Policy Experimentation as Communication with the Public: Social Policy, Shared Responsibility, and Regime Support in China

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Abstract

Traditional wisdom on policy experimentation has mainly focused on central-local relations. However, scholars have paid little attention to the interaction between policy experimentation and the public. We argue that policy experimentation can be adopted by decision makers as a communication instrument with the public, facilitating the building of a social consensus regarding controversial policies. We evaluate the effects of the Chinese government's efforts in promoting shared responsibility between the state and the individuals for the urban pension system with policy experimentation on public's regime support. Evidence from two rounds of a nationwide survey conducted before and after the policy experiment indicates that the implementation of policy experiment has significantly contributed to citizens' acceptance of individual welfare responsibility. Moreover, the image building of governmental responsibility via official news with varied intensity across regions immediately consolidates the political trust of residents while posing threats to local government credibility in the long run.

Key words

Policy experimentation; Pension policy reform; Welfare responsibility; Political support; China

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政策试验作为公众沟通：中国社会政策、责任分担与体制支持

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摘要：

政策试验的理论传统主要关注中央和地方政府之间的关系。然而，学者们很少关注政策试验与公众之间的互动。我们指出，政策试验可以被决策者用来作为一种与公众进行沟通的工具，帮助在有争议的政策领域建立社会共识。本文评估了中国政府利用政策试验在推动国家和个人对城市养老金共同责任承担方面的效应，以及政策试验对公众的政治信任的影响。两轮全国调查的证据表明，政策试验的实施显著促进了公众对于福利责任在个人承担方面的接受程度。此外，地方政府试图通过官方新闻在不同地区采取不同强度的形象塑造的努力，虽然能够在短期内巩固公众的政治信任，但从长远来看可能会对地方政府的信誉构成威胁。

关键词：

政策试验；养老政策改革；福利责任；政治信任；中国

INTRODUCTION

Policy experimentation has been recognized as a useful tool for the government to perform "trial and error" exercises in modern states. The motivation of the government in launching regional experimentations rather than a unified national policy has been debated among scholars. Conventional theories on policy experimentation either highlight the autonomy of local authorities and importance of local knowledge in decentralized systems that contribute to economic leapfrogging, political innovations, and policy learning and diffusion[1] or accentuate the roles of central government designers who regard policy experimentation as instruments to demonstrate policy correctness, [2] identify uncertainties or errors,[3] or recognition of successful local practices.[4] In other words, traditional wisdom has mainly focused on the relationship between the central and local levels, but it has paid little attention to the role of the public in policy experimentation, especially potentially controversial policies. In this study, we argue that policy experimentation can be designed as a crucial step of communicating with the public and building social consensus for future reforms.

We consider a quasi-experimental pilot policy in China, referred to as the "pension insurance pilot scheme in urban areas," which offers a counterfactual case of the effect of policy intervention on the attitude toward welfare responsibility allocation and regime support of the general public. This experimentation scheme was conducted under the background of welfare retrenchment of socialist and post-socialist countries starting from the 1980s and the 1990s, where the old enterprise-based state-financed social security systems were gradually reformed to become suitable for market economies. However, the public has not reached a consensus

[1] Weingast 1995; Volden 2006; Sabel and Zeitlin 2012b; Shi 2012; Huang 2013; De Búrca, Keohane and Sabel 2014; Boushey 2016.
[2] Heilmann 2008a; Cai and Treisman 2009.
[3] Walker, Marchau and Swanson 2010; Zhu and Zhang 2019.
[4] Zhu and Zhao 2018.

regarding the relative position of the state and individuals in terms of social security provision. The public may oppose or not easily adjust to the rapid change, and a different scenario of welfare provision may cause anxiety and deep disbelief in the regime. Government authorities are therefore pressured to take adaptive steps in issuing reforms to mitigate public concerns. The Chinese central government initiated an urban pension insurance experimentation in different provinces with three waves in the 2000s. We argue that by using policy experimentation as a communication instrument with the public, the government can reshape public opinion on the shared responsibility of social welfare provision between the state and the individuals.

With the help of two nationwide household surveys (i.e., "Chinese Attitudes Toward Inequality and Distributive Injustice", CAIDI) conducted in 2004 and 2009, we collected randomly pooled data of over 5,000 residents in 8 treatment and 12 control provinces. By utilizing the pilot policy and the two rounds survey conducted before and after the policy implementation, we evaluate the effects of policy. The empirical results show that the pilot policy launched by the Chinese central government has significantly affected the citizens' understanding of shared responsibility and privatized social risks in general, by which the public has seemed to accept the underlined accentuation of individual responsibility on pension contribution. The exposure duration of the policy amplifies the attitudinal change of personal perception of individual roles in shared responsibility. Moreover, we observe that official news coverage at the local level, which emphasizes the image of an omnipotent and generous government due to the dependency of socialist rhetoric and the varied hedge efforts of local governments, has acted as a moderator of the treatment effect of the pilot scheme on the public's understanding of shared responsibility. However, we also find that the intensity of local official news referring to the policy during the experiment immediately consolidates political trust in the short run while posing threats to government credibility in the long run.

POLICY EXPERIMENTATION AS A COMMUNICATION INSTRUMENT

Policy experimentation is the process of conducting moderate and manageable policy changes to provide sufficient space for the government to learn from experiences.[5] In comparison with a unified, simultaneous national reform, policy experimentation is less costly because it is more exploratory and reversible, with a higher fault tolerance degree.[6] It has been used in wide-ranging policy fields and in diverse institutional structures.[7] For instance, policy experimentation is used in the EU to solve common problems, such as environmental issues under the cooperation of territorial authorities and central units.[8] In some other cases, private sectors are encouraged to implement innovations in responding to the oversight of the public sector on issues such as food safety and local public goods provision.[9] In China's context, some studies have argued that the central government's policy makers have a large capacity to determine the themes and details of experimentation, whereas other evidence shows that local units' active participation drives policy innovation.[10]

However, existing studies have taken little account of the public when considering most experimentations of social and public policies. Support and objection from the public can be critical for a policy, particularly for policies related to the redistribution of social and economic resources, regardless of the type of political institution. A lack of social consensus on the policy

[5] Volden 2006; Heilmann 2008b; Walker, Marchau and Swanson 2010.
[6] Heilmann 2008a.
[7] Sabel and Zeitlin 2012a; Allan and Stankey 2009; Heilmann 2008a; Malesky, Nguyen and Tran 2014; Vreugdenhil, Taljaard and Slinger 2012.
[8] Scott and Holder 2006; von Homeyer 2010.
[9] Henson and Humphrey 2009; Noonan, Sabel and Simon 2009.
[10] Heilmann 2008b; Mei and Liu 2014; Carter and Mol 2013; Zhu and Zhao 2021.

reform may, in return, diminish the effectiveness of the new policies and lead to obstructions of further reforms. Prevailing ways used by practitioners who intend to increase the public's acceptance and support for the policies include improving information delivery, such as transparency and social construction via media,[11] and strengthening communication and interaction with the public through expert consultation; citizen participation; and deliberative, collaborative, or co-productive governance techniques.[12] The changes of public opinion can be found in some discussions on policy experimentations,[13] however, previous literature has yet to theoretically consider that the pilot policy itself can act as an instrument of communication between the government and the general public.

Our study links the policy experimentation and political support literature in a way that enables us to accentuate the possibility of using policy experimentation as a tactic for communicating with the general public and building social consensus for further reforms. First, the idea of experimentation as a communication tactic differs from the conventional understanding of policy experimentation in the theoretical spectrum, which essentially focuses on central-local relations, by highlighting the general population and bringing in the importance of the state-individual relationship in the policy process. Second, experimentations, as policies being launched, are strong signals from the central government to the communicated audience—the general population—on its reform direction and preferred solutions for certain social problems. Policy experimentations can convey specific information, [14] reshape the appreciated virtue, institutional context, and social environment, and thus change the expectation and preference of the general public.[15] Third, for the purpose of communication,

[11] Kim and Lee 2012; Chun et al. 2012; Schneider and Sidney, 2009.
[12] See, e.g., Bingham, Nabatchi and O'Leary 2005; Dryzek 2012; He and Warren 2011; Barabas 2004; Emerson, Nabatchi and Balogh 2012; Zhu 2013; Wyborn 2015.
[13] See, e.g., Rogers-Dillon 2004; Eliasson and Jonsson 2011.
[14] Pierson 1993.
[15] Schneider and Ingram 1990.

the randomization of site selection is not particularly important, although randomized control trial is still the best way to conduct policy experimentation. Policy makers sometimes intentionally select pilot points that have specific features. For example, if a country plans to promote a new shale gas development scheme, where the main concern of the new facilitators is risk allocation along with potential negative externalities,[16] then the policy might start from the pilot points with less obstructions and disapproval against the policy from residents rather than be distributed in places that are randomly selected within all technically feasible sites. Fourth, promoting the policy by doing experimentation also provides a clue for new evidence-based decision making. Instead of providing the proof of the policy's effectiveness by using evidence from theoretical rationale by experts or from practices in other localities, practices through policy experimentations in the domestic or internal environment can be more convincing to the public.

CONTROVERSIAL REFORMS: PRIVATIZED SOCIAL RISKS AND SHARED RESPONSIBILITY IN CHINA

In socialist and post-socialist countries around the late 20th century, faced with demands of relieving the government of fiscal responsibility while boosting the economic efficiency, people's social rights to income and social security have been defined more frequently as individual rights in the market-oriented scheme rather than collective rights in the previous system. Similar to the "retrenchment" and "risk privatization" process in Western welfare states, individuals are given flexibility but with increased responsibility in handling various social risks related to their personal lives.[17] In the late 20th century, China started large-scale

[16] Muehlenbachs, Spiller and Timmins 2015.
[17] Hacker 2004; Quinby 2020.

market reforms along with other socialist countries, where the privatization of "the public" became a state policy.[18] Market-induced competition has led the state and urban collective enterprises to reduce or renege pensions, health payments, and housing for employees,[19] and the government has promoted joint responsibility as the practical tenet of funding, service provision, and social security regulation to match the socialist market economy.[20] The urban pension insurance reform acted as an important segment of welfare responsibility reconstruction in the process of moving away from the state socialist welfare model and rebuilding the social security system.[21]

Many studies have carefully examined the details of the urban pension policy in this period, such as the return rate, coverage, and return on investment of pension trust.[22] However, the effects of the aforementioned transitional process on changing social beliefs, especially the public perceptions of the state–individual relationship have not been well investigated. The rhetoric of "socialism" describes the state or state-managed public sectors to act as sources of social security.[23] As a result, the population had a strong sense of state dependency, attachment to welfare states, and organized stakeholders favoring the welfare setup.[24] Therefore, China's pension reforms during the 1990s and 2000s may have induced a potential consensus gap between state conducts and individual perceptions regarding the role of government in social security responsibility.

[18] Szelenyi and Kostello 1996.
[19] Song and Chu 1997; Guthrie 2012.
[20] Wong and Ngok 2006; Li and Zhong 2009.
[21] Shi and Mok 2012; Ringen and Ngok 2017.
[22] Yang, Wang and Zhang 2010; Wu 2010; Zheng 2015.
[23] Haggard and Kaufman 2008.
[24] Cook 2013.

Beginning from the 1990s, the original pay-as-you-go system for urban pension insurance has gradually changed into a mixed two-tier system comprising social and individual accounts. The reformation officially started in 1997 when the State Council issued Document No. 26 entitled "Decision on Establishing a Unified System of Basic Pension Insurance for Enterprise Employees",[25] which announced that the responsibility of raising funds for the new pension system should be shared among enterprises, employees, and the government.[26] However, individual accounts were often "empty" due to insufficient fund allocation and the diversion of funds to social accounts. This situation also caused a "common pool" problem, in which current pension contributors expect the social account, and ultimately the state budget, to cover their pension payment responsibility at all times.

Policy experimentation has been considered as an important working method for "mass line" and "democratic decision-making" in China[27]. As a key working method, experimentation could be a functional choice in reducing the blindness and cost of the implementation of new policies, winning mass support and expanding the social foundation of the new policies. In our case of pension reform, to further clarify the division between the pooling of individual and

[25] State Council 1997.
[26] Gao 2006.
[27] Leaders' talks see "Mao Zedong: guanyu lingdao fangfa de ruogan wenti" (Some Questions Concerning Methods of Leadership), 1 June, 1943, https://www.marxists.org/chinese/maozedong/marxist.org-chinese-mao-19430601.htm; "Hu Jintao: zai sange daibiao zhongyao sixiang lilun yantaohui shang de jianghua" (Talk on the Symposium of 'Three Represents' Thoughts), 1 July 2003, http://www.most.gov.cn/ztzl/sgdb/ldjh/200307/t20030702_8067.html; "Xi Jinping: zhengque de daolu cong nali lai? cong qunzhong zhong lai" (Where is the correct road coming from? From the Masses), 21 Septembe 2020, https://www.jfdaily.com/journal/getMobileArticle.htm?id=300391. Official documents see "guanyu jiaqiang dang tong renmin qunzhong lianxi de jueding" (Decision on Enforcing the Party's Connection with the Masses), Thirteenth Central Committee of the Chinese Communist Party, 6th Meeting, http://cpc.people.com.cn/GB/64162/64168/64566/65389/4441853.html. Comments see "bainian dadang jiceng gongzuo qishilu: cong qunzhong zhong lai, dao qunzhong zhong qu" (Revelation of the Centenary Party's Grassroots Work: From the Masses, to the Masses). *Half-Month Comment Magazine*, 9 July 2021, http://xhpfmapi.zhongguowangshi.com/vh512/share/10111589; "zhengce shiyan yu zhongguo de zhidu youshi" (Policy Experimentation and the Advantage of the Chinese System), 17 February 2014, http://theory.people.com.cn/n/2014/0217/c40531-24379002.html. Accessed November 2021.

social accounts, as well as to cover the deficit in individual accounts, the central government issued Document No. 42 in December 2000 to promote a new reform of "Fully funding the individual accounts".[28] The pilot policy reform was first implemented in Liaoning Province in 2001, specified that contributions to individual accounts be handled solely by employees and the 8 percent rate to be set as the contributory wage. In 2003, the pilot policy extended to Heilongjiang Province and Jilin Province, which adopted similar policy schemes that differed only slightly in terms of regulations regarding the contribution rate. In 2005, the central government issued "Decision on Improving the Basic Pension System for Enterprise Employees"[29] and added eight provinces to comprise the second pilot wave: Tianjin, Shanxi, Shanghai, Shandong, Henan, Hubei, Hunan, and Xinjiang (i.e., beginning January 1, 2006). Jiangsu and Zhejiang Province joined the third wave in 2008. Overall, 13 provinces participated in the pilot reform.

Despite the highlights in central initiatives, the risks of policy flaws and resistance from the public during these pilots are unevenly distributed within the hierarchical structure in which central units act as the main initiators of policy experimentations, whereas local governments act as the frontline practitioners of policy implementations. Local governments are more likely to be blamed by the public due to the potential risks and interest sufferers from policy deficiencies. Therefore, local governments have their own incentives in action and may take precautions to hedge the potential risks of dissatisfaction and criticisms against new pilot policies from the local residents. For instance, local units may build images by magnifying the necessity and urgency of policy changes, particularly by connecting them to short-term social problems.[30] Local news mentioning a controversial policy may emphasize the part of the

[28] State Council 2000.
[29] State Council 2005.
[30] Cox 2001.

message in which the governments' duty and credibility are increased while neglecting the other parts where governments have begun withdrawing from their old roles or glorify and exaggerate the benefits of new policies to the public, especially among the target groups of certain policies.[31] The different dynamics of the policy experimentations between the central and local governments may coexist in the long run. Such desynchronized motives across levels of governments in China may often raise nudges and even criticism on local implementation of pilot schemes from the central government.[32]

In the case of the policy experimentation of "fully funding the individual accounts", local governments are the ones that implement the policy, adjust the details of policy content, and promote the reform through local official media. We find that local newspaper articles mention the pilot policy being associated with the omnipotent and generous role of the state in addition to the notion of "shared responsibility." The messages of the government's generosity, efficiency, and conscientiousness to ensure social justice, the framing of a "good government," and the government taking "people's livelihood into account"—all of which are concordant with the constantly used socialist rhetoric—fill the news. The highlight of "national finance" and "subsidy" suggests the government's generosity and ultimate responsibility in managing and solving relevant problems. These narratives seem to have a tension with the reform directions of the new pension scheme per se, but are reasonable according to the tradition of socialist official news rhetoric and the rationale of local governments under the hierarchical

[31] Schneider and Ingram 2019.

[32] For instance, this document nudges local governments to promote and further the pilot scheme of rural tax reform in 2003, State Council. 2004. "Guowuyuan Bangongting guanyu jinyibu jiaqiang nongcun shuifei gaige gongzuo de tongzhi" (General office of the State Council's notice on reenforcing the rural taxation pilot scheme) http://www.chinatax.gov.cn/n810341/n810765/n812198/n813051/c1205297/content.html. Accessed November 2021. The central government pointed on problems such as slow moves of pilot provinces, insufficient actions on policy implementations, weak local leadership and institutional constructions, and superficial publicities that fails to promote the policy to the public.

political trust in China. We provide detailed qualitative evidence of the pilot policy and local news coverage in Online Appendix B.

TESTABLE HYPOTHESES

To examine the causal relationship between the trajectory of social security reform of shared responsibility and individual perceptional change, we propose a set of testable hypotheses on the basis of the policy effect of this quasi-natural experiment brought by the pension pilot scheme for enterprise employees in the 2000s. The main research interest is the change in individuals' attitude toward the locus of responsibility (LoR) of certain social security and the trust given to political institutions across regions and periods. Individual perceptions on social security responsibility allocations are sensitive to the changes in related social policies[33] and are of great importance in understanding political support in general. Sharing the responsibility of social pension insurance contributors with individuals, the market, and the society is one of the goals of the pension insurance reform. For the central government, the ideal micro-level outcome of the reform is the general population's recognition of individual responsibility on pension contribution and elderly care, thereby achieving a sustainable system of pension contribution for future retirees. Thus, we argue that the experimentation discussed in this article implies an increase of individual responsibility that can lead to changes in public cognizance. We propose our first hypothesis as follows:

Hypothesis 1: The implemented policy experimentation of the basic pension insurance reform increases the popular acceptance of individual responsibility on elderly care in

[33] Lü 2014; Im and Meng 2015.

general. The longer the public experiences the experimentation, the more intense they become affected by the experimentation.

The emphasis of incorporating individual responsibility in elderly care, including pension contribution and other types of investment, differs from the practice and public expectations during the egalitarian-socialist period, which accentuate and glorify the duty of the state. Qualitative evidence shows the coverage of the pilot policy on local official newspapers normally attached with the generous role of the state and its untiring efforts in managing and solving relevant problems. Related articles on local official newspapers, which describe the pilot reform in a socialist rhetoric, can act as a manner of offsetting the potential negative effect of the rapid change in welfare policies. Drawing on these arguments, we test the following hypothesis:

Hypothesis 2: A higher intensity of policy coverage on local newspapers that emphasizes the generous role of the government offsets the policy experimentation's effect on public perception and shifts the people's perception of governmental responsibility.

The socialist rhetoric emphasizing the state's generosity may keep the public's faith in the short term; however, in the long run, individuals will likely be able to distinguish what has been delivered in the reform[34] and even resist its implementation. In the case of the pension insurance policy reform, although its description in the local official media highlights the government's efforts to improve the public pension system, individuals reportedly have faced increasing individual contributions for their pension, which was still unable to be fully funded, and encountered difficulties in claiming benefits upon reaching the retirement age. Thus, the reality may change the belief of the public,[35] such as the social expectations of aging risk, social

[34] Chen and Shi 2001; Kennedy 2009; Huang 2018.
[35] Di Tella, Galiani and Schargrodsky 2012.

security, and state–individual relationship. This mismatch in official media and policy experimentation may debase the public's confidence and trust on government institutions over time. Thus, we propose the following hypothesis regarding the changes of the public's political trust brought by local news intensity of the pilot policy:

Hypothesis 3: In the short term, a higher intensity in local official news that emphasizes governmental responsibility regarding the pilot policy has increased the public's support for the regime***. However, in the long run, a higher local news intensity of the socialist rhetoric can decrease the public's support due to its mismatch with the policy experimentation.***

DATA AND VARIABLES

Our measurement of dependent variables (DVs) has benefitted from two rounds of household surveys called the "Chinese Attitudes toward Inequality and Distributive Injustice," which were conducted in 2004 and 2009.[36] The two surveys were conducted by using the global positioning system for randomized sampling.[37] The sample pool of the national adult population involved respondents aged 18-65. The total observation from the two surveys is 6,119. Table A1 in the Appendix A shows the description of respective province and survey round of individual observations. Considering the situation that the three provinces in northeastern China started the pilot policy before 2004, we drop the samples of these three provinces from the dataset, thus constraining the analytical samples within the window of the two surveys (2004 and 2009). This modification has resulted in 5,280 observations from 20

[36] The 2009 survey revisited almost all of the sampling units from the 2004 survey.
[37] Landry and Shen 2005.

provinces (8 treated and 12 control). All variable descriptions, data sources, and summary statistics can be seen in Table A2.

The two core questions in the survey that have been used to construct the DVs for hypothesis testing are as follows:

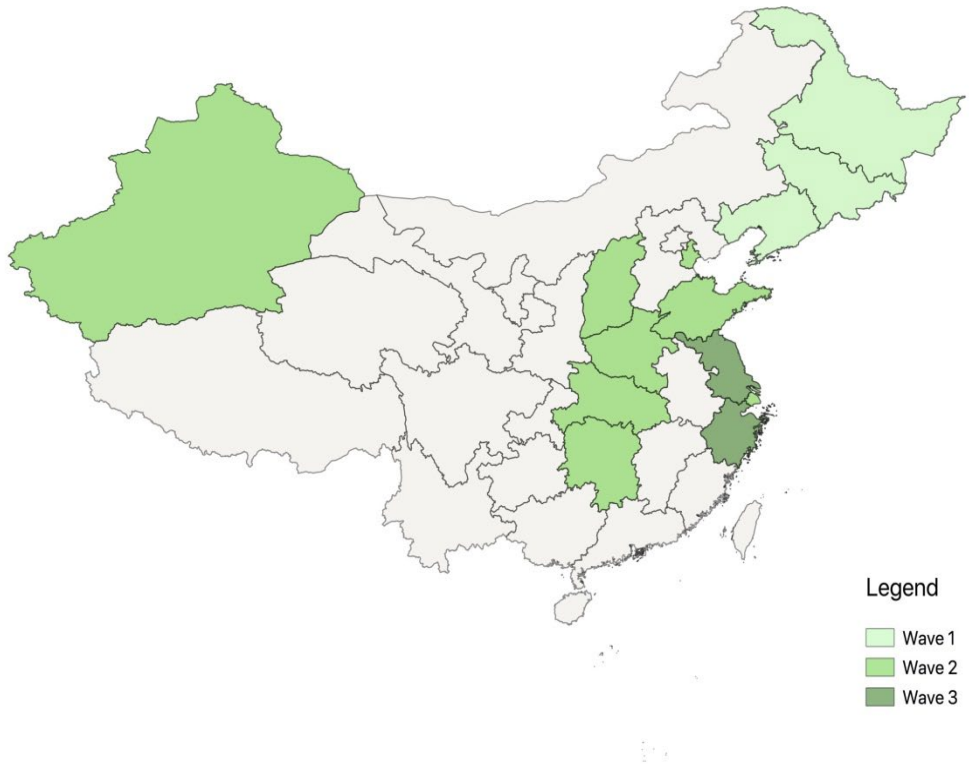
(DV in hypothesis *set 1): Between the government and the individuals, who should take greater responsibility over old-age support (including pension contribution, elderly care, and other elderly related investments)? (Large value indicates large individual responsibility)*

(DV in hypothesis set 2): Do you trust the central, provincial, or local governments? (asked as separate questions*, large value indicates high political trust)*

In addition to the DVs, the two-round survey also provides demographic information about the respondents, which are then used as control variables in our models. The variables include age, gender, educational attainment, marital status, party membership, household income level, and residential registration (*hukou*) status, among others.

The main independent variable in our study is the different waves of pilot policy. The full pilot policy started in 2001–2003 and expanded in 2006 and 2008, by which three, eight, and two pilot provinces have been selected, respectively. Figure 1 shows all the provinces for the three waves. The construction of treatment variables will be explained in the model identification section.

Figure 1. Visualization of the Three-wave Pilot Policy



Source: Authors

In measuring the independent variable of local official news intensity of the pilot policy, we collect newspaper articles from "China Knowledge Resource Integrated Database"[38], which covers data beginning 2000. The official newspapers published by the local Provincial Party Committee are selected since the rhetoric of provincial party newspapers can assist in constructing public opinion in provinces in the 2000s. Official's attitudes toward the current welfare policy that are revealed in provincial newspapers can spread and appear in other media platforms across provinces. People who do not read or subscribe to official provincial newspapers are also informed about such attitudes. The collection of data involves keyword

[38] "China Knowledge Resource Integrated Database", http://oversea.cnki.net/. Accessed July 2016. The dataset does not include the official newspaper data of Shandong Province and thus is complemented by another newspaper database of "Wise News", http://wisenews.wisers.net/. Accessed July 2016.

searching and manual selection. To capture the intensity of news coverage regarding the pension insurance reform, we collect articles containing the exact name of the pilot policy (i.e., "Fully funding the individual accounts") to construct the variable "news intensity"[39] and use the ratio of the variables rather than absolute numbers. Moreover, we calculate the accumulated ratio in 3 or 5 years ($Ratio = \frac{\sum(Article\ of\ Pilot\ Policy)_t}{\sum(Total\ News\ Articles)_t}$, where t equals 3 or 5 years before the two survey years of 2004 and 2009, respectively) to capture the long-term effects of the news intensity.

To compare the provincial-level covariates between treatment provinces and the rest of the country, we collect provincial level data on social and economic variables—which can influence the possibility of certain provinces to be selected as pilot provinces and the public's perception of pension insurance—from the National Bureau of Statistics for the period covering 2000 to 2010[40]. The selected social and economic variables include regional economic performance, demographic characteristics, fiscal revenue and expenditure distribution, implementation and participation rate of pension insurance, and so on.

IDENTIFICATION STRATEGY OF POLICY EFFECT

The nature of the pilot policy and the two rounds of survey data has permitted us to adopt the difference-in-differences (DID) model for estimating the average policy effect on individuals through counterfactual inference. The DID model are commonly used in policy evaluation in political and public administration literature.[41] We also provide detailed

[39] We acknowledge that our measurement of local news intensity is less optimal in describing the content of the local news. Our identification is built upon our throughout reading of the related local official news and further supported by our qualitative evidence (see more details in Online Appendix B), rather than a comprehensive quantitative text analysis of all the local news on the pension reform.

[40] "National Bureau of Statistics", http://www.stats.gov.cn/. Accessed July 2016.

[41] Malesky, Nguyen and Tran 2014; Lü 2014; Li and Wu 2018; He and Zhang 2018.

justification of the counterfactual DID design in the Appendix B including parallel trends, individual and regional balance. In the DID model, we define the treatment group as all the samples in the provinces that have participated in the pilot policy, whereas others are used for the control group. Our baseline model is to estimate the difference between the treatment area and the control area before and after the policy experimentation.

$$LR_{it} = \alpha + \beta_1 Pilot_i + \beta_2 Post_t + \beta_3 Pilot_i Post_t + \beta_4 X_{it} + P_i + \varepsilon_{it}, \quad (1)$$

where LR_{it} denotes the individuals' attitude regarding the LoR of pension insurance; $Post_t$ is a dummy variable that equals 1 for year 2009 and 0 for year 2004; $Pilot_i$ is the treatment variable that equals 1 for samples in pilot provinces and 0 otherwise; the β_3 of the interaction term between $Pilot_i$ and $Post_t$ is the average treatment effect on individuals; and X_{it} is the vector of control variables that is employed to capture minor imbalances in demographic factors that can interfere with the interested outcome. Given that the pilot sites are selected at the provincial level, we include a dummy variable P_i for provinces to ensure that the selections do not lead to an overestimation of treatment effects. We further analyze the occupational and residential differences by using different subsamples.

In addition to the dualistic treatment-or-control variable, we also code a continuous variable denoted by *Duration* to capture the gradual feature of the policy implementation by substituting the variable *Pilot*. This variable on *Duration* corresponds to the duration each treatment province experienced by the time the post-treatment survey has been conducted in 2009, and the value is set as 0, 1, or 3. *Duration* also captures the slight policy differences between two different waves: the full scale of funding the individual accounts by local governments and the financial subsidies from the central government vary slightly across three waves. The model with "duration" as the explanatory variable is similar to Model (1).

$$LR_{it} = \alpha + \beta_1 Duration_i + \beta_2 Post_t + \beta_3 Duration_i Post_t + \beta_4 X_{it} + P_i + \varepsilon_{it}, \quad (2)$$

where $Duration_i$ is the time length by which each sample experienced the pilot policy.

In investigating the mixed effect of the pilot policy and the local official news intensity of the pilot policy, we further construct the difference-in-difference-in-differences (DDD, or triple difference) model as follows:

$$LR_{ijt} = \alpha + \beta_1 Pilot_i + \beta_2 Post_t + \beta_3 NewsIntensity_j + \beta_4 Pilot_i Post_t + \beta_5 Pilot_i NewsIntensity_j + \beta_6 Post_t NewsIntensity_j + \beta_7 Pilot_i Post_t NewsIntensity_j + \beta_8 X_{ijt} + P_i + \varepsilon_{ijt}, \quad (3)$$

where "$NewsIntensity_j$" represents the local official news intensity of the pilot policy. The coefficient β_7 of the interaction of *pilot effect (Pilot*Post)* and *news intensity* thus catches the concurrent effect of pilot policy on the outcome variable accounts for the different intensities of local official news. We contain the same control variables in vector X_{it} and province dummy P_i.

To discuss the change of public's political trust, we employ the question in the 2009 survey by measuring the level of Chinese citizens' trust on the central government, provincial government, and local government (county or district) due to the fact that there are no questions related to political trust in the 2004 survey. Short-term and long-term variations of the local news intensity are identified with the accumulated ratio of articles that contain the exact name of this pilot policy in the previous 1 year, 3 years, and 5 years. We construct the following model by using the interaction between pilot policy and local official news intensity to catch the marginal effect on the public's political trust in the treatment provinces as follows:

$$Trust_{ij} = \alpha + \beta_1 Pilot_i + \beta_2 NewsIntensity_j + \beta_3 Pilot_i NewsIntensity_j + \beta_4 X_{ij} + P_i + \varepsilon_{ij}, \quad (4)$$

where the marginal effect of local official news intensity on political trust is calculated as

$$\frac{\partial(Trust_{ij})}{\partial(NewsIntensity_j)} = \beta_2 + \beta_3 Pilot_i. \quad (5)$$

Thus, the coefficient β_2+$\beta_3 \times 1$ indicates the estimated marginal effect on the public's political trust in the pilot provinces. Here, the dichotomous $Pilot_i$ can be replaced as the continuous $Duration_i$ (to be discussed in the empirical section), which then turns the measurement into the marginal effect of local official news intensity on political trust for an additional 1 year. Using $Duration_i$ helps us identify the long-term and short-term effects of local official news intensity in spite of the stepwise pilot policy.

PILOT EFFECTS ON LOCUS OF GOVERNMENT RESPONSIBILITY

We present the DID regression results of the public's attitude regarding the LoR on pension by using $Pilot$, $Post$, and interaction between $Post$ and $Pilot$ along with other control variables in Table 1. Clustered standard errors at the provincial level are reported in parentheses. Our key object of interest, the coefficient of the interaction ($Pilot * Post$) shows a significant positive effect (0.126), which indicates that the policy in the treatment provinces after the pilot has increased the public acknowledgement of individual responsibility on general old-age support. After controlling for province, year, and individual demographic variables, the effect remains to be positive (0.103) but insignificant. This mixed effect can be partly addressed in the following section when discussing the DDD effect of the pilot policy and local official news intensity.

As shown by the results in Table 1, the interaction between $Duration$ and $Post$ has a significant positive effect (0.077) after controlling the demographic factors, provinces, and year dummies. This result indicates that the people in the provinces who experienced longer pilot

policy experimentation have higher acceptance of individual responsibility on general old-age support. Thus, our hypothesis 1 is supported.

Table 1. Policy effects on locus of government responsibility

	Treatment vs Control			Policy Duration		
Pilot × Post	0.126**	0. 160*	0.103			
	(0.060)	(0.069)	(0.068)			
Duration × Post				0.085***	0.093***	0.077***
				(0.021)	(0.024)	(0.023)
Demographic Controls		Yes	Yes		Yes	Yes
Provincial Dummies			Yes			Yes
Observations	4921	3801	3801	4921	3801	3801
R-squared	0.025	0.099	0.158	0.027	0.101	0.161

*Not*e: * p < 0.1, ** p < 0.05, *** p < 0.01. The table presents ordinary least square (OLS) results. Clustered standard errors at the provincial level are reported in parentheses. The estimates of pilot, duration, demographic controls, which include age, age square, gender, education attainment, marital status, party membership, household income level, and residential registration (*hukou*) status, are not reported. The estimates of constants, provincial dummies, and year dummies are also not reported. We provide the full table in the Online Appendix (Table OA1).

Mixed Effects of Policy Experimentation and Local Policy News Intensity

As shown in Table 2, after controlling the demographic features and province dummies, local news intensity shows a contrary effect on the public's LoR conditioning in pilot situations. In other words, people affected by the pilot policy will likely have higher impression of governmental responsibility when exposed to stronger local official news intensity. The result from the decomposed subsample indicates that the "offsetting" effect of the local official news intensity is significant for the enterprise employees (–0.159) and the public sector employees (–0.551) in urban areas. Hypothesis 2 is thus supported.

Table 2. Effect of pilot policy and local official news intensity of pilot policy on locus of government responsibility

	All samples	Urban samples	Enterprise employees (urban)	Public sector employees (urban)
Pilot × Post (DID)	0.556***	0.559***	0.514	2.243***
	(0.118)	(0.165)	(0.333)	(0.682)
Pilot × Post × Local news intensity (DDD)	-0.116***	-0.182 ***	-0.159*	-0.551***
	(0.030)	(0.042)	(0.090)	(0.206)
Demographic Controls	Yes	Yes	Yes	Yes
Province Dummies	Yes	Yes	Yes	Yes
Observations	3801	1955	729	207
R-squared	0.166	0.163	0.191	0.260

*Not*e: * p < 0.1, ** p < 0.05, *** p < 0.01. The table presents ordinary least square (OLS) results. Clustered standard errors at the provincial level are reported in parentheses. The estimates of pilot, local news intensity, demographic controls, which include age, age square, gender, education attainment, marital status, party membership, household income level, and residential registration (*hukou*) status, are not reported. The estimates of constants, provincial dummies, and year dummies are also not reported. We provide the full table in the Online Appendix (Table OA2)

CONCURRENT EFFECT ON POLITICAL TRUST

Despite the image construction of a "caring and accountable" government that may have effectively swayed public opinion in the short term, our presented case has shown that the divergence between the images on official newspaper and the signals received by the public from the pilot policy will likely result in political distrust in the long run. The results of the marginal effect of local news intensity on the pilot policy on the public's political trust in the pilot provinces are shown in Table 3, using the cross-sectional 2009 survey data. The coefficient of the interaction between treatment and news intensity indicates that local official news coverage intensity in pilot areas significantly increases the public's trust on local governments by 0.286 (=0.494–0.208) and provincial governments by 0.131 (=0.296–0.165) in short term (1 year), according to Equation (5). The change in public's trust on the central government (0.013) is not as significant as those on local and provincial governments. In the long term (3 years), local official news intensity significantly but negatively affects public's trust on local and provincial governments (−0.278 and −0.127, respectively). The change in public's trust on the central government (−0.012) is insignificant. The coefficients of accumulated news intensity for 5 years indicate a similar pattern, that is, it affects public's trust of local and provincial governments (−0.131 and −0.060, respectively) significantly and negatively, whereas that toward the central government is extremely weak (−0.006). The effect on the central government is clearly not statistically evident, which is reasonable, considering that the statistically measured news intensity and the above discussion on pilot policy only take place at the provincial level. Therefore, Hypothesis 3 is supported.

Table 3. Short-term and long-term effect of pilot policy and local official news intensity on political trust

	Local Gov	Province Gov	Central Gov	Local Gov	Province Gov	Central Gov	Local Gov	Province Gov	Central Gov
Pilot	-0.956***	-0.619***	-0.309**	0.722	0.122	-0.269	-0.033	-0.308	-0.396
	(0.171)	(0.152)	(0.144)	(0.483)	(0.430)	(0.405)	(0.383)	(0.340)	(0.322)
Local news intensity (1 yr)	-0.208***	-0.165**	-0.088						
	(0.073)	(0.065)	(0.062)						
Pilot × Local news intensity (1 yr)	0.494***	0.296**	0.101						
	(0.115)	(0.103)	(0.097)						
Local news intensity (3 yrs)				-0.052***	-0.041**	-0.022*			
				(0.018)	(0.016)	(0.015)			
Pilot × Local news intensity (3 yrs)				-0.226*	-0.086	0.010			
				(0.090)	(0.080)	(0.075)			
Local news intensity (5 yrs)							-0.068**	-0.054**	-0.029
							(0.024)	(0.021)	(0.020)
Pilot × Local news intensity (5 yrs)							-0.063	-0.006	0.023
							(0.048)	(0.043)	(0.040)
Enterprise employee	0.051	-0.050	-0.112**	0.051	-0.050	-0.112**	0.051	-0.050	-0.112**
	(0.056)	(0.051)	(0.048)	(0.056)	(0.051)	(0.048)	(0.056)	(0.051)	(0.048)
Public sector employee	0.038	-0.021	-0.086	0.038	-0.021	-0.086	0.038	-0.021	-0.086
	(0.083)	(0.071)	(0.074)	(0.083)	(0.074)	(0.071)	(0.083)	(0.074)	(0.071)
#Old age people in the family	0.015	0.015	0.001	0.015	0.015	0.001	0.015	0.015	0.001
	(0.017)	(0.015)	(0.014)	(0.017)	(0.015)	(0.014)	(0.017)	(0.015)	(0.014)
Demographic Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Province Dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1549	1529	1555	1549	1529	1555	1549	1529	1555
R-squared	0.075	0.099	0.106	0.075	0.099	0.106	0.075	0.099	0.106

Note: * p < 0.1, ** p < 0.05, *** p < 0.01. The unreported demographic control variables and clustering are the same settings as in Table 2.

In this model, we also distinguish a confounding variable to capture the self-interest factor under the policy effect: number of old-age family members that need to be taken care of. The coefficients of this variable in the various models suggest that the direct self-interest factor has limited influence on the public's political trust.

ROBUSTNESS TEST

Considering that all the models in the previous discussions are OLS regression estimations, we rerun the empirical models with ordered logit model for robustness testing. Table OA3 in the Online Appendix A shows that the abovementioned results on the pilot policy effect are robust. In addition, we conduct tests by using multilevel models that allow cross-province random intercepts, and the results are consistent with our main models. The multilevel models and the results are shown in Table OA4.

We also conduct a test to identify intergenerational difference by adding retirement as a third dimension along with the cross-time and cross-province difference by using data on the urban samples. As shown by the robustness test results in Table OA5, individuals who were retired at the time of the survey preferred that the government to have expended more responsibility, but they did not show significantly different attitudinal change in terms of pilot policy experience. We also test the baseline models by adding other confounding variables in Table OA6, such as the expectation of upward mobility, whether the respondents enjoyed or not enjoyed their pension insurance at the time of survey. Someone may argue that, individuals with higher expectation of upward mobility are more aware of individual responsibility. However, after controlling these variables in our models, the effect of pilot policy and local official news intensity we proposed and examined in the empirical section has not changed.

A logical concern on the difference between the short- and long-term effects of local news intensity of pilot policy on political trust (as shown in Table 3) may arise because of the different waves of policy implementation in the treatment provinces. Therefore, we add another robustness test to show how the changes brought by the news intensity vary across different waves (OA7). Thus, we replace *Pilot* with *Duration* in Equation (4). The marginal effect of local official news intensity on individuals exposed to the pilot policy for different years is calculated by $\beta_2 + \beta_3 Duration_i$, which indicates the change in political trust for an additional one year in pilot provinces with different intensities of local official news. The results, which are consistent as those in Table 2, further prove our hypothesis on the incremental policy. Although it presents a more complex scenario for short-term news intensity with different waves of pilot, if we accumulate the news intensity effect for longer terms (e.g., 3 and 5 years), then the negative change in trust on local and provincial governments becomes extremely high with lengthened exposure to the pilot policy. Finally, we provide full table of Tables 1 and Table 2 as in Table OA1 and Table OA2, with validations generated from data with multiple imputation in Tables OA8 and OA9, which further supports the robustness of our main results.

CONCLUSION

Policy experimentation has been widely used in delivering reforms, testing undecided policies, encouraging policy innovations, and facilitating policy diffusion and regional coordination within the framework of central-local relations. The function of policy experimentation in modern state can be further extended to a state-individual relationship. Our study argues that when policies concern a redistribution of social and economic resources and risks, conflicts of interest and ideologies among the population may prevent these policies from being implemented as unified, national ones. Experimentations that are used in these cases

might permit policy makers to promote policy changes in a manageable way to demonstrate the determinations of the government and send signals of the reform direction. Therefore, policy experimentation can possibly be used as an effective communication instrument with the public to convince the latter to change their policy preference.

Our case of China's pension reform presents effective consensus building through policy experimentation. The central government has designed the policy experimentation to serve as a communication instrument between the state and the public to achieve social consensus on a social security system with hybrid contributors. Along with the experimentation designed by the central government, the policy on media, with a variation on local intensity, presents an omnipotent and generous image of the government to maintain the public's faith in the regime's capacity and governance. Although the pilot scheme of the reform has been argued to be a failure by some scholars, in the sense that the issue of empty individual accounts has yet to be completely solved[42] and the stagnation of reform due to the financial concern of local governments,[43] our study shows its effect on individual attitudes. The experimentation has managed to change people's perception regarding welfare responsibility.

We also find a hidden hindrance of the reform, that is, the disjunction among the launch, implementation of policy experimentation, and official media rhetoric can lead to public distrust in local governments in the long run. In other words, as a mechanism of communication with the public, policy experimentation needs to be accompanied by an appropriate and constantly adjusted narrative and social construction. Moreover, our study highlights deeper conditions for relevant discussion on the effectiveness of using social policies to garner

[42] See, e.g., Zheng 2016.
[43] Zhu and Zhao 2021.

political support—a consistency among what the policy promises, what the policy delivers, and what the policy been described as on the media in the long run.

The experimentation on urban pension reform, despite its potential hindrance, was crucial in building the social consensus on social security contributors and preparing the communicated population for further reforms in China. China's successive pension reforms, such as the New Rural Social Pension Insurance (since 2009) and the Reform of Pension Systems for Public Sector Employees (since 2015), were all implemented quite smoothly without any strong resistance from rural residents and public sector employees. These pension reforms all follow the rationale and design of shared responsibility in pension contribution. The changed public opinion from the policy experimentation of the urban pension insurance reform on privatized social risks, expectations of individuals' responsibility, and the retrenchment of the role of the state effectively prepares the building of the hybrid social security system.

Our theoretical argument has the potential in addressing issues in other policy areas and different time periods in contemporary China. It is common to see hindrance and resistance against the policy from varied social groups, different sectors, and even individuals[44]. When China's "reform and opening up" initiative enters its fourth decade, large-scale reforms can be quite challenging, especially the ones that refer to a reshuffle/redistribution of benefits/interests. Policy experiments are frequently used in the past twenty years in the reforms and policy innovations that may need the cooperation and support of the general population. For instance, the policy experiment for affordable housing was initiated in 2013 and expanded in 2022[45];

[44] For instance, see Sun 2020; Wang et. al 2021.

[45] "Guowuyuan bangongting guanyu jinyibu zuohao fangdichan tiaokong gongzuo de tongzhi", Notice of General Office of the State Council on Continuing the Work of Regulating The Real Estate Market, 26 February 2013, http://www.gov.cn/ zhengce/content/2013-03/04/content_4564.htm.; "Guowuyuan bangongting guanyu jiakuai fazhan baozhangxing zulin zhufang de yijian", Notice of General Office of the State Council on Accelerating Affordable Housing Scheme, 28 April 2022, https://www.mohurd.gov.cn/ztbd/bzxzlzfgz/zybmwj/202204/20220428_765946.html. Accessed August 2022.

low-carbon city pilot scheme was initiated in 2010, and the second and third wave was conducted in 2012 and 2017 respectively[46]. Another example is the property tax reform, faced with considerable controversies from local government and the public, the central government decided to initially launch the pilots in two metropolitans in 2011[47]. In 2013, and most recently 2021, the initiative concerning a larger scale of pilots was promoted by the national congress[48] and gradually changes the expectation of the public on housing market.

Moreover, the communication mechanism identified in China's cases also have the potential to address reforms and policy innovations in other contexts. For instance, the responsibility reallocation process in China is similar to the hybrid welfare reform in Western Europe, in which the traditional welfare state model has transformed into the residual welfare state model. In other transitional socialist countries apart from China, social policies resemble the privatization trend in which the previous socialist welfare model was gradually replaced by a mixed welfare model in which individuals share more responsibilities. The common root of social dissatisfaction and unrest during all these transitions is that the social consensus may not accord with the politicians' reform designs. Thus, the exploration of the policy process as a potential communication mechanism—policy experimentation, in our case—will ultimately help explain the politics of policy from a broader perspective.

[46] "Fazhan Gaigewei Guanyu Kaizhan Disanpi Guojia Ditan Chengshi Shidian Gongzuo de Tongzhi", Notice of National Development and Reform Commission on Conducting the Third Wave of Low Carbon City Pilot, http://www.gov.cn/xinwen/2017-01/24/content_5162933.htm. Accessed December 2021.

[47] Hou, Ren and Zhang 2014; Hou et al 2019.

[48] "Dui Guanyu Shouquan Guowuyuan Zai Bufen Diqu Kaizhan Fangdichanshui Gaige Shidian Gongzuo de Jueding (Caoan) de Shuoming", The National People's Congress of the People's Republic of China, Instruction on the Decision of Authorizing General Office of the State Council Conducting the Property Tax Reform Pilot in Selected Regions, http://www.npc.gov.cn/npc/c30834/202112/b9e7e3505710444eabadd0fef124e0f7.shtml. Accessed December 2021.

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Conflicts of interest

None.

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APPENDIX A. DATA EXPLANATION

Table A1. Individual data

	Survey Year				
Province	2004	2009	Samples	Pilot Year	Pilot Wave
Beijing	121	136	257		0
Hebei	58	44	102		0
Shanxi	112	104	216	2006	2
Liaoning	205	183	388	2001	1
Heilongjiang	239	212	451	2003	1
Shanghai	233	87	320	2006	2
Jiangsu	88	107	195	2008	3
Zhejiang	90	111	201	2008	3
Anhui	177	184	361		0
Fujian	87	71	158		0
Jiangxi	42	84	126		0
Shandong	486	453	939	2006	2
Henan	122	110	232	2006	2
Hubei	251	291	542	2006	2
Hunan	54	68	122	2006	2
Guangdong	164	181	345		0
Guangxi	242	206	448		0
Hainan	58	54	112		0
Yunnan	137	63	200		0
Xizang	94	108	202		0
Shaanxi	67	73	140		0
Ningxia	25	37	62		0
Samples (Total)	3152	2967	6119		

Table A2. Variable Descriptions, Sources, and Summary Statistics

Variable name	Description of measurement	Data source	N	Mean	St. dev.
Dependent variables					
Locus of responsibility	Locus of responsibility regarding old-age support (including pension contribution, elderly care, and other elderly related investments) (attitudinal preference, 1 to 5, with individual responsibility = 5)	CAIDI Surveys (2004 and 2009)	4921	2.74	1.07
Trust in central	Political trust in central government (1 to 4 with highest trust = 4)	CAIDI Survey (2009)	2390	3.29	0.62
Trust in province	Political trust in provincial government (1 to 4, with highest trust = 4)		2355	3.10	0.64
Trust in local	Political trust in prefectural/city government (1 to 4, with highest trust = 4)		2381	2.86	0.71
Independent variables					
Pilot	Dummy = 1 if the province is being treated	Identified by the authors	5280	0.52	0.50
Duration	Years each province being treated	Identified by the authors	5280	1.42	1.45
Post	Dummy = 1 if the survey year is 2009	CAIDI Surveys (2004 and 2009)	5280	0.49	0.50
Urban/rural	Dummy = 1 if hukou registration is urban		5280	0.51	0.50
Gender	Dummy = 1 if gender is male		5280	0.50	0.50
Age	Age		5280	42.83	13.48
Minority	Dummy = 1 if ethnic minority		5246	0.09	0.29
CCP member	Dummy = 1 if member		5223	0.08	0.27
Education Year	Years of education		5120	7.33	4.69
Income	Annual income of the household		4260	18411.63	36107.42
Income (log)	Annual income of the household (log value)		4235	9.15	1.22
Local news intensity	Identified article ratio relates to full funding of the individual accounts pilot policy (‰)	Identified and calculated by the authors of the China Knowledge Resource Integrated Database (http://oversea.cnki.net/) and Wise News (http://wisenews.wisers.net/).	5280	6.43	9.67
Local news intensity (3 years)	Identified accumulated ratio of articles that refer to full funding of the individual accounts pilot policy in the previous three years (‰)		5280	9.35	9.50
Local news intensity (5 years)	Identified accumulated ratio of articles that refer to full funding of the individual accounts pilot policy in the previous five years (‰)		5280	9.90	9.32
Provincial data					
Population growth rate	Population growth rate (‰)	Calculated from data available	240	5.66	3.03

Old-age dependency ratio (census data)	Old-age dependency rate (census)	on the National Bureau of Statistics website (http://www.stats.gov.cn/)	176	12.36	2.31
Urban in-service employee participation in pension insurance	Urban in-service employee participants for old-age social insurance (10 thousand)		242	530.57	425.54
Urban retired employee participation in pension insurance	Urban retired employee participants for old-age social insurance (10 thousand)		220	167.53	105.26
Log GDP per capita	Log province GDP per capita		242	9.62	0.68
Log fiscal specific purpose revenue	Log local fiscal specific purpose revenue (hundred million)		242	2.78	1.32
Log fiscal general budgetary revenue	Log local fiscal general budgetary revenue (hundred million)		242	5.98	1.27
Log basic pension insurance funds expenditure	Log basic pension insurance funds expenditure (10 thousand)		220	14.04	1.12

APPENDIX B. COUNTERFACTUAL DID DESIGN: SELECTION OF PILOTS

Individual Balance

The legitimation of counterfactual DID design relies on the parallel trend assumption, which assumes that the counterfactual "natural" change in the outcome for the units in the treatment group between time 0 and 1 would have been the same as the change in the outcome for the units in the control group between periods 0 and 1. In this study, it specifies that people's attitude toward welfare responsibility allocation or political attitude in treatment provinces would have been the same with the ones in the control provinces if not the policy experiment, or as shown in formula $E[Y_0(1) - Y_0(0)|D = 1] = E[Y_0(1) - Y_0(0)|D = 0]$, which is drawn

from the derivation of the average treatment effect on treated estimation under DID design. Given that the parallel trend assumption is not directly testable, especially for two period data, we address this assumption with several approaches. First, we run a simple *t*-test of our main outcome variable (LoR, a large value indicates considerable agreements on individual responsibility) of the 2004 survey samples (i.e. at period 0) by the treatment and control groups. $E[Y(0)|D = 1]$ and $E[Y(0)|D = 0]$ indicate no significant difference (p = 0.51).

Second, being treated during the policy pilot program is arguably exogenous for individual preferences and political attitudes. That is, ΔY_0 should be independent from the assignment of D. Most sites of policy experiment in China are not randomly selected, and potential bias with certain confounding factors may affect each province's probability of being selected as a pilot. Nevertheless, an in-depth case study on the development of the Chinese pension system argues that the urban pension insurance pilot scheme is designed by the central government, which carefully considered the issue of representativeness in site selection (Zhu & Zhao, 2021). We conduct the following data description and balance check of key determinants in the selection of pilot regions to empirically address the identification challenge of DID. Third, we run the baseline models depicted above with various control variables to minimize the bias brought by potential confounders. Finally, we leverage the time effect conditional upon different groups (such as different intensities of news) with triple difference models.

Time Trend

Although we cannot display the long-range development of individual perceptions due to data constraint, we can present the variance of provincial-level covariates that may affect the outcome variables. We use the panel provincial data from 2000 to 2010 and compare the aggregated long-term trends of the treatment and control provinces on economic development, demographic features, and social conditions. As shown in Figure B1, the trends of the two groups are nearly parallel to one another on most of the indexes.

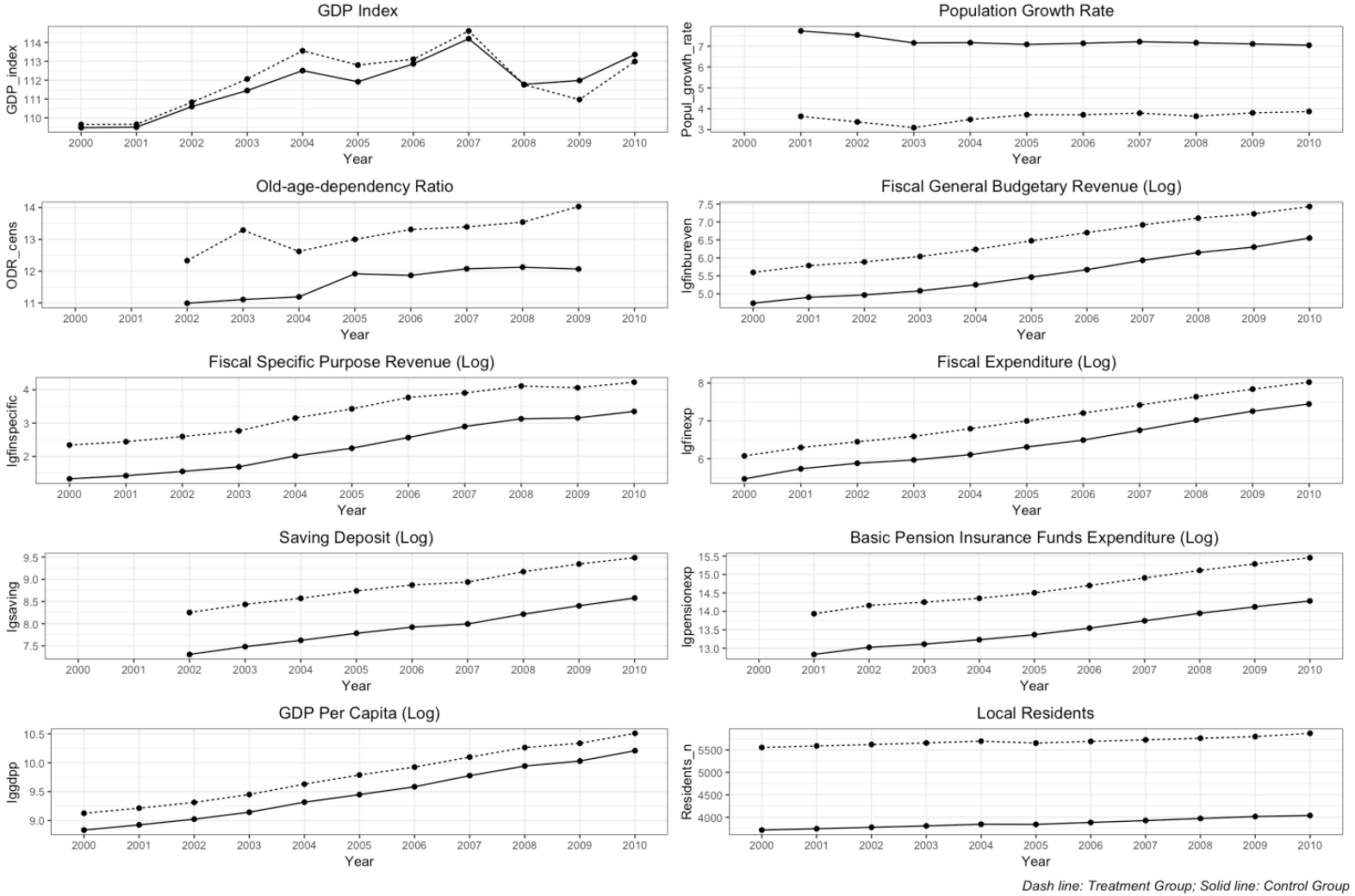

Figure B1. Time Trend of Provincial Indexes

Regional Balance

Scholars typically find it difficult identifying the selection process of the pilot provinces. Several latent factors can cause potential self-selection bias in the process. For instance, provinces affected by the aging problem in terms of demographic structure are more likely to be chosen as a pilot, but provinces with good fiscal and economic performance will likely be better in deploying the reform. Selection based on unobservable information, such as the motivations of provincial leaders that vary across provinces, is also possible, and the motivations may have changed as the tenure stages of the leaders changed. Although we are constrained by the availability of insider stories, we can still rule out the endogenous problems through statistical analysis by using observable data (Gentzkow, 2006).

Considering the nature of the selection process of pilot provinces, we first construct a provincial sample pool through sampling without replacement to address the potential selection bias. For each wave, denoted by year *t*, we use the social and economic data in year *t*–1 and then code the province selected into the pilot pool as 1 and other provinces as 0. In the selection of the next wave of pilot provinces, the previously selected provinces are dropped from the selection pool. In other words, a province that has started to implement the pilot policy is not compared in the next wave of pilot selection.

We then conduct an event history analysis (EHA) of the significant variables while satisfying the requirement of the variance inflation factor test to measure the imbalance between selected and unselected provinces. The results are shown in Table B1. Both the time discrete result and the time series result indicate that the difference between selected and unselected provinces is insignificant in terms of economic performance, fiscal condition, demographic situation, and existing pension insurance system (column *"All sample*"). The three provinces in northeastern China possess some specific features compared with the other provinces: larger proportion of SOEs, longer history of industrialization, more severe problem of outflow emigration, and so

on. Fortunately, these provinces are part of the first pilot wave and thus are not covered by the individual-level data in our study. Thus, we conduct EHA test dropping on three provinces (columns *"2004–2009 sample"*). As shown by the result, the difference between the selected and unselected provinces in the second and third waves has been largely reduced. Thus, even if the provinces that participated in the pilot were not the *de facto* in the random selection, they are still statistically representative.

Table B1. Event history analysis for balance test

Probit Regression	Treated			
	All samples		2004–2009 sample (excluding first wave of pilots before 2004)	
	Time-discrete	Time-series	Time-discrete	Time-series
Population growth rate	-0.094	-0.043	-0.049	0.050
	(0.090)	(0.112)	(0.108)	(0.134)
Old-age dependency ratio (census data)	-0.225*	-0.199	-0.134	-0.067
	(0.127)	(0.126)	(0.138)	(0.138)
Urban in-service employee participation in pension insurance	-0.000	-0.000	-0.000	-0.001
	(0.001)	(0.001)	(0.001)	(0.001)
Urban retired employee participation in pension insurance	0.009	0.010	0.009	0.008
	(0.006)	(0.007)	(0.007)	(0.007)
Log GDP per capita	0.609	0.900**	0.343	0.814*
	(0.440)	(0.400)	(0.477)	(0.452)
Log fiscal specific purpose revenue	0.479	0.780	0.151	0.562
	(0.465)	(0.536)	(0.505)	(0.590)
Log fiscal general budgetary revenue	-1.212	-1.508*	-0.489	-1.035
	(1.117)	(0.891)	(1.133)	(0.876)
Log basic pension insurance funds expenditure	0.636	0.729	0.216	0.649
	(1.156)	(1.118)	(1.183)	(1.300)
Year Dummy		YES		YES
Observations	190	190	132	132

Note: * p < 0.1, ** p < 0.05, *** p < 0.01.

ONLINE APPENDIX A. ROBUSTNESS TESTS

Table OA1. Policy effects on locus of government responsibility (full table)

		Treatment vs Control			Policy Duration	
Pilot × Post (DID)	0.126**	0.160*	0.103			
	(0.060)	(0.069)	(0.068)			
Duration × Post (DID)				0.085***	0.093***	0.077***
				(0.021)	(0.024)	(0.023)
Pilot	-0.031	-0.009	0.309**			
	(0.042)	(0.045)	(0.142)			
Duration				-0.042***	-0.034**	0.085*
				(0.014)	(0.015)	(0.047)
Post	-0.397***	-0.423***	-0.457***	-0.453***	-0.473***	-0.517***
	(0.044)	(0.053)	(0.052)	(0.042)	(0.051)	(0.050)
Demographic Controls		Yes	Yes		Yes	Yes
Provincial Dummies			Yes			Yes
Observations	4921	3801	3801	4921	3801	3801
R-squared	0.025	0.099	0.158	0.027	0.101	0.161

Note: * p < 0.1, ** p < 0.05, *** p < 0.01. The table presents ordinary least square (OLS) results. Clustered standard errors at the provincial level are reported in parentheses. The estimates of demographic controls, which include age, age square, gender, education attainment, marital status, party membership, household income level, and residential registration (*hukou*) status, are not reported. The estimates of constants, provincial dummies, and year dummies are also not reported.

Table OA2. Effect of pilot policy and local official news intensity of pilot policy on locus of government responsibility (full table)

	All samples	Urban samples	Enterprise employees (urban)	Public sector employees (urban)
Pilot × Post (DID)	0.556***	0.559***	0.514	2.243***
	(0.118)	(0.165)	(0.333)	(0.682)
Pilot × Post × Local news intensity (DDD)	-0.116***	-0.182 ***	-0.159*	-0.551***
	(0.030)	(0.042)	(0.090)	(0.206)
Pilot	0.287*	0.028	0.847	-1.991**
	(0.155)	(0.126)	(0.523)	(0.975)
Post	-0.670***	-0.403***	-0.306*	-1.294***
	(0.081)	(0.126)	(0.217)	(0.483)
Local news intensity	0.016**	0.044***	0.038***	0.029
	(0.006)	(0.008)	(0.014)	(0.023)
Local news intensity × Pilot	-0.025*	-0.063***	-0.082	0.142
	(0.014)	(0.018)	(0.052)	(0.140)
Local news intensity × Post	0.088***	0.135***	0.122**	0.260**
	(0.025)	(0.036)	(0.061)	(0.119)
Demographic Controls	Yes	Yes	Yes	Yes
Province Dummies	Yes	Yes	Yes	Yes
Observations	3801	1955	729	207
R-squared	0.166	0.163	0.191	0.260

Note: * p < 0.1, ** p < 0.05, *** p < 0.01. The unreported demographic control variables and clustering are the same settings as in Table 2.

Table OA3. Robustness test with Order logit model

Locus of Responsibility (Ordered Logit)			
Pilot × Post (DID)	0. 226 (0. 124)		1. 054*** (0. 215)
Duration × Post (DID)		0. 155*** (0. 042)	
Pilot × Post× Local news intensity (DDD)			−0. 210*** (0. 053)
Pilot	0.693*** (0.259)		0. 690** (0. 028)
Duration		0.198** (0.866)	
Post	-0.823*** (0.096)	-0.937*** (0.093)	−1. 224*** (0. 284)
Local news intensity			0. 034*** (0. 011)
Local news intensity × Pilot			−0. 054** (0. 025)
Local news intensity × Post			0. 166*** (0. 044)
Demographic Controls	Yes	Yes	Yes
Province Dummies	Yes	Yes	Yes
Observations	3,790	3,790	3,790

Note: * p < 0.1, ** p < 0.05, *** p < 0.01. The unreported demographic control variables and clustering are the same settings as in Table OA1.

Table OA4. Robustness test with multilevel model (random intercept at provincial level)

Locus of Responsibility (Multilevel Logit)			
Pilot × Post (DID)	0.103 (0.068)		0.514*** (0.115)
Duration × Post (DID)		0.077*** (0.023)	
Pilot × Post × Local news intensity (DDD)			-0.090*** (0.025)
Pilot	0.076 (0.144)		0.176 (0.173)
Duration		-0.004 (0.053)	
Post	-0.453*** (0.052)	-0.513*** (0.050)	-0.621*** (0.077)
Local news intensity			0.008* (0.005)
Local news intensity × Pilot			-0.015 (0.013)
Local news intensity × Post			0.062*** (0.020)
Demographic Controls	Yes	Yes	Yes
Observations	3801	3801	3801

Note: * p < 0.1, ** p < 0.05, *** p < 0.01. The unreported demographic control variables and clustering are the same settings as in Table OA1.

The multilevel model is constructed as follows:

$$LR_{itj} = \alpha_{0itj} + \beta_1 Pilot_{ij} + \beta_2 Post_{tj} + \beta_3 Pilot_{ij} Post_{tj} + \beta_4 X_{itj}. \quad (6)$$

where $\alpha_{0itj} = \alpha_0 + \gamma_{0tj} + \varepsilon_{itj}$.

Table OA5. Robustness test with intergenerational difference

	Locus of Responsibility			
	OLS	Ologit	OLS	Ologit
Retired	-0.646***	-1.249***	-0.704***	-1.381***
	(0.125)	(0.259)	(0.123)	(0.256)
Pilot	-0.182	-0.210		
	(0.111)	(0.231)		
Duration			-0.101***	-0.160*
			(0.037)	(0.077)
Post	-0.324***	-0.573***	-0.489***	-0.911***
	(0.091)	(0.185)	(0.084)	(0.173)
Pilot × Post	-0.054	-0.082		
	(0.115)	(0.231)		
Duration × Post			0.084**	0.175**
			(0.040)	(0.079)
Retired × Pilot × Post (DDD)	0.043	0.119		
	(0.254)	(0.506)		
Retired × Duration × Post (DDD)			-0.113	-0.212
			(0.085)	(0.169)
Retired × Pilot	0.430***	0.786**		
	(0.152)	(0.312)		
Retired × Duration			0.183***	0.347***
			(0.051)	(0.104)
Retired × Post	0.404*	0.759*	0.628***	1.211***
	(0.208)	(0.418)	(0.202)	(0.408)
Demographic Controls	Yes	Yes	Yes	Yes
Province Dummies	Yes	Yes	Yes	Yes
Observations	1568	1568	1568	1568
R-squared	0.162		0.164	
Pseudo R2		0.063		0.064

Note: * p < 0.1, ** p < 0.05, *** p < 0.01. The unreported demographic control variables and clustering are the same settings as in Table OA2 using urban data.

Table OA6. Robustness test with other confounding variables

	Locus of Responsibility					
Pilot × Post	0.060		0.471***	0.112		0.553***
	(0.070)		(0.120)	(0.068)		(0.118)
Duration × Post		0.068***			0.082***	
		(0.024)			(0.023)	
Pilot × Post × Local news intensity (DDD)			-0.109***			-0.115***
			(0.030)			(0.029)
Pilot	0.407***		0.401**	0.269*		0.256*
	(0.143)		(0.157)	(0.142)		(0.155)
Duration		0.114**			0.070	
		(0.048)			(0.047)	
Post	-0.430***	-0.501***	-0.628***	-0.458***	-0.520***	-0.660***
	(0.053)	(0.051)	(0.083)	(0.052)	(0.050)	(0.081)
Local news intensity			0.016**			0.017***
			(0.006)			(0.006)
Local news intensity × Pilot			-0.025*			-0.025*
			(0.014)			(0.014)
Local news intensity × Post			0.085***			0.087***
			(0.025)			(0.024)
Expectation of upward mobility	0.085***	0.086***	0.084***			
	(0.017)	(0.017)	(0.017)			
W/O pension insurance				-0.220***	-0.224***	-0.215***
				(0.044)	(0.044)	(0.044)
Demographic Controls	Yes	Yes	Yes	Yes	Yes	Yes
Province Dummies	Yes	Yes	Yes	Yes	Yes	Yes
Observations	3589	3589	3589	3801	3801	3801
R-squared	0.163	0.165	0.170	0.163	0.166	0.172

Note: * p < 0.1, ** p < 0.05, *** p < 0.01. The unreported demographic control variables and clustering are the same settings as in Table OA1.

Table OA7. Robustness test of short-term and long-term effect of policy duration and local official news intensity on political trust

	Local Gov	Province Gov	Central Gov	Local Gov	Province Gov	Central Gov	Local Gov	Province Gov	Central Gov
Duration	-0.319***	-0.206***	-0.103**	0.241	0.041	-0.090	-0.011	-0.103	-0.132
	(0.057)	(0.051)	(0.048)	(0.161)	(0.143)	(0.135)	(0.128)	(0.133)	(0.107)
Local news intensity (1 yr)	-0.208***	-0.165**	-0.088						
	(0.073)	(0.065)	(0.062)						
Duration × Local news intensity (1 yr)	0.165***	0.099***	0.034						
	(0.038)	(0.034)	(0.032)						
Local news intensity (3 yrs)				-0.052***	-0.041**	-0.022			
				(0.018)	(0.016)	(0.015)			
Duration × Local news intensity (3 yrs)				-0.075**	-0.029	0.003			
				(0.030)	(0.027)	(0.026)			
Local news intensity (5 yrs)							-0.068***	-0.054**	-0.029
							(0.024)	(0.021)	(0.020)
Duration × Local news intensity (5 yrs)							-0.021	-0.002	0.008
							(0.016)	(0.014)	(0.013)
Enterprise employee	0.051	-0.050	-0.112**	0.051	-0.050	-0.112**	0.051	-0.050	-0.112**
	(0.056)	(0.051)	(0.048)	(0.056)	(0.051)	(0.048)	(0.056)	(0.051)	(0.048)
Public sector employee	0.038	-0.021	-0.086	0.038	-0.021	-0.086	0.038	-0.021	-0.086
	(0.083)	(0.074)	(0.071)	(0.083)	(0.074)	(0.071)	(0.083)	(0.074)	(0.071)
#Old age people in the family	0.015	0.015	0.001	0.015	0.015	0.001	0.015	0.015	0.001
	(0.017)	(0.015)	(0.014)	(0.017)	(0.015)	(0.014)	(0.017)	(0.015)	(0.014)
Demographic Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Province Dummies	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1549	1529	1555	1549	1529	1555	1549	1529	1555
R-squared	0.075	0.099	0.106	0.075	0.099	0.106	0.075	0.099	0.106

Note: * p < 0.1, ** p < 0.05, *** p < 0.01. The unreported demographic control variables and clustering are the same settings as in Table 3.

Table OA8. Robustness test of main results in Table 1 and Table 2 with multiple imputation

	All samples			Urban samples	Enterprise employees	Public sector employees
Pilot × Post	0.038		0.406***	0.529***	0.452	2.274***
	(0.058)		(0.103)	(0.136)	(0.294)	(0.609)
Duration × Post		0.055***				
		(0.020)				
Pilot × Post × Local news intensity (DDD)			-0.100***	-0.138***	-0.100	-0.553***
			(0.025)	(0.033)	(0.075)	(0.185)
Pilot	0.473***		0.442***	0.074	0.523	-2.110**
	(0.118)		(0.129)	(0.106)	(0.440)	(0.946)
Duration		0.135***				
		(0.039)				
Post	-0.397***	-0.456***	-0.526***	-0.340***	-0.376**	-1.254***
	(0.042)	(0.041)	(0.065)	(0.094)	(0.177)	(0.416)
Local news intensity			0.015***	0.034***	0.041***	0.023
			(0.005)	(0.006)	(0.011)	(0.019)
Local news intensity × Pilot			-0.014	-0.048***	-0.108**	0.177
			(0.012)	(0.015)	(0.044)	(0.128)
Local news intensity × Post			0.066***	0.084***	0.098**	0.238**
			(0.020)	(0.027)	(0.049)	(0.101)
Demographic Controls	Yes	Yes	Yes	Yes	Yes	Yes
Provincial Dummies	Yes	Yes	Yes	Yes	Yes	Yes
Observations	4921	4921	4921	2587	929	270
R-squared	0. 131	0. 132	0.137	0.141	0.171	0.222

Note: * p < 0.1, ** p < 0.05, *** p < 0.01. The multiple imputation used demographic features—age, gender, education, minority, party membership, urban hukou, household income—in the predictor matrix, with predictive mean matching method. Subpopulation results are estimated with subpopulation imputations.

Table OA9. Robustness test of main results in Table 3 and OA5 with multiple imputation

	Local Gov	Province Gov	Central Gov	Local Gov	Province Gov	Central Gov
Pilot	-0.918***	-0.701***	-0.389**			
	(0.144)	(0.129)	(0.123)			
Local news intensity (1 yr)	-0.160***	-0.194***	-0.136***	-0.160***	-0.194***	-0.136***
	(0.059)	(0.053)	(0.051)	(0.059)	(0.053)	(0.051)
Pilot × Local news intensity (1 yr)	0.444***	0.311***	0.134*			
	(0.094)	(0.084)	(0.080)			
Duration				-0.306***	-0.234***	-0.130***
				(0.048)	(0.043)	(0.041)
Duration × Local news intensity (1 yr)				0.148***	0.104***	0.045*
				(0.031)	(0.028)	(0.027)
Demographic Controls	Yes	Yes	Yes	Yes	Yes	Yes
Province Dummies	Yes	Yes	Yes	Yes	Yes	Yes
Observations	2360	2335	2370	2360	2335	2370
R-squared	0.077	0.101	0.112	0.077	0.101	0.112

Note: * p < 0.1, ** p < 0.05, *** p < 0.01. The multiple imputation used demographic features—age, gender, education, minority, party membership, urban hukou, household income—in the predictor matrix, with predictive mean matching method. Subpopulation results are estimated with subpopulation imputations.

ONLINE APPENDIX B. QUALITATIVE EVIDENCE ON PILOT POLICY AND NEWS COVERAGE

The pilot reform of "Fully funding of individual account" is a following up reform of the pension reform in 1997, where the central government proposed shared responsibility of the social welfare. This is clearly indicated in the policy content of 1997 reform below, although the action is not de facto compulsory:

> *Except for some special programs (e.g., insurance for occupational injury and childbirth) for which individuals do not need to pay fees according to the law or international practice, the fundraising responsibility for all other social insurance programs should be shared by the state, enterprises, and individuals. Enterprises and individuals should pay for insurance fee, whereas the government provides a fiscal subsidy under exceptional circumstances. Raising funds from individuals is not only helpful for expanding the funding source of social insurance but also for increasing labor's awareness of social insurance. ("Speeding up and deepening the reform of social insurance system," 20 May 1997)*

The pilot policy of "Fully funding of individual account" follows the direction of pension reform and continues the solution of highlighting individual accounts for pension issues in China. For instance, some main statements from the 2005 document reads:

> *The main tasks (of this reform) are to ensure that the pension is distributed on time; protect the basic life of retirees; gradually fully fund individual accounts; perfect the system of a combination of social and individual accounts; construct a multilayer pension insurance system; and clarify the responsibility of the central and local governments, enterprises, and individuals. ("Decision on perfecting basic system of pension insurance for enterprise employees,"14 December 2005)*

As we noted in the main discussions, the local news coverage of the pilot policy describes the generosity of the government and the finance subsidy of the national and local finance, better off for everyone, in addition to the shared responsibility of pension contribution. In this part, we present the qualitative evidence of the local media that refers to the shared responsibility, the necessity of reform, and the government's efforts of managing and keeping the bottom support.

Here is one typical article from a local official newspaper:

> *On January 15, the reporters learned from the Provincial Department of Labor and Social Security that as one of the eight pilot provinces for the "Fully funding of individual account" reform, the "Delivery plan" of our province has been currently approved by the State Council. The funding from the National Finance has reached 0.9 billion, and the pilot policy has been comprehensively launched. Chief of Pension Insurance Division Liu said that a crucial issue of the current effort of perfecting the pension insurance system is fully finding of individual pension accounts. Our tentative system is a mixed two-tier system comprising social and individual accounts, whereas the contribution of all enterprises and individuals enter the social account for the payment of retirees. The parts that are supposed to be in the individual account of the enterprise employees are only nominal without substantive funding. The main reasons is that no historical accumulations of pension insurance exist, and given that the number of retirees is increasing, we have to move the parts that are supposed to be saved for individual accounts to ensure the current payment, which will lead to empty individual accounts. According to statistics, the empty scale of current individual accounts has already reached 700 billion, and it is increasing by billions each year. Facing the challenge of population aging, if we leave empty individual accounts as they are, the payment of retirees and the operation of pension insurance systems will*

be negatively affected. Liu said that "Fully funding of individual account" reform will guarantee that all the contributions from individuals will enter the individual accounts and will not be diverted to social accounts. Subsequently, the finance will meet the shortfall of the insurance funding without moving individual accounts. Every percent of a fully funded individual account will receive a subsidy by 0.75 percent point from the National Finance and 0.25 percent point from local finance. ("Our province will start fully funding individual pension accounts; individuals' contributions will all enter individual accounts," 17 January 2007, He Nan Daily)

Here is one article from another local official newspaper:

This policy aims to support the basic pension and social old-age insurance systems by reforming basic pension calculation and grant methods. We are ensuring the on-time granting of pension for enterprise retired employees while expanding the coverage of the old-age insurance system for everyone included in the scheme. This guarantee requires the government to intensify the collection of insurance funding and tighten the supervision and management. Moreover, we should improve and integrate multiple approaches for fund raising to fully fund individual accounts. ("Pilot plan of "Fully funding of individual account" reform for enterprise employees in Shanxi Province," 30 September 2006, Shanxi Daily)

One local official report addressing the 2005 State Council No. 38 states the following:

The "Decision on Perfecting the Basic System of Pension Insurance for Enterprise Employees" is an important resolution made by the central authority on the basis of the overall socioeconomic development of our country. The decision is vital for the healthy and sustainable development of the economy, as well as for the long-term

safety of our nation. It is also essential for protecting the wellbeing of our prefecture's citizens. ("Tianjin's pension insurance system is having a critical reform; the coverage is expanding," 17 July 2006, Tianjin Daily)