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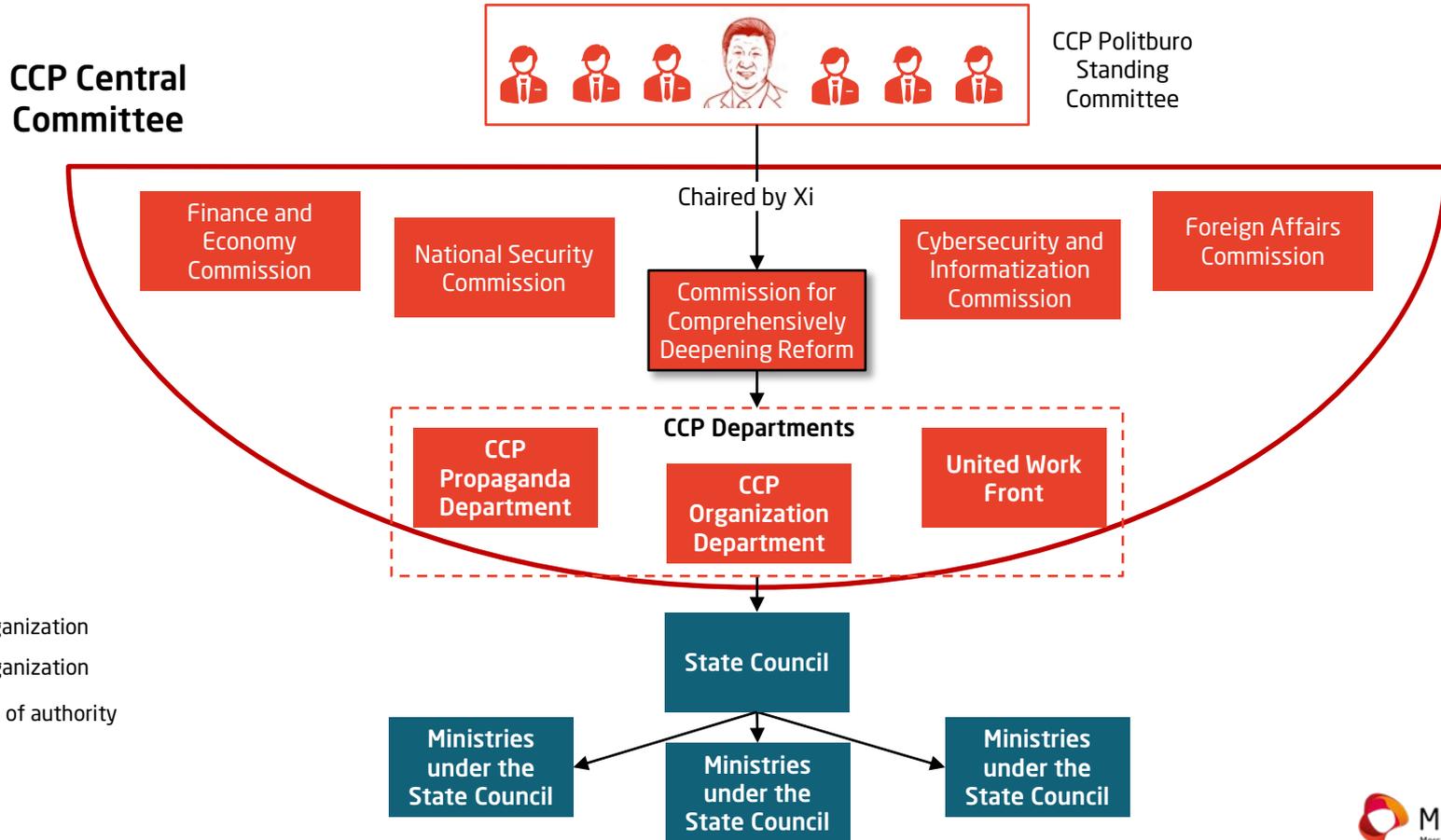
MERICS PRIMER

Xi's Control Room: The Commission for Comprehensively Deepening Reform

Why centralized policy making is here to stay in China

Nis Grünberg and Vincent Brussee

Xi sits at the heart of the core executive organs of the party state



Commissions are system critical in Xi's China

The main features of the Commission for Comprehensively Deepening Reform

TOP-LEVEL DESIGN IN XI'S CHINA

- The CCDR is the core executive organ for Xi's "top-level design" approach to steering policy making. It supervises policy drafting processes in the central party-state administration.

- The CCDR is one of several central party commissions led directly by Xi. Others focus on **National Security, Cybersecurity and Informatization, Finance and Economy, and Foreign Affairs.**

- Central commissions are key decision-making organs for important policy issues. They break through the PRC's otherwise highly fragmented bureaucracy and enhance central coordinating power.

FACTS & FIGURES

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high-priority policies in domains such as innovation were approved by the CCDR from its founding in 2013 up until August 2022.

6 sub-groups

1. Economic and ecological system reform
2. Democratic and legal system reform
3. Social system reform
4. Cultural system reform
5. Party-building system reform
6. Discipline inspection system reform

GRADUAL INSTITUTIONALIZATION

- The CCDR was established as a "leading small group" at the CCP's 3rd Plenum in November 2013, tasked with implementing 60 specific reforms outlined in the Plenum's Decisions.
- In March 2018 the CCDR was upgraded from "leading small group" to "commission". This institutionalized it as a formal bureaucratic organization of the central leadership system.
- In the run-up to the 20th party congress, CCP media regularly reiterate the role of central commissions as key decision-making organs for "matters of national rejuvenation," personally overseen by Xi Jinping.

A key top-level policy-making organization

Institutional development of the Commission for Comprehensively Deepening Reform

Defining policy priorities...

FROM REFORM ACCELERATOR

- Since its inception in 2013, the CCDR has worked as a vehicle to coordinate and advance priority reform policies.
- The commission issues lists of “work points” (工作要点) that serve as priority agendas for policy makers, and annually reviews their implementation.
- Its 6 subgroups are headed by high-ranking officials, supervising policy drafting processes in relevant ministries and CCP departments.

...under the highest authority...

... TO SUPRA-MINISTRY

- By upgrading to a central party commission, the CCDR became a permanent institution for top-level decision making.
- It gathers leaders from all important ministries under Xi’s leadership, creating a direct line of command - and responsibility for these organizations to deliver on tasks.
- It convenes roughly every 6 - 8 weeks. Xi has chaired all its 66 meetings, with an average of 8 policies issued each time.

...and integration at local levels

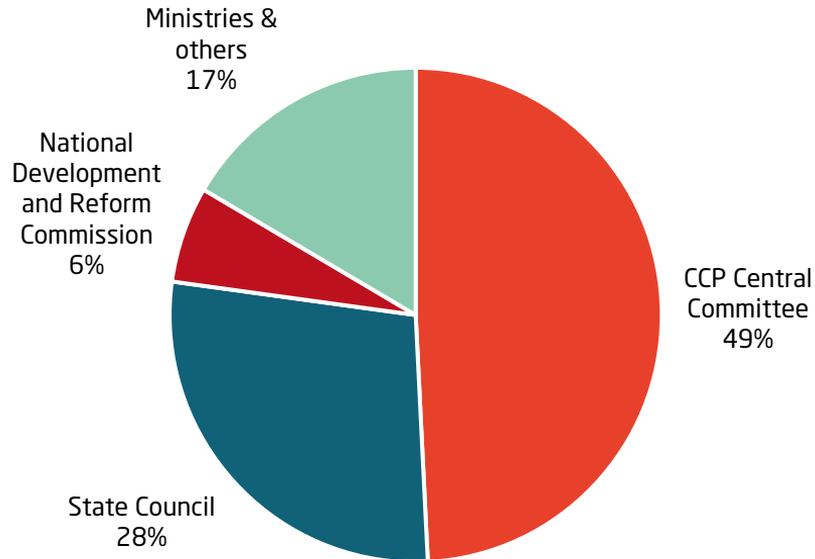
... AND “XITONG”

- The CCDR has mirror organizations at local levels (down to county), as well as in large state-owned enterprises.
- The CCDR essentially works like a vertical policy system under central guidance (*Xitong*), but with a broader mandate than any single ministry.
- Other central party commissions seem to have somewhat similar roles, but even less information exists on these.

As Xi's personal policy ministry, the CCDR is embedded into party and state

It outsources policy drafting downstream

Formal issuing agencies in charge of fast-tracked policies

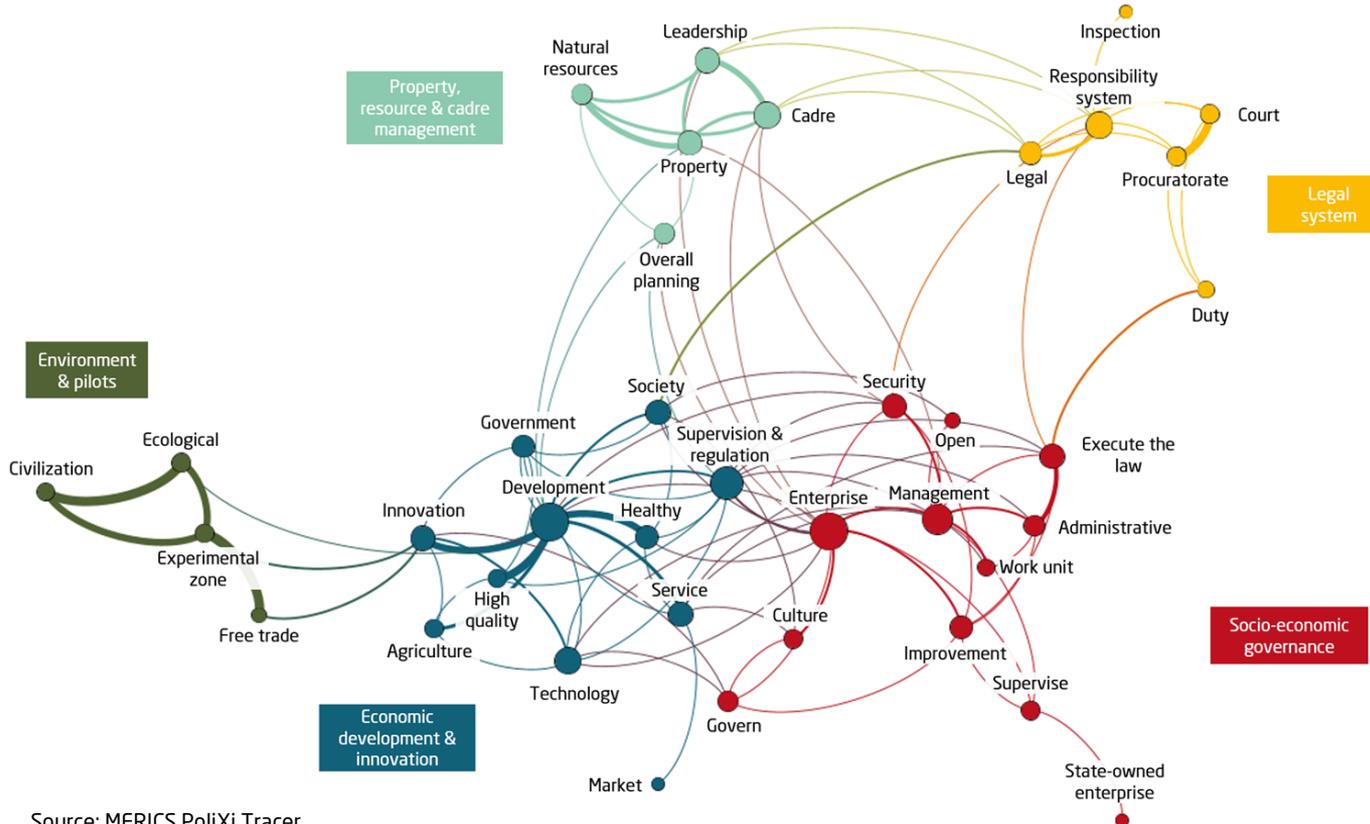


Central commissions stand at the top of China's hierarchy

- The composition of the CCDR means it cuts across most ministry-level units of the party and state apparatus. This makes it more akin to a supra-ministry nested in the CCP, and under a leader (Xi) that outranks every other cadre.
- In terms of executive power, the commission outranks other agencies in China (below the Politburo), including the State Council and party departments.
- Although most policies are later issued by either the CCP Central Committee or the State Council, they are typically researched and drafted by a consortium of ministries and departments under the leadership of the CCDR.

Management and supervision lie at the core of policy reforms

Semantic relationships between core focal areas of the Commission for Comprehensively Deepening Reform



A semantic network is essentially a word cloud that also shows relationships between words. Node proximity and link strength indicate terms that are frequently used in conjunction; node centrality and size indicate importance.

It highlights:

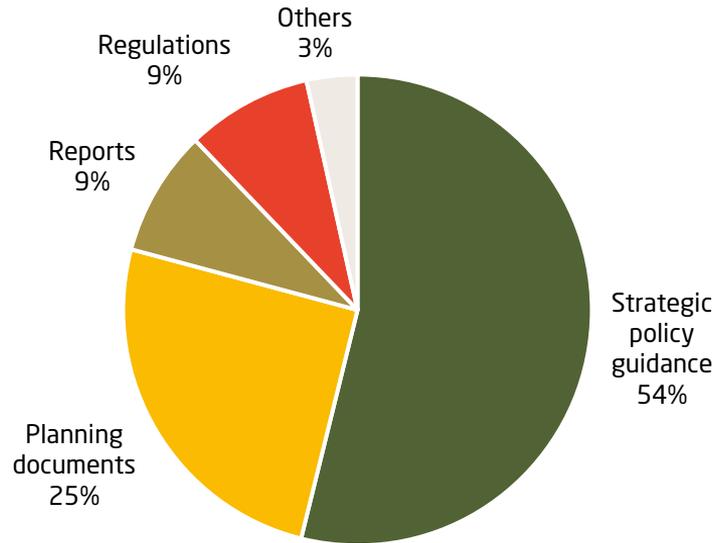
- The CCDR's work focuses on five interrelated core areas, as indicated by the colors.
- Reforms to legal, supervisory and management structures are central to the CCDR's work.
- In this way, the CCDR wields the power to re-shape the entire system in its image.

Creating the strategic framework for China's development

Policy focus of the CCDR

It is concerned with long-term strategy

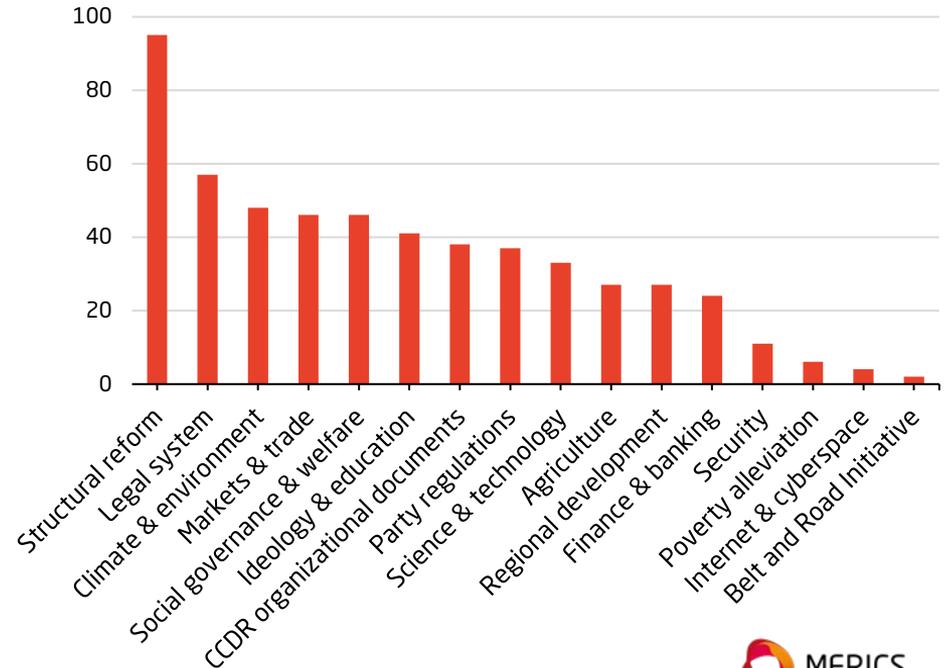
Types of policies deliberated by the CCDR



Source: MERICS PoliXi Tracer

... with a strong focus on structural and legal reforms

CCDR-issued policies categorized by topical area



The CCDR manages policy making in a closed loop

Key features of the policy process

- The CCDR has the power to **guide, oversee, and control the entire process**, from drafting to implementation.
- However, **it does not act wholly independently and is not omnipotent** or all-knowing: knowledge building, drafting, and implementation depend on input from member agencies.
- Intensive **coordination between drafting agencies and subgroups of the CCDR ensures a consensus is reached** before formal approval.

STEP 5: SUPERVISE
The CCDR regularly receives reports on the implementation of the policy.

STEP 1: DELEGATE
The CCDR identifies priority policies. In its annual work plans, it outsources these to (multiple) responsible agencies.

STEP 2: REVIEW
Agencies research & draft the policy, and intermittently report to subgroups of the CCDR for guidance and validation.

STEP 3: APPROVE
The policy is submitted to the CCDR for approval. The CCDR passes the policy; Xi delivers a speech that is attended by relevant leaders.

STEP 4: GUIDE
Agencies hold study sessions to implement the spirit of the policy, as conveyed by Xi.

Centralized policy making follows some key working principles

Examples and evidence of closed-loop policy making in action



STEP 1 **Delegate**

The CCDC instructed the Ministry of Finance and 11 other institutions to research the management of state-owned finance and investment. In 2018 the group proposed draft opinions that were approved by the CCDC and later issued by the Central Committee.



STEP 2 **Review**

During the drafting of plans for the establishment of a National Panda Park, the drafting agencies regularly reported to the CCDC, requesting instructions on and approval of details of the plan.



STEP 3 **Approve**

In 2020 the Ministry of Education drafted a policy on education reform in China's eastern regions. It indicated the document was considered active and formalized from the moment it was passed by the CCDC, and that implementation could start immediately.



STEP 4 **Guide**

In May 2018, the CCDC passed new guiding opinions on state-owned enterprise (SOE) reform. Two months later, Vice Premier Liu He organized a follow-up study session with bureaucrats in charge of SOE reform to study Xi's speech at the CCDC meeting. This group later supervised the implementation of SOE reform at lower levels.



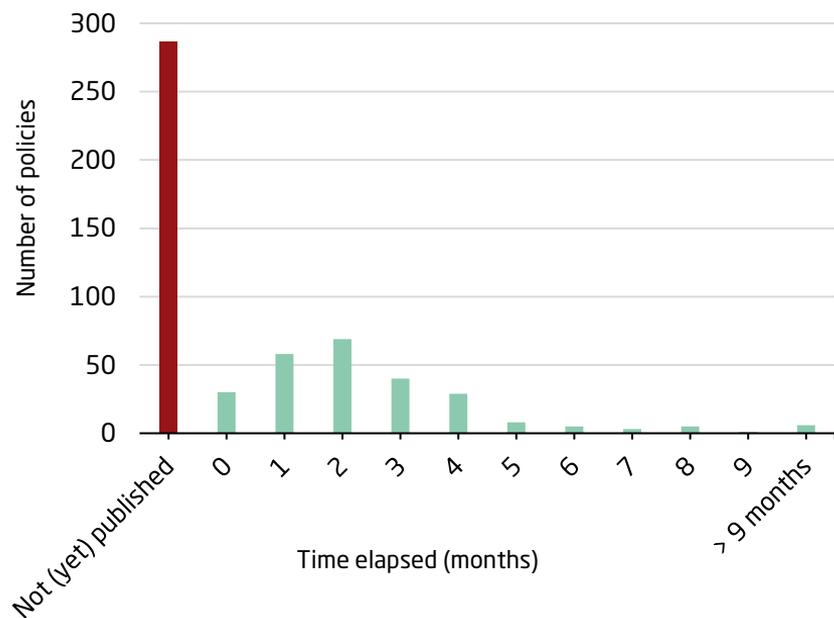
STEP 5 **Supervise**

The CCDC has overseen at least four major reforms to the country's pilot Free Trade Zones (FTZs), in 2014, 2017, 2018, and 2021. In between, members of the CCDC received frequent reports on the development of the country's FTZs, affirming progress while using the reports to detail further reform directions.

Commissions are not bound by information disclosure regulations

53% of policies have not been publicly released

Time elapsed prior to publication (all CCDR-deliberated policies to date)



Source: MERICS PoliXi Tracer

There are major sectoral differences in transparency

Most and least transparent subject areas



55 out of 70 pilot projects have not been released



29 out of 33 documents on intra-party reform remain invisible



Anything related to the functioning of the commission itself is strictly confidential; even the reports they receive



11 out of 16 policies on the environment have been released



8 out of 10 policies on healthcare are publicly accessible



18 out of 27 documents on science have been publicly released

CCDR policy making has various effects on China's future governance

THE GOOD



Policy coordination: The CCDR can break through administrative barriers and fragmentation, allowing for better policy coordination.

THE BAD



Accountability: Central party commissions such as the CCDR have a supra-legal status and are only accountable to themselves; there is no real oversight.

THE UNCERTAIN



Centralization: China will not abandon experimentation and consultation, but these will increasingly be controlled from the center. How this trend will affect the quality of processes is uncertain.



Acceleration: The commission can accelerate policy and mobilize ministries and downstream agencies. This is especially useful for crisis management.



Transparency: CCDR-issued policies are often not released to the public, especially on legal reform, intra-party reform, and pilots.



Bureaucracy: Commissions can institutionalize what should only be temporary fixes, possibly clogging the system with yet more organs that require coordination.



Clarity: The task lists issued by the CCDR give leaders a clear priority list. This can, potentially, guide cadres to take on complex or unpopular policies, e.g. in social issues or energy reforms.



Hierarchy: Stronger institutionalization of vertical hierarchy means that it is even harder for local leaders to act flexibly and creatively - one of China's biggest advantages in the past.



Feedback loops: Under centralization, the transmission of information to China's top leadership becomes an even bigger bottleneck to good governance. Little information exists on this process.