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Review of Public Personnel Administration 2012 32: 115 originally published online 28 March 2012
DOI: 10.1177/0734371X12438242

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Review of Public Personnel Administration
32(2) 115–133
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DOI: 10.1177/0734371X12438242
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Government Reform in China: Concepts and Reform Cases

Lan Xue[1] and Kuotsai Tom Liou[2]

Abstract

This article examines recent government reforms in China to identify changes and lessons of the Chinese reform experience. The article provides a review of major government reform concepts and analyzes eight Chinese reform cases in four areas of government: personnel, structure, strategy, and process. These reforms have expanded the objectives and scopes of the past administrative reforms to include new governance concepts of promoting managerial competency, organizational capacity, accountability and transparency, and citizen participation. The reforms have not only reported positive lessons of local innovation and international connection but have also identified limitations and concerns about social and political stability. Implications about reform findings and challenges are provided for future studies of Chinese government reforms.

Keywords

government reform, new public management, good governance, public management reform

Introduction

It has been more than 30 years since the Third Plenum of the Eleventh Central Committee of the Chinese Communist Party formally adopted a "Reform and Open Door" Policy advocated by the late leader Deng Xiaoping. The reform policy has changed China's economic system from a planned economy to a market economy and has transformed the Chinese society from a closed society to an increasingly open and dynamic one. For the government system, the changes refer to the improvement of

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operational efficiency and the introduction of modern professional management. Government reforms before the mid-1990s were mainly related to economic development as policy changes (e.g., incentive policies) and were relatively easy to implement. Since the mid-1990s, government reforms became more complicated and difficult to achieve because of changes in China's internal and external environments. Along with economic prosperity, Chinese society has become increasingly heterogeneous in terms of social status, income level, ethnic background, regional affiliation, and so on. Many public problems from different social groups have resulted in the increasing demand for government transparency and accountability. In addition, China's entry to the World Trade Organization (WTO) in 2001 has generated external pressure for further government reform so as to bring the Chinese public management up to par with international practices.

The development of Chinese government reforms has been emphasized by researchers of public administration (e.g., Holzer & Zhang, 2009; Liou, 2008a) to examine the Chinese reform experience. Among many topics, researchers are especially interested in studying the application of Western public administration theories to China's reform policies (Chou, 2008; Yang, 2007). To fully understand the application experience, our article focuses on the relationship between public management reform concepts and Chinese reform cases. We first provide a brief review of major theoretical concepts emphasized in recent public management reforms. We then analyze eight reform cases in the areas of government personnel, structure, strategy, and process to examine reform concepts such as managerial competency, organizational capacity, accountability and transparency, and citizen participation. Finally, we identify major lessons of the Chinese reform experience and discuss their challenges and implications.

Concepts of Government Reform

Studies of government reform have become one of the popular research topics in the field of public administration. Government reform has been related to political, structural, procedural, and cultural changes to introduce institutional rearrangements, new ways of operation, and new managerial concepts (Rosenbloom, 1998). Government reform is also designed to make the administration more efficient and effective in the delivery of services to the public and to perform the expanding role of governments in managing the economy (United Nations, 1983).

Considering the environment of China's reforms, we introduce three approaches of government reforms emphasized since the late 1970s.[1] The first approach of government reform is related to the literature of New Public Management (NPM). NPM is based on market mechanisms for promoting competition among service providers, delegating control to the local community, introducing decentralization, downsizing, privatization, and emphasizing performance measurement and results-oriented accountability (Ferlie, Pettigrew, Ashburner, & Fitzgerald, 1996; Hood, 1991). These NPM concepts have been applied in the New Zealand model of reform, which included reform of government commercial enterprises (to corporatize these public enterprises);

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reform of the core departments (to emphasize the contract relationship between the government and bureaucrats by addressing accountability, performance, delegation, incentives and punishments, value of money, and customer service); and economic policy reforms (to address the government's overall economic policy in the Reserve Bank Act and the Fiscal Responsibility Act; Bale & Dale, 1998).

Closely related to the NPM, the second reform approach is the reinventing government ideas suggested by Osborne and Gaebler (1993). Reinventing government emphasizes such concepts as empowerment, competition, and decentralization; while also promoting mission- and customer-driven government, results- and market-oriented government, and enterprising and anticipatory government. These concepts were implemented by the Clinton administration in its National Performance Review (NPR) to change federal governmental agencies to entrepreneurial organizations by (a) cutting red tape and asking employees to be accountable for achieving results; (b) putting customers first and insisting on customer satisfaction; (c) empowering employees (through labor–management cooperation, employee training) to get results; and (d) reexamining programs and procedures and reengineering how employees do their work to make government work better and cost less (Gore, 1993).

The third theoretical development of government reform has been the public governance approach being promoted since the 1990s. Researchers of the governance approach recognize that many government problems today are so complicated that no single government agency has the sole responsibility or leverage to solve them. They explain that governance is about government's changing role in society and its changing capacity to pursue collective interests under severe external and internal constraints (Kettle, 2002; Kooiman, 1993; Peters, 1996; Peters & Pierre, 1998; Pierre & Peters, 2000; Rhodes, 1997; Salamon, 2002). The governance approach emphasizes such elements as the importance of networks (i.e., the use of networks to dominate public policy), the move from control to influence (i.e., government's influence through a continual process of bargaining and persuasion), the blending of public and private resources (i.e., the importance of network framework), and the use of multiple instruments (in developing and implementing public policies; Peters & Pierre, 1998).

These governance concepts have been promoted by researchers of international assistance organizations in the process of promoting economic and social development. For example, World Bank researchers considered governance as the exercise of the power of the state in managing a country's social and economic resources as well as related mechanisms for public accountability, rule of law, transparency, and citizen participation (World Bank, 1994). Researchers of the Organisation for Economic Cooperation and Development (OECD) further noticed the application of good governance concepts in recent public management reforms to support social and economic development (OECD, 1995a; 1995b). For them, good governance comprises such components as technical and managerial competence (of civil servants), capacity of government organizations (relating to organizational structure and management system), reliability and predictability (based on the rule of law), accountability (among

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Table 1. Management Area, Governance Concept, and Reform Case

Management area	Governance concept	Reform case
Personnel	Managerial competency	Civil service reform Cadre training program
Structure/function	Organizational capacity	Central government structure reform Administrative approval system reform
Strategy/tool	Accountability/transparency	Sunshine rules E-government
Process	Citizen participation	Public hearing system Local election

civil servants, organizations, and politicians), transparency (in decision-making process) and open information systems, and participation and civic engagement.

The previous review of government reform concepts has provided theoretical foundation for our study of Chinese government reforms.[1] We adopt the reform concepts emphasized by the United Nations, the World Bank, and the OECD in our study because China's government reforms are closely related to its economic and social development. These governance reforms have expanded past interests in internal operational efficiency to new concerns of both internal performance and efficiency and external public participation and accountability. As presented in Table 1, we introduce reform cases in the four management areas of personnel, structure, strategy, and process to explain how reform concepts of managerial competency, organizational capacity, accountability and transparency, and citizen participation have been implemented in China.

Cases of China's Government Reform

Developing Managerial Competency

Competency of public employees has been one of the major themes emphasized in recent public management reforms among developed and developing countries. For developed countries, the competency issue is related to the knowledge, expertise, and leadership of upper level public servants (e.g., Behn, 1991; Hood & Lodge, 2004; Lynn, 1996). For developing countries, technical and managerial competency of civil servants, especially those of local governments, has been considered as one of the major factors for the government to implement important reform policies and programs to support economic and social development (Liou, 1998a; OECD, 1995a). Since the 1990s, the Chinese government has implemented various reform policies to promote the competency of government employees. Two of them are introduced here: civil service reform and the public employee training program.

Civil service reform dated back to 1993 when China began to implement policies designed to improve the competency of the civil service (i.e., *the 1993 Provisional*

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Regulations on State Civil Servants). The 1993 regulations consisted of 18 chapters on the major functions of a new civil service system, such as duties and rights of the civil servants, posts and ranks, appraisals, rewards, discipline, job promotion and demotion, appointment and removal, training, rotation, insurance and benefits, resignations and dismissals, retirement, appeals and complaints, management and supervision (Broadsgaard & Chen, 2009; Liou, 1997). The regulations emphasized professional and scientific management concepts so that (a) all new civil servants are to be selected based on open competition methods (including written examination and an interview process); (b) civil servants are provided with a professional system for their career development; (c) major personnel management activities on selection, training, and promotion are based on performance-related criteria; (d) civil service compensation will be expected to be competitive with the rates paid in the market; and (e) civil servants are expected to be of high integrity (OECD, 2005).

These management principles have been further emphasized in 2005 when Chinese leaders expanded the scope of civil servants in the Law of Civil Servants ("Civil Service Laws," 2005). The new law covers civil servants in organs of the Communist Party of China (CPC) and organs of the People's Congress, the State Council, the Political Consultative Conference, the judicial system, and democratic parties. While emphasizing the management of civil service in a scientific, democratic, and legal manner, the new law has changed *the CPC into a political institution and has affirmed the CPC's role in civil service management and control (Chan & Li, 2007).* In 2008, the Chinese government established the State Bureau of Civil Servants (SBCS, under the new Ministry of Human Resources and Social Security) to strengthen management over civil servants.

Moreover, in late 2010, as part of the drive to make the government become more service-oriented, SBCS, along with other relevant government agencies, requested that more than 70% of the newly recruited civil servants for the Central and provincial government should have at least 2 years of grass roots work experience. At the same time, the Organizational Department of the CPC, the key agency in charge of appointments of senior government officials also started a new initiative for the central government agencies to exchange officials with local (provincial and municipal) government agencies. In all, 66 director general–level officials from central government agencies were appointed at local government agencies. The same numbers of government officials from local government agencies were also sent to the central government agencies ("The Roadmap of Official Appointment," 2011). These exchanges of government officials between central and local government agencies are aimed at improving the hands-on experience of central government agencies while at the same time enhancing the strategic view and the theoretical level of local government agencies.

Another key initiative to promote the competency of government employees is the training of public employees. A national human resource development strategy was announced in the national human resource conference held in December 2003. The strategy emphasized the importance of cadre training to develop the competency of

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civil servants. According to the strategy, all civil servants above the division chief level have to attend at least one 3-month training in a 5-year period. Most of the training programs focus on topics and issues that are related to public administration, leadership, economic management, and others. From 2003 to July 2007, for example, 16 million government officials, 9 million business managers, and 26 million technical professionals attended different training programs (Sheng, 2007). Many of these training programs have international components where participants would have overseas classes and site visits. These training programs provide the opportunity for these government employees to learn new management theories and strategies. The overseas programs are especially valuable for these employees to see practical operations of the host government agencies and to experience the influence of different political, economic, social, and cultural environments. The benefits of the training program include changes of the participants' mindset and attitude after actually staying in the host countries for several months. The changes include not only understandings of professional management issues but also appreciation of social values, legal practices, and life styles in these hosting societies.

In May 2010, China had the second national human resource conference and established a set of goals toward fostering a new generation of competency in different areas, including public administration. The newly published document, *The Outline of National Median and Long Range Plan for Human Resource Development*, proposed that China should focus on improving the leadership and administration skills of the middle and senior government officials and building a high quality team of civil servants, 85% of whom should have a bachelor's degree or above. To achieve these goals, the government will start carder training on a massive scale and encourage self-study by civil servants. A program aimed at raising the quality of human resources for public administration will be implemented and a carder education system will be established to integrate education on public administration theories, relevant knowledge, political principles, and practical experience (State Council, 2010.)

Improving Organizational Capacity

The second reform area has to do with changes of organizational structure and managerial operation. Organizational capacity building and efficiency improvement are the major factors in the new governance approach because they refer to the development of the capacity of public agencies to provide important services to businesses and the public and to create conditions for economic progress and social cohesion (OECD, 1995a; World Bank, 1994). Focusing on the improvement of China's organizational capacity and efficiency, we introduced two reform cases: reform of the central government's organizational structure and reform of the administrative and examination approval system.

The organizational structure of the central government has undergone many changes since the founding of the People's Republic of China in 1949. One major force behind the structural reform is the need to maintain a delicate balance between

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Table 2. China's Organizational Reforms in the Central Government (Since 1949)

	Agencies (before)	Agencies (after)	Personnel cut	Note
1949-1951	35	35		
1952-1953	35	42		The 1st reform
1954	42	64		Establishment of State Council
1955-1956	64	81		
1958-1959	81	60		The 2nd reform
1960-1965	60	79	91,000	The 3rd reform
1970	79	32		
1971-1975	32	52		
1976-1978	52	76		
1979-1981	76	100		
1982	100	61	21,000	The 4th reform
1983-1984	61	65		
1985-1986	65	72		
1988	72	65	9700	The 5th reform
1989-1993	65	86		
1993	86	59	20%	The 6th reform
1998	59	52	47%	The 7th reform
2003	52	55		The 8th reform
2008	55	48		The 9th reform

Source: Compiled by the author based on data from various sources, including Liu (1998).

centralization and decentralization of administrative power. When the Central Government needed to consolidate its power, the number of central government agencies would expand. When the government felt that there was too much concentration of power in Beijing, it would reduce the number of ministerial agencies and distribute some of the powers to the local government.

As shown in Table 2, for example, government agencies in the State Council had increased from 35 in 1951 to 81 in 1956, declined to 32 in 1970, expanded to 100 in 1981, and reduced to 52 in 2003. Since 1978, there have been several major reforms in the State Council to support the goal of economic and social development. The first four reforms occurred in 1982, 1988, 1993, and 1998 and focused on reducing state departments and agencies and downsizing state employees. The reform of 2003 established several important departments to enhance the capacity of macro-economic management (e.g., Department of Commerce, State Council on National Development and Reform), and to address new challenges in social development (e.g., National Food and Drug Agency).

On March 15, 2008, China's Eleventh National People's Congress passed the super ministry reform (SMR) motion proposed by the State Council, which created "super ministries" to combine two or more previous ministries or departments. The purpose

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of this SMR is to promote comprehensive management and coordination by combining departments with similar authorization and closely related functions to reduce overlapping responsibilities. The idea behind the SMR is to increase administrative efficiency and reduce administrative cost because the reform will enlarge the ministry's responsibilities and authority, and change some interdepartmental tasks to intradepartmental issues. The super department is expected to cope with comprehensive problems from multiple perspectives, which will avoid overlapping responsibilities and authority. The proposed super ministries are in the areas of industry and information, transportation, human resources and social security, and environmental protection. The reforms represent the administration's efforts in addressing new problems of corruption, environmental degradation, and rising inflation ("What is 'Super Ministry?'" 2008).

Besides structural reforms in promoting the market development, the Chinese Government has also reformed its administrative examination and approval system to improve the efficiency of government regulation and supervision function. The administrative examination and approval was based on the old planned economic system, which tended to be irrational and inefficient in its operation (e.g., overlapping functions, black box operations, neglect of responsibilities after the examination and approval). The reform calls for the development of an open and clear system based on scientific principles to make decisions on the items to be examined, clarify concerned standards, specify conditions for the approval, and enhance the capacity of supervision.

After China's entry to the WTO, it has become a high priority for the government to reform the administrative examination and approval system. A high level Leading Group for Administrative and Examination Approval System Reform was formed in 2001, which comprehensively sorted out projects that are subject to administrative examination and approval. From 2002 to 2004, the State Council eliminated or moderated 1,806 such projects. By the end of 2004, the number of projects that needed review and approval by State Council departments had been cut by half (OECD, 2005). The reform of the administrative examination and approval system was emphasized again in the recent Circular of the Ministry of Commerce when the government decided to continue deepening the reform and further delegated the administration right of examining and approving foreign investment to local administrations of commerce and state-class economic and technological development zones (Ministry of Commerce, 2009).

Promoting Accountability and Transparency

The third area of Chinese reforms is related to the promotion of accountability and the transparency of government agencies and programs. Accountability has always been one of the major criteria required in the field of public administration. Public managers have to be accountable to various authorities, interest groups, and to the rule of law in general (Rainey, 2003; Romzek & Dubnick, 1987). In the new governance

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approach, civil servants, organizations, and politicians are held accountable for their decisions and performance (World Bank, 1994). Accountability requires transparency and open information systems so that higher levels of administrations, external reviewers, and the general public can verify performance and compliance to law.

To promote accountability and transparency, the State Council began to entrust legal experts several years ago with the task of drafting a "sunshine rule"—the first regulation in China designed to make government work known to the public ("Rule to Disclose Government Information," 2002). After several years' deliberation, it was approved by the State Council on January 17, 2007, as "the Information Transparency Ordinance of the Government of People's Republic of China" ("People's Republic of China Ordinance," 2007). The new regulation would help the public monitor better what the government is doing and see whether government actions are in their interests, which will consequently stimulate civil servants to perform better under public supervision.

It is important to notice that many local governments started their own version of sunshine rules before the adoption of national regulations. A good example of local government's efforts to promote accountability and transparency is in Qingdao City, Shangdong Province. Qingdao began its efforts in 1999 when the government issued four major documents about the decision to promote open government and the program to implement it (Qingdao, n.d.). By September 2003, all 49 government departments, 12 districts or cities, and 179 townships had all participated in the program. The strategies being adopted to achieve accountability and transparency include, for example, the development of an e-government program (where the Internet is the key mode), the engagement of news media of all sorts (such as TV and newspapers), the beginning of a public news conference system (in which the government would hold regular news conference to bring major news to the public), the improvement of the open bidding system for public projects, and the adoption of a centralized government procurement program to avoid potential corruptions. To increase transparency, city governments of Shanghai and Beijing instituted a spokesperson system for various departments and offices to hold regular press conferences in 2003. These examples provide evidence that demonstrates various efforts emphasized by many local governments to promote accountability and transparency (Swift, 2004).

Among these strategies, the development of e-government has been identified by Chinese leaders as one of the major strategies to facilitate public sector reform and to improve the effectiveness of government administration and the transaction of government functions (e.g., Guo, 2002). The major policy framework to guide e-government development at the central government is the State Council Document No. 17 of 2002, which includes such initiatives as "12 Golden Projects" (OECD, 2005). The purposes of these initiatives are designed to strengthen supervision and enhance efficiency, to safeguard government revenue and rationalized government spending, and to ensure basic order in the national economy and social development. Despite the lack of indicators, researchers have noticed some positive outcomes of these initiatives, such as the enhancement of efficiency, transparency, and accountability (OECD, 2005).

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The use of e-government is especially important for Chinese local governments as many of them developed their own systems to improve the management of their agencies. For example, to construct "Digital Beijing," Beijing was implementing its e-government initiatives from 2003 to 2008 to enhance the governmental capabilities for public service; to improve the governmental capabilities for urban and social security management and emergency response; to improve the government's abilities to adjust and control the economy; to accelerate the sharing and integration of information resources; and to strengthen the construction of the information infrastructure (Beijing Municipal Office of Informatization, 2004).

Moreover, the development of e-government may provide opportunities to reduce the gap of administrative capacity between China's coastal and inland local governments (Liou, 2008b). A study showed that the coastal sites provided more access to engage citizen involvement than did the inland sites, including more online forms, online surveys or polls, e-mail links or online mailboxes to officials or policy maker bodies than the inland sites (Zhou, 2004). To avoid the consequences of social and regional inequalities, more investment policies and programs are required to provide financial and professional assistances to these governments in the inland area.

Encouraging Citizen Participation

Closely related to accountability and transparency, the last area of Chinese reform is the encouragement of citizen participation. Researchers of good governance emphasize the importance of participatory and transparent governance (Hickey & Mohan, 2004; Kim, Halligan, Cho, Oh, & Eikenberry, 2005). They argue that the institutionalization of participation by all people is a cornerstone of good governance. Citizen participation gives governments the opportunity to know important information about the needs and priorities of citizens, communities, and businesses. Through the participation, governments will be in a better position to make good decisions and will receive more public support when implementing the decisions. To show the participation of Chinese citizens in the governance process, we examine developments of the public hearing system and the local election system.

Public hearings have recently become an important way for the Chinese public to participate in the public policy process (Peng, Xue, & Kan, 2004). For example, the Pricing Law promulgated in May, 1998 stipulates that public hearings must be held for changes of prices of goods and services that have a natural monopoly feature and are provided by public corporations (such as utilities, public transportations, and so on). The law sets the basic legal framework for a series of rules and regulations concerning related price changes. Then, a circular issued by the State Development Planning Commission (SDPC) demands local authorities to organize public hearings with regard to price increases on tickets bought for highway public transportation. One example of this type of public hearing is in 2001 when Guangdong province held a hearing on the issue of increasing railway ticket prices. The hearing event created so much attention that the national TV station broadcast the 2-hr live debate. Similar public hearing arrangements have been held regarding other public policies, such as

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the first public hearing on environmental issues in 2005 (i.e., related to Yuanmingyuan Park in Beijing), the public hearing on the price of Shanghai's subway ticket in 2005, the public hearing on reforming income tax legislation in 2005, and the public hearing on discussing lowering domestic mobile roaming charges in 2008.

Another important case of citizen participation is the development of the local election system. In 1988, China promulgated the Provisional Law on the Organization of Villagers' Committees, which gave the country's 900 million farmers the right to elect their village leaders. The Ministry of Civil Affairs issued a circular in 1990 to extend the policy of villagers' administration of their own affairs. Chinese farmers, who have become rich since the economic reforms, have shown unusual enthusiasm for the political rights they have been given. By the end of 2008, the great majority of the more than 600,000 villages in China had experienced more than 7 election cycles. More than 98% of the villages have charters on village autonomous governance. ("Elections by Farmers," 2009). In 1998, China promulgated the new Law on the Organization of Villagers' Committees. Since then, 31 provinces, autonomous regions, and municipalities have issued relevant implementation regulations with regard to the election and operations of the village committees and more than 80% of Chinese farmers in China have participated in the election of local village committees (i.e., about 644,000 village committees throughout the country; State Council News Office, 2005).

Based on the experience of the village elections, there have been bolder experiments to elect officials at the township level in places such as Sichuan, Jiangsu, Hubei, and other provinces. In Sichuan Province, for example, direct election for township managers started in 1998 in Pingchang County. It was done quietly, as an experiment, because it became controversial when one such direct election in Suining City was reported. To respond to the criticism, Sichuan changed the direct election of township managers into direct election of candidates for township managers. The candidates were then submitted to the local People's Congress for final vote. By the end of 1998, 413 township managers in Sichuan Province were elected directly. The experiment was further expanded in other regions of the Province as well as the selection of local Communist Party officials. Almost half of the 3,871 township's managers or party secretaries (including deputies) were elected directly by the end of 2001 (Zhu, 2007).

These experiments have shown the improvements in China's local democracy and citizen participation. In recent years, however, Chinese officials have noticed increasing reports about various types of election irregularities, such as winning votes through pulling strings with voters, bribing key officials who have a say on one's promotion, or manipulating votes by means of threat or deceit ("China to Crack Down," 2011).

Lessons of Chinese Reforms

The previous analysis of China's recent reform cases has revealed underlying changes about China's governance system. Reform cases in managerial competency and organizational capacity are directly related to the government's efforts to increase its operational efficiency to support economic and social development. Reform cases in

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transparency and accountability and citizen participation represent the government's interests to include new governance concepts in the Chinese administrative system. Based on these reform cases, we identify four important reform lessons: adjusting reform goals and their scope, fostering local participation and innovation, learning from international experience, and paying attention to social and political stability.

Adjusting Reform Goals and Scope

The first lesson of government reforms has to do with content of the reforms. As explained, previous government reforms were designed to support economic growth and development. Almost all previous reform policies and programs focused on methods of improving administrative efficiency to support economic development. These reforms included simplification of decision-making power, separation between government administration and economic management function, decentralizing economic authorizes to local governments, and downsizing government agencies and employees (Liou, 1998a). These early reforms mainly covered internal administrative activities to achieve the goal of efficient government.

In the recent wave of reforms, Chinese leaders have developed a broad agenda for the reform, and government efficiency is only one of many goals. Other goals of the reform include the promotion of transparency and accountability, and the encouragement of citizen participation. These concepts are related to external governance issues, which will involve a broader spectrum of society into the new governance system. In this new system, the government has to adjust its role in the process of social and economic development, and to work with other partners to develop a harmonious networking relationship.

Fostering Local Participation and Innovation

One major feature of the recent reforms is the dynamic interaction between local governments and the central government. Many of the reforms were initiated and tested by local governments, with explicit or implicit approvals of the central government. The interaction between central and local governments has created a positive dynamic that encourages the experiment of innovative ideas, and promotes the principle of learning by doing. The diffused nature of local government reforms also reduces potential risks that are related to the central government-led reform. The emphasis on decentralization and the participation of local governments have been considered as major factors contributing to the success of China's economic development (e.g., Liou, 1998b). These same factors have now been emphasized in the reform of a new governance system.

The role of local participation in government reforms is also critical and necessary when considering China's regional disparities. Many of the reforms were tested and implemented in major provinces and cities that have enough resources (both financial and human resources) resulting from the success of economic development. It may be

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difficult to implement similar reforms in other rural regions and poor local governments because of limitations of the internal and external environment. The increasing economic gaps between rich and poor provinces and cities will affect the development and implementation of broader government reforms. To improve the quality of government performance, the central government certainly needs to pay attention to these differences and to arrange more resources and opportunities for those local governments in future reform activities.

Learning From International Experience

One special lesson of recent government reforms is the impact of the international environment on China's reforms. The international influence on the government's reforms has increased after China's entry to the WTO in 2001. The Chinese government intentionally used the entry to WTO as an external force to develop a more open, transparent, and competitive government. Many of the reforms have emphasized "international practices" as a way to gain legitimacy. To compete in the global world, Chinese leaders have to learn new managerial strategies and criteria emphasized in the international environment, and to apply them in the management of domestic affairs.

The influence of international changes on China's government policies was further evidenced after the recent global financial crisis. While not causing direct damage to China's housing and financial markets, the financial crisis has negatively affected China's economic performance in terms of the decline of international trade. And, it did slow economic growth. The financial crisis has forced the Chinese government to upgrade its economic structure by increasing domestic investments and consumption. To assure the success of these investments and structural changes, the government needs to emphasize again the following important reform concepts: managerial capacity, accountability and transparency. The consideration of international practice and change has certainly expanded the scope of governance reforms and enhanced the speed of the reforms.

Paying Attention to Political and Social Stability

Finally, while applying new managerial concepts and strategies, Chinese government reforms have been criticized for their limitations due to concerns about political patronage and social stability. Political and social concerns are not new, as researchers of Chinese economic development and reforms noticed that early economic reforms emphasized strategies of partial and gradual approaches to avoid potential political and social instability problems (e.g., Liou, 1998b; Wang, 1994). Some negative consequences of the partial and gradual strategies are resource waste and unequal development among regions. In recent years, researchers of public administration have also indicated various impacts of political influences on the reform of the civil service system (e.g., Lam & Chan, 1995) and on the effectiveness of the downsizing campaign in local governments (e.g., Burns, 2003). The effects of political influence on

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government reforms will be more comprehensive than those for economic reforms because of the unique party–state relationship in China. Previous studies about the application of new governance theories in China's civil service and administrative reforms have further questioned the limitations of these reforms resulting from political influence and social concern (e.g., Chou, 2008; Yang, 2007).

One example of the political and social concerns is the continuing prevalence of official corruption. While corruption cases existed before the reform years (Harding, 1981), official corruption has become a serious issue in terms of both scope and level of corruption since the reforms. Several famous corruption cases were related to top officials in major cities, such as the case of Chen Xitong (former Beijing Communist Party Chief) in 1995, the case of Chen Liangyu (former Shanghai Communist Party Chief) in 2006, and the case of Xu Zongheng (former Mayor of Shenzhen, China's first reform city; "Chen Liangyu Gets 18 Years," 2008; Cui, 2009). In addition, several corruption cases were reported in government agencies that directly affect the public. In the area of food safety, a former head of China's State Food and Drug Administration was executed on July 10, 2007 for taking bribes from various firms in exchange for state licenses related to product safety ("China Executes Ex-Food and Drug Chief," 2007). In the area of law enforcement, Wen Qiang (former director of the Chongqing judicial bureau and former deputy head of police) was executed on July 7, 2010 after being found guilty of taking bribes, shielding organized crime gangs, hiding financial assets, and raping a university student ("China Executes Former Chongqing Official," 2010). In the area of public transportation, the former Minister of Railway Administration, Liu Zhijun, has been recently detained for taking bribes amounting to hundreds of millions of RMB (Wong, 2011).

The continuing occurrence of these corruption cases has damaged the credibility of the government's ability to root out the corruption problem and generated rising distrust in related government policies and programs among the general public. For example, the rising cost of housing has been a major concern of the government and the general public. A major cause of the rising cost of housing is due to the rising cost of user rights of land where the local governments are usually the beneficiaries of the transactions. In addition, the influence of social information media technologies has also increased substantially by spreading various unofficial news including corruption cases. In many cases, people tend to believe the unconfirmed rumors reported by these social media instead of the news reported by the official news media. These new phenomena present new challenges to the government to push for reforms while maintaining social and political stability.

Conclusion

This study of Chinese government reforms has reviewed major concepts of recent public management reforms and has examined the application of these concepts in recent reform cases. The reforms have included the government areas of personnel, structure/function, strategy/tools, and process; and have emphasized such concepts as

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managerial competence, organizational capacity, accountability and transparency, and citizen participation. These reforms have expanded the scope of government reforms from traditional goals of internal administrative efficiency to new concerns of broader participation from outside the government. The reforms have been characterized with adaptive adjustments, local experiments, international connections, and political and social concerns. These lessons clearly indicate that Chinese reforms have not only adopted major concepts emphasized in the recent literature of public management reforms but also have considered China's government system and domestic environment in the implementation of these Western concepts.

These reforms have certainly improved China's administrative system, in terms of management by professional norms and competencies. While these reforms may be useful in promoting efficiency, they have not been successful in resolving some challenging problems associated with the success of economic development. These problems include the increase of official corruption cases and the rising costs social welfare services (e.g., public health, education, and housing). Chinese leaders have recognized these new challenges and have emphasized policies and programs to address these issues in their new 5-year plan (i.e., the Twelfth Five-Year Plan). Future studies of similar topics may want to examine other governance concepts in overcoming these social reform and development difficulties. For example, one of the governance concepts emphasizes the importance of collaboration among public, private, and nonprofit or nongovernment organization (NGOs). NGOs have become important participants in supporting economic and social development among developing and developed countries. In China, NGOs have recently played an important role in the process of disaster recovery (e.g., earthquakes). Future researchers may want to examine the development of nongovernment organizations and their role and influence in China's governance system. Additional research on this and other related topics will contribute to the literature of public management reform, and the understanding of Chinese governance changes.

Declaration of Conflicting Interests

The author(s) declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

Funding

The author(s) received no financial support for the research, authorship, and/or publication of this article.

Notes

1. To identify major concepts emphasized in the literature of public management reform, we examined concepts and principles of new public management, reinventing government, and public governance because they have been developed since the late 1970s (i.e., similar times with the Chinese reforms). While these reforms are related to one another and have been criticized in recent years (e.g., Christensen & Lægreid, 2007; Dunleavy, Margetts,

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Bastow, & Tinkler, 2006), we introduce specific concepts of each reform approach and select some relevant concepts for our study of Chinese government reforms. For additional information about these reforms, see, for example, Peters and Pierre (1998), Pierre and Peters (2000), and Kettle (2002).

2. Bureaucratic corruption has become one of the major challenging issues for Chinese government. While there are many system and policy factors associated with the corruption problem, we emphasize the effect of corruption on government reform and its implications to social and political stability. For more information about corruption in contemporary China, please see, for example, Gong (1994) and Kinkley (2006).

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