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POLICY CHANGE AND EXPERT INVOLVEMENT IN CHINA

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Expert involvement is usually regarded as one of the causes of policy changes. However, how does the nature of policy change, in turn, influence expert involvement? This study constructs an analytical model by adopting and developing policy network and principal-agent theories, suggesting that expert involvement can be regarded as the result of the inherent characteristics of policy change in the Chinese policy process. Two key characteristics of policy change, namely 'loss embeddedness' and 'knowledge complexity', are employed to form four types of policy changes. Empirically, a comparative study with four policy change cases illustrates that Chinese experts adopt four behavioural strategies, such as linear access, outside-in enlightenment, deprofessionalized campaign, and locked-out, in different types of policy change. These policy change cases include the new-type rural cooperative medical care system, the new urban medical care system, revocation of detention and repatriation system, and the new economically affordable urban housing policy.

INTRODUCTION

Experts are special policy-making participants who use their expertise to influence the decision-making process. As a topic intensely discussed in Western liberal polities since the 1960s, expert involvement has been usually regarded as one of the causes of policy changes (Gilpin and Wright 1964; Weiss and Bucuvalas 1977). This type of involvement is often referred to as the 'nature of expertise' or 'politics of advice' (Barker and Peters 1993; Bimber 1996; Rich 2004; Maasen and Weingart 2005; Wilkinson 2010). However, how does the nature of policy change, in turn, influence behavioural strategies and patterns of expert involvement? Furthermore, the topic of the behavioural strategies of experts on policy change in non-liberalist transitional countries is another area that requires exploration and update. For example, in China, one of the most important socialist transitional countries, Chinese experts used to be regarded by Western observers as an instrument for shaping the legitimacy of political authority (Bonnin and Chevrier 1991). However, after over three decades of implementing reform since the end of the 1970s, what are the behavioural patterns of Chinese experts in the current decision making system in Mainland China? Why do Chinese experts tend to use different behavioural strategies in different policy change processes?

This paper builds an analytical model to explain the behavioural patterns and strategies of Chinese experts regarding the nature of policy change as the independent variable. The nature of 'policy change' is not necessarily similar to the nature of 'policy domain'. Policy change is a dynamic rather than a static process, which means that different policy changes in a policy domain may have different directions and a number of alternative solutions. Hence, this study explores two characteristics of policy change based on the policy network and principal-agent theories, 'loss embeddedness' and 'knowledge complexity', to construct a theoretical framework. Loss embeddedness focuses on a special structure of policy network wherein there are potential losers in a certain direction of policy change. On the other hand, knowledge complexity is concerned with the nature of expert consultation when decision makers select multiple alternative solutions in a

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policy change, which essentially is a principal-agent process where there is knowledge imbalance and information asymmetry.

Within the theoretical framework, the two key characteristics of policy change are employed to form four types of policy change in China, in which Chinese experts adopt four different behavioural strategies accordingly. Therefore, a comparative policy case study is conducted to empirically justify a series of hypotheses within this framework. Unfortunately, classic case studies on the policy-making process in China typically focus on one policy domain, such as energy policy (Lieberthal and Oksenberg 1988). Using stakeholder analytical framework, this paper articulates a comparative study of four cases of policy change that have happened in China recently. Chinese experts were actively involved in these cases that are characterized by different behavioural patterns and strategies.

REVIEW OF LITERATURE ON EXPERT INVOLVEMENT

To explain expert involvement in the policy-making process, some previous studies have focused mainly on the characteristics of expert views. The characteristics of expert views can be related to the dimensions of research products by experts, such as symbolic or instrumental (Knorr 1977), theoretical or applied (Machlup 1980), quantitative or qualitative (Landry *et al*. 2003), and reliable and usable (Ciarlo 1981; Weiss and Bucuvalas 1980; Edwards 1991; Haas 2004) attributes. This school of thought can be used to create a roadmap to improve the impact of policy analysis by experts who are involved in the policy-making process. (MacRae and Whittington 1997). On the other hand, the personal views of experts themselves on the relationship between science and politics impact their behavioural patterns in the policy-making system. In his book, *The Honest Broker*, Roger Pielke, Jr. (2007) asserts that in democratic nations the personal 'view of democracy' and 'view of science' of experts can be used as two dimensions to illustrate four different behavioural patterns: pure scientist, issue advocate, science arbiter, and honest broker. The typological model offers both important academic insights and approaches for professional practice to those who wish to engage in politics and policy (Currey and Clark 2010).

The attributes of policy domain stress the factors close to the demand side of expertise utilization that may affect expert participation. For example, many scholars have nominated a number of potential factors of policy domain, such as policy type (distributive, redistributive, or market regulatory); policy orientation (domestic, foreign, or defence); temporal dimension (urgent, short-term, or long-term policy); and availability of resources (within the governmental jurisdiction only or to specific actors outside) (Sabatier 1978; Webber 1984; Yin and Moore 1988). Nevertheless, as we have acknowledged, the nature of policy change is not necessarily similar to the nature of policy domain. The attributes of policy domain that were established by previous research will be regarded as the control variable in this study, in which relatively homogeneous policy change cases are carefully selected to make sure that no tremendous variation among these variables at the policy level exists.

The linkage between experts and decision makers is another important variable that determines the influence and behaviour of experts. This analytical approach to linkage between experts and decision makers can be traced from the theory of policy networks (Rhodes 1997). Borzel (1998) classifies policy networks into the 'governance school' and the 'interest mediation school'. According to the governance school, policy networks can be conceived as a specific form of governance among actors with resources at different

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social status. The governance school of policy networks is often used as a framework to statistically show that the organizational and individual access to decision makers forms the key determinants of experts' influence on the policy-making process, not only in Western democratic countries but also in China (Keren 1980; Landry *et al*. 2001; Zhu 2009). On the other hand, the interest mediation school assumes the policy networks as a substitution for pluralism among interest groups. According to this framework, the experts in a policy subsystem may stimulate policy learning among actors who possess different policy beliefs (Sabatier and Jenkins-Smith 1993). One of the main criticisms against the interest intermediation school is that it is unable to formulate hypotheses that link the nature of a policy network with the character of the policy process. (Borzel 1998, p. 266). To overcome this limitation, a concept of policy network structure is developed in this paper as one of the key independent variables of policy change that explains the behavioural strategies of experts.

Scholars have also examined the roles of decision makers and experts using the principal-agent theory as a tool (Braun 1993; van der Meulen 1998; Caswill 1998, 2000). The basic concern in the principal-agent relationship is 'knowledge imbalance' or 'information asymmetry' because the agent usually has an informational advantage vis-à-vis the principal. Hence, decision makers find it difficult to select the expert advice; sometimes such advice is contradictory to or competing with another (Guston 2003). Nevertheless, in the principal-agent relationship, the decision makers may have the prerogative and motivation not to deliver the information fully to the consultancies as agreed upon in the contract (Braun and Guston 2003). As a result, we need to develop the principal-agent theory to understand better the behaviours of policy actors in the context of expertise utilization.

Based on the policy network theory and the principal-agent theory, we may conclude that the advantages of establishing linkages with decision makers and expertise are the main resources that experts can use to maximize their influence on the policy-making process, and consequently determine their behavioural strategies. Nonetheless, the results of previous research are ineffective in addressing the questions this paper has raised. In any policy-change process, different experts possess different resources, and those who possess and reasonably use certain advantageous resources can successfully influence a policy. Nevertheless, the behavioural strategies of successful experts in different cases of policy change vary. Thus, the types of key resources that experts possess, as well as the kind of strategies they use to excel in a certain policy-change process, depend on the nature of that particular policy change. To fill the gap between theories and the research questions, this study explores new dimensions of the nature of policy change by developing and combining the policy network and principal-agent theories.

The nature of policy change and strategies of Chinese experts

The role of Chinese experts has changed since the establishment of the People's Republic of China in 1949. Chinese experts include scientists, engineers, social science researchers, lawyers, and other practitioners who possess professional and specialized knowledge but without the power of decision. From the beginning, the government established several state-owned research institutes based on the Soviet model. Experts in these institutes were 'politically engaged intellectuals' whose primary mission was to support the Communist Party of China (CPC) and the government's policy (Goldman *et al*. 1987). Compared with these politically engaged intellectuals, social intellectuals outside the government-established research institutes had a hard time achieving policy influence. Nevertheless, along with the significant Chinese economic reforms beginning at the end of the 1970s,

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administrative reform, focusing on ensuring more 'scientific and democratic decision-making' (Wan 1986), has been progressing fruitfully. Evidence provided by numerous recent studies suggests that experts have become much more deeply involved in China's policy changes (such as Goldman and Gu 2004; Zhu 2009).

Activities of Chinese experts in the processes of policy change may be classified into direct and indirect involvement. Direct actions include submitting written statements to higher authorities, presenting research reports, and, upon invitation, participating in government-held policy consultation meetings and seminars. Indirect actions include publishing articles, accepting press interviews, attending academic conferences, and personally participating in social actions. Generally speaking, Chinese experts favor directly influencing decision-makers rather than resorting to public opinion because airing opinions probably causes political risks of offending the government and invites public criticism. (Wang 2008). The reason experts decide to publicize their opinions is because they failed through direct channels. Along with the marketization of media industry and the emergence of new media tools in the country. (Liebman 2005; Zheng 2007b; Wang 2008) experts now can leverage the press to form public opinion in order to exert pressure on the government.

The experts are assumed to have neutral interests in policy change. Based on the classic model of 'experts', experts use their expertise not to promote a policy idea for their personal interests but to uphold public interest. Nevertheless, the assumption that experts have neutral interests is sometimes disputable. For example, most Chinese experts work at government-sponsored think tanks or universities; consequently, their proposals must be in accordance with the doctrine of a political party. Furthermore, in some specific policy domains, whether their enthusiasm in proposing some policy ideas is for the public interest or for their own personal interests can be hardly determined. For instance, some economic policies are related to the interests of many enterprises, some of which have good relations with economists. To best reduce the possibility of expert bias, cases of social policies that focus on the welfare of the 'average people' who have no resources to lobby the policy through experts are selected in this research. Hence, the experts who are deeply involved in policy change can be regarded to have few personal interests in it. Even so, some experts may also be biased because they work for related government departments that are stakeholders of national policy. In a word, in any policy in China, experts are more or less not neutral, but the assumption of neutrality simplifies our understanding of the complex policy-making process in China.

Loss embeddedness

In the language of network analysis, the basic meaning of 'embeddedness' is that an individual exists inside a network (or structure; Granovetter 1985). In the field of policy-making, 'embeddedness' refers to whether a certain policy-maker or participant is a member of a certain policy network (Evans 1995). Moreover, it has been used as a concept of network structure to study the issue of the provision of public goods to grassroots governments in rural China (Tsai 2007).

Stakeholders are individuals or organizations who benefit or suffer from loss during a policy change (Weible 2007). For all participants in a policy change process, each is in one of three groups in terms of their potential interest: 'loss', 'neutral' or 'benefit'. The potential interests of a policy participant are not always consistent. Different experts may support different directions of policy change; and different directions of policy change experts support may result in different groups of potential winners or losers. We may also

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TABLE 1 *Stakeholders in policy changes*

		Embeddedness in networks of policy-makers	
		Within policy-making networks (strong embeddedness)	**Outside policy-making networks (weak embeddedness)**
Potential interest	**Loss**	Embedded losers	Non-embedded losers
	Neutral	Embedded neutral participants	Non-embedded neutral participants
	Benefit	Embedded winners	Non-embedded winners

classify all the policy participants into two groups according to their embeddedness in networks of policy-makers. Policy participants may either be strongly embedded within networks of policy-makers or may have no close ties with them.

By this classification, there may be six different groups of policy participants during policy changes (see table 1). If policy participants are embedded potential losers in a certain direction of policy change experts support, they may have more motivation and ability to mobilize resources embedded in the policy making network to hinder that decision. If policy participants are non-embedded potential losers in such a policy change, they may have motivation to obstruct the policy change but lack the ability to do so. If policy participants have neutral interest in the policy change, no matter whether they are inside or outside the policy making network, they will neither object to nor support the policy change solely because of their individual interests. Finally, if policy participants are potential winners in the policy change, no matter whether they are inside or outside the policy making network, they have no motivation to object the policy change, and they may even support it. In summary, only 'embedded losers' are stakeholders who have the willingness and ability to wield veto power in the current Chinese policy process.

The concept of 'loss embeddedness' in policy change proposed in this research refers to whether or not there exist 'embedded losers' in the direction of a policy change. In a policy change process where there exist potential embedded losers, the policy change would encounter huge resistance from the potential embedded losers in the direction. When none of the policy stakeholders in the policy-making network will potentially lose as a result of the direction of the policy change (that is, the policy change is a win-win solution for all participants inside the policy network no matter whether it harms interests of the outside participants), a smooth consensus around such a change will form inside the policy arena. Therefore, 'loss embeddedness' is not only a concept of network structure, but rather an essential, crucial characteristic of policy change.

There are two dimensions of measurement for the strength of 'loss embeddedness' of a policy change. One aspect is the strength of the connection between the loser and the decision maker. In a policy change process where the connection between loser and decision maker is strong, the suffering stakeholder is able to express objection to the policy-maker and prevent the further development of the policy change. Another measure of the strength of 'loss embeddedness' is the extent of the potential loss that the embedded stakeholders may experience from the policy change. When the potential loss is huge, the embedded losers are more motivated to mobilize the resources embedded in the network to block the given direction of decision making.

The behavioural strategy of experts is affected by the 'loss embeddedness' of policy change. When the 'loss embeddedness' of an expert-supported policy change direction is strong, the relevant losers in the policy network have ability to find various ways to

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prevent expert suggestions from coming into play. Under such circumstances, experts have to resort to indirect channels to initiate and promote the policy agenda. When the 'loss embeddedness' of the expert-supported policy change is weak, the expert's policy suggestions are free from much interference from embedded members of the policy network, and in some cases even win the support of the policy network's members. Therefore, in such a case, the direct channel through which experts air their opinions to the decision maker is obstacle-free.

Knowledge complexity

In this study, knowledge complexity refers to the extent to which decision makers lack the professional knowledge required to make and understand a policy change. Generally, according to the principal-agent theory, the more complex a policy is, the more likely decision makers need to delegate experts in conducting policy analysis (Kingdon 1995). However, the concept of knowledge complexity in itself is complex. First, in terms of individual decision makers, knowledge complexity can be expressed as the intellectual limitation of decision makers of a policy change in understanding relevant policy considerations (Drucker 1985). Thus, decision makers who possess different educational backgrounds and working experiences have different demands for outside knowledge input (Barker and Peters 1993). Empirical studies in China, for instance, suggest that the longer a decision maker holds his or her position, the less willing he or she is to accept expert advice. Meanwhile, if the decision maker has a strong professional background (for example, 'technocrats', political leaders who have professional and technical titles), he or she is less willing to accept input from nonprofessionals when addressing decision issues without complexity (Zhu and Tian 2008).

Second, in terms of the entire set of decision makers in all policy change processes, the concept of knowledge complexity becomes one of the characteristics of policy change. Knowledge complexity of policy change has many aspects: professionality, ambiguity, and originality:

1. Professionality for the policy issue and alternative policy instruments (Gopalakrishnan and Damanpour 1994). Generally speaking, experts have a bigger voice in the policy issues related to the natural sciences, engineering technologies, and high theoretical economics, as well as in management and legal problems, particularly in policy domains involving multiple disciplines.
2. Ambiguity of policy instruments (Cohen *et al*. 1972). When a policy change has a bigger number of policy instruments under consideration that may also be unclear, experts can play the role of external brain of decision makers in analysing policy instruments accurately.
3. Originality of policy alternatives (King 1990). Despite its clear design, a brand new policy alternative has high uncertainty of success after its implementation (Damanpour and Schneider 2008). Therefore, experts are needed to provide prediction with expertise and analysis on the policy alternatives with high originality (Florin 1999). In addition, when a new policy instrument is not new abroad, decision makers usually need experts to introduce foreign experience after investigation, which may result in policy transfer (Stone 2000).

Information asymmetry is also one aspect of knowledge complexity. It refers to the asymmetry of key technical information possessed by decision makers and experts.

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The concept of information asymmetry is typically used to explain the advantage of agent in information in the structure of a principal-agent relationship. Nevertheless, in the expertise utilization relationship between decision makers and experts, each side may possess more information for decision making. Generally speaking, expertise and investigation of experts help decision makers learn additional key technical information. But in some occasions, when the government keeps information on decisions confidential, experts outside the government find it very difficult to understand and analyse the issues that need to be examined. Thus, officials often complain that academic experts do not conduct 'realistic' analyses because they lack knowledge; on the other hand, scholars complain that they are denied access to important information.

In summary, a policy change with higher knowledge complexity means that a decision maker requires more professional knowledge from experts to calculate the costs and benefits of the policy under consideration. In this situation, influential experts are more likely to be invited by the decision makers to suggest ways to select policy alternatives. Conversely, if a policy change has lower knowledge complexity, decision makers can likely make a decision by themselves. In such a case, experts are unnecessary and are often ignored by the decision-making system.

Given the two characteristics of policy change and the relevant hypotheses regarding the model described above, we can classify all policy changes into four types, with each type having different experts' behavioural strategies in the two-phase policy process, agenda setting and alternative selection. Experts' behavioural strategies at the two stages of policy process are shown in table 2.

DESIGN OF THE COMPARATIVE POLICY CASE STUDY

The policy cases in the comparative study are selected based on the following criteria. The first criterion is the logic of 'theoretical replication' (Yin 2009, p. 54). According to the theoretical framework with four different behavioural strategies of experts, four contrasting policy change cases are selected and allocated into the four scenarios to examine the theoretical hypotheses.

Second, confounding factors at the policy level have been controlled. All selected policy cases, as discussed above, are social policies that changed relatively recently. Furthermore, all the policy change cases selected in this study are those enacted, adopted, or approved by the State Council or in collaboration with the Central Committee of the CPC. In this policy-making setup, the ministries and commissions in the central government and local governments in all related regions have no final decision-making authority but are merely participants in the decision-making process of the State Council.

Third, the problem of 'reflexivity' of interviews (Yin 2009, p. 102) is avoided. The empirical report in this study did not rely on any inside information or interview transcripts. Instead, all the evidence provided came from open secondary data. The limitation in doing so is that empirical studies may miss some information that only insiders would know. However, during the interviews, the experts might have consciously or unconsciously exaggerated their influence in narrating the stories. Thus, utilizing open secondary materials is preferable in the sense that all prior knowledge in these materials is assumed to have been tested by public opinion, and we would therefore be able to ensure that the evidence is academically and ethically reliable. The comparative policy cases selected in this research and their major milestone policy documents and events are illustrated in table 3.

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TABLE 2 *Experts' behavioural strategies at the stages of agenda setting and alternative selection*

Policy change		**Experts' behavioural strategies**		
Loss embeddedness	**Knowledge complexity**		**Agenda setting**	**Alternative selection**
Weak	High	Linear access	Experts can easily provide professional analysis to decision makers through internal channels, consequently defining the issues and opening the policy window to initiate the agenda	Decision makers need expert assistance to formulate decisions; therefore, they often obtain direct expert advice by engaging experts or setting up an expert panel
Strong	High	Outside-in enlightenment	Experts face strong resistance from potential losers within the policy network. Hence, experts' strategy will be to publicize their research findings that bear their identity enlightening the public in understanding complex policy issues, hopefully thereby exerting pressure to initiate agenda through public opinion	Decision makers still need expert assistance to formulate decisions. The opinions of different experts produce different impacts on the benefits of the stakeholders, which may lead to numerous experts simultaneously entering the decision-making process to competitively enlighten the decision makers
Weak	Low	Deprofessionalized campaign	The decision makers have a clear understanding of the policy issues and solutions, and are thus indifferent to expert advice. If experts want to influence the agenda, they may become the promoters and participants in a social action, in which case experts de facto abandon their professional identities	Once the agenda is initiated and given the simple and clear policy alternatives, decision makers can easily formulate the policy with or without expert assistance
Strong	Low	Locked-out	The policy is relatively simple; however, potential losers embedded in the policy networks can shut out the experts. Although the experts can air their opinions on various occasions, the decision makers need not listen to them	What most concerns the decision makers in selecting a policy alternative is how to balance the interests of stakeholders. Once the stakeholders inside the policy network reach a consensus on interests, decision making becomes easy

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TABLE 3 *Selection of policy cases and milestone events*

Scenarios	Policy change cases	Milestones in former policies	Milestones in policy changes
Linear access	Promotion of the new-type rural cooperative medical care system	*Several Opinions of the Ministry of Health and Other Four Ministries and Commissions on Development and Optimization of Rural Cooperative Medical System* approved and forwarded by the State Council (May 28, 1997).	*Decision of the Central Committee of CPC and the State Council on Further Strengthening the Public Health Work in Rural Areas* (October 29, 2002) *Opinions on the Establishment of New Rural Cooperative Medical. Care System* (January 16, 2003)
Outside-in enlightenment	New urban medical care system	*Decision of the Central Committee of the CPC and the State Council on Health Reform and Development* (January 15, 1997) *Guiding Opinions on Reform of the Urban Medical and Healthcare System* (February, 21, 2000)	*Opinions of the CPC Central Committee and the State Council on Deepening the Health Care System Reform* (March, 17, 2009) and *Implementation Plan for the Recent Priorities of the Health Care System Reform 2009–2011* (March, 18, 2009).
Deprofessionalized campaign	Revocation of detention and repatriation system	*Provisions for Detaining and Repatriating Urban Vagrants and Mendicants* (May 12, 1982)	The State Council executive meeting adopted the *New Administrative Provisions for the Salvation of Urban Helpless. Vagrants and Mendicants* (June 18, 2003)
Locked-out	New economically affordable urban housing policy	*The Notification of the State Council on Further Deepening of Urban Housing System Reform and Acceleration of Housing Construction* (July 3, 1998) *The Notification of the State Council on the Promotion of Sustainable and Healthy Development of the Real Estate Market* (August 12, 2003)	*Several Opinions of the State Council on Addressing the Housing Problem of Urban Low-income Households* (August 7, 2007) *Several Opinions of the General Office of State Council on Promoting Sound Development of Real Estate Market* (December 20, 2008)

STAKEHOLDERS IN THE FOUR POLICY CHANGE CASES

Using stakeholder analytical framework, this study involves a comparative policy case study of four recent social policies in China based on the aforementioned theoretical hypotheses. Stakeholder analysis generally assumes that the policy-maker is the coordinator who makes the final decision by consolidating and coordinating the viewpoints of stakeholders and other policy actors (Crosby 1991).

Stakeholders of policy change in China consist of state stakeholders and social stakeholders. State stakeholders are generally central and local bureaucrats participating in the decision-making process, but are not the final decision maker. A series of classic studies of the Chinese policy-making process point out that central ministries and local governments exist within a structure of authority, where the leading officials leverage individual networks and administrative connections embedded to drive or prevent policy change (Lieberthal and Oksenberg 1988; Shirk 1993). When decision making involves many ministries, the central government sometimes establishes special informal organizations, such as leading small groups, to coordinate interests and achieve consensus among different relevant ministries (Hamrin 1992; Miller 2008).

Social stakeholders comprise various social organizations and groups that are affected by policies, including the corporate sector, banking industry, multinationals, or the public. At present, some social stakeholders have established channels to voice their opinions to government policy-makers on a regular basis, such as the National People's Congress (NPC), the Chinese People's Political Consultative Conference (CPPCC), and industry associations (Kennedy 2005; Dickson 2003). However, as another group of social stakeholders, the populace has no adequate channels to influence the policy; instead, they are passive recipients of policy. Although there exist several mechanisms in China that allow their voices to be heard during the policy-making process, including administrative litigation, letters of complaint, and public hearings, few of these systems grant them sufficient power to influence the final decision (Peerenboom 2002). This situation differs from that in democratic nations where ordinary people can at least influence politicians through the power of the electoral process. Table 4 summarizes characteristics of the four policy changes.

Case 1: promotion of the new-type rural cooperative medical care system

In May 1997, the State Council approved and forwarded the *Development and Optimization of Rural Cooperative Medical System.* However, because of the lack of financial support from the central government, the rural cooperative health insurance system fell through in the end (Wang 2009a). The situation improved remarkably when the new-type nationwide rural pilot cooperative medical care system was put into operation by the Central Committee of CPC and the State Council in late 2002 and early 2003. Since then, between 2003 and 2008, financial subsidy directly allocated to the new-type cooperative medical care system totalling up to 112.8 billion RMB, of which 41.5 billion RMB was from the central budget, which benefited to 814 million farmers, with a coverage of 91.5 per cent had participated in the system (Liu 2009).

Promoting the new-type rural cooperative health insurance system involved interactions among many government departments and economic sectors as stakeholders. These included ministries and commissions in charge of public health, finance, agriculture, civil affairs, development and reform, auditing, the food and drug administration, traditional Chinese medicine, and poverty alleviation. In general, the promotion was beneficial to the Ministry of Health because the system provided access to an enormous amount of

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TABLE 4 *Summaries of comparative case studies: policy change characteristics*

Policies	Loss embeddedness	Knowledge complexity
Promotion of the new-type rural cooperative medical care system	The Ministry of Health was the beneficiary Rural residents were the beneficiaries Other departments and local governments benefited little from the system The central government provided fiscal subsidy to local governments in central and west regions.	High professionality, multidisciplinary A number of alternative policy instruments Decision makers do not possess key information
New urban medical Care System	It had a negative effect on the Ministry of Health. Required inter-ministerial coordination among 16 ministries and commissions The beneficiaries of original medical and health system turned out to be potential victims of the new medical and health system.	High technical complexity; multidisciplinary A number of alternative policy instruments Decision makers do not possess key information
Revocation of detention and repatriation system	Floating populations in urban areas benefited from the abolition of the detention and repatriation policy Domiciled urban residents suffered from the abolition of the detention and repatriation policy.	Low professionality Certain policy instruments
Economically affordable urban housing policy	Intense fiscal relations between the central and local governments; constraints in central budget. Real estate developers and commercial banks benefited little from the policy Nepotistic rent-seekers were the beneficiaries of former policy Low-to-medium income households benefited little from the policy	Certain policy instruments. Decision makers know the situation better than experts

financial resources, while the other ministries and commissions had little interest in the new system. Moreover, in 2003, the State Council established the 'Interdepartmental Joint Conference on the New Rural Cooperative Health System', granting the Ministry of Health authority over the agenda setting of consolidation and negotiation among all concerned ministries and commissions regarding the policy change.

Promoting the new-type rural cooperative health insurance system also involves the interests of local governments. It required great financial inputs from local governments, which was a considerable fiscal burden for Central and West China. However, the aforementioned notification stipulated that from 2003 onwards, the central government would provide a 10 RMB subsidy available to people in rural areas to each farmer who participated in the new-type cooperative medical care system in Central and West China through a special-purpose transfer payment mechanism in each year. This move addressed the financial difficulties of local governments in poverty-stricken rural areas in terms of implementing the new insurance system.

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Case 2: new urban medical care system

In early 1997, the Central Committee of CPC and the State Council jointly promoted market-oriented health system reforms of the existing medical and health system. In February 2000, the State Council promulgated the *Guiding Opinions on Reform of the Urban Medical and Healthcare System* with the objective of establishing an urban medical and health system that meets the requirements of a 'socialist market economy'. The purpose of this round of reforms was to make medical services more available, affordable, and accessible to the general public, deregulate the market, intensify supervision, and introduce competition. However, several years later, the situation increasingly began to deteriorate; the public suffered from the increasing unavailability and unaffordability of medical services. In June 2006, the State Council decided to launch a new round of urban medical and health system reforms. Three years later, on 17 and 18 March 2009, policy documents on the new round of Health Care System Reforms were finally promulgated by the central authority.

The reform of the urban medical and health system also involved many state stakeholders. First, the changes in policy on urban medical care system had a negative effect on the Ministry of Health. To conclude that the reforms since 1997 aggravated the unavailability and unaffordability of medical services was, in fact, to criticize the Ministry of Health that dominated the market-oriented health system reforms. The power of the Ministry of Health in the policy change was also reduced during the new round of urban medical and health system reforms (Zheng *et al*. 2010). As a result, in August 2006, the State Council allowed 14 ministries and commissions (two other ministries and commissions later joined in), under the supervision of the National Development and Reform Commission (NDRC) and the Ministry of Health, to form the Inter-Ministry Coordinative Working Small Group (IMCWSG) for the Deepening of the Medical and Health System Reform. The formation of this working group indicated that the planning for new medical and health system reforms had officially reached the drafting stage. After the promulgation of the new medical and health system reform plan in 2009, the State Council established a 16-agency Reform Leading Small Group for the Deepening of Medical and Health System Reform headed by Vice Premier Li Keqiang. The small group was tasked to coordinate and oversee the implementation of reforms.

Several social stakeholders are involved in the policy change process towards the new urban medical care system. First, average patients are the beneficiaries in the reforms of the new medical care system. The public has criticized hospitals, under the management of the Ministry of Health, for abusing individual fees, as well as doctors for colluding with pharmaceutical companies. Thus, one of main objectives of the reforms is to resolve such a problem, which will reduce the benefit of hospitals and doctors. Another consequence of the reform is that it reorganized the pharmaceutical industry, bringing new opportunities to the new market structure as well as challenges to the original market structure. On the other hand, insurance companies, under the management of the China Insurance Regulatory Commission, are the beneficiaries because the central government will redistribute a large number of fiscal resources to the health insurance system as subsidy to patients.

Case 3: revocation of detention and repatriation system

On 12 May 1982, the State Council established the detention and repatriation system. This policy was originally intended to extend salvation to the homeless and mendicants in urban areas but has been proven to be seriously problematic. Over the past 21 years of

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implementation, numerous fatal incidents and appalling crimes occurred against detained persons. In March 2003, a youngster named Sun Zhigang was beaten to death by law enforcement officers after being mistakenly detained in Guangzhou City. This became a critical incident that triggered a change in the detention and repatriation system. Only two months later, the State Council convened an executive meeting and decided to replace the Detention and Repatriation System with a new Urban Vagrant and Mendicant Salvation System.

The abolition of the detention and repatriation system has both beneficiaries and sufferers. Vagrants and mendicants in urban areas benefit from the abolition of the detention and repatriation policy. After the new Salvation System was established, vagrants and mendicants could not be detained arbitrarily by local officials without justifiable reasons. On the other hand, the abolition of the Detention and Repatriation System considerably impaired the interests of the urban residents who had settled in an area, the migrant population, and travellers on business or for other reasons. In May 2006, medical expert and Academician Zhong Nanshan was robbed on the streets of Guangzhou while on a business trip in the city. Angry, he strongly suggested in a media interview that vagrants be detained and the criminals severely punished, triggering widespread controversy; a typical criticism called the suggestion backward reform (see also Lin 2006).

Case 4: new economically affordable urban housing policy

In July 1998, the State Council announced the establishment of a housing supply system centred on 'economically affordable housing'. 'Economically affordable housing' refers to houses that have been included in the national planning, are built by real estate developers or housing construction contractors under the auspices of the city government, and sold to low-to-medium income households in urban areas at a comparatively meagre profit. In August 2003, the State Council promulgated another important policy which emphasized economically affordable housing as one kind of commercial housing with policy security.

The intense fiscal relations between the central and local governments, which are largely focused on the allocation of construction funds, were the major constraint to the large-scale construction of economically affordable housing units. The construction of affordable houses caused tremendous fiscal burden to their local offices. The State Council's policy stipulated that the construction of economically affordable housing shall be mainly financed by the local budget and other funds. Moreover, proceeds from the sale of land lots were the main source of fiscal revenue of the local government; however, local government received much fewer land use fees from affordable houses than the commercial real estate housing projects. As a result, since 2001, investments in the local real estate market began dropping yearly, reaching as low as 3.6 per cent in 2005 (Chinese Academy of Social Sciences 2006).

Compared with commercial housing projects, affordable housing projects were much less attractive to both commercial banks and property developers. Commercial banks provided both loans to economically affordable housing developers and mortgage loans to house buyers. Due to the frequent unfavourable news regarding the merchantability of the houses and a long string of scandals, commercial banks had reduced bank loans to the affordable housing projects and raised their credit granting criteria. According to the government policy, economically affordable housing brought real estate developers a meagre profit margin of no more than 3 per cent. The affordable housing policy had brought few benefits to urban low-to-medium income householders. In truth, these houses were still quite expensive for the low-to-medium income brackets in urban areas. At the

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same time, the remote locations, prohibition of leasing or sale, unreasonable room layouts, and low construction quality made the low prices of such housing meaningless to house buyers from the perspective of utility. As such, the fact that a large number of affordable houses encountered resistance from buyers in 2007 and 2008 indicated that affordable houses themselves are of little appeal to low-and-medium income households.

The real beneficiaries of the affordable housing policy were government officials, employees of large state-owned enterprises (SOEs), as well as individuals personally connected with government officials. Currently, most of the economically affordable housing units available are constructed and allocated by employers in a quasi-welfare-oriented public housing distribution system. In addition, individual affordable house buyers who are actually ineligible but connected with government officials continue to reap the benefits of the prevalent practice of illegal leasing or sale of houses.

On 5 November 2008, the economically affordable urban housing policy changed drastically. The State Council decided to invest 4 trillion RMB by the end of 2010, of which 900 billion RMB will be invested in guaranteed housing constructions, nationwide, within the next three years. Specifically, 600 billion RMB will be invested in affordable housing (Wang 2008). In December 2008, the State Council promulgated a decree, stipulating that greater efforts shall be made to boost the construction of affordable housing within the next three years.

BEHAVIOURAL STRATEGIES OF EXPERTS

In this section, four cases of policies in China are presented and compared in which experts adopted completely different behavioural strategies to promote policy changes. Table 5 summarizes experts' strategies in the four policy change cases.

Case 1: promotion of the new-type rural cooperative medical care system

The promotion of the new type of rural cooperative medical care system is a policy with high knowledge complexity. This policy involves many academic disciplines, such as economics, finance, medicine and public health, as well as sociology, governance, and insurance. Moreover, the political leaders in the central government initially did not know the reality of how serious the problems of low coverage of medical services in the rural areas had been since the 1997 policy was implemented. In addition, China has huge regional variations; many possible policy instruments can be implemented but decision makers find it difficult to know which policy instrument is the most widely suitable for the country.

The experts played a crucial role in making the central government determined to implement the new type of health insurance system by exposing the problems of medical services in rural areas to decision makers. In the 1990s, a series of rural cooperative medical care system practices and experiments organized jointly by international organizations and domestic research institutes convinced the central government that the full-scale implementation of such a system would be impossible without financial input from the government (Wang 2009a). We may find one of the clues on how expert activities influenced the government decision from the recollections of expert participants in these programmes. In July 2001, the NDRC held an international symposium in Beijing. A report submitted at the meeting by three members of the Harvard University research project team, namely, Liu Yuanli (Harvard School of Public Health), Rao Keqin (Health Statistics and Information Center of the Ministry of Health), and Hu Shanlian (Public

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TABLE 5 *Summaries of comparative case studies: experts' strategies*

	Experts' position	**Strategies (agenda setting)**	**Strategies (alternative selection)**
Linear access Promotion of the new-type rural cooperative medical care system	Increase government investment and expand coverage of rural cooperative medical care system	Influenced decision-making process through direct channels, without immediately publicizing research findings	The Ministry of Health set up a technical direction team and a research center for the implementation of pilot demonstration projects of the new system
Outside-in enlightenment New urban medical care system	Reform the existing medical care system to make medical services more accessible, available, and affordable to the general public	Publicized research findings after direct channels failed	9+1 plans from expert panels
Deprofessionalized campaign Revocation of detention and repatriation system	Protect the disadvantaged groups and maintain social justice	Appealed to the NPC Standing Committee for a constitutionality review in the name of Chinese citizens	Decision-makers immediately changed the policy in support of disadvantaged groups
Locked-out Economically affordable urban housing policy	Revoke or replace the affordable housing policy or intensify fiscal investment from the central government	Decision-makers stayed with the affordable housing policy, regardless of the experts' advice	There was little fiscal investment from the central government until the international financial crisis

Health School of Fudan University), suggested that family bankruptcies due to medical expenses accounted for one-third of rural poverty. This report was noticed by then Minister of Health Zhang Wenkang. Zhang approached Rao and asked him to write a report, which was then sent in a private envelope by Zhang to the then Chinese President Jiang Zemin.Upon seeing the report, Jiang was astonished and immediately demanded verification of the report. Several days later, two researchers from the Policy Research Office of the CPC Central Committee interviewed Rao and asked him regarding the details and data sources of his research. Having successfully drawn the attention of the government leaders, experts emphasized that it was important to send internal reports to senior leaders through main government agencies, such as the NDRC and Ministry of Health, but not to immediately publicize the research findings (Liu and Rao 2006).

Some months later, in November 2001, the Economic Restructuring Office of the State Council was officially charged with researching the coordinated development of a new rural health policy in the country. In 2002, driven by the Ministry of Health, China's first national conference on rural healthcare in Chinese modern history was held in Beijing. This meeting finally secured financial support from the top leaders of the government and Ministry of Finance for the development of the policy.

Due to the complexity of the policy issues, after the policy on the establishment of the new type of rural cooperative medical care system was promulgated, the Ministry of Health established the Technical Direction Team for the New-Type Rural Cooperative Medical Care System in 2004. In 2005, the Ministry of Health established the New-Type Rural Cooperative Medical Care System Research Center. Both the Technical Direction Team and the Research Center consisted of senior officials and veteran experts in rural healthcare, who directly provided technical guidance and consultancy services to the Ministry of Health and local medical and health institutions, reporting to the Interdepartmental Joint Conference on the New Rural Cooperative Health System.

Case 2: the new urban medical care system

Like the new-type rural cooperative medical care system, the urban medical and health system reforms are also extremely complicated policy issues. The reforms involve multiple disciplines, including medicine and public health, pharmacology, demography, finance, public management, and insurance. The reforms also have a number of alternative policy instruments to be selected by the policy-makers. In addition, the decision makers expressed the wish to learn from foreign experience on urban public health policy during the decision-making process.

Scholars successfully urged the central government to initiate a new round of policy reforms with the strategy of 'outside-in enlightenment'. In 2005, a research project on the medical and health system reforms in China was led by Ge Yanfeng, a researcher at the Development Research Center (DRC) of the State Council. The project found that the market-oriented urban medical and health system forms have aggravated the problem of rising medical expenses instead of addressing it, concluding that the reforms were basically unsuccessful. Initially, the research project published eight specific reports and a general report in an internal publication of the DRC in March 2005 (State Council DRC Research Project, 2005). However, this publication did not draw the attention of the decision makers because the findings met an opposing voice from within the government (Wang 2008). In July 2005, Ge released the research findings to the media, immediately triggering an outburst of public opinion. The Ministry of Health attempted to dodge the general concern of the public, but this only invited more criticism (Li 2005). Strongly

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pressured by public opinion, in June 2006, the State Council finally decided to launch the urban medical and health system reforms by initiating a policy-making agenda.

As the institutional design of this reform was highly complex, many scholars in different academic disciplines were invited into groups of consultancies to provide expertise directly to the decision makers. On 23 October 2006, the Political Bureau of the CPC Central Committee invited Professor Li Ling of Beijing University, and Professor Liu Jun of the Chinese Medical Doctors' Association, to deliver lectures to the members of the Bureau on foreign medical and health systems and on the development of China's medical and health service. In 2007, the Health System Reform IMCWSG invited nine groups of domestic and foreign research institutions to conduct independent and parallel design projects for health system reforms. In May and June 2007, the working group evaluated all proposals from the research groups. Experts involved were from Beijing University, Fudan University, the DRC of the State Council, the World Health Organization (WHO), McKinsey & Company, the World Bank, Beijing Normal University, Renmin University of China, Tsinghua University, and Harvard University. In February 2008, a tenth plan was submitted to the State Council, formulated by medical and health experts of the Chinese Academy of Sciences. At last, a total of 9+1 competing institutional solutions were submitted to the State Council for consideration.

Although all the plans proposed by experts shared the same objective – of providing safe, effective, convenient, and affordable medical and health services to the public, the expert opinions were divided into roughly two categories: supplier-side nationwide basic medical security system and user-side nationwide social medical insurance system (Wang 2009b). When the State Council finally published a medical and health system reform plan in 2009, it turned out to be a mix of the two categories based on input from experts and the general public, promulgating 'accelerates establishment and optimization of a multi-level urban-rural medical security system based on basic medical security supplemented by other various supplemental medical insurance and commercial health insurance'.

Case 3: revocation of detention and repatriation system

Scholars pointed out the defects of the detention and repatriation policy soon after its implementation. They appealed to the government to revise the policy through their own channels, directly and indirectly. As early as 1989, sociologist Wang Sibin, who was a professor of Beijing University and a member of the scholarly committee of the Ministry of Civil Affairs, pointed out the problems inherent in the policy. However, he was ignored by the MCA officials at the time (Zhao 2003). Many researchers also suggested that the temporary resident permit system and residence registration system either be abolished (Liu and Chen 2003) or immediately lifted (Meng 2003). Some legal experts such as Ma Huaide and Xiao Han suggested that a security personnel punishment law be instituted and enacted in addition to abolishing the detention and repatriation system (Ma 2003). Some expert proposals were recognized by the government. But given that officials of civil affairs knew the situation better than the experts, these officials were indifferent to expert suggestions, and perfunctorily responded that it was too early to change the system (Zhao 2003). All the efforts of experts, therefore, failed to result in any policy change until 2003.

In 2003, unlike the previous behavioural strategies adopted by the experts, during the Sun Zhigang Incident, some legal experts submitted two letters to the NPC Standing Committee, suggesting a constitutionality review of the detention and repatriation system. Although the Legislation Law of the People's Republic of China had specific provisions concerning the constitutionality review, the provision was merely a principle without

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concrete implementation procedures. This is an innovative strategy adopted by experts in Chinese legal history (Zhu 2008). Moreover, another comparative case study has found that although there are confounding factors that can potentially explain the case of the detention and repatriation system, such as political environmental changes, spillover effects, and media and Internet exposure, all of these factors are indeed noteworthy and important yet they are insufficient (Zhu 2008). It should be noted here that instead of using their professional identities to provide advice, submit reports or push forward policy recommendations, these legal experts submitted the suggestion letters to the NPC Standing Committee as an appeal in the name of 'citizens of the People's Republic of China'.

This pioneering social action caused even more sensation in the public opinion then before. The whole of Chinese society waited to see how the NPC and the State Council would react after receiving the appeal for a constitutionality review. Since the knowledge complexity of this policy itself was not very high, the State Council immediately replaced the Detention and Repatriation System with a new Urban Vagrant and Mendicant Salvation System, even before the NPC Standing Committee initiated the procedure of constitutionality reviews.

Case 4: new economically affordable urban housing policy

The economically affordable urban housing policy change has certain policy instruments with relatively low techniques. Based on the stakeholder analysis above, the potential measures mainly focus on fiscal investment, land provision, and allocation of opportunity to purchase a house. More importantly, the government possesses more information on the three potential measures. Given that the experts lacked sufficient information, the suggestions they proposed usually had little real value for decision makers. Consequently, the factor that decision makers must pay more attention to is how to balance interests among different stakeholders, rather than simply experts' technical analysis.

For years, many experts, using direct or indirect channels, spoke out for reforms of the housing policy. First, the experts suggested that the existing housing institution be revoked and replaced by other guaranteed housing systems to eliminate various acts of violation. For example, some experts suggested that the government subsidy be extended to the developers of economically affordable housing (Wang 2007). In particular, many experts such as Yu (2007) suggested that the affordable housing policy be replaced by low-rent housing. Another opinion came from Zheng Gongcheng, a professor from Renmin University of China and a member of the Standing Committee of the NPC. He noted in his article that both the affordable housing and low-rent housing policies should be replaced by a uniform public housing policy (Zheng 2007a). In spite of these opinions, however, another school of expert opinion suggested that the central government intensify fiscal investment in the construction of economically affordable housing to ease the fiscal burden on local governments. At the 2007 national conference of the CPPCC, a proposal submitted by the Central Committee of the Revolutionary Committee of the Chinese Kuomintang (RCCK) suggested that funds for the construction of guaranteed housing should be included in the national budget (*Shanghai Securities Gazette* 2007).

On 7 August 2007, the State Council promulgated a decree on solving the housing difficulty of urban low-income families. In comparison with some expert advice, this decree neither adopted the suggestion of revoking the existing economically affordable housing policy nor increased the central government's fiscal investment in support of the construction of houses. In a media interview, the Director of the Ministry of Housing and Urban-Rural Development said that the central government has conditionally considered

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supporting urban residents to own housing properties but did not adopt both suggestions due to overwhelming fiscal burdens (*Xinhua News* 2009).

It can be seen that expert advice had not produced substantial influences on policy change in the course of the housing policy reform in China. However, when the international financial crisis broke out in 2008 and affordable housing construction was redefined in such a way that boosted domestic demand, the central government promptly decided to make enormous financial investments in support of an affordable urban housing policy. This further proves that what drove the central government to change the housing policy was not the advice of experts.

CONCLUSION

Expert involvement is usually regarded as one of the causes of policy changes. This study discusses the effect of the nature of dynamic policy changes on the behavioural strategies that experts employ, which is a counterintuitive direction of cause-effect relationship. The analytical model this article constructs develops the policy network and principal-agent theories. It explores a new way of policy network analysis with the perspective of embedded stakeholders; it also suggests that the principal-agent relationship in the expert consultation process has 'information asymmetry' from either sides between decision makers and experts. These thoughts can be widely generalized in discussions on expert involvement in the policy process, not only in China but also in Western democratic countries.

Three main theoretical contributions are presented in this paper. First, the paper suggests that the actions of experts can be regarded as the result of the inherent characteristics of policy change by identifying two independent variables: 'loss embeddedness' and 'knowledge complexity'. Second, this research manifests that Chinese experts have considerably different behavioural patterns and strategies from their counterparts in Western democratic countries with which previous research has been mainly concerned. Finally, it differentiates two indirect behavioural strategies that Chinese experts may adopt when they fail to influence decision makers through direct channels: 'outside-in enlightenment' and 'deprofessionalized campaign'.

This study has some limitations that encourage us to conduct further research. First, given that the author decided to use open secondary data only, the lack of insider interpretation constrains deeper understanding of the issues in the comparative case study. Second, this research assumes the neutrality of experts. To understand the complicated behaviours of experts better, in future studies they can be regarded as self-interested policy participants. Third, owing to space limitations, only four cases are provided. In fact, each type of policy change can find supporting evidence from numerous cases in China. We hope that new cases will be studied in the future to justify the external validity and develop our theoretical explanation.

As mentioned above, although not emphasized in this paper, historically speaking, changes in four factors have impacted the behavioural patterns of experts in the contemporary Chinese policy process. First, the government relaxed its control over thoughts and ideology such that Chinese intellectuals currently have growing autonomy and may exhibit diversified behaviour. As a result, Chinese experts have increasing liberty to debate special policy issues within the establishment and in public. Second, the demand of decision makers for expertise has strengthened as a result of their need to increasingly address more complicated policy issues. In addition, the new generation of Chinese leadership as social managers has more motivation to consult experts in their decision-making process than did their technocratic predecessors. Third, information

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disclosure by the Chinese government encourages more researchers to be involved as policy consultants, providing policy analysis of higher quality than before. Fourth, the emergence of marketized and new media in China has made it possible for experts to push decision makers by arousing public opinion as an external pressure. In the past, by contrast, if a Chinese expert could not directly access the policy-making process, they were blocked from contributing in effect, kept completely outside.

This research not only explains the mechanisms of expertise utilization in the Chinese policy process, but also provides significant instructions on expert involvement in China. Experts can strategically make use of either internal or external channels in different circumstances to most effectively direct the attention of decision makers towards research findings or policy ideas in a certain policy issue. Before experts decide to take action, they need to assess the interest structure of stakeholders in policy changes and the demand for expertise from decision makers. On the other hand, if experts realize that they lack crucial resources and capabilities when they attempt to wield their influence on policies, they may cooperate with other experts who possess such resources and capabilities. Cooperation, therefore, among experts from different governmental backgrounds, such as those from the establishment and the public domain, or even from overseas, has become significant for expert involvement in policy change.

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