The Chinese Paradox of High Growth and Low Quality of Government: The Cadre Organization Meets Max Weber

BO ROTHSTEIN*

Much research has argued for the importance of state’s administrative capacity for development. Disregard for the rule of law and failure to get corruption under control are seen as detrimental to economic and social development. The China paradox refers to the fact that in all commonly used measures of levels of corruption and the quality of government, China is a country that scores quite low. China also lacks the Weberian model of bureaucracy that is seen as central for development. It is argued that this paradox is the result of disregarding the existence of a different public administration model in China—the cadre organization. Instead of rule following, this organization is marked by high commitment to a specific policy doctrine. The argument is that while very different from Weberian bureaucracy, this organization is well suited for effectively implementing policies for economic and social development.

The Institutional Theory in Development Research and the China Paradox

The starting point for this article is the so-called “China paradox.” On the one hand, there is now an abundance of research in economics and political science arguing for the importance of state’s administrative capacity and the quality of their government institution for countries’ economic prosperity and social development (Acemoglu and Robinson 2012; Aidt 2009; Bentzen 2012; Smith 2007). In this approach, disregard for the rule of law and failure to get corruption under control are seen as detrimental to economic and social development. On the other hand, The People’s Republic of China (henceforth China) scores comparatively low in all commonly used measures of levels of corruption and the quality of government (QoG) institutions (Fukuyama 2013). Most importantly, China lacks the predictable, rule-of-law-oriented, unpolitical, impersonal type of public administration that is known as the Weberian model of bureaucracy (Ahlers 2014; Birney 2013; Pieke 2009). This model for the public administration is by most institutional scholars seen as a central ingredient in the

*University of Gothenburg

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institutional setup needed to spur a country’s development (Dahlström, Lapuente, and Teorell 2011; Evans and Rauch 2000; North, Wallis, and Weingast 2009; Pritchett and Woolcock 2004).

Yet, as is well known, during the last three decades, China has shown exceptionally high economic growth and also impressive improvements in many commonly used measures of human well-being (Sen 2011) despite its dismal performance in the available measures of levels of corruption and QoG. The magnitude of this “China paradox” is, for example, shown by the fact that leading scholars in the institutional approach to development have been forced to use a number ad hoc explanations to account for the Chinese case as the country does not fit the theory (Acemoglu and Robinson 2012; cf. Fukuyama 2012). Mahbubani argues that while governance in China is not perfect,

it has lifted more people out of poverty, educated more people, increased their lifespans and generated the world’s largest middle class. No other society in human history has improved human welfare as much as the Chinese government. It would be insane to deny that China has enjoyed “good governance.” (cited in Ottervik 2013, 22)

Ahlers (2014, 1) refers to the discrepancy between the established theory about “good governance” and what has taken place in China since 1990 as “the hardest contemporary nut that comparative political scientists have to crack.” Using Transparency International’s Corruption Perception Index as a measure of institutional quality, Wedeman (2012, 178) shows that China is a profound outlier with much higher annual growth rate than other countries with similar levels of corruption. Despite the seemingly high levels of corruption and lack of democracy, the Chinese state has been able to increase its capacity to collect taxes, thereby being able to fund large investments in public goods such as education, health facilities, and infrastructure (Ahlers 2014; Ho and Niu 2013; Ottervik 2013). Compared to almost all other communist regimes that have experienced systemic breakdowns in delivering public and private goods, as stated by Ahlers, in China “things are getting done” (Ahlers 2014, 1, italics in original).

This “puzzle with China” leaves us with three possibilities. First, the theory stressing the QoG institutions is a misspecification of what causes economic and social development. For example, it may be the case that the theory is not as general as the proponents argue, in the sense that it may work for some type of societies but not for others. A possible explanation is that, for a country like China, low quality in its formal institutions, may be compensated for by high quality in its informal institutions. For example, Li and Wu (2010) have argued that the presumably high level of interpersonal trust in China serves as an informal institutional device that mitigates the negative effects of corruption in the formal institutions. In a similar way, it has been argued that the “guanxi” networks in China should be seen not only as facilitating corruption and clientelism but also
as informal systems for securing honesty in economic transactions (Huang and Wang 2011; Li 2011). The problem with these explanations is that they imply that China can only be explained by referring to cultural and historical traits that are specific to China. This may very well be true, but from a comparative perspective, there are strong arguments for trying to find a more general explanation for “the China puzzle.” Otherwise, comparative politics may end up with one theory of development per country. Before retracting to the “culturalist” type of explanations, there are good reasons to see if it is possible to find a more universal explanation for the “China paradox.”

A second possibility is that there is something profoundly wrong with how QoG institutions are conceptualized by the group of mostly Western scholars that are engaged in this topic and that this is specifically detrimental to the Chinese case. A central issue here is of course the relation between universalism and cultural relativism in the social sciences. The latter approach would argue that concepts such as good governance, corruption, or the QoG are based on profoundly Western ideals and therefore should not be applied to other cultures such as China. Several studies, however, show that there is not much empirical support that speaks in favor of this relativistic approach (Persson, Rothstein, and Teorell 2013; Rothstein and Torsello 2014; Widmalm 2008). A third possibility is that there is some kind of institutional feature in the Chinese system of governing that has been missed in this discussion. If so, this would imply that state capacity and QoG can be reached by other means than the liberal rule-of-law-based Weberian model of state capacity as first put forward by Evans and Rauch (2000).

I will concentrate on the latter issue as my inclination is that the institutional theory of development probably is right. It would take too much space to present the full argument here but to summarize I think that both the internal logic of the institutional theory and the results from many different types of empirical research is to this day convincing. The assumption from which this analysis starts is that “the problem with China” may be related to a misunderstanding of the main operational mode of the Chinese public administration. The hypothesis put forward is that research on this topic may have missed the importance of a specific organizational form for public administration, namely, the cadre organization. It is argued that this quite specific type of public administration is a very different organizational species than the Weberian model of rule-of-law-based and impartial bureaucracy. However, as will be shown, this cadre type of public administration is not a specific Chinese model of public administration as it, while rare, can also be found in Western democracies. Most importantly, it is argued that for producing socially efficient outcomes, due to its specific organizational form, this cadre model of public administration can under some circumstances be more efficient than the Weberian model. This implies that when singling out the rule-of-law-based and politically neutral Weberian model as a
requirement for successful development, the institutional approach in economics and political science may have been mistaken.

**Measuring the QoG in China**

Despite fairly high levels of corruption and far from ideal implementation, the Chinese population seems to be quite satisfied with government services in general (Ahlers 2014). Comparing six Asian-Pacific large countries, Wang (2010) shows that Chinese citizens are more content with how the government handles issues such as fighting crime, unemployment, human rights, economy, political corruption, and improving quality of public services than citizens in countries such as Japan, Russia, India, and the United States. In this article, only Australia outperforms China.

Data from the World Value Study survey carried out in 2007 show that not only does China have markedly higher levels of social trust and higher growth rates than other large developing countries, despite that they all resemble each other when it comes to the their levels of corruption; as shown in Table 1, the Chinese population also seems to have substantially higher confidence in the police and the civil service (Table 1).

One possible conclusion from these figures is that while corruption and corruption-related problems may be common, there is something else in the Chinese state that creates the high confidence in public institutions among the population. The question is: What? Ahlers and Schubert (2011, 66) suggest that political legitimacy at the local level in China is secured by what they call an “adaptive authoritarianism,” which implies that the local cadres have an obligation to “to be aware of public demands (including beliefs and values) and thus take into account the people’s responses to the policy.” The importance of the high levels of confidence in the public administration and police should also be seen in relation to a number of survey-based comparative studies about political legitimacy in general. What these studies show is that issues that relate to the “output side” of the political system, such as government effectiveness and control of corruption, are generally more important for creating political legitimacy.

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<th>Generalized Trust, Confidence in Institutions, and Economic Growth</th>
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<td><strong>Generalized trust (%)</strong></td>
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<td>52.3</td>
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<td><strong>Confidence in institutions (%)</strong></td>
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<td>GDP per capita growth (%)</td>
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*Source: QoG data set, see Teorell et al. (2013).*
among the population than are the standard set of liberal democratic rights (Dahlberg and Holmberg 2014; Gilley 2006; Gjefsen 2012).

The central question, then, is: How this is done? As a first starting point, it is important to note that the term civil servant cannot be directly imported from the English language to translate to the same understanding in Chinese. In China, the term for civil servant covers both party cadre and nonparty government officials, which implies that it is difficult to separate the term, as it encompasses, in practical terms, more than one job category (Chou 2008). A first implication of this is that the central notion of the model of Weberian bureaucracy, namely, that the civil servants are not to be loyal to the ruling political party but to rule of law principles and their professional standards, does not apply to China (Pieke 2009).

Reforming the Civil Service in China

Recent scholarship on the Chinese civil service has focused on the many and encompassing civil service reforms initiated by the Deng leadership in the 1980s, and later reinvigorated in 1993 (Burns 2007; Burns and Wang 2010; Keping 2014; Pieke 2009), as well as on the legal framework, that serves as the basis and starting point to institutionalize these reforms. A central finding in the literature about the civil service in China is that there is still an overwhelming presence of the Communist Party within the civil service (Ahlers 2014; Burns 2007; Burns and Wang 2010; Burns and Zhiren 2010; Chou 2008; Collins and Chan 2009; Heberer and Gödel 2011; Ledberg 2014; Liou, Xue, and Dong 2012; Pieke 2009). The extent of the Party’s involvement is demonstrated by the fact that a member of the Politburo’s seven-member Standing Committee is in charge of overseeing organization and personnel work, including the management of the civil service. The fact that Party members make up 80% of civil service posts, in the roughly five-and-a-half-million-strong civil service (Burns 2007), is evidence of that the civil service is being dominated by the ruling communist party. It also reinforces the absence of a Weberian style “civil service neutrality” in the Chinese public administration (Birney 2013; Burns 2007). On the other hand, the influence of the communist party is in line with Wedeman’s explanation for the “China paradox,” namely, that the centrally launched anticorruption campaigns, while not making China into Denmark, has had a considerable effect in preventing corruption to spiral out of control (cf. Gong 2011; Wedeman 2012).

Although party control is still very important, China has made strong efforts to increase the levels of professionalism, meritocracy, skills, and educational requirement in its public administration (Ho and Niu 2013; Keping 2014; cf. Ledberg 2014; Pieke 2009). In 1993, admission criteria were revised as part of the reform, to include university degrees as part of selection. By 2003, the civil service reforms had shown significant improvement in the quality of its civil servants, with 70% of civil servants having university degrees (Burns and Wang 2010). The competition for
jobs in the central administration is very high (Ho and Niu 2013). According to one study, in 2009, more than 775,000 applicants competed for some 13,500 jobs (Burns and Zhiren 2010).

During the prereform era, the evaluation of the civil servants rested strongly on one single criteria, namely, party loyalty (Chou 2008; Pieke 2009). However, beginning in the early 1990s, this seems to have shifted toward a strong emphasis on the actual performance of civil service to deliver services (Burns and Zhiren 2010; Chen 2005; Edin 2003, 2005; Gao 2009). Starting at the county and township level in the early 1990s, “performance and result based management” has, according to Burns and Zhiren (2010) as well as Gao (2009) and Edin (2003), become a central model for the implementation of public policy in China. In this model, which according to Gao (2009, 22) has been overlooked in most studies of state capacity in China, government authorities at higher levels are setting increasingly precise and quantifiable targets for the administration at regional, county, and township levels to which also individual civil servants are held accountable. Edin (2003, 36) argues that this should be seen as a systematic strengthening of state capacity by increasing “institutional adaptability” at the local level (see also Ahlers 2014; Gao 2009; Keping 2014). One effect is that the careers of public officials have been increasingly tied to how well they are able to fulfill specific policy mandates (Birney 2013). Some of these performance targets, such as family planning, social security, handling of mass protests, have been directly tied to individual civil servants and have carried powerful sanctions if not met (Burns and Zhiren 2010, 15; Edin 2003). According to one study based on interviews with county officials, such targets “were the most important task for leadership cadres, and the accomplishment of targets . . . brought great pressure for local officials, especially for cadres in the leadership corps who were directly accountable” (Gao, cited in Burns and Zhiren 2010, 16). What is particularly interesting is that the performance targets at the county and township levels are a mix of ideological, political, economic, educational, and social goals. Examples given by Gao, cited in Burns and Zhiren (2010, 18f; see also Heberer and Gödel 2011, 37), are:

- building party branches in resident communities;
- at least 80% of “women diseases” should be under control;
- making a practical plan for dealing with mass complaints;
- ensuring that 95% of social conflicts are handled by means of negotiation;
- ensuring an annual growth rate of \(x\)%;
- reduction of water consumption by \(x\)%;
- population reduction by \(x\)%;
- conduction moral education among the youth.
Neither does such a mix of ideological and policy goals resemble what is to be expected from a Western style rule-of-law-based politically neutral Weberian bureaucracy. What is especially interesting is that economic and social efficiency goals are being mixed with ideological goals like “conducting moral education,” something that would be alien for a Weberian type of public administration (cf. Pieke 2009). The question is if we can find a model for public administration that fits a list of such diverging types of goals. One explanation is provided by Birney (2013) who labels this system “rules by mandates.” She argues that this system is fundamentally different from a “rule-of-law” system as the mandates, unlike laws, are hierarchically ordered meaning that the administration is supposed to disregard a “lower” mandate if its implementation, in the specific local context, stands in the way of carrying out a mandate with higher priority (Birney 2013, 56). Moreover, while laws are public, many of the mandates governing the public administration in China are often secret, especially their internal ranking. In sum, the reformed public administration model in China differs from the traditional communist model in that in addition to party loyalty and ideological coherence, since about 1990 there is also a strong emphasis on competence, education, and performance to deliver services (Pieke 2009).

Public Administration and Development under Authoritarian Regimes

Although China must be characterized as a nondemocratic authoritarian regime, not all such regimes are the same. In a comparative study of 76 countries using data from 1983 to 2003, Charron and Lapuente (2011) differentiate between three types of authoritarian regimes, namely, single-party regimes, monarchies, and military/personalistic rule. Using a variety of measures for QoG, they find substantial differences in the level of QoG among these types of authoritarian rule. Single-party regimes have the highest level of QoG, when economic prosperity is taken into account. Their argument is that at a modest level of economic prosperity, single-party regimes are much better than monarchies or military regimes in channeling demands from citizens into higher levels of state capacity. This is also shown in recent empirical research on governance in China. Included in the performance-based mandate-style management system are systematic demands on local officials to measure (by surveys) citizens’ satisfaction with various policies and with “government work style, integrity and clean government” (Burns and Zhiren 2010, 21; cf. Edin 2003). It is noteworthy that the existence of performance-based management is neither confined to nor has its origin in China. Instead, as Gao (2009) shows, it has originated in and is often practiced in the West. For example, in 1995, the OECD (2011) published a report titled *Performance Management in Governance: Performance, Measurement and Result-Oriented Management*, in which this form of public administration was highly
recommended. What is special about the Chinese performance-based management is that soft ideological and hard professional targets are mixed (Ahlers 2014; Birney 2013). How this works is shown also in a study of how the system for regulating banks works in China (He 2014). Although formal rules exist, most of the regulation is done informally by direct verbal or telephone communication from the China Banking Regulation Commission to the banks telling them, for example, what sectors to increase or decrease lending to and to “signal risks to the financial institutions.” These instructions are “never in writing.” Instead, this steering from the center is described as “suasive” and “allow the regulator to respond to constantly changing conditions without the need for frequent formal amendments.” This allows for a constant interaction between the regulating authority and the banks for implementing a “tailored approach for regulating different categories of banks in terms of size and complexity.” This steering by persuasion instead of rules does not rely on any “legal of binding regulatory consequences” or “explicit penalty sanctions” (He 2014, 65f). Instead, according to He (2014, 67), what makes this system work is “paternalistic” persuasion.

In sum, China has dramatically increased the educational demands and professional competence for its civil service, but the communist party is still heavily in control. Demands on performance and accountability have increased as has efforts to measure citizens’ satisfaction with performance. However, this governance model is not based on the impartial and politically neutral Weberian rule-of-law model. On the contrary, the empirical studies cited above, not least the detailed ethnographic study based on numerous interviews with students and teachers at the Party Schools by Pieke (2009) as well as the study of the rural administration by Ahlers (2014), strongly support the existence of an very different organizational “modus operandi” in the Chinese public administration. This is a system in which performance goals and hierarchically ordered mandates are set centrally giving local cadres fairly large discretionary power over how to reach the targets—what Edin (2003, 36) labels “institutional adaptability.” A central conclusion is that state capacity in China is organized in a way that is very different from the Weberian model rule-of-law type of “good government” launched in the institutional development theory. The question is if we can find a general theory or model of public administration and state capacity that makes sense of this without resorting to a culturalist “China-specific” explanation for how to understand what is to be seen as state capacity and QoG.

The Cadre Organization and the China Paradox

The hypothesis I will present is that the puzzle, why China has thrived despite what has been perceived as low QoG, may be found in the interface between the ruling communist party and the public administration. My hypothesis is that the combination of single-party rule and the type of
reforms of the public administration described above may have resulted in an organizational form for China’s public administration that works as a solution to the most general problem in organizational theory, implementation research, and public administration, namely, the issue of how to handle delegated discretion.

The literature on public administration is sometimes steeped in the language of economics, in which the goals of the principals are clear and the agents are rational utility-oriented self-interested types. Here, the major problem is how the principal can create an incentive structure that makes it rational for his/her agents to strive to achieve the goals of the organization instead of engaging themselves in all kinds of fraudulent and self-serving actions. As shown by, for example, Gary Miller, if the tasks that are going to be performed by the agents are complex, the rational choice type of incentive steering cannot work. The reason is that the principal, in order to create the right type of incentive system, needs correct information from the agents about the work process. However, if the agents think that the principal will use this information against their interest, for example, by increasing their work efforts, they will not reveal such correct information, which will make it impossible for the principal to set correct incentives (Miller 1992). This asymmetry in information problem makes it impossible to steer organizations in the mechanical way that rational choice theory presumes—if this is tried, the organization is likely to fall into a situation known as a social trap, where everyone involved will lose because lack of mutual trust (Rothstein 2005). In corruption research, this principal–agent theory represents a serious misspecification of the problem as it relies on the existence of “the honest principal.” However, in a situation characterized by systemic corruption, we should expect the actors at the top, that is, the principal, to earn most of the rents from corruption. The implication is that such principals will have no incentive to change the incentive structure for the corrupt agents (Persson, Rothstein, and Teorell 2013).

This rational-choice-based theory of organization has been successfully challenged by a more cultural approach. In this model, scholars rightly stress the importance of commonly held beliefs, mutual trust, informal norms, communicative leadership, and so on (Ashkanasy, Wilderom, and Peterson 2011; Miller 1992). The problem here is that any notion of even a semirational steering of the organization to a set of goals, such as improving the economy and social welfare of a country, tend to get lost. One widely held view in this approach to organizations and public administration systems views them as “garbage cans” to which uncoordinated streams of problems, solutions, participants, and choice opportunities flow, creating an anarchic situation that cannot be governed in any meaningful sense of the word (Cohen, March, and Olsen 1972).

Although not often discussed in organization and management theory or in theories of public administration, there is an alternative form of public administration that avoids the pitfalls of the two models above. It can be
described as an “ideal type” in the same manner as the well-known Weberian ideal type of the politically neutral legalistic bureaucracy. A useful term for this organizational type is the cadre organization (Balla 1972; cf. Rothstein 1996), but it is also known by management scholars as the “missionary model” (Mintzberg 2010) or the “clan model” (Ouchi 1980). This type of organization of the public administration has a rationale that is fundamentally different not only from the economic-incentive-driven model and anarchic garbage can culture-based model, but also from the Weberian bureaucratic ideal type. The cadre type of organization is neither based on steering by formal and/or precise rules, by any “rule-of-law” conception of tasks, or on steering by economic incentives. Instead, the basis for this organization is a strong ideologically based commitment from the personnel (the cadre) to the specific policy doctrine of the organization. As opposed to the Weberian bureaucrat’s neutral “sine ira et studio” orientation, the cadre is characterized by his or her strong loyalty to or even passion for the policy doctrine of the organization. The cadre’s key skill is the ability to understand and embrace the organization’s policy doctrine and to implement this doctrine in varying circumstances, in which the tools used are constantly adapted to the specific circumstances at hand. The difference between the cadre and the Weberian bureaucrat is not primarily in their level of professionalism, education, and skills, but in what these are used for and how. The cadre organization can be based on as much professionalism as the bureaucratic organization, but the skills are applied according to a very different logic. In an early and remarkable work on this topic, the Hungarian-German sociologist Balint Balla described the difference between the bureaucratic and cadre organization in the following way:

While bureaucracy is characterized by reliability, continuity, efficacy, precise application of prevailing instructions . . . cadre administration is marked by flexible immediate “line-oriented” dynamism, by superiority over formalities and pragmatic ability to adjust to changing situations. (Balla 1972, 203, my translation)

For understanding the role of the cadre organization model in contemporary China, it is important to emphasize that while it can certainly be driven by adherence to an ideological doctrine (such as Marxism-Leninism), this is not a necessary condition. As will be shown below, instead of being grounded on a political ideology, the cadre model can also be based on adherence to specific policy in, for example, health care, education, or demography. Thus, although the importance of the Marxist-Leninist ideology seems to have faded in China, this has not made the cadre model of public administration less relevant (Ledberg 2014; Pieke 2009).

The Cadre Organization in Western Societies

Empirically, the cadre model of public administration described above is not confined to a specific culturally based Chinese or communist mode of
public administration. In fact, mainstream organizational theorists in the West have made occasional references to this organizational form. For example, in his well-known taxonomy of organizations, Henry Mintzberg mentions the existence of what he calls “the missionary organization” (Mintzberg 2010). Likewise, William Ouchi identifies what he labels “the clan organization” (Ouchi 1980). More recent analysis of the “mission type” of public administration has verified the existence and importance of ideological motivation for policy doctrines among civil servants (Wright, Moynihan, and Pandey 2012; Wright and Pandey 2011). Although rarely theorized by public administration scholars, this type of organization have been empirically verified in countries that are very different from contemporary China such as the United States and Sweden.

A case in point is a “modern classic” in public administration from the United States, namely, Herbert Kaufman’s study of the Forest Service published in 1960 (Kaufman 1960). In this book, The Forest Ranger, Kaufman describes the severe problem of how to apply the quite loose laws and regulations to the 792 different districts that the Forest Service was responsible for. As they could not be supervised in any meaningful way, Kaufman asks why the district rangers he studied did not de facto implement 792 different policies. The answer he came up with is largely in line with the cadre organization model. Kaufman stressed the importance of leadership for the creation of a common ideological orientation in the organization. The methods used by the leaders of the Forest Service involved: (1) recruiting persons strongly inclined to the type of work that was to be done, (2) using extensive internal training to nurture “the will to conform” to the organization’s goals, and (3) organizing the work so that the will by the Rangers to identify with the Forest Service was strengthened. “Without realizing it,” writes Kaufman, “members of the Forest Service thus internalize the perceptions, values, and premises of action that prevail in the bureau, unconsciously, very often, they tend to act in the agency-prescribed fashion because that has become natural to them” (Kaufman 1960, 162, 171, 176). In this way, the Forest Service in the United States turned out to be very successful in handling the problem of delegated authority.

Another example can be taken from the implementation of the Active Labor Market Policy (ALMP) in Sweden starting in the 1950s. The policy was created by two economists from the blue-collar union federation (Gösta Rehn and Rudolf Meidner). Their idea was that the unions, in order to increase unity and avoid inflationary wage demands, should strive for a universal (solidaristic) wage policy. This would imply that individual companies as well as whole sectors of the economy that were making low profits would pay wages at the same level as those who had high profits. Instead of fighting against economic rationalization that would put less profitable industries out of work, the unions should embrace this development because it would increase economic growth as capital and labor would flow to the more expansive sectors. The problem was of course how
to take care of and compensate workers that were laid off because of this policy. The policy doctrine, known as the Rehn–Meidner model, was that through “active” measures, such as extensive vocational training, highly qualified job finding services, and generous support for relocation, laid-off workers should be moved to the more profitable and successful areas of the economy. However, the proponents of this (then quite unique) economic model realized that this would not be an easy thing to implement as many workers would be reluctant to change location and type of work.

In order to handle this problem, a new type of “cadre” administration was established known as the National Board for Labor Market Policy. Recruitment of personnel to this organization, not least its street-level organization, the labor exchanges, were in practice reserved for people with experience as local union officials. Their argument was that this was needed in order to get legitimacy in the implementation process from the “target group,” because people with a background in the union movement had been “walking the walk and could talk the talk.” It was again and again underscored by the proponents of the model that the organization was not to be governed by strict rules and regulations. Instead, it was given large discretion and freedom in how to apply its extensive funds to the varying local and industrial specific circumstances. The schooling and training of the “cadres” were extensive and consisted of creating understanding and support for the policy doctrine. The implementation problem was of course that each individual worker that became unemployed through this massive structural economic transformation had very specific capabilities for handling the situation. Some could be reeducated through various forms of vocational training, but others could not. Some could be persuaded to move to another location, but for others this was not a possible solution. Some just needed assistance to search for new work and should get temporary unemployment insurance while doing so. Moreover, some would be more suitable for various forms of temporary relief works that were set up and administrated by the Labor Market Board. In reality, the measures had to be almost tailor-made for each person, which in many cases included a fair amount of persuasion. It was obvious for the “policymakers” that solving this through a rule-bound and legal type of Weberian steering would have been impossible and resulted in a bureaucratic nightmare that would have severely delegitimized the whole policy. Instead, they created a cadre organization to solve this through customizing the “active” measures according to the specific needs and capabilities of each individual in accordance with the overall goal of this policy doctrine. The organization was deliberately infused with a strong ideological commitment to the policy doctrine through various educational, social, and cultural measures (Milner and Wadensjö 2001; Rothstein 1996).

What took place in the ALMP in Sweden during its heydays in the 1960s and 1970s looks remarkably similar to analysis of how the local administrative cadre “rule by mandate” system works in China when deciding
which local companies to support. When the traditional central planning
system was abandoned in the early 1990s, it was replaced by “active
industrial policies” where the local cadres were given the responsibility to
decide which companies to support by “concentrating local resources on
strategic key enterprises.” General policies were set at the national level,
but it became up to the local cadres to “pick the winners.” Instead of
central decisions on what products to produce, the local cadres had to
decide which companies that could become economically successful (Edin
2005, 112–114). The success of the local cadres was of course monitored
and they were held accountable, but they did not operate through a set of
central rules or regulations. According to Edin (2005, 117), this is known as
“the cadre responsibility system” in which “soft” ideological targets could
often be as important as “hard” production targets. Among the former
could also be things like handling protests, securing the social order, and
preventing environmental problems.

Although the Weberian bureaucratic rule-of-law model has many
advantages, not least in its predictability, process-bound qualities, and
meritocratic recruitment, the cadre organization has at least one feature
that can be particularly important in a very large and rapidly developing
country. The studies referred to above show that this type of organization
is particularly apt to solve the above-mentioned delegation problem in orga-
nizational theory. It is well known in public administration research, espe-
cially in research about implementation of social and educational reforms,
that the rule-of-law model is difficult to apply in many areas where there
is a need to adapt the interventions to the specific circumstances of the
case (for an overview, see Rothstein 1998, ch. 4). There are a number of
ways in which this can be solved, for example, by using staff with a strong
professional knowledge about what to do in such cases (like medical
doctors handling patients with bacterial infections). However, for many
public policies, for example, in areas such as education, social work,
industrial policy, and urban planning, such applicable professional
knowledge does not exist, but the principal still has to allow for a wide
degree of discretion by the agents, if they are going to be able to perform
their tasks (as was the case with the Forest Service in the United States).

The possibility of solving the delegation problem in areas such as these
with increased “rule-of-law” type of regulations is in fact minimal. If this
is tried, the layer of rules and regulations will become so complex that it
works against predictability and increases the problem of delegated dis-
cretion (Rothstein 1998, ch. 4). However, the cadre type of organization is
meant to solve this complicated steering problem. When it works, the
ideological commitment and training of the cadre in the general policy
doctrine handles the problem of delegated discretion because the agents
will chose the measures the principal would have applied in the specific situation
if the principal would have had the same information about the case as the agent
has. This is why the cadre organization relies much more on internal
ideological schooling than merits from outside training or from work
outside the organizations when it recruits and promotes staff. Simply put, faced with a new and unprecedented case, the cadre-agent is supposed to do what the principal would have done for promoting the policy doctrine had he/she “been there.”

Comparing the Weberian Bureaucracy and the Cadre Organization

Although it is true, as stated by the cultural school in organization theory, that norms play a central part in organizations, this does not imply that organizations should generally be understood as “garbage cans,” to which norms flow in an unregulated and uncoordinated manner. In the cadre organization model as illustrated above, the norms (or mandates) are manufactured “from above” giving a high level of stability and coordination to the organization. This cadre organization approach has the advantage of not conflating the importance of norms in organizations with making what the organizations do indeterminate (Fukuyama 2004, 65). On the contrary, in the cadre type of organization, the strong concentration on the importance of the ideological commitment to a specific policy doctrine, be it how to preserves national forests, get unemployed back to work, teach students science, or choose which small companies have the best future, is meant to make norms determine action at the point of implementation (cf. Pieke 2009). Another advantage of the cadre organization is that its personnel are usually trained to rapidly follow changes of operative ideology that come from the top. Although the policy doctrine is general, the implementation of the doctrine will usually have to vary depending on the specific circumstance. In sum, in a rapidly changing society in which interventions under uncertain and varying conditions are needed, this may be the most important advantage the cadre model has compared both to the Weberian bureaucracy and to the economic-incentive-based type of organization.

From the view of representative democracy, the cadre organization is clearly problematic as the very idea of representative democracy is that a new majority should also result in important shifts in various policy doctrines. For a cadre organization, this spells problems as its personnel may be so strongly committed to the previous majority’s policy doctrine that it cannot or will not change. However, this problem does of course not occur in a nondemocratic country such as China. From a liberal rights perspective, another disadvantage of the cadre organization is that citizens and private companies cannot predict government actions as they are not rule bound. As an example, in his analysis of banking regulation in contemporary China, He (2014, 49) points out that foreign (i.e., Western) banks have a hard time understanding the type of informal steering that is used by the central regulatory agency.

The cadre type of public administration should not be conflated with a politicized public administration in which positions are given to people in exchange for political support. Neo-patrimonial clientelism and U.S.-style
“spoils” systems are different as for the cadre administration; it is support and ability to perform according to a specific policy doctrine that is paramount. The strong emphasis on loyalty and central control over the implementation of the system of hierarchically ordered mandates may also explain why the anticorruption campaigns stressed by Wedeman (2012) have not been without success. The difference between the Weberian bureaucracy and the cadre organization are summarized in Table 2 (from Rothstein 1996, 31).

It follows that the cadre is not impartial or politically neutral in the same manner as the Weberian bureaucrat, as fulfilling the (often shifting) specific goals, which are derived from the organization’s general policy doctrine, is the primary norm. However, this is not to say that impartiality is irrelevant for the cadre (as for the professional) at another and more basic level. Although the cadre is not supposed to be neutral in relation to the policy doctrine, he/she is not supposed to sway away from implementing this doctrine because of bribes, prejudices against ethnic or other minorities, or engagement in nepotism or clientelism. In the two Western cases mentioned above (The U.S. Forest Service and the Swedish Labor Market Authority), corruption seems to have been almost nonexistent. On the contrary, the “cadres” in both these public administrations seem to have been models of honesty.

The same type of impartiality seems to exist for professionals in many public organizations. Doctors, nurses, preschool teachers, and social workers are not supposed to act as neutral rule-of-law Weberian bureaucrats when deciding how to deal with their “cases.” Instead, the presumption is that that they should be able not only to differentiate their actions, according to the specific needs of each and every case, but also to show empathic skills. However, they are not supposed to differentiate their efforts depending on bribes, personal connections, political leanings, or ethnic or racial prejudices. The ability of cadres and professionals to differentiate their efforts, without making considerations that may influence

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<tr>
<td>Recruitment</td>
<td>Formal merits</td>
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<td>Formal control</td>
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THE CHINESE PARADOX
the case (like the factors mentioned above), can be thought of as a second-order impartiality.

As is well known, both the Weberian bureaucratic type of organization and the cadre organization can go astray. In the quote below by Balla, he states that although the former can also be characterized by “pedantry, formalism, red tape and . . . trained incapacity,” the cadre organization can be marked by “dilettantism, amorphous aversion to responsibility, rigid authoritarianism, rule-resistant, incompetence and emotional paternalism” (Balla 1972, 203). My point is thus not to make a normative argument for one or the other but to emphasize that a high level of economic growth and increased human well-being can be reached not only by the Weberian type of rule-of-law-oriented neutral bureaucracy but also by the cadre type of ideologically driven organization. The moderate to high levels of corruption that according to various measures exist in China, are in all likelihood for real, but the negative effects of this may be compensated for by the effectiveness cadre type of administration.

Discussion and Conclusions

The starting point for this article was the well-known “China paradox” in institutional theories about development that is the lack of an explanation for why the country has been able to show such remarkable economic growth and increase in measures of human well-being while at the same time, according to available measures, having both relatively high corruption and lacking the type of neutral Weberian public administration said to be necessary for reaching these goals. The hypothesis I have put forward for how to understand this puzzle is that, when assessing the QoG in China, the stark focus on rule of law and the lack of Weberianism seem to have overlooked the existence of a possible alternative to these two institutions. This alternative may be a specific type of public administration known as the cadre (or clan or missionary) organizational model. As has been shown, this type organization has an operational logic that is fundamentally different from the Weberian bureaucracy. Moreover, this organization can be a very efficient for producing highly valued outcomes and it may thereby increase the systems overall political legitimacy. It should be emphasized that this type of organization, while usually overlooked both in general public administration research, as well as in comparative political science and development research, is not a result of a specific Chinese administrative culture as it has existed also in Western countries. Compared to the neutral Weberian bureaucracy, it is likely to perform better in highly flexible terrains as it is better suited to deal with the famous delegation problem in organizations. This also implies that by leaving out the features of the cadre organization model, the available standard measures of QoG in China may be inadequate. However, a major drawback of the cadre model is of course that it is not very compatible with representative democracy as the latter implies that the
policy doctrines that are to be implemented should change when the political majority changes. However, this is not a problem for contemporary China.

One remaining issue concerns the sustainability of the cadre model of development in China. In their widely read book *Why Nations Fail*, Acemoglu and Robinson (2012) predict that China will soon crash because its lack of “inclusive” and rule-of-law type of institutions (442). The problem with their analysis is the lack of attention to the public administration side of the equation. As shown above, what goes on at the “output” side of the political system has empirically been shown to be most important for creating political legitimacy. The efficiency of the cadre model may contribute to the overall sustainability of the Chinese model of governance despite its lack of “inclusive” political institutions. Another question is of course if the increasing economic, intellectual, and political interaction with countries in which the Weberian model dominates eventually may force China to abandon the cadre model. My guess is that as long as the Communist party will be able to keep its dominating position, there is not much that speaks for a radical change for the “modus operandi” of the country’s public administration. On the contrary, the cadre model seems to be very well entrenched in the system for recruitment and training (Keping 2014; Pieke 2009) as well as in the general perception of what is to be expected from a public official (Ahlers 2014). However, if the country would change to a two- or multiparty democracy, the days of the cadre model are probably numbered.

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Notes

1. Latin translation is not easy but should be something like “without anger or passion.”

2. An example of this can be taken from the Swedish International Development Cooperation Agency that for a very long time had been steeped in a policy doctrine shaped by the Swedish Social Democratic Party. When in 2006, a conservative led government took power that adhered to a quite different policy doctrine about how international aid should be carried out, this created a lot of turbulence in the organization.

References


