

Commentary

**RISK SOCIETY COMES TO CHINA:
SARS, TRANSPARENCY AND PUBLIC
ACCOUNTABILITY**

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A Risk Society

By now, it is clear that the spread of Severe Acute Respiratory Syndrome (SARS) and its bureaucratic mismanagement is a political, economic, and public-health nightmare for China. But the SARS crisis presents two important tests for the Chinese government and, so far, it has failed only the first. The bureaucracy predictably botched the administration of the outbreak, leading with secrecy and denial, allowing the disease to spread further and faster than necessary, and losing any semblance of legitimacy in both the domestic and international community. The political leadership, however, has yet to indicate what lessons it will draw and what steps it will take in the long term. If it makes the right decisions, SARS could provide a context for addressing a long-standing weakness in Chinese public administration.

SARS occurs as a new leadership is attempting to consolidate power under a populist program, claiming to defend those left to bear the costs and risks of China's rapid growth and global integration. China's new premier, Wen Jiabao, spent Spring Festival in a Chinese coal mine, arguably the most risky occupational environment in the world. Hu Jintao, the new president, has spoken of the need to support hundreds of thousands of urban workers and poor farmers whose livelihoods are at risk from increased competition and low prices that China's acces-

sion to the World Trade Organization will bring in the next ten years. While it is still too early to tell, this could be a political platform, recognizing that industrialization, technology, and global market integration create risks—and that a government that fails to manage those risks, fails its own people and loses the confidence of the global community. Since these are specifically the bureaucratic failures of the SARS crisis, the long-term response will be a crucial test of the new political leadership.

To understand the significance of the SARS crisis for Chinese politics, it is useful to consider German social theorist Ulrich Beck's concept of *risk society*.¹ Examining the late 20th century social movement politics of nuclear power, environmental pollution, and food safety scares such as mad cow disease, Beck argues that we have entered a new stage of modernity in which the definition, management, and allocation of risks replaces the generation and allocation of costs and benefits as the central theme of politics and science. Beck cites an emerging, worldwide awareness that industrialization, technology, and globalization bring risks that nation-states, as the traditional arenas of policy making, are expected to address. But this same industrialization, and particularly the new technologies and levels of global interaction that characterize it in our era, facilitate information exchange and policy advocacy independently of nation-state authority.

Beck further argues that emerging networks of interaction below, above, and around the nation-state erode the state's monopoly on the definition and management of risk even as they increase pressure on the state to manage risk effectively. What is more, because risk is largely a function of public perception, state proclamations that a problem is under control can backfire. Non-state actors can challenge official assurances, leading to public distrust and anger toward state administrators. In democracies, risk society unravels the progressive-era model in which public administrators are seen as technical experts, insulated from direct public pressure. For Beck, the only solution is to open up policy making and administration to ever greater

levels of public accountability. Of course, this presents the greatest challenges for non-democratic systems that have relied on authoritarian models of science and politics to define and administer policy in risk-prone areas such as health, the environment, and global market integration.

Beck's argument has important implications for a country like China. At least since 1989, the Chinese Communist Party has maintained its legitimacy by delivering ever increasing economic benefits to the Chinese population, especially to the growing urban middle class. When such *performance legitimacy* was defined only in terms of benefits, the state's task was difficult, but straightforward: maintain a high rate of GDP growth and redistribute wealth when required to maintain the political stability upon which growth depends. In recent years, the government has gone to great lengths to maintain growth, increasing government spending and opening China even further to foreign direct investment. The state has also begun the construction of a welfare state to replace the disintegrating work-unit system through which workers previously received benefits. But if risk management is added to the criteria for performance legitimacy, an entirely new level of state capacity will be required. Can the Chinese administrative state competently manage risks in terms of both public perception and actual exposure? I believe that it is structurally incapable of doing so in its current form and that dramatic institutional reform will be required if China is to survive the arrival of risk society. If Chinese leaders fail this longer-term test, China may become ungovernable.

Pesticide Poisoning: A Silent Health Crisis

I first encountered Chinese bureaucratic failure in response to a public-health crisis while researching Chinese pesticide policy in the early 1990s. As I pieced together reports from various ministerial sub-units, backed up by field interviews, a disturbing pattern emerged. About a third of the pesticides sold in China were unregistered and untested. Regulatory capacity decreased as one moved down the levels of bureaucracy. Information about safety and alternatives almost never reached practitioners. At least 10,000 Chinese farmers lost their lives every

1. See Ulrich Beck, *Risk Society: Towards a New Modernity*, trans. M. Ritter (London: Sage, 1993), and Beck, *World Risk Society* (Cambridge: Polity Press, 1999).

year to pesticide poisoning. Foreign markets were being closed due to detection of pesticide residues. And Chinese consumers, in the absence of any legitimate testing information, were reduced to intentionally looking for insect damage on vegetables as an indication that residue levels might not be too high. When I asked Chinese agricultural researchers and extensionists about these problems they reacted with plausible and implausible denial. "Isolated problems existed in the past but have been corrected." Or, more shocking coming from individuals with degrees in biological sciences, "peasants develop resistance to pesticides, just like insects do."

What was the problem? Reflexive secrecy was significant but was really only a symptom. These low-level bureaucrats were under pressure to help local officials meet production goals, to sell agricultural chemicals to meet their own budgets, and generally to keep any negative consequences of industrialized agriculture out of the public debate. Local plant protection officials were somewhat concerned about negative attention from their superiors in the Ministry of Agriculture system and very determined to stay in the good graces of local (county and township) political elites. They responded to market incentives as well, using their authoritative positions to push greater use of pesticides they themselves sold. But the one sector of society they did not have to worry about was the farmers, the people suffering the most from the bad advice.

This lack of public accountability was the foundation upon which the entire dysfunctional administrative system was based. China lacked two elements essential to a functional bureaucracy in a complex society: a negative feedback loop by which bad news travels up the hierarchy, and a coordination mechanism by which central policy changes can be administered in all localities. Since central leaders never got comprehensive information about the quiet disaster taking place throughout China, they were able to remain in denial. Even when the center could no longer ignore the problem, they had no mechanism to identify and remove corrupt or incompetent local administrators quickly and systematically. Their only eyes on the ground were the county agricultural bureaus and plant protection stations that gained the most from the status quo.

Eventually the central government made attempts to restore

consumer confidence, primarily in response to foreign market closures. They increased centralized residue testing and established a "Green Food" label to certify food safety for export oriented and high-end supermarket food sales. These measures constituted an early attempt at "transparency" in response to international pressure, a common theme in Chinese policy reform initiatives today. But these central government policies did nothing to change the unequal power relationship between the local agricultural bureaucracy and peasant farmers. Farmer initiative was seen as a threat to administrative control, not as an opportunity for education about chemical safety and alternatives. Central government Green Food inspectors, sometimes working in tandem with foreign monitors, still relied on local government officials for access to production sites. Ten years on, central government and foreign inspection has been able to convince some foreign buyers that specific Chinese export products are safe. But these central and foreign inspectors lack the reach to systematically check production in China's one million villages. In most of China, pesticide misuse, worker poisoning, and domestic consumer anxiety continue as before. Even many urban consumers who can afford Green Food and other "organic" labels view central government assurances with distrust.²

Fragmented Authoritarianism in Chinese Public Administration

Many of the problems in Chinese public administration come from the contradictory position of Chinese bureaucrats. Under a system long described as fragmented authoritarianism,³ a bureaucratic unit is responsible both to a vertical ministry and

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2. Paul Thiers, "From Grassroots Movement to State Coordinated Market Strategy: The Transformation of Organic Agriculture in China," *Government and Policy*, vol. 20, No. 3 (June, 2002), pp. 357-73; Graeme Smith, *A Matter of Trust: the Organic Food Market in China*, honors thesis, University of New South Wales, Sydney.
 3. David M. Lampton, *Policy Implementation in Post-Mao China* (Berkeley, Calif.: University of California Press, 1987); Kenneth G. Lieberthal and Michel Oksenberg, *Policy Making in China: Leaders, Structures and Processes* (Princeton, N.J.: Princeton University Press, 1998).

to a horizontal local government in which it is embedded. Although a bureaucrat has the responsibility to respond to central government directives, his or her political and economic life is tied most immediately to the local government. As a result, central policy is often modified at the point of implementation to meet the preferences of local political elites. The reform-era transition from a planned to a market economy and the related devolution of political power has exacerbated this problem. Local governments and bureaucrats now have new incentives and capacities to pursue their own agendas for economic as well as political purposes. The fragmented authoritarian state has evolved into a fragmented *entrepreneurial* one, as bureaucrats use their administrative authority to privilege themselves in market activity.

The central government is aware of this problem and has issued repeated decrees that bureaucrats must not engage in business activity. While some progress has been made, state entrepreneurialism continues for two reasons. First, the central government has no local watchdog authority independent from local political elites. Centrally administered anti-corruption campaigns can produce little more than a few high profile examples of enforcement. Second, state entrepreneurialism does not always take the form of classic, self-interested corruption. It is important to note that local governments in China often meet their operating expenses and fund development projects with the profits from state entrepreneurial activity. Until the central government can provide alternative means to keep hospitals and schools open and fund local development, local governments are likely to put their own economic activities ahead of central government policy initiatives. Of course, discrepancies between central policy and local practice are hidden from central government authorities whenever possible.

SARS: An Administrative Failure

The SARS crisis presents the same pattern as the pesticide poisonings of the early 1990s, this time in fast-motion and with the whole world watching. The system of public administration failed the first test through mismanagement, secrecy, and a dis-

regard for public health. But the reasons for that failure are not simply incompetence and a traditional lack of transparency. Rather, they lie in the autonomy and economic interests of bureaucrats in the fragmented authoritarian, now entrepreneurial, state. While central leadership negligence and preoccupation with power struggles certainly played a role, there is reason to believe that they received, and continue to receive, inaccurate information from below. Bureaucrats at all levels have economic incentives to under-report SARS cases. Local state hospitals depend on paying patients to make up for declining state funding. Municipalities like Beijing depend on tourism and foreign business contacts to keep their cities in the black. Central government pressure alone is unlikely to overcome these incentives in all jurisdictions.

As in the pesticide case, the central leadership reacted slowly and primarily in response to external pressure for greater transparency. In the highest profile signs of Beijing's new openness, Beijing mayor Meng Xuenong was replaced by Hainan Governor Wang Qishan and Vice Premier Wu Yi was named to head the national SARS campaign. It is no coincidence that Wang and Wu are well known and respected in the foreign business community. Their presence will help to regain investor confidence, as well the central government's new willingness to work with the World Health Organization. Investors and tourists who assume that new orders at the center will rapidly translate into new behaviors across the country may return to Beijing. But there is reason to doubt that either the WHO or Wu Yi can bring about rapid change throughout China's vast territory and fragmented bureaucracy.

It is worth noting that the most flagrant attempts to deceive inspectors came first in Beijing's military hospitals, where cases were not reported to the Ministry of Health and where administrators reportedly moved SARS patients into elevators and ambulances to escape WHO detection.⁴ The People's Liberation Army, which administers these hospitals, operates with a high degree of autonomy from other ministries or municipal governments and uses this autonomy to pursue its own economic inter-

4. John Pomfret, "Beijing Told Doctors to Hide SARS Victims," *Washington Post*, April 20, 2003.

ests. Outside of China's largest cities, this pattern is likely to repeat itself hundreds of times. County hospital administrators, while formally part of the Ministry of Health, owe their first loyalty to local governments and local economies. They will seek to keep paying customers coming in and may turn away SARS patients who cannot pay. From the perspective of local government leaders, central government orders to divert local resources toward the health system are additional unfunded mandates.

The more rational local approach, at least in the short run, may be to use cheaper, more authoritarian methods (such as banning or quarantining all visitors from known infected areas) while denying the first few cases. Under these circumstances, the WHO can send a few teams to sample conditions in the countryside, but no central authority, in Beijing or Geneva, can effectively monitor local administrator behavior throughout China if local administrators actively seek to deceive them. Where spot inspections and media reports reveal specific acts of deception, Beijing can make an example of local party leaders.⁵ But it would be counterproductive to sack thousands of local officials and hospital administrators at the height of the crisis. In any event, most instances of local deception are likely to go undetected until the number of cases in a given area becomes too great to escape detection. It may be several months before anyone knows the extent to which SARS is already firmly entrenched in China. Despite the new transparency between central leaders and the WHO, both lack effective mechanisms of feedback and coordination at the local level.

At this point it is useful to draw a distinction in my use of the terms "transparency" and "accountability." Transparency is a concept used by the international community to pry information out of China, primarily through central government intervention, in an effort to reduce investment risk and ensure foreign access to markets. Accountability is a local phenomenon in which administrators have a respect for, or at least fear of, the public they serve. From a western liberal perspective, we tend to conflate the two. But in a system where economic reform has a twenty-five year lead on political liberalization, the separation of

outward transparency and domestic accountability is systemic and intentional.

The real problem is not a lack of transparency in dealings with the international community, but rather that public health officials can act in flagrant disregard of medical staff, patients, and the Chinese public without being held accountable. Reports that administrators ordered hospital staff not to wear masks so that the public would not become concerned are the latest, chilling variant of an underlying principle in Chinese public administration.⁶ Risks to peasants, workers, nurses, and others are acceptable as long as social stability and economic growth are protected. Chinese medical workers do not need an inspection team from the central government or the WHO to tell them that local administrators are putting them at risk. What they need are formal mechanisms of accountability at the local level.

Making Risk Society Work

Even if SARS spreads throughout the Chinese countryside it may never kill as many Chinese citizens as other health problems such as pesticide poisoning. The difference between the two crises is largely a function of perceived risk on the part of populations that matter (the urban middle class, university students, foreign investors visiting China, and the world community itself) and the impacts of new technologies and globalization on Chinese society.

Risk society predicts not only that the risk will become the subject of politics, but also that risk politics will take place in interconnected global and local arenas. Hence, the foreign investor provides the incentive and WHO provides the rules for global standards of transparency. But the web surfing, text messaging Chinese university student, and the frightened villager, spark a domestic politics of anger toward administrative failure to manage risk. And, of course, the foreign investor, the student, and the migrant worker—three faces of China's modernization—carry the fear of the virus, and the virus itself, to their home-

5. Tak-Ho Fong, "Leaders Get Tough with Local Officials," *South China Morning Post* (Hong Kong), May 9, 2003.

6. Hannah Beech, "Unmasking a Crisis," *Time Magazine* (Asia website), April 14, 2003.

towns in China and around the world. The global and local politics of SARS indicates that the days of social stability and economic growth, maintained through public ignorance and social control, are coming to an end. Once risk society arrives, no amount of authoritarianism can contain it. Attempts to do so are already meeting with violence in many parts of the country.⁷ Even if SARS abates, other crises of environmental, health and economic risk will become permanent features of Chinese politics. China is running out of time and needs to begin constructing a new relationship between public administrators and the public they serve.

In his later work, *World Risk Society*, Beck indicates that the very levels of public participation that make risk society so threatening to traditional administrators offer the best hope for a new, more stable relationship. An informed, globally connected, and empowered public might become the instrument of feedback and coordination for a re-legitimized political authority. What this might mean in China, with its violent history of mass mobilization in response to perceived bureaucratic intransigence, and its vast inequalities in education and global connectedness, is unclear. But we already see evidence that the Chinese bureaucracy will get better at managing risk when those with the most at stake are given a voice.

It should be remembered that the most constructive local-global connection in this crisis has been that between Chinese whistle blowers and the global media. If Dr. Jiang Yanyong had given up when the national media refused to report on his accusations that SARS cases were being concealed, the WHO and the international community might still be in the dark. His access to reporters from *Time* and the *Wall Street Journal* led directly to better public policy in China and gave the Chinese leadership an opportunity to regain credibility.⁸ Regardless of what China's new administration decides to do about 20th century procedural democracy, if it wants domestic stability and economic growth, it will have to create structures of public oversight in its system

of public administration. The whistle blower and the watchdog, the public hearing and the public disclosure project—these are the best hope for a stable, prosperous, and globally successful China in the 21st century.

If Hu Jintao's populist strategy for consolidating power is actually going to mean anything for China, he must address the risks his people face in their daily lives. The SARS crisis presents his first opportunity to do so. The challenge for the new leadership is not to change administrative behavior directly, through yet another failed anti-corruption campaign, but to pry open the doors of the local bureaucracy so that broad sectors of Chinese society can say to the bureaucrats, "level with us and help us figure out what to do. Tell us the risks of SARS and how best to keep ourselves safe. Disclose which factories are polluting our land and water so that we can weigh the risks and benefits and respond as a community. Give us honest information about the pros and cons of globalization so we can figure out our next move as individuals and local economies."

The real test for Hu Jintao and Wen Jiabao is to mediate a peaceful but deliberate restructuring of the public-administrator relationship, emphasizing the rights of individuals and communities to obtain information about risk, participate in formulating responses, and hold local administrators accountable without waiting for intervention from above.

7. Mure Dickie, "Chinese Police Arrest SARS Demonstrators," *Financial Times*, May 11, 2003.

8. Matt Pottinger, "Outraged Surgeon Forces China to Take a Dose of the Truth," *Wall Street Journal*, April 22, 2003.