrangement facilitates stronger political centralization and strengthens the Party leadership.

As a cross-system coordinating mechanism that enhances policy coordination and consolidates the Party's power over the government, over the internal and external coercive and diplomatic arms of the governing structure, the CNSC is another case in point (Lampton 2015). In the past, the Party and the SC had a large number of security departments, such as the CLG for National Security (also known as the CLGFA, two brands for one organization) and the Ministry of National Security, as well as the CCPLA and others. To a certain extent, there was a problem of coordination among the LGs, both at home and abroad. What is more, there was a danger that the exchange of information might be inconsistent and inefficient, affecting the efficiency of security departments. So, the Party believes that the CNSC is needed to make unified decisions and coordinate national security forces. Notably, in the Hu era, the CCPLA was directed first by Luo Gan and then by Zhou Yongkang, both of whom had been PSC members; in the Xi era, however, the Commission still presumably functioned under the CNSC's leadership, but was merely directed by a Politburo member, first Meng Jianzhu and now Guo Shengkun. Thus, the creation of the CNSC may weaken other PSC members, one benefit of Xi's authority.

One has to acknowledge that so far little is known about the membership and organization of the CNSC, except that General Secretary Xi chairs the body (2014–present) and that Premier Li (2014–present) and Chairman of the NPC Standing Committee (first Zhang Dejiang and then Li Zhanshu) are the two Vice Chairmen. Therefore, this commission could be regarded as a “three in one” organ consisting of the PCC, SC and NPC. From this point of view, its power and status are much higher than that of the US National Security Council, which is only responsible to the President. According to Tsai and Zhou (2019), the CNSC spans the national security, foreign affairs, and political-legal systems, each of which has its own LG as well. For example, the national security system includes the CLG for National Security; the foreign affairs system includes the CLGFA, the CLGTA, the CLG for Hong Kong and Macau Affairs (Central Coordinating Group before 2020), the Central Coordinating Group for Xinjiang Affairs, and the Central Coordinating Group for Tibet Affairs; and the political-legal system involves the CCPLA.

Both the CCDOR and the CNSC are higher-level, cross-system network arrangements that coordinate the work of the lower-level, single-system LGs (including CLGs and SCLGs) and other relevant ministries/departments (including super-ministries) (see Figure 3). Take the CLGFEA as an example of a single-system LG. The focus of this LG is on economic tasks, and it also coordinates with the National Development and Reform Commission, a Constituent Department of the SC, on formulating annual and five-year plan proposals (Miller 2014). Even so, this LG still embodies the Party leadership, and the SC implements the Party's decisions, because Premier Li is a deputy head, while General Secretary Xi is the head of the LG.

## Discussion

Different from Western multi-party political system and the politics/administration dichotomy, in China, the Party has sought in various ways to exercise its centralized control over the government. As shown earlier, the impact of the evolution of LGs on the organizational structure is mainly reflected in the Party-government relationship, from usurpation of the government by the Party in the Mao era, to attempts at separation between the Party and the government in the 1980s, and then to labor division under the Party's leadership after 1989, particularly in the Xi era (Lai 2015, 130–137). The result is that there are no clear organizational demarcation lines between the Party and the government. If one leaves aside the debate about democracy versus partocracy and looks at China's Party-state governance and public sector reforms from both the instrumental-structural and the cultural-value perspectives (Christensen et al. 2020), one could

conclude that the emerging Party-dominated and LG-centered framework in the Xi era represents not only post-NPM features, but also Chinese characteristics.

### **Post-NPM features**

The LGs have been established partly due to concerns over the fragmentation, coordination and capacity problems that emerged from previous reforms that more or less followed an NPM agenda (Zhang 2002; Yang 2007). Their emergence clearly shows that Chinese political leaders have been aware of and imitated international elements of integrated governance (Christensen et al. 2008; Dong et al. 2010).

The post-Mao leadership developed the collective leadership system to prevent another disastrous Cultural Revolution. However, this institutional arrangement did not function well in the Deng era because he was too concerned with personal prestige. Deng managed to support Jiang as the core of the third generation of collective leadership, but in Hu's tenure, the word "core" dropped out of official discourse. As General Secretary, Hu was only first among equals—i.e., nine PSC members, each in charge of a particular area of Party-state affairs. As a consequence, national coordination suffered and fragmentation occurred (Gore 2014). In addition, the phrase "policies and commands cannot come out of Zhongnanhai (the Party-state headquarters)" was often used to describe governance capacity problems of the Hu-Wen administration. Moreover, during the previous market-oriented reforms, Party-state bureaucracies had evolved their own interests based on the existing political system, making it difficult to reform Party-state institutions, i.e. there were clear cultural path-dependencies working (cf. Mahoney and Thelen 2010).

Hence there was a need for a "top-level design," rather than "crossing the river by feeling the stones" as proposed by Deng, calling for overall rational planning, centralized command, and coordinated implementation quite similar to post-NPM. In the Xi era, a number of structural changes creating various kinds of powerful LGs have been introduced to reassert the center and strengthen central state capacity, a trend that can also be observed in Anglo-American post-NPM pioneer countries (Christensen and Laegreid 2007; Halligan 2006).

Compared with previous LGs, what makes these new LGs in the Xi era different is their high-profile public announcement, indicating that they may become more powerful and formal. They also represent Xi's efforts to reintegrate and recentralize China's political system, which had become too fragmented and decentralized (Gore 2014). Notably, in the pre-Xi era, LGs often existed within a particular operational system, such as the SCLG for Poverty Alleviation and Development and the CLGFEA, while in the Xi era some new LGs, such as the CCDOR and the CNSC, operated across more than one system, allowing the Party to reassert its leadership (Tsai and Zhou 2019). This also makes Xi better equipped than his predecessors to use LGs to strengthen central control and enhance coordination, just as many countries in the West try to solve "wicked issues" by reaching across levels and sectors (Head and Alford 2015).

Compared with formal ministerial coordinating but relatively standardized organs that deal with routine and predictable affairs, such as the General Office of the SC or the Office of Management and Budget (OMB) in the US federal government, LGs are generally less formalized and therefore more flexible, rather like other networks and partnerships such as public-private partnerships (PPPs) and one-stop shops (Pollitt and Bouckaert 2017). All these networked arrangements are examples of new combinations of existing actors working toward particular common goals, forming relatively loosely coupled structures where positive coordination can be accomplished via bargaining and negotiation. This contrasts with the traditional hierarchy comprising forms like super-ministries where hierarchical coordination is achieved via the exertion of formal authority by top actors (Herranz 2009).

More specifically, LGs are usually fast-moving and task-oriented. They provide a forum for top political leaders to meet face-to-face and negotiate with senior officials from various relevant

party, government and even military organs on particular issues. When necessary, lower-level officials, academic experts and influential journalists are also invited to sit in on some of the LGs' meetings (Lu 2001). Certainly, the emergence of these LGs does not mean that established hierarchies and markets are being dismantled; rather they actually complement and transcend traditional hierarchical structures and market mechanisms, thus making governance arrangements a trichotomy "hierarchy-market-network" (Meuleman 2008, 81; Thompson et al. 1991). With these LGs in place, the Party with Xi at its core is able to turn any existing Party-state bureaucracies into implementers of central LG policies (Gore 2014).

Meanwhile, from a cultural-value point of view, LGs correspond with post-NPM values and also represent a considerable degree of cultural continuity or reinvention of traditional, centrally oriented values (Lan 2000). In fact, as the public sector transforms itself, it is also engaged in a process of cultural reproduction (Mahoney and Thelen 2010). As we know, a typical cultural feature of post-NPM is its focus on hierarchical leadership and collective values via bargaining and negotiation. In the case of China, its tradition of collective leadership favors a bargaining and negotiation process in the form of LGs, by which the Party endeavors to transcend established Party-state bureaucracies and reassert its primacy (Lieberthal and Lampton 1992, 34).

Of course, historical traditions and cultural compatibility are crucial for understanding public sector reforms, as they largely determine whether an instrumentally planned reform will be successful (cf. Brunsson and Olsen 1993; Van Raaij 2006). The insistence on the Party's primacy via LGs has historical and cultural roots. The Party's primacy is based firmly on the belief—stemming largely from Confucian and socialist traditions—that the Party must take care of the whole of society including the government, not the other way around, in much the same way that emperors traditionally exerted control over the whole of society. As Zheng Yongnian (Zheng 2010) has argued, while the concept of a political party in China was imported, the Communist Party of China (CPC) is a product of China's traditional imperial political culture: it is an organizational emperor that exercises its power in a similar way to Chinese emperors in the past.

Given that China has a long tradition of Confucian ethics stressing hierarchical values, it is understandable that these values are accepted and supported by officials in general and especially by those involved in LG reforms (Wang and Christensen 2017). Also, the fact that socialism emphasizes collective values provides a strong bargaining and negotiation basis for LGs, and the Party can use ideological indoctrination to ensure the desired compliance. As a consequence, officials feel that it is appropriate to implement LG reforms. In turn, such Confucian and socialist cultural-value features further instrumentally planned LG-centered reform agendas. Thus, LGs demonstrate post-NPM cultural features by facilitating stronger political centralization and reasserting the central control of the Party.

What is more, these reform instruments have been rather compatible with Chinese traditional culture and hence do not need to go through a cultural compatibility test. Actually, the fact that Chinese leadership often links its new political ideas and symbols, such as "harmonious society," to ancient Confucian ideas demonstrates a long-term cultural continuity and adaptability. Just as Suzanne Ogden (1989) has proposed, there are three basic competing values that underlie China's government policies: traditional Chinese culture, socialism, and marketization. Unlike the NPM culture of rational choice, based on market competition or cost-benefit analysis, traditional Chinese culture has preferred harmony and coordination to disorder and competition (China Center for Contemporary World Studies (CCCWS) 2015). Particularly in recent years, as China becomes the world's second-largest economy, there is a growing confidence in the path, theory, system, and culture of socialism with Chinese characteristics. Even though market-oriented values embodied in NPM reforms are still important, they have been challenged and balanced by China's own post-NPM-type values. In short, the ideas that underpinned the original LG reforms have become strongly entrenched in the



thinking of the Xi era, showing a strong cultural path-dependency related to the old administrative system, not the NPM system (Miller 2017).

### **Chinese characteristics**

So does the development of LGs exhibit genuinely Chinese characteristics, apart from the above arguments? What is clear is that a person unaware of differences between Chinese and Western traditions will miss much when approaching China's public sector reforms. As we know, Wilson's (1887) classic work called for a separation between politics and administration. Based on this tradition in the West, particularly in the US, career civil servants are supposed to be insulated from both electoral politics and interest groups. In China, by contrast, there is no clear distinction between politicians and bureaucrats since they are both following the same career path. The higher the ranking, the more a bureaucrat will be like a politician. Moreover, top leaders and most officials at each level of the government bureaucracy are Party members. Even though Chinese government officials are insulated from electoral politics in the Western sense, they must conform to Party politics.

Thus, in sharp contrast to the politics/administration dichotomy or politician/bureaucrat relationship in the West, the CPC can exert stronger control over civil servants through the Party membership of almost all senior bureaucrats, or more importantly, through its highly organized presence (Party Groups, CLGs) in the government bureaucracy (Gore 2019), forming a dual organizational structure in the Party-state governance system. For example, among the functional sectors of the government, the departments responsible for foreign, military, political, and financial affairs are most important. The Party has therefore established corresponding CLGs, which are more or less permanently in charge of these affairs. Lieberthal and Lampton (2018, 60) use a model of "fragmented authoritarianism" to present such a principal-agent relationship: the Party is the principal and has formal political authority over the government, while the government is the agent and subordinate to the Party (Guo 2020). In this sense one could say that the Party's comprehensive influence over the government is a distinctively Chinese characteristic (Dumbaugh and Martin 2009; Guo 2020; Lawrence and Martin 2013).

In this Party-dominated governance model, an LG brings actual decision makers from the Party and the government to the table and serves as a central processing unit or "clearing house" (Gore 2014) where Party-state policy agendas are integrated, reformulated, and then re-issued as national policies and implemented by government agencies. In such LGs, the heads have known the other members for many decades, and their operations include informal contact and personal maneuvering suggested by Hamrin (1992, 95-124). The main functions of LGs, like the CLGDOR, involve similar broad tasks of policy-making, command and coordination, as well as supervision over implementation (Hamrin 1992, 101; Wu 2009). They play an important role in bridging the bureaucratic divides and strengthening horizontal coordination between the Party and the government (Kim 2003, 123), leading to a broader Party-dominated network structure (see Figure 3).

In other words, although according to the official classification, LGs may be categorized as advisory and coordinating organs, they, particularly the CLGs, are largely powerful decision-making bodies. Of course, in the US, there are also some kind of group categorized as advisory committees, the federal advisory committees (FACs) governed by the 1972 Federal Advisory Committee Act and providing advice to the President or executive branch of government (Croley and Funk 1997). These committees comprise representatives of organizations and have some attributes of a network (Amsler 2016). But quite clearly, different from this FAC-network under the Western multi-party system, CLGs are a critical network mechanism through which the CPC exercises its single leadership over the government, and the People's Congress.

Due to the nature of China's political-administrative system, some aspects of LGs such as establishment, membership, operation and termination inevitably tend to be invisible from public

purview. Even though an LG convenes a nationwide teleconference, the municipal district-level (roughly equivalent to county level) attendees won't know in advance which central leaders will attend the conference. Such accurate and timely information about participating central leaders is probably just conveyed to the province level (Interview with the Deputy Secretary of the Communist Youth League, August 2021). Just like many outside researchers, low-level officials, if they want to know, have to conjecture the membership of a certain LG based on the video pictures reported by the official media. Thus, there are many differences in details between the FACs and the LGs. For example, one clear difference, at least on the surface, is the extent of visibility. Basically, in order to keep the Congress and the public informed of FACs' existence and activities, the FACA database, [www.facadatabase.gov](http://www.facadatabase.gov), has been created. Moreover, with limited exceptions, these federal advisory groups usually have at least one member who is not a federal employee. This is in sharp contrast to LGs' membership, which includes the Party, government, or People's Congress members, but no public participation.

In fact, besides the FACs in the US, the network form or network governance has become popular worldwide since the 1990s (Meuleman 2008, 31; Yang and Nowell 2021), such as "super networks" in New Zealand (Gregory 2003), because it is flexible and fits well with the increased complexity and uncertainty of the modern world. Networks are said to be superior to both hierarchical top-down steering by government and markets as promoted under the banner of NPM (Pollitt and Bouckaert 2017), but that doesn't mean they will always be successful. The fact is that major reforms so often fail or disappoint (Aberbach and Christensen 2014). In many cases, leaders from vertical, functional departments may come into conflict with group leaders involved in horizontal networks. American presidents are often confronted with conflicts within the executive branch and with Congress (March and Olson 1983).

By contrast, this rarely happens in China's public sector reform because of the Party's primacy over the government and the People's Congress. First, reforms are usually initiated by the Party and then confirmed by the NPC. Second, CLGs are created formally as Party organs but are comprised of government officials and operate functionally within the government bureaucracy. The Party's absolute leadership endows CLGs with the political authority needed for successful reform. What is more, unlike the typical network governance in the West, concerned with how self-organizing inter-organizational networks function both with and without government to implement public policy and deliver public services (Osborne 2010, 7), CLGs in China play a key role in policy-making rather than implementation by evaluating and analyzing the proposed policies before their approval by the Party and their implementation by the government. Besides, LGs' General Offices and regular meetings also have the information needed for policy-making and are able to influence decisions by controlling the flow of information (Zhou 2020); in fact, though, LGs' General Offices seem to play a marginal role in Party-state policy-making that is akin to providing secretarial and administrative support for the heads of the LGs.

In sum, it could be argued that China's LGs are rather unique, not only with regard to their own network structures and negotiation processes (see Figure 2), which have generic post-NPM features, but also because of the Party's primacy and the LGs' role in bridging the Party and the government, presenting China's public sector reforms as a broader Party-dominated and LG-centered network framework (see Figure 3). This broader network framework in turn further shifts policy-making and administrative power from the government to the Party, resulting in a more administrative Party in the Xi era than either Mao's revolutionary Party or Deng's ruling Party (Gore 2019).

Finally, it is important to note that in the post-NPM era some NPM elements still persist, even though network arrangements such as LGs are salient. This is especially the case with the SCCG for Promoting the Transformation of Government Functions and the Reform of "Fangguanfu". From an instrumental-structural perspective, this LG is a loosely structured network consisting of five special subgroups, such as the Group for Streamlining Administrative

Examination and Approval and the Group for Optimizing the Business Environment, alongside the other four functional subgroups. Given that these two subgroups are aimed at making the government apparatus more user-friendly and market-oriented, which is more compatible with the market values of NPM, it is fair to say that the NPM agenda is still present in China's public sector reforms (Chinese Public Administration Society (CPAS) 2019). Or, to be more precise, NPM elements have been incorporated into the network structure. In other words, this institutional arrangement is a mixture of the traditional Chinese LG model, NPM elements and post-NPM features, representing a mixture of organizational innovations and specifically Chinese characteristics in what might be called a layering process (Mahoney and Thelen 2010).

## Conclusion

As the American political scientist Dwight Waldo (1948, 3) argued at the beginning of his famous work *The Administrative State*, “[i]f they are to be understood, political theories must be construed in relation to their material environment and ideological framework”. This means that public sector reforms and even human societies do not present themselves as simply structural, material changes, but as a mixture of structures and cultures, materials and ideologies. In other words, instrumental structures and cultural values reflect the duality of public sector reform (Christensen et al. 2020).

In terms of the integration and coordination that have been labeled post-NPM features, China's public sector reforms present us with two basic organizational forms: super-ministries and LGs (Tian and Christensen 2019). Whereas other studies have tended to focus on super-ministries, our analysis has paid attention to LGs, an informal coordinating mechanism but distinctively important feature of China's political-administrative system that integrates the Party and the government. Using an instrumental-structural and a cultural-value perspective, we have explained why they are critical to China's current Party-state governance system and how they make China's political system distinctive.

In the post-NPM era, just as the super-ministry form is not a new phenomenon in the West (Dong et al. 2010), LGs also have a long history in China (Lai 2015; Zhou 2019). They originate from China's own public sector reform tradition dating back to the Mao era, and have been revived under Xi partly as a reaction to the fragmentation problem. As a kind of network structure, LGs themselves involve increased integration and coordination, sharing some similarities with post-NPM doctrine. More importantly, LG reforms are compatible with Chinese traditional culture and values, showing cultural path-dependency (cf. Westney 1987). In a nutshell, LGs are a co-product of structural and cultural factors that have long existed in China's political-administrative system.

As a specifically Chinese characteristic, LGs, particularly CLGs, have been used by the Party to maintain its absolute leadership over the government. The result is a Party-dominated dual organizational structure of the Party-state governance system, where CLGs function as a central processing unit and liaison between the Party and the government, thus forming a broader Party-dominated and LG-centered network framework. Administrative power is thereby recentralized to the Party, leading to an administrative party (Gore 2019). This broader network framework and its implication for governance, namely the Party's leadership, are characteristically different from democratic governance and the reform framework in the West.

Our study adds to the field in at least three ways. First, it shows how structural and cultural analytical perspectives could be useful, in a dynamic way, to explain major political-administrative development features in China. Second, accordingly it shows how LGs, as an informal organizational form, is reinvented over time in changing contexts and therefore also imply different purposes and effects, in line with more focus on post-NPM measures. Third, it shows a comparative potential in pointing out the diverse functioning of network structures in Chinese and Western

contexts. Last, even though this is not a study of how the LGs are working on the micro level, with specific actor patterns, within specific sectors or related to specific issues, it is a limitation that there is not more knowledge available about the real actions of LGs.

## Notes

1. See [http://news.cnr.cn/native/gd/201406/t20140625\\_515727562.shtml](http://news.cnr.cn/native/gd/201406/t20140625_515727562.shtml) (in Chinese).
2. See [http://www.china.com.cn/guoqing/2013-12/31/content\\_31050737.htm](http://www.china.com.cn/guoqing/2013-12/31/content_31050737.htm), <https://news.qq.com/a/20131231/008026.htm> (in Chinese).
3. Haiwainet. "it is a Party tradition that the General Secretary heads the CLGFEE," June 6, 2014, <http://opinion.haiwainet.cn/n/2014/0618/c456318-20757457.html> (in Chinese).

## Disclosure statement

No potential conflict of interest was reported by the authors.

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