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Institutionalized trial and error: a turn to rule-based policy experimentation in China

Yan Liu¹ , Zhenhua Huang²  

¹Xi'an Jiaotong University, Xi'an, China,

²Central China Normal University, Wuhan, China

 zhh0626@163.com

Abstract. As confirmed by previous studies, experimentation-based policymaking in China is a highly versatile, pragmatic style that sharply contrasts with the more legalistic, bureaucratic policy approaches. Analyzing the history and recent development of rural reform experimental zones (RREZs), the authors demonstrate that China's unorthodox policy experimentation has been gradually adapted to function smoothly within the country's hierarchical bureaucratic structure governed by formal rules. The process of institutionalizing experimentation started in the early 2010s as a response to the nationwide promotion of "top-level design" and the rule of law with Chinese characteristics. The institutionalization has strengthened the procedural stability, legality, and political accountability of experimentation-based policymaking in China. Contrary to the popular interpretation of this change as a sign of notable reduction in decentralized policy entrepreneurship, the case of the RREZs shows that the rule-based institutionalized policy experimentation model continues much of the legacy of the traditional model and still functions as a laboratory for testing intensive policy reform experiments in China.

Keywords: policy experimentation, institutionalization, policymaking, administrative accountability, rural reform experimental zone, RREZ

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Институционализированный метод проб и ошибок в Китае: поворот к политическим экспериментам, основанным на правилах

Я. Лю¹ , Ч. Хуан²  

¹Сианьский университет Цзяотун, *Сиань, Китай*,

²Центрально-китайский педагогический университет, *Ухань, Китай*

 zhh0626@163.com

Аннотация. Как подтверждают предыдущие исследования, в Китае разработка политики на основе экспериментов характеризуется весьма гибким прагматичным стилем, который резко контрастирует с более легалистскими, бюрократическими подходами. Анализируя историю и развитие экспериментальных зон для сельской реформы (ЭЗСР), авторы показывают, что неортодоксальное китайское экспериментирование в политике постепенно адаптировалось для бесперебойного функционирования в иерархической бюрократической структуре страны, регулируемой формальными правилами. Процесс институционализации экспериментирования начался в начале 2010-х гг. в ответ на общенациональное продвижение «проектирования на высшем уровне» и верховенства закона с китайской спецификой. Институционализация укрепила процедурную стабильность, законность и политическую подотчетность практики экспериментального принятия политических решений в Китае. Вопреки популярному толкованию этого изменения в стилях разработки политики как признака политической децентрализации, ЭЗСР показывает, что основанная на правилах экспериментальная политика по-прежнему во многом продолжает наследие традиционной модели и может функционировать в качестве лаборатории для тестирования экспериментов по реформированию политики в Китае.

Ключевые слова: экспериментирование в политике, институционализация, разработка политики, административная подотчетность, экспериментальная зона сельской реформы, ЭЗСР

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Introduction

China's unorthodox experimentation-based policymaking approach has been identified as a time-tested explanation for the policy resilience of China; evidence for this can be found in the large-scale market reforms since 1978 and the continuing optimization of public administration. As confirmed by previous studies, experimentation-based policymaking in China differs from the conventional policymaking process, in which policy is *first* analyzed, sometimes with explorative pilot projects, *then* embodied in legislation, and actually implemented *last*. In contrast,

in China, novel solutions often resulted from mass policy experiments with initiatives involving of local policy entrepreneurs that are then selectively and cumulatively translated into major nationwide policy innovations by the central government [1]. This pragmatic, incremental form of policy development — mimicking the Chinese metaphor “cross the river by groping for the stone” — “reflect (s) a mindset and method that contrasts sharply with the more bureaucratic and legalistic approaches to policy-making” [2].

One key component of this structure is the “experimental zones” in China — geographical administrative units used for testing potential new policies. Experimental zones are the key to understanding China’s policymaking style, playing the role of laboratory for the most intensive policy trials in China’s reform and opening-up — a nationwide strategy starting in 1978 intended to transform the planned economy into socialist market economy and to boost its integration into the global economic system. The discretionary power of local authorities to enact local legislation and the volatile integration of decentralized local experimentation with the ad hoc coordination by the central government are perceived by researchers as essential prerequisites for the success of the experimental zones [3], but the management of the experimental zones in the last ten years has shown a paradoxical tendency toward the central’s institutionalization of policy experimentation in China.

By analyzing the history and recent development of rural reform experimental zones (RREZs), this article argues that these experimental zones have transformed into a policymaking mechanism that functions smoothly within China’s hierarchical bureaucratic structure governed by formal rules. As once noted by Deng Xiaoping, often credited as the “General Architect of the Reform”, China’s reforms started in rural areas [4]. To facilitate the pivotal transformation of rural land system, agricultural taxation, grain market, and rural industries, the RREZs were established in 1987 by central leadership as a comprehensive platform for piloting possible reform plans. By May 2019, 58 RREZ sites had been established in different provinces. From 2010 to 2019, 226 rural experimentation projects were launched, and 144 of them directly affected legislation at the state and province levels, contributing to policy changes in nearly all rural development sectors¹.

The article contains six substantive sections. The next section briefly reviews studies on policy experimentation in China and outlines the neglect of institutionalization in previous research. Then, in the next three sections, the authors analyze the formation history, institutional structure, and management workflow of the RREZ. The research data include relevant government documents, annals on RREZ projects, speeches by key policymakers, media reports, and first-

¹ MoA (Ministry of Agriculture). Nongcun gaige shiyanqu: 226 picu renwu jiben fugai nongcun gaige ge lingyu [Rural Reform Experimental Zone: 226 Tasks Cover All Areas of Rural Reform]. URL: http://www.gov.cn/xinwen/2019-05/28/content_5395378.htm (accessed: 28.05.2019) (In Chinese).

hand materials from field research. Since 2010, the authors have conducted fieldwork and interviews with local officials and villagers who have personally experienced the results of the experimentation at six RREZ sites, including Daxing District in Beijing, the cities of Yunfu and Qingyuan in Guangdong Province, Liangping County in Chongqing Province, Dongping County in Shandong Province, and Zigui County in Hubei Province. In the concluding section, the authors discuss the distinct features of this institutionalized policy experimentation that has emerged and its implications for policymaking in China.

Literature Review

Multiple policymaking models have been extracted from the implementation of the reform and opening-up program to explain the ability of Chinese Communist Party to generate policy innovations and cope with socioeconomic challenges. Drawing on cases from major domains of economic reform in China, Heilmann suggested a basic “experimentation under hierarchy” model, a bottom-up policymaking cycle with decentralized small-scale experimentation at the local level preceding the enactment of national policies [5]. According to this explanatory model, most experimental efforts in the policy process are made by local policymakers faced with pressing local problems or motivated by personal political career prospects, and their piloting initiatives are often backed by some higher-level policy patrons [6]. Then, under the leadership of central decision-makers, the “model experiences” extracted from promising local experiments are further diffused to other places, refined through wider tests, and finally, integrated into nationwide policies.

Factors that might facilitate such a bottom-up policymaking cycle in China are of significant interest to scholars. Some have pointed out that from an administrative perspective, it is the administrative decentralization that allows less central planning [7] and provides space for local initiatives [8]. Others have demonstrated that China’s political structure also provides opportunities for local experimental governance, including competition between policy entrepreneurs [9] and informal patron-client relationships between central and local policy entrepreneurs [10]; furthermore, these scholars have argued that in some cases, these factors provide a more convincing explanation for China’s policy innovation success than administrative decentralization. In searching for historical, ideological factors, Perry and Heilmann coined the term “guerrilla policy style” to describe the Chinese Communist Party’s means of dealing with unpredictable situations during the Mao era and presented evidence that this style continues to shape the present-day Chinese government’s unshrinking willingness to embrace uncertainty, experiment, and learn through trial and error [2].

This adaptive, strategic policymaking model in China has been modified as the “learning and adaption” model proposed by Chinese political scholar Wang Shaoguang [11]. His case study of the 60-year-long rural healthcare reforms shows that since the 1980s, policy advocates outside the political system, including

scholars, the media, stakeholder societies, and NGOs, have played a more active role in policymaking by testing out novel solutions and lobbying policymakers, suggesting a transition to a more open, collaborative policymaking style. Wang also emphasized that the guidance and organization efforts of the central government are vital in policy experimentation, whereas Heilmann's model of "experimentation under hierarchy" assigned central policymakers the somewhat passive roles of sponsorship, coordination, selection, and diffusion, thus highlighting the vigorous local initiatives as the primary driving force in policy innovation. Likely in response to Wang's interpretation, Heilmann later added to his model another key feature — "foresighted tinkering", in which local policy entrepreneurs quite often carry out experimentation in line with broad long-term policy priorities set by top decision-makers in China [12].

Subsequent studies have provided a more detailed description of the role of the central government in such policy experimentation. Mei Ciqi and Liu Zhulin illustrated that in the controversial urban housing policy reform from the 1980s to the 2010s, central leadership consciously designed the reform plans, steered the experimentation process, and sorted out "model experiences", assigning a rather limited role to local innovative initiatives [13]. By analyzing the policymaking process for the abolition of the agricultural tax, Wang Guohui identified a "principle-guided experimentation" model in which local policy experiments were formally launched only after 1) a consensus on reform principles is reached at the top of political system with supporting evidence originating from the initial local practice and delivered to the center and 2) an experimental program is established by a temporary central working agency [9]. The Party cadre system including the hierarchical official appointment mechanism is also key to mobilizing top-down policy experimentation and implementing the reform ambitions of the central government [14]. In addition, central leaders also analyzed experience of other countries and use experiments to adapt them to suit reforms in China.

Although these studies modified the "experimentation under hierarchy" model by reemphasizing the central's leadership and direction in the reforms, seldom have the two key features of Heilmann's model or the popular understanding of China's policy experimentation been challenged. That means, first, that most policy experimentation is pushed forward by individual powerful central and local officials, and the network between them, through which novel policy options are communicated from the bottom up and the top down, is based on informal patron–client relationships. Second, the policymaking process in China is highly maneuverable, as local governments are endowed by the change-oriented central government with broad discretionary powers for testing policies.

By focusing on the versatile features of China's policy experimentation, previous studies have downplayed the ongoing institutionalization process. Since 2013 China has witnessed an official turn to administration in accordance with the law and an overall pursuit of the rule of law. An intensive formulation of rules and regulations has been imposed including with regard to policy experimentation, creating administrative checks and procedural accountability for the functioning

of experimental zones. Analyzing the case of the RREZs, the authors attempt to answer two questions: 1) Why and how does the decentralized policy experimentation be institutionalized? 2) Does such institutionalization facilitate or inhibit the robust policy experimentation that was vital to China's reform?

Establishment of the Rural Reform Experimental Zones

RREZs represent the first use of experimental zones for testing policies in rural areas of China. Prior to the establishment of RREZs in 1987, the central leadership primarily designated experimental zones to test urban economic reforms, such as special economic zones (1979), economic and technological development zones (1984), coastal economic development zones (1985). The idea of RREZs began to crystallize, following the abandonment of collective agricultural production and the introduction of household production system. The latter yielded a great production boom but then led to an abrupt decrease in grain supplies, which finally bottomed out around 1985. The unexpected results gave rise to doubts and debates over the direction of rural reform among both the public and central policymakers, and no consensus was reached regarding further reform projects. One cause of the policy deadlocks was that rural reforms were launched without adequate research input, and the state of stagnation was “quite desperate” [15], as described by Du Runsheng, the then director of the Central Rural Policy Research Office (CRPRO) — China's top thinktank for rural policymaking affiliated with the Secretariat of the Central Committee of the Chinese Communist Party (CCCCP). From 1985 to 1986, the CRPRO frequently sent officials to study how local governments were dealing with issues arising from the reform efforts. Observing that peasants were trying to find their own ways out of the impasse, and that local policy entrepreneurs were making varying attempts to address pressing problems in their jurisdiction and developing adventurous blueprints for further development, Du proposed establishing RREZs to encourage more robust local innovation in the hope that local exploration would inspire nationwide rural reforms.

On Jan. 22, 1987, the CCCCPC passed the *Decision on Deepening the Rural Reforms*, providing the first guidelines for establishing RREZs². The decision required leaders at the provincial level to enhance their supervision of policy experimentation by designing reform programs that would guide the experimentation and drafting instructions for experimentation based on piloting experience. The decision also required that the central government give more leeway to local policymakers to begin experiments that might exceed beyond the boundaries of the current legal and policy system. These requirements and measures signalled official institutional support for local experimentation.

² CCCCPC (the Central Committee of the Chinese Communist Party). *Ba nongcun gaige yinxiang shenru* [Deepening the Rural Reforms]. 22.01.1987. URL: http://www.pkulaw.cn/fulltext_form.aspx?Gid=109240 (accessed: 20.09.2022) (In Chinese).

The *Decision on Deepening the Rural Reforms* (1987) was not fully implemented at the time, and the first rural experimental zones were set up with a lack of detailed administrative regulations on RREZs; they were guided by the *Opinion on Several Questions on Rural Reform Experimental Zones* copublished by the CRPRO and the Rural Development Research Center (RDRC) of the State Council on March 5, 1987. This Opinion roughly stipulated that experimental zones and experimental projects should be selected through the mutual agreement between the CRPRO and provincial governments. Based on an earlier field investigations and evaluations, the CRPRO selected several pioneering cases and shortlisted experimental sites. Then, an initial consensus between the CRPRO and local governments was reached via central-local interaction, such as, inspection tours for senior leaders, and then was supported through by noninstitutional mechanisms; e.g., in early 1987, the CRPRO and Fuyang Prefectural party committee in Anhui Province signed a task contract confirming their mutual agreement to establish the Fuyang experimental zone [16]. The first 12 rural experimental zones and their pilot tasks were officially validated in two rounds of symposiums hosted by the CRPRO and the RDRC in April and September 1987 to discuss rural reform experimentation with provincial officials from the shortlisted localities.

By the end of 1992, the State Council had authorized 24 experimental zones according to a combination of proposals by central authorities and self-nomination by local officials. In one example of self-nomination in November 1987, in pursuing RREZ status, the Huaihua Prefectural Party Committee and the government in Hunan Province drafted an experimental program proposal for mountain area economic development and launched small-scale tests; in August 1988, they convinced the Hunan provincial leadership to officially designate Huaihua Prefecture as a province-level experimental zone, which would guarantee the prefecture's access to preferential policies for its development. Later, in 1990, during State Councilor Chen Junsheng's inspection tour of Huaihua in April, the provincial and prefectural officials lobbied for RREZ status through multiple central-local interactions and finally obtained it in November. From 1995 to 1997, another six rural experimental zones were ratified through such an informal selection mechanism, and the total number of RREZ sites then remained unchanged until 2014.

In summary, in the initial phase of the RREZ development, the flexible interaction between central and local decision-makers played a key role in establishing the first rural experimental zones, although institutional management tools were emphasized from the very beginning and repeatedly brought to the attention of central leadership. In 1989 on the 40th anniversary of the founding of the PRC, Jiang Zemin noted that the experimental zones should continue conducting pilot projects and building experience with reform, and Song Ping, then committee member of the Central Politburo, emphasized that rural reform experimentation should be continued³.

³ RREZ Office (Rural Reform Experimental Zone Office of the Ministry of Agriculture). *Renshi yu shijian de duihua: Zhongguo nongcun gaige shiyanqu shinian lichen* [A Dialogue between Knowledge and Practice: The 10-year History of Rural Reform Experimental Zone in China]. Beijing: China Agriculture Press; 1997.

In September 1991, the General Office of the State Council held several meetings to discuss the institutional establishment of RREZs.

Nevertheless, most of the institutional arrangements began to take shape only with the release of the *Opinion on Enhancing the Guidance for Rural Reform Experimental Zone under the New Circumstances* by the Ministry of Agriculture (MoA) in 2010 as a direct response to the *Decision on Accelerating Rural Reforms* made during the Third Plenary Session of the 17th CCCCPC in 2008 and to the adoption of “a top-level design” of reform principles — a concept that first appeared in the *Proposal on Developing the 12th Five-year Plan* issued on October 18, 2010. The next two sections will illustrate how a unified formal procedure embedded in the hierarchical administrative structure was established for selecting, supervising, and evaluating RREZ sites.

Administration structure of the Rural Reform Experimental Zones

The central management of RREZs has been highly institutionalized from the very beginning of the first phase. According to the *Opinion on Several Questions on Rural Reform Experimental Zones* (1987), the CRPRO was charged with guiding local experimental units and coordinating their work with that of central ministries. The RREZ office was established by the CRPRO and the RDRC in October 1987 to conduct the routine management of local rural experimental zones. To smoothly transfer the administration work from the Party’s branch to a central ministry, in July 1990, the RREZ office was moved to the Rural Economic Research Center founded by the MoA (renamed as Ministry of Agriculture and Rural Affairs in 2018), while, despite the abolishment of the CRPRO and the RDRC in 1989, the former members of the CRPRO continued leading RREZ work until 1991.

Only in accordance with the decision of the State Council in October 1991 were the responsibilities of guiding, managing, and coordinating RREZs officially delegated from the Party’s thinktank, the CRPRO, to the central ministry, the MoA. From then on, the MoA was responsible for all RREZ administration work, while the Party retained leadership in rural reforms by establishing the Central Rural Work Leading Group (CRWLG) on May 19, 1993 and placing the RREZs under its direct supervision. The CRWLG consists of central leaders of the CCP and heads of the MoA; it functions as the top decision-making agency for rural and agricultural development and oversees the rural reform course.

In 1992, the MoA decided to expand the Rural Economic Research Center by setting up four divisions responsible for conducting field research, monitoring the RREZ process, training local officials, and coordinating RREZ-related processes. The decision was necessary given the twofold growth of the number of rural experimental zones in the 1990s, which led to a notable increase in the administrative workload and related complexities and potentially weakened the central government’s supervision of rural policy experimentation. One more move to institutionalize RREZ administration at the central ministerial level was motivated by the *Opinion on Enhancing the Guidance for Rural Reform Experimental Zone*

under the New Circumstances (2010), as it ratified the establishment of the RREZ joint working meeting. The meeting is regularly held by the RREZ office and attended by officials from more than 20 branches of the State Council. Its aim is to jointly set rural reform objectives, discuss experimentation tasks at all RREZ sites, coordinate interministerial work, and select issues of vital importance that need to be re-examined and approved by the CRWLG.

In the first stage of RREZ establishment (1987 to 2010), as direct contact between the central and local governments was the main channel for communicating experimentation tasks, provincial Party committees and governments usually established interim working agencies to assist with RREZ management, arrange field research, conferences, etc., and promote “model experiences” in their respective jurisdictions. The formation of a hierarchical administrative structure for RREZ work at the provincial and local levels was also hindered by the fact that the central RREZ office was affiliated with the Rural Economic Research Center — a government-sponsored social organization lacking subbranches. Thus, from 1991 to 2010, the local (county or prefecture) governments, at the request of the center, directly established local temporary RREZ offices, which in turn enhanced the direct cooperation between the central and the local.

The breakthrough in the formation of the hierarchical administrative structure occurred in 2010. With the issuance of the *Methods for the Management of RREZ Work* by the MoA⁴, the central RREZ office moved from the center to the Bureau of Policies and Regulations of the MoA, and the bureau’s provincial and local branches created RREZ offices accordingly. From then on, the four-level administrative structure comprised the CRWLG at the apex, the MoA and the RREZ joint meeting on the central ministerial level, and RREZ offices on the provincial and local levels; these offices began to serve as the institutionalized organizational and communicative network for RREZ work. This change also demonstrates the central government’s efforts to regularize its support of local pilot projects.

Multilevel Planning and Vertical Check Mechanisms

The management of RREZs in the first (1987–2010) and second (2010 — present) phases demonstrates a distinct contrast between traditional style and modern rule-based policy experimentation in China. In addition to the soaring number of RREZ sites and rural experimentation projects that made the establishment of a hierarchical administration system seem inevitable, public commitment to “rule of law” by the 18th National Congress of the CCP in 2012 and the promotion of overall law-based governance ever since has also reinforced a rule-based RREZ management

⁴ MoA (Ministry of Agriculture). Nongcun gaige shiyanqu gongzuo yunxing guanli banfa [Methods for the Management of Rural Reform Experimental Zone]. 17.11.2010. URL: http://www.gov.cn/gzdt/2010-11/17/content_1747357.htm (accessed: 12.09.2022) (In Chinese).

model. One of its core tasks — the establishment of governance by law — directly affected reform approaches and the experimentation-based policymaking style specifically. After the adoption of the *Decision on Some Major Issues Concerning Comprehensively Deepening the Reform* during the Third Plenary Session of the 18th CCCCPC in 2013, central Party leadership began emphasizing that fundamental reform projects should abide by laws and regulations.

Consequently, the local self-determined innovative initiatives that were once the hallmark of experimentation were gradually replaced by a top-level design. The RREZ policymaking cycle in the first phase was consistent with the bottom-up model of “experimentation under hierarchy”. For most rural experimental zones established in the early 1990s, experimental tasks were first developed by local policymakers, revised after a discussion with the CRPRO, and then officially approved by the State Council. One example is in Wenzhou County in Zhejiang Province, a rural mountainous area which once had a vibrant household handicraft economy, but which turned into a prefecture-level port and industrial city as a result of the economic reform. This coastal city obtained RREZ status in July 1987, as its pioneering progress in township enterprises and small-town development drew attention from the central government. This example reveals how the RREZ in the first phase served as a platform for the center to identify and disseminate promising local innovative practices that might have nationwide significance.

The center’s influence over experimentation design gained more weight in the middle of the 1990s. For example, soon after the outskirts of the city of Shijiazhuang in Hebei Province were selected as a rural reform experimental zone to explore economic reform approaches for suburban areas in April 1995, the officials of the central RREZ office conducted further field research, drafted 10 experimental programs, organized training courses for the local cadres⁵. During the experimentation period, the central and local officials maintained close communication to routinely discuss the progress and difficulties, and to regularly evaluate and modify the experimental practices. When the second round of RREZ work commenced in 2010, a top-level comprehensive reform plan was created to set rural reform priorities. Under the direction of the CRWLG, the MoA and the RREZ joint meeting formulated six rural reform modules in accordance with the *Opinion on Enhancing the Guidance for Rural Reform Experimental Zone under the New Circumstances* (2010) and assigned them to 24 rural experimental zones. By the end of 2013, the CCCCPC had laid out 336 reform projects, with approximately 15% relating to rural and agricultural development. On July 11, 2014, the MoA published 19 rural reform tasks and announced that new RREZ sites would be recruited

⁵ RREZ Office (Rural Reform Experimental Zone Office of the Ministry of Agriculture). *Renshi yu shijian de duihua: Zhongguo nongcun gaige shiyanqu shinian lichen* [A Dialogue between Knowledge and Practice: The 10-year History of Rural Reform Experimental Zone in China]. Beijing: China Agriculture Press; 1997.

to undertake “pioneering legislation work and explorative projects in line with reform goals of the central government”⁶.

An official “application-authorization” procedure has been adopted to recruit new rural experimental zones. Local governments are required to submit to the central RREZ office proposals for experimental program and apply for RREZ status. The *Opinion on Enhancing the Guidance for Rural Reform Experimental Zone under the New Circumstances* (2010) provides instructions for drafting experimental programs. It requires that an experimental program be congruent with the center’s reform goals and contain sections on experimentation rationale, objectives, operating procedures, expected outcomes, and preparation work. In this way, the reform agenda approved by top decision-makers develops into concrete work plans. This policy experimentation style is described in the public discourse of China as “the central assigns the synopses, the local writes the plays”. Conventionally, provincial RREZ working agencies also help draft experimental programs, mainly by organizing expert consultations, field investigations, and symposiums. According to the *Decision on Deepening the Rural Reforms* (1987), the participation of provincial leadership in the first phase was perceived as a way of managing potential socioeconomic risks in local innovative practice, while since the start of the second phase, provincial leadership has been required to enforce preferential policies, provide guidance and funds for local experimentation, and to ensure the congruence of local efforts with provincial and national reform goals. The supportive and coordinative role of provincial officials is also clearly stipulated in the *Methods for the Management of RREZ Work* (2016).

The hierarchical examination of experimental programs as a formal collective decision-making technique to select RREZ sites has appeared in the second phase. The engagement of provincial governments in the experimentation design functions as the first step of a multilevel examination. Before being submitted to the central RREZ office for approval, experimental programs must first secure the official support of provincial governments. On the central ministerial level, experimental programs still have to pass several rounds of review, first by the MoA or other central ministries, then by the RREZ joint work meeting, and finally by the CRWLG. Throughout the whole process, local and provincial governments respond to feedback, frequently exchange opinions with central government bodies, and revise experimental programs. The collective wisdom helps optimize experimentation plans and reduce the risk of failure. This is especially the case in the context where reform principles have been set beforehand by the top leaders, allowing central ministries of the state to become the key decision-makers in selecting experimental programs. In December 2014, after four months of examination and cooperative

⁶ MoA (Ministry of Agriculture). Nongyebu guanyu zuzhi shenbao di'erpi nongcun gaige shiyanqu he shiyan xiangmu de tongzhi [The Circular about the Second Round of the Selection of Rural Reform Experimental Zones and Experimental Projects]. 11.07.2014. URL: http://www.moa.gov.cn/nybg/2014/dbq/201712/t20171219_6111175.htm (accessed: 10.09.2022) (In Chinese).

planning, the MoA officially announced the list of 34 new rural experimental zones and 14 experimental projects in those zones.

Another important change in the administration of RREZs in the second phase is that authorization of the National People's Congress (NPC) — the highest organ of state power and the national legislature of China — is required in advance if rural experiments are to explore policies beyond those set in existing legislation. Unlike experimental points that test “model experiences” within existing policies, some experimental zones may be permitted to undertake a heavier responsibility for “creating a new system alongside, or in the interstices of, the existing one” [17]. These require the center to grant broader flexibility and additional exemptions. The extent to which rural policy experimentation might need to transgress existing regulations has to be specified in the experimental program proposal, and the State Council will officially present a case to the NPC for approval. For rural land system reform, for example, on February 27, 2015, the Standing Committee of the NPC (2015) authorized the State Council to lift several articles of *Land Administration Law* and *Law on Urban Real Estate Administration* in 33 rural experimental zones⁷. When the two-year exemption was going to expire in 2017, the local government requested to prolong the experiments, and the State Council twice applied to the NPC to extend the preferential treatment for another year. This formal NPC authorization strengthens the legal institutionalization of policy experimentation, whereas in the initial phase, it was the RREZ status itself that represented acceptance by central leaders of the local authority's exploration of transformational reforms. As concluded by Chen Xiwen, the former director of the CRPRO, “the present-day RREZ management differs from that in the initial phase in its rule-abiding procedures” [15].

For process control and outcome checks, a regular hierarchical evaluation mechanism has been established. The *Opinion on Enhancing the Guidance for Rural Reform Experimental Zone under the New Circumstances* (2010) requires inspection and assessment before rural experiments can proceed to a second year. Local RREZ offices prepare self-assessment reports and submit them to the central RREZ office after provincial RREZ offices have verified them. At the central level, a combination of assessment by central ministries and third-party evaluation (usually by experienced experts and scholars) has been adopted. The introduction of third-party evaluation in the management of RREZ followed the burgeoning development of external government performance evaluation in China since the early 2000s and aimed to enhance the objectiveness, professionalism, and credibility of the evaluation. Based on the inspection findings and the results of both

⁷ NPC (National People's Congress). Quanguo renmin daibiao dahui changwu weiyuanhui guanyu shouquan guowuyuan zai Beijing shi Daxing qu deng 33 ge shidianxian (shi, qu) xingzheng quyue zanshi tiaozheng shishi youguan falu guiding de jue ding [The Decision of the Standing Committee of the National People's Congress on Authorizing the State Council to Temporarily Adaptively Abide by the Law in Daxing District of Beijing and Other 32 Experimental Counties (Cities, and Districts)]. 28.02.2015. URL: http://www.gov.cn/xinwen/2015-02/28/content_2822866.htm (accessed: 10.09.2022) (In Chinese).

hierarchical and external evaluations, the central RREZ office compiles an annual report on RREZs and presents it to the CRPRO. The annual report presents the successes of the experiment that may “proceed from point to surface”, or be applied on a wider scale, and the less successful efforts from which lessons should still be learned. It also provides suggestions about further deployment of rural reforms. Rural experimental zones that are twice rated as “unqualified to further implement experimental programs” will lose their RREZ status.

Conclusions

The case of RREZs illustrates the critical changes in the experimentation-based policymaking style of China. RREZ management in the initial phase (1987–2010) largely fell into Heilmann’s description of “experimentation under hierarchy”, in which policy options are selected from decentralized local reform initiatives and tested in experimental zones before being translated into national policies. The support of top decision-makers, broad discretionary power of local policy entrepreneurs, and direct flexible interaction between them are perceived as key elements of the versatile, pragmatic policymaking approach of China. Although such policy style stands in sharp contrast to legislation-centered policy approaches, the second phase of RREZ work (2010 — present) has witnessed a tendency toward the institutionalization of policy experimentation.

The institutionalization involves the establishment of a hierarchical RREZ management system that is embedded in the bureaucratic government structure and under the leadership of the central. This hierarchically structured organization specifies the responsibilities of central, provincial, and local Party and administration bodies; facilitates a transition to official top-level design and systematic planning; and enhances the administrative supervision of experimental zones. Formal rules on RREZ management have also been established to provide governance tools for interministerial coordination, multilevel collective planning and examination, hierarchical and third-party evaluation, and authorization for transformational local trials. The rule-based management model strengthens the procedural stability, legality, and political accountability of the experimentation-based policymaking cycle in China.

These features show that since 2010 policy experimentation in China has emphasized top-down design of reform policies and hierarchical collaboration in experimental programs more than the decentralized discretionary power local authorities once had. As a result, highly institutionalized, rule-based local trials of novel policy options have replaced so-called guerrilla-style policy experimentation. At least two driving forces have contributed to this turn in policymaking style. The first was the commitment to rule of law with Chinese characteristics and the overall emphasis on more formal law-abiding governance since 2012. Second was the integration of the top-level design into China’s reform logic at the end of 2010.

Some researchers interpret this switch in policymaking styles as a sign of a notable reduction in experimentation and a dramatic decline in decentralized

policy entrepreneurship. Such argumentation is based on the premise that top-down reform design and bottom-up policy exploration are incompatible, as is flexible discretionary experimentation and rule-based hierarchical management. However, the history and recent development of the RREZs shows that the unorthodox policy experimentation has been gradually adapted to function smoothly within China's hierarchical bureaucratic structure governed by formal rules and this rule-based experimentation model in fact continues much of the legacy of the traditional model. For example, the "application-authorization" procedure guarantees that local authorities' innovative initiatives and pioneering experiences are still key to obtaining RREZ status. Moreover, the institutionalization of RREZ work promotes formal endorsement of local experimental programs and, together with the central's guidelines on reform priorities, still encourages local officials to embrace the risks inherent in policy experimentation. It can be concluded that the case of RREZs demonstrates how the bottom-up decentralized policy experimentation model has been adapted to the instigation of top-level design and the construction of overall governance based on law, while retaining its function as a laboratory for the most intensive policy trials for China's ongoing socioeconomic reforms.

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Information about the authors:

Yan Liu — PhD in Political Science, Associate Professor of School of Journalism and New Media, Xi'an Jiaotong University, 28 Xianning West, Xi'an, 710049, China (ORCID: 0000-0002-0035-3493) (e-mail: karenly_62@mail.ru).

Zhenhua Huang — PhD in Law Science, Professor of Institute for China Rural Studies, Central China Normal University, 152 Luoyu, Wuhan, 430079, China (ORCID: 0009-0006-2641-6014) (e-mail: zhh0626@163.com).

Информация об авторах:

Лю Янь — кандидат политических наук, доцент Школы журналистики и новых медиа, Сианьский университет Цзяотун, Китай, 710049, Сиань, ул. Сяньнин Си, д. 28 (ORCID: 0000-0002-0035-3493) (e-mail: karenly_62@mail.ru).

Хуан Чжэньхуа — доктор юридических наук, профессор Института сельских исследований Китая, Центрально-китайский педагогический университет, Китай, 430079, Ухань, ул. Лояй, д. 152 (ORCID: 0009-0006-2641-6014) (e-mail: zhh0626@163.com).