

The SARS Crisis and the Prospect of Chinese Government Reform

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Abstract: For China, the SARS calamity has a great impact on its steadily developing economy, society and politics. At the same time it provides an opportunity because SARS changed the original Chinese living habits, ways of working and worldview. This paper is to analyze the effect of the crisis on the Chinese public administration and the direction of Chinese government's reform by focusing on the research of the revealed drawbacks in the management of Chinese government and the measures taken by Chinese government during the SARS crisis. Research shows that there are many deep-rooted problems. For example, in the spreading and early handling stages of SARS, the Chinese government did not perform adequately: non-profit departments were not well developed, governments at all levels refused to cooperate, there were no emergency institutions to deal with the crisis, officials were unqualified and the administration is closed and undemocratic. However, the measures taken during the SARS crisis also showed the crisis promoted the transformation of Chinese government further from a controlling government to a service oriented government, from a closed government to transparent and open government, from a government ruled by individuals to a government ruled by law. Meanwhile the crisis suggests that the administrative system is facing new adjustment and development.

INTRODUCTION

In the more than 20 years since the opening and reform of China, the public administration has undergone a great change. The government functions have been gradually transformed, government conduct have been more legitimated, the selection, appointment and policy decisions of government personnel have become more democratic, and the operation of government has become more transparent. Since the spring of 2003, a new term of government officials has been in power. The Chinese economy has entered a new, rapidly developing period, and the society is full of vigor. Although it faces numerous problems, the new government has high aspirations. It will lay down the regulations in all fields and then begin to carry out its duties accordingly.

However, an unexpected disaster suddenly arose:

Sever Acute Respiratory Syndrome, an unknown infectious disease appeared in the vast land of China. The disease is highly infectious, and the death rate of it is close to 10%. The disease was first reported in Guangdong Province in November 2002 and then spread throughout province and then quickly to Hong Kong, Taiwan, Vietnam, Canada and the United States. Mainland China was no exception. On March 1 2003, the first case in Beijing was reported. On March 27, Beijing was declared an affected area by WHO, and on April 20, the Minister of Health and the Mayor of Beijing resigned because progress in combating the disease was deemed ineffective work. At the same time, the situation in Beijing became very serious. On April 23, SARS cases were found throughout China with the exception of a few provinces. The infectious disease confined to certain areas had spread nationwide.

Within a few months, SARS had a great impact on China and the rest of the world. By July 10, 8437 people had been infected and 812 died (WHO,

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2003). Economically, SARS had an enormous worldwide affect, especially in the East Asian service trades of transport, travel, catering and entertainment. Meanwhile, SARS changed Chinese living habits, way of working and worldviews.

SARS is a calamity and struck the steadily developing economy, society and politics of China. However, SARS is also an opportunity. This paper inquires into the direction of the Chinese government's reform by focusing on the research of revealed drawbacks of Chinese government's management of during the crisis and the breakthrough in government management made while combating with SARS.

SARS CRISIS AND THE PROBLEMS OF CHINESE GOVERNMENT MANAGEMENT

The Defining of Government Functions

Before the SARS attack reached its peak, a 'small' event badly frightened people. A laborer in Beijing, worried about the enormous medical expense, furtively escaped from the hospital and got lost after taking a train. The country's entire transport system was mobilized in an effort to find him. All levels of the transport system held meetings, and orders were transmitted and an inescapable dragnet was arranged to find him among the huge population, and thus, a nationwide movement to pursue and intercept the SARS virus was launched. Similar occurrence were avoided when the government promised that, farmers and the urban poverty-stricken would be exempt from medical expenses incurred because of SARS. However, it's more to examine the cause of the laborer flight: namely, the unbearable medical expenses reflect the weakness of the public service functions of the Chinese government, especially that of the social security system.

Since the reform and opening of China, the

Chinese government has advocated one of its important policies to be the harmonious development of the economy and society. However, the implementation of these policies gave priority to the pursuit of GDP, and placed less emphasis on social undertakings such as education, public health, environment and social security. The problem is a drawback of the present financial system. As Table 1 shows, China implements an investing financial system. Although money invested in social development areas has increased somewhat for some groups in recent years, the overall, proportional increase has not been significant and has even decreased in some areas. The majority of the investment went to competitive trades. The limited public resources were already utilized, the finances were decentralized and the public services in the greatest need could not be sufficiently supplied or afforded. For example, social security is a basic need for social equity, and an important pillar of social stability. However, Chinese social security is relatively poor, and is far from being a regulator of market economy.

The SARS crisis especially revealed the serious drawbacks in the Chinese public health and medical systems. For many years, the proportion of the national budget spend public health has been very small and decreasing yearly. The amount spent was even small in comparison with other developing countries. As Table 2 shows, in low-income countries where the per capita income is US\$1000~2000, public health expenditures are 1.26% of GDP, while in China it is only 0.62%. In other words, other developing countries spend twice as much on public health as China. In 2000, China ranked 188 among 191 WHO member countries in public health spending. For a long time, social security in China covered mainly the urban population. In the vast rural areas, the income of farmers is low. They need the medical coverage to be able to see a doctor. However, the present medical is low, and it does not play an

Table 1. The Distribution of Government Investment Among the Trades (%)

Investment distribution	In 1991 ~ 1995	In 1996	In 1997	In 1998
The total volume	3,765,166million Yuan (100%)	1,205,624million Yuan (100%)	1,309,172million Yuan (100%)	1,536,930million Yuan (100%)
Public welfare	8.54	10.49	11.57	11.94
1. Health, sports & social welfare	0.96	1.03	1.14	1.23
2. Education, culture and arts, &radio, film and TV trades	2.97	3.61	4.08	4.02
3. Scientific research and comprehen- sive technical service trades	0.65	0.58	0.54	0.50
4. State organs, party organs and social associations	3.98	5.27	5.80	6.18
Fundamental investment	31.62	38.38	41.53	47.5
Competitive trades	59.83	51.13	46.91	40.5

Source: Zeng Peiyan, 1999. *The 50 Years of Chinese Investment and Construction*. Beijing: China Planning Press. Chi Fulin, 2003. *Accelerating the Transform to Public Service Government*. China Review Website of Tianze Economy Research Institute. <http://www.china-review.com>

Table 2. Proportion of Government Expenditure in GDP in China and Other Developing Countries

(Unit: %; Year: 1997 ~ 1998)

	Total expenditure	Health	Education	National defense	Paid interest
Central government of China	18.89	0.62	1.86	1.14	n.a
Brazil	31.82	1.83	1.09	0.98	3.42
Albania	29.01	1.14	0.64	1.13	6.64
Romania	19.87	2.23	3.06	2.09	2.62
Philippines	19.26	0.56	3.96	1.36	3.47
Average income countries	28.83	2.25	4.05	2.31	3.31

Source: P.Musgrove and R.Zeramini, 2001. *A Summary Description of Health Financing in WHO Member States*. CMH Working Paper Series No.WG3:3. Chi Fulin, 2003. *Accelerating the Transformation to Public Service Government*. China Review Website of Tianze Economy Research Institute. <http://www.china-review.com>.

effective role. It's common for farmers to be unable to afford to see doctors and buy medicine. Today we are shaken by SARS. The inadequacy of public services has become the 'rib' of sustainable development and overall society construction of well-to-do society. Future reforms will focus more on the living standard of people, realize the common interest of all society and make sure that the health and security of people is the main responsibility of the government.

The Problem of Administrative System

i) The problems of crisis management

The capacity for crisis management is an important index of a government. Since china has been at peace for long period, many government organs lack a crisis consciousness and a crisis management capacity. The spread of SARS revealed some problems of the crisis management system. First, the Chinese government and the

public do not have a strong crisis consciousness. Secondly, the lateral (between government and society) and vertical (between different levels of governments) structural systems of crisis management, and the information communication and transmit system have not been established. Thirdly, there was no legislated crisis management system. The Emergency Regulations for Public Health bill was passed after the crisis. Fourthly, the anti-crisis support system is inadequate. Storing financial and human capital is not enough. After the outbreak of the crisis, some financial allocations and personnel training were established *ad hoc*. Fifthly, there was no crisis warning system. When SARS broke out in Guangzhou, some warning should have been given. The warning system needs to answer to what degree. In what state? Who should be in charge of publishing the warning? (Zhang Chengfu, 2003)

ii) The problem of separation and localism

The spread of SARS and the intensifying of the panic were closely related with present management system and local protectionism. When the epidemic was serious in the beginning of April, the Ministry of Health and the Beijing municipal government did not even have precise data. This lack of information sharing gives some slight idea of degree of the separation between the local government, departments of central government in charge, military hospitals, etc., and of information block and uncoordinated and separate management. Meanwhile, in order to protect local economic interests, many provinces and cities refused to admit they had any SARS cases until the central government forced them to correct themselves.

After precautions were issued and management measures were taken, many local governments took measures for self-protection. (WenXin, 2003). The highways connecting Beijing with some outlying areas was closed, roadblocks between villages and cities, both visible and invisible were set up, rewards were given to those who informed the

authorities of the presence of non-local people, and transients were inspected and quarantined. Some larger economic centers took similar measures as many villages and remote areas. While China was protesting that international society limited the entry of Chinese citizen and quarantined them, Beijing and Canton residents were almost quarantined in their own country. Some spontaneous actions of the common people who were prompted by government officials were even more serious. These loses were hard to estimate.

The crisis showed that reforming the separated administrative system, setting up unified and coordinated administrative system, and especially defining the public service functions and powers of local and central government are the important guarantees of implementing public services.

iii) The management system was inflexible and inconsistent with the international management system

The SARS crisis revealed that the Chinese government management is very rigid and inconsistent with international standards. In the early stage of the SARS crisis, some departments underestimated the severity of the crisis, and refused to cooperate with WHO. WHO operates according to process, while Chinese health management system operated according to policies and orders. The two systems could not be harmonized, and were incomprehensible to each other. WHO tried act in the two areas of information communication and setting standards for medical procedures. However, the Chinese health management system is system based on solving problems for the superiors. Therefore, information was of consequence. Even if they had information, they could not take effective and timely action because there were no standards and guides, and in an emergency, they could not lay down guides and standards quickly enough to react to the related information. There were some obvious problems in the cooperation

between Chinese institutions and WHO. This isolated China from the international community. The Chinese government lacks the skill to develop the means for international cooperation and communication in an 'international language'.

iv) The problem of personnel

During the SARS crisis, some official's negligence of people's health and lives revealed the drawbacks in the personnel systems. In recent years, the cadre system has been reformed and the selection and appointment of cadres became more democratic. Cadres could be both promoted and demoted, which is a significant impetus. This impetus, however, encouraged them to report just the good news, and consequently they lost their best opportunity to learn about and control SARS in time. The ossified system was only responsible to superiors and not the public. In addition, SARS revealed that Chinese officials were relatively unqualified and had limited knowledge. When the crisis broke out, China did not have its own CDC Internet information system, not to mention Internet intellectuals and experts. (However, the CDC was temporarily improved during the crisis.) There was also a lack of public health management intellectuals. Although there were repeated orders from both central and local governments, many officials were disobeyed and left their posts without permission. This led to the spread of the disease to other regions. A local manager even suggested cutting the electrical supply to quarantine hospital where suspected SARS infector was lodged, and this led to the escape of the quarantined people (Zhang Zaisheng, 2003). An efficient government needs well-trained, qualified people. SARS is also a warning for about the way that government officials groups are constructed.

The Development of Non-profit Organizations

It can be seen from the experiences of the many other countries that non-profit organizations play an important role in many social fields such as education, scientific research, medical and health work, social service and culture, and entertainment. During the crisis, Chinese non-profit organizations developed various prevention and cure activities, and played a significant role. At the same time, deep-rooted institution problems were also exposed (China Economic Times, 2003).

i) 'Government' Inertia created an environment Disadvantageous to the growth of non-profit organizations

Under the influence of the traditional planned economy, the government was the direct service provider in all aspects of economic construction and social life. The concept behind this is the overconfidence in the government's ability and excessive distrust in civil society. For example, in the name of standardizing contributions to society, the government only allowed two non-profit organizations to receive contributions, and both organizations have rather strong official ties. Strictly speaking, the Red Cross is an official association, and the Chinese Charity Federation is backed by Ministry of Civil Affairs. The policy actually forbid contributions to other non-profit organizations, and seriously limited their activities.

Government's long time strict control and limits on non-profit organizational activities meant that the organizations lacked independence so their flexibility and sensibility could not be fully actuated. Although some non-profit organizations are much more flexible government organs, in most cases the organizations follow the government rules. For example, in the early stage of the crisis, non-profit organizations such as the doctors' associations did not warn of events, or supervise the responses. The first SARS case was reported in

November 2002, but the earliest report from doctors' non-profit organization was in April when the government had already acknowledged the problem. Therefore, the relationship between non-profit organizations and the public is somewhat estranged.

- ii) Primitive non-profit management created an Environment unfavorable to developing the non-Profit sector.

First, excessively strict regulations limited the development of the non-profit sector. The overly elaborate document examining the registration process and strict requirements for funding, regulations, working conditions and especially the government supervisors were too restrictive and time consuming. They therefore restricted the possibility of non-profit organizations spontaneously reacting to the problem. Since the biggest advantage of a non-profit organization is flexibility, if the registration procedure is over-elaborate, the advantage is lost. Some social problems that temporarily appeared during the crisis were neglected by the government and were outside the scope of non-profit organizations. Volunteers to form temporary non-profit organizations for these specific problems were needed, but the present registration procedure limited that possibility.

Secondly, dual management system limited the advantages of independence and flexibility. Some problems such as the lack of independence and the slow reaction time are, largely related to the dual management system. As the present non-profit regulations require that, other than registration management organs such as civil administration departments, non-profit organizations must have government supervisors in charge of them. The supervisors are responsible for the organization's behavior and approve their activities. Some non-profit organizations were originally within the purview of their supervisors, so they often are obedient. Under these conditions, it is very difficult

to ask non-profit organs to be more flexible.

Thirdly, the stipulation that the branch organs are forbidden restricted the structural ability of non-profit organizations. While their activities need human resources, in fact recruiting human resources is related to organizational resources.

- iii) The related laws created an environment disadvantageous to the development of non-profit organizations.

Laws for non-profit organizations have been long neglected. A non-profit organization is not officially recognized, let alone legally sanctioned entity. There are presently three regulations respective to the registration of social community, fund and civil enterprises in the form of 'the orders of State council.' There stipulations are not specific. This is not advantageous to helping people comprehend non-profit organizations. Their activities have no precedent in law and have their image often fails to live up to people's expectations. A sampling survey by the Ministry of Science and Technology in Beijing showed that 83.1% of the public would participate in volunteer service fighting the disease, and 94.4% would attend the volunteer activities such as publicizing information on prevention and cure knowledge and disinfecting public facilities. However most people do not know much about non-profit organizations, and they believe the activities of Chinese volunteers rely solely on activities organized by the Youth League. (China Economic Times, 2003) Volunteers = Youth Volunteers is common misunderstanding of the volunteer work.

The Openness and the Administration by Law

- i) Closed Information and the Government

The SARS crisis proved that access to information was the most important matter during an emergency. In modern society, the degree of openness of public information is closely related to the

interests of citizens. During the SARS crisis, the disease was spread throughout the country because of the lack of a scientific, accurate and prompt reporting.

According to media reports, the first outbreak of SARS was in Foshan City of Guangdong Province in November 2002. On January 2, the Guangdong Health Department received their first report and dispatched an expert team the same day. One week later, experts found similar cases in other cities in Guangdong. Until February 3, the Guangdong Health Department issued a notice about preventing and curing SARS, which required that all areas report the number of infected people daily. The report however was merely a table, and the notice was an internal document and was not made public. However, by this time it was too late. Guangdong began to lose control of the disease, and Beijing was on the edge of losing control.

On March 1, Beijing received its first SARS case, but the government was still operating furtively. On March 19, Xinhua News Agency reported that Minister of Health met with the WHO representative to China. When introducing the prevention and cure measures in Guangdong, he said that at that time the infectious disease had been controlled, most patients had recovered and people had returned to a normal life. On March 26, a spokesman of Beijing Health Department said that SARS had effectively been controlled, and that Beijing had set up an adequate disease supervision network long ago. Beijing, it was said that established professional groups and testing labs for investigating and handling the disease and trained medical and personnel. The disease could be handled, and the health of the people in the capital was assured. Immediately after that, at the Ministry of Health's press conference, Minister of Health, Zhang Wenkang, solemnly announced, It is safe to work, live and travel in China. and repeated the message in several different ways indicating that SARS has been effectively controlled in parts of

China.

However, the short time it took for the situation to change was shocking. On April 8, SARS was listed as a legal infectious disease and the situation was serious in Beijing. The news was passed on internally in the form of a notice. It was not until April 14 that it was announced on the Ministry of health official website. On April 15, thirty-seven people were diagnosed with SARS, but only 5 days later, on April 20, that number rose to 339. On April 21, there were 482 reported cases; on April 22, there were 588, and many more suspected cases (Ministry of Health, 2003). The rapid spread of the disease was a great shock to Beijing citizens and non-local people. The government had lost the confidence of the public. Laborers spontaneously stopped work and escaped, and college students spontaneously suspended classes and went back to hometown. This of course provided the disease with another opportunity to spread nationwide, and it is indicative of yet another failure to control the disease. Meanwhile, people began panic buying and the shelves of many big markets emptied while the price rose sharply. It was even difficult to find a taxi. For Chinese people who never directly received accurate information, it was certain that there was a panic.

Openness and transparency are important guarantee for effective implementation of public services. This is the lessons that SARS taught Chinese government and public. After the crisis, the Chinese government will re-examine the function of media in politics, economy and social life. Strengthening news reporting will be an important aspect of future Chinese government reform (Liu Weidong, 2003).

ii) The Administration by Individuals

Since the reform and opening of China, relationship between both government and society, and government and the market has undergone fundamental changes. The sharp change of Chinese

society makes urgent the need for related legislation in public services. Expediting the legislation would meet the need to transform the government function, and it is a realistic social requirement. However, the legislation and judicial institutions have not been well developed for a long time. This has led to a top-heavy administration, inefficient institutions and difficulty coordinating of the rights and responsibilities between different departments at all levels. During the SARS crisis, problems such as the lack of legal institutions, loose enforcement of laws and a limited awareness of the law were evident.

Because of the lack of the related emergency laws and regulations in the early stage of SARS, the government could not standardize or regulate government officials, and could not guarantee the public health and property. Although some laws were not very clear, and the control of infectious diseases was not well managed, The government should have taken some measures according to the 'Infectious Disease Prevention and Cure Law' of 1989, and controlled the spread to some extent. However, the government relied on traditional inefficient administrative methods and relying on temporary solutions proposed by individuals. The government tried to solve problems by having individual senior officials coordinate the effort and establishing only a temporary headquarters. The results were no use at all. The departments tried to shift responsibilities, and lost the opportunity to control the disease.

The SARS crisis also made people conscious of the necessity of enforcing and abiding by the laws. The thousand-person wedding feast in Shenzhen was most typical. Chen Dicai, the manager of Gongming Investment Management in Shenzhen City, sent out over a thousand invitations to a wedding feast. The cadres led by town secretary violated the No 1 Anti-SARS Decree by agreeing to attend the feast. Chen Dicai was infected with the SARS virus, so the feast was exposed (Fu Ke,

2003). It is easy to imagine numerous illegal large-scale gatherings were held without detection. Take another example. On April 20, the government issued an emergency notice that hotels and restaurants should be completely disinfected, dish separation should be promoted and service personnel in contact with should wear a mask while working. This notice was also not effectively enforced.

In a word, it is imperative that the government learns the lessons from SARS crisis, strengthens and improves the legislation related to emergencies, and furthermore that the government enforces related laws.

CHANGING THE CRISIS TO OPPORTUNITIES: THE NEW DIRECTION OF THE CHINESE GOVERNMENT REFORM

On April 20, the State Council removed two ministers, including the Secretary of Ministry of Health. The party and government officials led by President Hu Jintao and Premier Wen Jiabao went to the infected areas in person and organized the people to fight the disease. After April 21¹, the State Council kept pace with the WHO, and made daily, rather than weekly reports on the disease. On May 11, Wang Qishan, Mayor of Beijing, announced that the spread of disease has been controlled and on June-24, WHO announced that the travelers advisory to Beijing was lifted and that Beijing was no longer an infected area. Within 3 months, Chinese government had undergone a series of changes in state management, working style and overseas and domestic image. This implied the reform of the Chinese government would take new direction.

From Closed Government to Open and Transparent Government

Transparent government is a universal trend. Since the 1940s, western developed countries guaranteed people's free access to public information by a series of laws to enforce government openness and transparency. Recently the Chinese government took some measures that indicated that SARS crisis was a good opportunity to promote the transparency.

In the early stage of SARS, the public was panic-stricken, rumors were flying and Chinese government received international reproach not making the situation public promptly, accurately and completely. Since then, the Political Bureau of the Central Committee of the Party has held a special meeting wherein it stressed the situation should be mastered, reported accurately and announced regularly. To let the public know the situation in time, after April 21, the government reported the situation daily instead of weekly. The reports included the number of diagnosed patients and suspected patients. The central government sent supervising groups to all parts of China, and if someone was found concealing information, they were dealt with promptly.

It is even more remarkable that after May 1, News Channel, established by CCTV, broadcasted live, comprehensive and detailed SARS prevention and cure information 24 hours a day. It also reported on the SARS situation throughout the country. After this initial, the navy 361 submarine accident, the Anhui Huaibei mine disaster and the Shanxi coalmine flood were reported on the site. Reforming the way information was transmitted to the public caused so panic and did not further damage the government's credibility. In addition, to aid cooperation between the central government and local governments, a spokesperson system was established (Xinhua New Agency, May 29). The transparency measures taken by the government since the end April has proven very successful. It

calmed the fears of the public and made the public more rational. It also brought about interaction and cooperation between the government and the public, which has been beneficial to communication and strengthened confidence in and the image of the government.

The SARS crisis made the right of access to information more important. To regulate access to information, the government put the access to information law on its agenda. Guangzhou City in Guangdong Province issued the first 'Government Information Openness Regulations' in China during the SARS crisis. According to the regulation, all the government information including the right of business, finance, and personnel, was opened to the public so that individuals and organizations had access to information of and administrative activities was more transparent, legal, timely, accurate and fair. The working draft of 'The Openness of Government Affairs Regulations' was finished by the end of April, And is now in the legislative department of the State Council, (Xie Yuandong, 2003). The Regulations clearly define the rights of information of the citizens, the obligation to publish government information, the content and channel of the published information, the procedure of citizens to access to information and the procedures for decoding confidential government information.

In international cooperation, the government had the courage to face the international criticism and made great efforts toward international cooperation and understanding. On April 29, at a crucial time of fighting the SARS epidemic, Prime Minister Wen Jiabao went to Bangkok and attended the Sino-East Asia Union SARS special meeting. At the meeting he said, I attend the meeting with the spirit of frank responsibility, trust, and cooperation. I report the situation in China and the main experiences and lessons drawn for the prevention and cure of the disease, and the measures taken by the Chinese government. I expect that throughout the meeting,

we can promote the understanding and trust between China and East Asia, and strengthen our cooperation. (Xinhua News Agency, April 30) At the same time, Chinese government substantially strengthened the connection, communication and dialogue with international organizations, other countries, the international medical circle and related friends.

From a Government Ruled by Individuals to a Government Ruled by law

Establishing a government ruled by law is a requirement of a market based economy. At the first plenary session of the State Council, newly appointed Prime Minister Wen Jiabao stressed that the new term of government must make substantial progress in the aspects of scientific and diplomatic policy making, administration and administrative supervision according to law. (Xinhua News Agency, Mar 21st). Certainly China realizes that a government ruled by law will not be established overnight because of the habitual lagging behind of reform of the political system, legislation and judiciary. The SARS crisis revealed the drawbacks of administration ruled by individuals and compelled the government to take various measures to move toward the ruled by law.

First, SARS is being prevented and controlled by administrative orders and notice, but precautions against the negative effect of these laws must be taken. More attention must be paid to the law as a basis for preventing and fighting infectious disease. Take an example: on April 10, the Deputy Minister of Ministry of Health said in a press conference that the problem of the reporting and managing infectious disease was an important part of 'The Law of Infectious Disease Prevention and Cure.' This means that if SARS was mentioned in the law, related medical institutions and government have legal responsibility to report the status of disease. Withholding information was illegal. If there are related laws, the government abides by them; if

not, they consult to other laws. This provides a basis for further amending and improving laws. After the situation of the disease became graver, all the aspects of prevention and control became legal. According to 'Criminal Law' and 'Public Security Regulations' spreading rumors or disturbing the social order is punished. According to 'Infectious Disease Prevention and Cure Law', all SARS patients and suspected cases must be treated, and people in contact with them must be quarantined.

Secondly, based on the present law, requirement of fighting the disease and the related law problems arising during the disease, officials and experts were organized to draft the 'Emergency Regulations for Public Health' which laid out an system for public health emergencies and set up established a unified legal principle for operating the system. At the same time, judicial departments issued new judicial explanations to meet the need for detailed laws in fighting the disease (Zhao Ling, 2003). Some local governments also issued and modified local regulations, and penalized the unhealthy behaviors, such as spitting which helped to spread the disease. Shanghai, for example, strengthened the penalty on spitting so that an individual could be fined as much as 200 yuan. An important aspect of dealing with emergency is the openness of administrative affairs. The concerned departments of the State Council issued the 'Administrative Information Opening Regulations'. These were the most important legal achievements. Meanwhile, since there are many problems in the former laws, the Ministry of Health is preparing to draft a health bill. If it is passed, it will not only promote medical health work, but also legalize public health work.

In short, through the fight with SARS, Chinese government and the public realized the administration by law is better than that by decree. The detailed efforts of Chinese government really promoted the legal management of Chinese government.

From a Controlling Government to a Service Government

The nature of the transformation from a controlling government to a service government is contained in the adjustment of government function. It primarily consisted of reducing the interference in the economy, reducing the regulations on economic and social activities, improving services, allocating more power to the public to take full advantage of market institutions and independent social organizations and constructing a new pattern of collective management for the government and society. From indications during the crisis, we can see that the Chinese government realized the drawbacks of traditional controlling government and accelerated the transformation to service government as a service.

First, the concept of rule by bureaucrats has fundamentally changed. On April 22, while being interviewed on CCTV's 'Eastern Space-time' program, Han Zheng, the mayor of Shanghai, was asked an insightful question: since Shanghai is the country's economic center, what would the government do if Shanghai found a conflict between SARS prevention and cure and economic development? Han Zheng replied, The lives and security of the people are certainly given priority. On April 26, President Hu Jintao said in a telephone conversation with American President Bush, The Chinese government always gives priority to the health and security of the people (CCTV. April 26). On April 29, at the SARS special conference with East Asia Union leaders Wen Jiabao said, "The Chinese government is a government facing the difficulties, and shouldering the responsibilities with courage. It always gives priority to the health and security of the people." (Xinhua News Agency. April 30) These statements were all made by the highest level leaders of the party. Under any circumstances, they are extraordinary. The principle indicator of a modern society is that it tries to maintain a high quality of

life in society. Compared with the history of the state ruling concept of the leaders of the fourth generation of the Party, the new government is approaching the concept of the modern society. It is worth noticing that Chinese government decidedly cancelled the 'May 1 Golden Week,' which meant the lost of a large amount of tourism revenue. This showed that the government had its priority in order. In addition, the government increased the revenue to social services. Jie Zhenhua, the Director of the State Environmental Protecting Bureau, recently revealed that in the next two or three years, China would invest 7 billion yuan in constructing medical waste facilities. (Zhang jingyong , 2003)

Secondly, the government began to reduce restrictions to non-profit organizations and encouraged them to participate in providing public Information. The Ministry of Civil Affairs recently canceled 11 approval items for approval directed at non-profit organizations such as withholding non-profit organization ability to raise donations, 'The Approval of 'Official Seals for Non-profit Organizations' and 'The Record of Legal Members of Non-profit Organizations' (Ministry of Civil Affairs, 2003A). In addition, on July 8, the Ministry of Civil Affairs conferred on 48 national societies the title of 'Official SARS Combating Organization' and conferred on two private non enterprise organizations the title of 'Non Enterprise SARS Combating Organization.' The government commended civic organizations during the SARS crisis, and encouraged them to be active in social services. The government admitted that civic organizations were an important force in fighting SARS and were reliable (Ministry of Civil Affairs, 2003B)

The Reform of the Administrative System

- i) Reforming the internal managing system to realize the transform from the separated administrative system to unified and coordinated administrative system

The focus of reform is defining the responsibilities of the central and local government and setting up a system for reasonably allocating power between them. Since China is a large and diversified country, local governments should have the right manage local public affairs and handle emergencies. This should be clearly stipulated in law. From the lessons drawn from the SARS crisis, the responsibility for handling emergency public health affairs was clearly defined in 'The Emergency Regulations for Public Health' bill. As soon as an emergency occurs, Emergency headquarters must be established by the State Council, provincial governments, autonomous areas and municipalities, the effort will be directly coordinated by the central government and each region will be responsible for the united leadership and command.

- ii) Establishing a crisis management system

Globalization has made social and economic development much less definite. War, financial and energy crises or natural calamities may occur at any time. After SARS broke out, governments of all levels drew positive lessons from the crisis. For example, On May 7, Guangdong Province allocated a special province wide 800 million yuan fund to establish an emergency public health system (Wang Lefu, 2003). Research institutions of at all levels are researching the construction of crisis management system. It is expected that a preliminarily sensitive, effective, united and well-informed government crisis management system will be established.

iii) Reform of the Personnel System

According to convention, Chinese officials, especially senior ones, are removed from the office only when they have broken the law against something like corruption, or have made a political blunder. They are seldom removed for inefficiency or failing to fulfill their responsibilities. During the SARS crisis, Zhang Wenkang, the Minister of Health and Meng Xuenong, the mayor of Beijing were both relieved of duty on April 20. After that, the rest China began to take actions. Hundreds of officials were investigated. In Hunan Province alone, 200 officials were investigated. In Mongolia, more than 60 people were penalized by receiving a warning, suspension or dismissal, and the disciplinary actions were recorded with the Party.

Recently, Navy Commander Shi Yunsheng and Navy Political Commissar Yang Huaiqing were dismissed because they were deemed responsible for a submarine accident. The measures shook political circles and marked the beginning of the establishment of system to enquire into irresponsible behavior on the part of officials (Shao Yingbo, 2003). The system stressed personal responsibility. If the accident were of a serious nature, then officials at the top were deemed responsible. The system will be advantageous for encouraging officials and strengthen their sense of responsibility, and consequently their attitude and quality of their service will be improved. The system can also break the Neanderthal stipulation that officials only promoted but not demoted. It also establishes a more direct and effective system, for dismissing officials, improves the quality of officials and better protects the public interest.

CONCLUSION

This paper focused on the drawbacks of the Chinese government's management during the SARS crisis. Through the series of measures

undertaken by Chinese government for the prevention and cure of SARS, the paper analyzed the effect of the crisis on the government and the direction of the reform for future governments.

The research showed that many deep-rooted problems of the government management system were revealed in the early stages of the SARS crisis. Public services did not keep pace with economic growth. Non-profit making organizations were not well developed and they did not meet the need of the society. There was a lack of effective coordination between different levels of government. There was no crisis management system for emergencies. Officials were held accountable more for promoting economic growth than dealing with a crisis and officials were unqualified and did not pay enough attention to the lives of the people. The closed administration, which was controlled by individuals, was the main hindrance developing society. A crisis of public health system was also evident.

However, the SARS crisis has provided a rare opportunity to reform of Chinese government. The measures taken by the government during the crisis showed that the crisis had promoted the transform from controlling government a service oriented-government, from closed government to transparent and open government and from government ruled by individuals to government ruled by law. It also indicated that the administrative system would face a new adjustment and undergo further development.

Reform certainly cannot be concluded within a short timeframe because of the traditional system dies hard. It continually restricted the process of reform. For example, the government has begun to implement the responsibility inquiring system, but because of the lack of a detailed system, procedures and method of assigning responsibility, it is merely a new face on the old system (i.e. the Party or the administration investigates their own members). Of course, it should have independent bodies conduct

the investigation; for example, the NPC representatives, democratic parties, news media and court should investigate the party and the government. (Du Gangjian, 2003).

The timetable for political reform has not yet been drawn up, and the target of the reform of legislation and judiciary have not been clearly established. Under these conditions, cannot be concluded that the SARS crisis was the 'Critical Juncture' (Krasner, 1984; 1988) that brought about radical and significant development on the Chinese government's management system. However, people are justified in believing that the SARS crisis began the transformation to open society, and is driving the transform from government to governance that will bring forth a new relationship between the government and its citizens.

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