CHINESE ADMINISTRATIVE REFORMS in international perspective – a revisionist view of administrative reform; briefing note and reading list for visitors

Ronald G Young; Carpathians; 1 May 2011

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Paper on „Dynamics of Reform" delivered in Beijing by Professor Colin Talbot

1. Origins and Purpose of paper

I arrived in Beijing in January 2010 – to take up an assignment to help the newly-established Mega-Ministry of Human Resources and Social Security with the next stage of administrative reforms in the country. In the event I stayed only 2 months – I could not stomach the scale and materialism of Beijing and encountered various problems with contractor systems and beneficiary absence. These are explained elsewhere[1].

China does make an impact on you and I developed some impressions of its public services while I was there - and a continuing interest (and respect) since my return to Europe. There is a paucity of useful articles about Chinese administrative reform available on the internet. And most of that material is fairly formalistic – pedantic descriptions[2] of the intentions enshrined in the various statements from the Party's National Congresses held every 5 years.
However there is a vast and growing number of books and articles about the Chinese system and recent history which have a direct bearing on its reform efforts in public services – some of which I was able to read before I went to Beijing. And, in my 2 months there, I did gain some impressions.

It seemed a shame that this reading and impressions might be wasted! The website[3] which I have been running for a couple of years was set up to encourage such a sharing or practitioner experiences but is, sadly, difficult to access from China[4].

The paper has been written for anyone engaged in discussions about administrative reform in China – whether Chinese or foreign. The project I was to have led was not only designed to assist indigenous reform efforts – but also service an EU-China dialogue about administrative reform. Perhaps, as a good Scot, I feel guilty about walking away from that – and want to make amends!

The paper – as befits someone with more than 40 years reflection about efforts (mine own included) trying to get government bodies to operate in a smarter and more sensitive way (in both a political and consultant role) - is highly personal. It does not pull its punches – but is, hopefully, even-handed. A lot of the Western criticism of China demonstrates, for me, amnesia and hypocrisy - as I try to set out in section three. Rule of law is, however, another matter!

Where appropriate, I have borrowed text (including my own) with due thanks[5].

Using the website copy actually makes it so much easier to access directly the numerous internet links I give. At the moment this can be done at ?????????????????????????????

But, as I update it, it will be easier to go directly to the website – and scroll down until you reach the paper! The website is http://www.freewebs/publicadminreform/

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[1] http://publicadminreform.webs.com/key%20papers/Lost%20in%20Beijing.pdf. Sadly it will be difficult to access this from China – not being able to access my own blog developed a curious claustrophobia in me
[2] Eg this 2007 paper by a Chinese academic http://www.managers.org.cn/mag/doc/ucman200701/ucman20060701.pdf
[3] http://www.freewebs.com/publicadminreform/
[4] another problem I had with living in Beijing – very claustrophobic!
[5] I am particularly grateful to the EU Delegation in Beijing for the text in section 4 which describes the recent stages of administrative reform in China; to Professor J Wasserstrom for his book review; and to Professor Colin Talbot for the wisdom of the lecture he delivered in 2010 in Beijing which is an excellent complement to section 5 and which I have therefore included as an Annex

2. Some impressions of the Chinese system of public management

Nowadays we perhaps don't need to visit a country to get a sense of what life is like – there are so many blogs (replete with photographs) let alone online videos and TV travelogues which convey so much. Only smells, touches and experience are missing!

2.1 Efficiency and pride

Experiencing the Chinese system is awe-inspiring. Everything has been designed to deal with large-scale processing of people - and strong discipline and pride is evident. The subway stations are good examples – each has 4 huge separate entrances each managed by about 12 smartly-dressed staff. One advertisement on the TV screens inside the carriages actually has 4 of the staff bearing walking proudly as if they were airline staff! And the speed with which a new ticketing system was introduced (to cut out ticket touts) for the 50 million passengers using trains during the 2010 Chinese New Year was most impressive.!

2.2 Policy development through experimentation

The approach they have to policy development is also interesting – they allow new ideas to emerge from either deliberate testing in specific pilots (the ticketing system seems to be one such example); or from bowing to "fait accomplis" when public pressure explodes – this is how local elections and participation have found their way recently into some local municipal systems.

An important paper from the Hoover Institute gives a possible explanation for this - Provincial Chiefs are the largest block on the party's National Executive!
http://www.hoover.org/publications/clm/issues/84430492.html And, of course, a country of China's size cannot operate on the centralised basis they would like – informal politics gives it the necessary flexibility[6]. A recent article showed how one contender for higher office (head of the Chongqing Province) is trying to show his suitability by formulating a new approach to problems[7].

2.3 Party control

When President Hu Jintao visited President Obama in January 2011, the Washington Post used the opportunity to explain to its readers what it called the "sometimes opaque division of power" [8] between the party and state – and how difficult it is often for diplomats to know how much power a Minister actually wields (compared with the party appointee who appears in a hierarchically inferior position. A recent article in the London Review of Books purports to summarise how the communist party in China works.

Nominations to key posts – in Party and state organs, but also in large companies – are made first by a Party body, the Central Organisation Department, whose headquarters in Beijing have no listed phone number and no sign outside. Their decisions, once made, are passed to legal organs – state assemblies, managerial boards – which then go through the ritual of confirming them by vote. The same double procedure – first the Party, then the state – obtains at every level, including fundamental economic policy, which is first debated by the Party, and its decisions then implemented by government bodies[9].

So what's new? For my sins, I was, for 16 years, Secretary of the Labour Group of the 70 plus elected Labour councillors on Strathclyde Regional Council in Scotland. Each Monday morning all the Committee Chairmen (Ministers) would meet to consider an agenda which had been drawn up by myself and the Head of the Labour Group. These consisted of key items which were coming up for discussion in the various Committees of the Council in the forthcoming week. Our recommendations would then be put in the afternoon to a meeting of all Labour Councillors on the Council. These were generally accepted and this then became the line which would be taken at those Committees.

And that, of course, is how the British House of Commons operates. Such whipping has had a bad press – but, at a local level, certainly it was one way to avoid corruption.

And, once we accept the case for parties, it is difficult to argue against the need for party discipline – which is supposed to ensure that you get what you vote for.

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[6] See box 5 for a particularly interesting example
[7] http://the-diplomat.com/2011/04/25/socialism-3-0-in-china/?print=yes
[8] http://www.washingtonpost.com/wp-dyn/content/article/2011/01/15/AR2011011504028.html?hpid=topnews&sid=ST2011011404809
[9] http://www.lrb.co.uk/v32/n20/slavoj-zizek/can-you-give-my-son-a-job

So I think we have to be very clear about what we find so objectionable about the operations of the Chinese Communist Party. Every political system has a small group which gives strategic guidance; that is not the issue. What is at issue are two factors -

- that the party representatives are not publicly elected and in any way accountable downward to citizens; rather their accountability is upwards to the party. I try to explore the implications of this in section 3 below.
- the secrecy (uncontestability) with which the process is conducted; and the incorporation of the judiciary, police and army into party control as the article indicates.

The gap between Party and state is most obvious in the anti-corruption struggle: when there is suspicion that some high functionary is involved in corruption, the Central Commission for Discipline Inspection, a Party organ, investigates the charges unrestricted by legal niceties: suspects are liable to be kidnapped, subjected to harsh interrogation and held for as long as six months. The verdict eventually reached will depend not only on the facts but also on complex behind the scenes negotiations between different Party cliques, and if the functionary is found guilty, only then is he handed over to the state legal bodies. But by this stage everything is already decided and the trial is a formality – only the sentence is (sometimes) negotiable
LRB aticle

2.4 public services

In a very poor state
Only 3% of the country's GDP is spent on education – less thn half the OECD average[10]. And the public health service is at a very minimal level.

public in name only?
Background reading I did prior to arrival suggested that the line between pubic and private services is not as clear as we understand – both at systems and personnel level. This is borne out by box 1 and the incident described at section 1.6

Box 1 Health not free at point of use[11]

Visiting a Chinese hospital often feels like an experiment in free-market fundamentalism. Everything is for sale. At the Peking Union Medical College, for instance, the best public hospital in Beijing, the official queue for an appointment starts forming before dawn—patients bring their own lawn chairs—so anyone who can't endure the wait, or can afford to skip it, pays a scalper. The scalpers prowl the hospital gates, hawking appointments with specialists for somewhere around twenty times the official fee. Once a patient gets in to see a doctor, another shadow economy kicks in: On top of the formal fee, patients know to provide the doctor a "red envelope" of cash, a kind of pre-service tip to encourage attentive care.
Bad as it is, however, as Chinese health-care reformers looked for ways to repair their system in recent years, they glanced at the American status quo and recoiled. "The United States," as one typically bewildered piece in the Chinese press put it, "is the strongest of the developed countries, but its record on health care is, in fact, extremely bad." China has long peered over at the United States with a deep, if grudging, respect for American institutions. But, over the winter, as Chinese observers watched the prospects for American health-care reform begin to crumble, they seemed to regard it as another bleak measure of a superpower past its prime. It was time to look to Europe for ideas and to "give up on America as a teacher."
One morning in January 2010, China awoke to discover that the U.S. had found the will to provide medical coverage to tens of millions of uninsured Americans. The U.S. and China don't see eye-to-eye on much these days, but, for a brief moment, China seemed to glimpse the old teacher again. Zhao Haijian, a commentator in Guangzhou Daily, wrote today that, as China looks at its health-care reform plans, "paying attention to the health care reforms in the U.S. just might provide some reference and inspiration."

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[10] http://oecdinsights.org/2011/01/10/a-power-to-transform-china%e2%80%99s-schools/
[11] For a systematic and recent assessment of the health system see the World Bank paper of January 20111 – *Equity and Governance in Health System Reform – challenge and opportunity for China* http://www-wds.worldbank.org/external/default/WDSContentServer/IW3P/IB/2011/01/13/000158349_20110113134311/Rendered/PDF/WPS5530.pdf

2.5 The trains run fast and on time!

Mussolini and Hitler were both credited with their achievements on the transport system – Mussolini for making the trains run on time; Hitler for the innovative Autobahn system. The Chinese communist party may no longer be communist but its political and administrative powers endow engineers with incredible capacity – bullet train systems[12], dams and Olympic stadia can and do blast very quickly through human settlements with no respect for human or legal rights!

2.6 Not as Many Bureaucrats as people think![13]

It is often argued that there are too many public officials in China. This is an impression conveyed in speeches by government officials as well as in scholarly publications. However, the reality is that China in an international comparison has comparatively few public employees. There are 64.38 million people on the state payroll in China. 28.41 million of these work in productive enterprises such as manufacturing and construction. 25.34 million work in health, education, culture, social service and other *shiye danwei.* There is a core group of 10.63 million officials in government and party agencies. In addition there are more than three million in the military and in the People's Armed Police (PAP). These people are encompassed by the *bianzhi* system and are said to "eat imperial grain" (*chi huangliang*).

The Chinese often claim that the number of people "eating imperial grain" has increased dramatically and that the country has become highly bureaucratized. The reality provides another picture. State-salaried people in China constitute 5.1 percent of total population and 8.6 of total employment. In comparison the percentage in Denmark is 14.9 percent and 29.9 percent respectively. If the employees in productive enterprises are taken out the remaining 35.96 million employees in *shiye danwei* and in state and party administrative organs only account for 2.9 percent of population or 4.8 percent of total number of employed people. In comparison the Nordic countries employ between one quarter and one third of workforce in the public sector. Finland is at the lower end, Sweden and Norway at the higher and Denmark in the middle. Among the developed countries Korea has one of the lowest

percentages of public sector employment as a percentage of total employment (11.2 percent in 2004).

The comparatively small size of the Chinese government is also reflected in the fact that government revenue in China only account for 19.3 percent of GDP). In the Nordic countries government revenue account for more than 50 percent of GDP. In Japan the percentage is 31.6 percent and in even in the United States government revenue amounts to 29.6 percent of GDP.

Not only is the Chinese bureaucracy small, it is also plagued by a lack of qualified personnel.

To be true in recent years the educational and professional quality of government personnel has risen considerably, but there are still many problems such as a widespread misuse of academic degrees and titles. Local party leaders are also known to have appointed relatives and friends to cadre position without going through proper administrative procedures.

2.7 Lawless municipalities

What came though most strongly in my preparatory reading was the ruthlessness with which municipalities pursued their dreams of new concrete Jerusalems! Villagers with land and property needed for valuable property development (be developes) were driven off their land and out of their houses by the „forces of law and order"with violence and murder – and lawyers who dared defend them were imprisoned and „disappeared"[14]. The sheer scale of China means that power is, de facto, decentralised. Chongqing is a particularly interesting case – as one of the fastest growing of the fast growing mega-cities. [15]

Box 2; Black humour as a protest

In 2009, a group of river boatmen, with the backing of local cadres, retrieved the bodies of students who had accidentally drowned in the river and then refused to hand the bodies over to the students' parents without an exorbitant fee. China's prime blogger Han Han's recommendation was that all Chinese citizens carry the body-recovery fee on their persons at all times: "If you or a friend should fall in the water, you can hold the cash up above your head -- that's the only way these half-official body-recovery teams will bother fishing you out."

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[12] although notice this criticism of misplaced priorities - http://chinadigitaltimes.net/2011/02/high-speed-rail-in-china-on-the-wrong-track/

[13] excerpt from *Party Organization, Public Administration and Governing Capacity in China – Why Big Government ?* Kjeld Erik Brodsgaard

[14] In late January 2011 an article suggests that legislation has now been passed to remove powers of demolition from municipalities and to have such matters decided by the courts http://blogs.wsj.com/chinarealtime/2011/01/29/will-law-reforms-reduce-forced-home-demolitions/tab/print/

[15] http://chinadigitaltimes.net/china/chongqing-corruption/

2.8 Targets and a tough performance management system

The corollary to that decentralisation is a tough regime of external audit. A 2009 paper[16] paints a fascinating picture the performance management system worked in 2007 in one county

Box 3; How the Chinese Performance Management system seems to work

Shaanxi Province was part of the first group of localities that were used to test a new target-based responsibility system in the 1980s. Jingbian County is under the direct administration of Yulin City of Shaanxi Province. Each year the County Government and the County Party Organization Department (CPOD) jointly or separately sign performance contracts with its 22 subordinate townships. The CPOD is in charge of implementing the performance measurement work. At the beginning of the year, it organizes the breakdown of policy goals assigned by Yulin City and then allocates the targets it has newly tailored to the situation to the townships. There would seem to be a few hundred of such targets.

At the end of the year, the CPOD sends out evaluation teams to assess the townships' performance, rank them in terms of their accomplishments of performance contracts, and make reward or punishment decisions

5 sets of indices are "priority" meaning that, if local officials fail to achieve even one of these priority targets, they (and their colleagues) are disqualified from participating in the year-end evaluation (let alone getting bonuses) no matter how successful they were in meeting other targets.

For Jingbian County these priority targets relate to - anti-corruption, maintaining comprehensive social security, safety production, environmental protection, and family planning

Many of the detailed economic targets set for the local administrations require their heavy interventions and are inconsistent with a market economy. Several of the targets are contradictory (economic; environmental; crime) Sticks as well as carrots are used. Jobs can be lost; and careers blighted.

All of this is counterproductive; often not enforced; and the various informal ways used to avoid the penalties contradict the anti-corruption targets!

2.9 People – not systems – are to blame

Box 4 Fast and tough retribution

In December 2009 there was a report in The Guardian[17] of a stampede at an exit of a private school in Hunan Province which killed 8 children. The report tells that the city's education chief and deputy party secretary, Zhu Qinghua, were dismissed the very next day due to his "leadership responsibility". "The school is regarded as one of the best in the city. An unidentified city official told Associated Press that the school's headmaster and chair of its board of governors had been detained as part of the investigation. He added that the education bureau had taken over running the school and frozen its bank account". Talk about speed and ruthlessness of decision-making! And no respect here for the distinction between public and private sectors!

Every day, the Chinese English-language papers available in Beijing carry several similar stories eg train station managers being sacked when a picture appeared online of passengers being helped through the windows of trains; hundreds of thousands of civil seravnts being arraigned for corruption – some of them quickly being executed. All a stitch up between the party and the judiciary. Separation of powers is a dangerous Western import which (like Opium) the Party openly campaigns against. For every problem, in the Chinese view, an individual (rather than systems or procedures) is responsible! Scapegoats have to be found. It is a good way for a regime to develop and retain legitimacy.

Changing such a system requires people (at various levels) to be dissatisfied with it – and to be convinced there is a better and more feasible system. I'm sure there is dissatisfaction (if not deep cynicism) – but the heavy control mindset will not find it easy to move to consultation (internal – let alone external) and softer assessment regimes.

2.10 Rule of Law – the achilles heal of the regime

With "Rule of Law" we come to the heart of the matter. The constant talk and scale of corruption[18] indicates that it is systemic – an inevitable consequence of the huge imbalance of power in Chinese society. The cynic might see the instant retributions inflicted on officials (see box 3 above) when a disaster strikes and the showcase trials (when officials can be and are executed) as attempts to demonstrate that the rule of law does exist. But it is officially recognised that it is weak and its strengthening is now seen as an urgent priority (see section 4 below). However they have been forced into this by a combination of popular protest and a few courageous lawyers who have been prepared to defend ordinary people against these seizures – despite the harassment and imprisonment they have suffered for such professional actions!

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[16] in the Australian Journal of Public Administration by Chan and Gao of Hong Kong University available at http://politics.ntu.edu.tw/2-2-1.pdf
[17] http://www.guardian.co.uk/world/2009/dec/08/children-killed-china-school-stampede
[18] Both financial and moral – see the cases of blood banks referred to at page 131 of the Hutton book

The Journal *Foreign Affairs* has [a useful overview of the general Chinese situation](#) -

Increased misappropriation of land, rising income inequality, and corruption are among the most contentious issues for Chinese society. China's State Development Research Centre estimates that from 1996 to 2006, officials and their business cronies illegally seized more than 4,000 square miles of land per year. In that time, 80 million peasants lost their homes. Yu Jianrong, a senior government researcher, has said that land issues represent one of the most serious political crises the CCP faces.

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China's wealth gaps have also grown; according to Chinese media, the country's GINI coefficient, a measure of income inequality, has risen to about 0.47. This level rivals those seen in Latin America, one of the most unequal regions in the world. The reality may be even worse than the data suggest.

Wang Xiaolu, the deputy director of the National Economic Research Institute at the China Reform Foundation, estimates that every year about $1.3 trillion in income -- equivalent to 30 percent of China's GDP -- goes unreported. More than 60 percent of the hidden income belongs to the wealthiest ten percent of China's population, mostly CCP members and their families.

The use of political power to secure inordinate wealth is a source of considerable resentment, and the wealthy are keenly aware of it. They now employ more than two million bodyguards, and the private security industry has grown into a $1.2 billion enterprise since it was established in 2002.

Since 1999, when China's senior leadership amended the constitution to protect private property and allow capitalists to join the CCP, the CCP has embarked on a program of internal political reform. It has strengthened collective decision-making, established principles for balancing factional interests, developed rules for succession to leadership posts within the party, and improved the system for internal promotions so that performance is considered in addition to political factors.

Although the CCP suppresses external critics, it now permits its own members to debate its political future openly, especially within the Central Party School, which trains China's future leaders.

In pursuing intraparty reform, CCP officials have become more sensitive to the need to win support from within the party and from society to remain in power. Competition for wider support has encouraged some officials to endorse local experiments in political reform, but reforms that increase competition and openness also carry risks[19] But although ongoing experiments with village elections have somewhat improved oversight and accountability at the grass-roots level, the CCP has refused to scale the experiments up to the township or county level. Experimentation with increasing public participation in township-level politics, such as budget decisions, has likewise been limited.

This [excerpt from The Party](#)(a 2010 book about the Chinese Communist Party by Richard McGregor, an ex- Financial Times journalist in Beijing) puts it bluntly -

Like communism in its heyday elsewhere, the Party in China has eradicated or emasculated political rivals; eliminated the autonomy of the courts and press; restricted religion and civil society; denigrated rival versions of nationhood; centralized political power; established extensive networks of security police; and dispatched dissidents to labour camps.

Box 5; systemic corruption, fear and surveillance[20]

The socialist slogans that the government touts are widely seen as mere panoply that covers a lawless crony capitalism in which officials themselves are primary players. This incongruity has been in place for many years and no longer fools anyone. People take it as normal, but that very normality makes cynicism the public ideology. Many people turn to materialism—whether in property or investment—in search of value, but often cannot feel secure there, either; even if they gain a bit of wealth, they do not know when it might disappear or be wrested away.

An online article published in June by the Shanghai Academy of Social Sciences reveals that government spending on a relatively new budget category called "stability maintenance" (*weiwen*) has risen to 514 billion yuan annually, which is more than the government spends on health, education, or social welfare programs, and is second only to the 532 billion yuan that it spends on the military'. "Stability maintenance" means monitoring people—petitioners, aggrieved workers, professors, religious believers, and many kinds of bloggers and tweeters on the Internet—in order to stop "trouble," especially any unauthorized organization, before it gets started. In the last fifteen years a popular movement called "rights maintenance" (*weiquan*) has spread in China. The government cannot come out explicitly against "rights," because that would cause too much loss of face. "Stability maintenance" is clearly its response. Even at the linguistic level, *weiwen* has been designed to counter *weiquan*.(Guan Wujun, "'Tianjia' weiwen bushi changjiu --zhi ji" [21]

[19] See http://crossick.blogactiv.eu/2009/03/05/political-reform-in-china/ for details
[20] From Perry Link NYRB jan 13 2011
http://www.nybooks.com/articles/archives/2011/jan/13/china-famine-oslo/?pagination=false
[21] From "*Sky-High Stability Budgets Are Not a Long-Term Strategy*", available at
www.shekebao.com.cn/shekebao/node197/node206/userobject1ai2703.html

A 2009 academic paper - *Administrative Reform and Rule of Law*[22] - sets out the official Chinese interpretation of rule of law and the laws and training introduced in the last decade to ensure that state bodies (particularly local government) operate on a legal rather than administrative or political manner[23].

2.11 Yes to administrative reform – and no to political reform

The June 2009 Party statement "Six Whys"[24] seems simply a restatement of a long-expressed view that China will not allow itself to be contaminated by "Western" ideas of separation of powers and pluralism. Time and time again the Chinese leadership has made it clear that they will not allow the monopoly of the Communist Party to be broken – hence the severity with which they have treated dissidents who dared preach about pluralism[25]

It is, of course, a basic historical truth that power is never given up without a struggle – so the various concessions made in various parts of China to such things as the election of village chiefs or openness of decision-making have come as a result of popular unrest and protest. Indeed, as the next box shows, "deliberative democracy" has become, for not altogether surprising reasons, quite a fashionable topic in Chinese municipalities!

Box 6 Deliberative Democracy in China[26]

In a recent paper, US Professor Fishkin claimed that we've known that liberal democracy doesn't work since 1957, when Anthony Downs published his 'rational ignorance' theorem. Put simply, Downs proved that there's no point in voters taking the considerable trouble to study the issues in sufficient depth to vote intelligently as their individual vote has a negligible effect on the outcome of the election. Or, as Russell Hardin memorably put it: 'Having the liberty to cast my vote is roughly as valuable as having the liberty to cast a vote on whether the sun will shine tomorrow.' Even after Schumpeter's demonstration that voting is just a way of alternating elites, we still hang on to the illusion that liberal democracy is democratic. Fishkin and his colleague Bruce Ackerman are delightfully rude about our tendency to 'vote for the politicians with the biggest smile or the biggest handout', and are equally scornful of computer sampling models which enable politicians to 'learn precisely which combinations of myth and greed might work to generate the support from key voting groups.'

Fishkin's solution to the problem of rational ignorance is random selection by lot to create temporary deliberative assemblies to debate the issue(s) on hand and vote on the outcome. Like most people working in the field (including Anthony Barnett and the present author) Fishkin thought he had invented this system (known technically as 'sortition') only to discover that the Athenians beat him to it 2,400 years ago The Stanford sortition experiments have demonstrated that, given balanced advocacy and careful moderation, ordinary people will take the time to study and deliberate the issues before making an informed decision (via a secret ballot). Fishkin is opposed to the pressure to consensus that afflicts the Habermasian model of deliberative democracy and also claims that his institutional design overcomes the polarising tendencies of group deliberation recently outlined by Cass Sunstein.

Step forward China - Fishkin was contacted in 2004 by the party leadership in Zegou township, Wenling City (about 300 km south of Shanghai) who had a problem prioritising infrastructure projects – they had identified thirty potential projects but only had funding for ten. Although party leaders had their own preferences they commissioned Fishkin to introduce a randomly-selected deliberative assembly (235 members), who deliberated for a day over the various projects and voted on the outcome. Although the winning priorities on the deliberative poll were very different from those of the local leadership, the results were duly implemented.

An excellent paper on the sort of participation in which the regime is interested (which some have called "consultative Leninism") was produced in 2010 by Steve Tsang[27]

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[22] http://cjas.dk/index.php/cjas/article/viewArticle/814
[23] More recent comment is available at
http://www.newyorker.com/online/blogs/evanosnos/2011/03/is-china-giving-up-on-western-rule-of-law.html#entry-more
and http://cmp.hku.hk/2011/04/12/11481/
[24] http://cmp.hku.hk/2009/06/19/1668/
[25] The original text of the Charter 08 document for which the latest Nobel Peace Prize winner was put in jail can be found here. It should be noted that this document asks no more than is already in the Chinese Constitution!
[26] http://www.opendemocracy.net/ourkingdom/keith-sutherland/chinese-democracy-%25E2%2580%2598scientific-democratic-and-legal%25E2%2580%2599
[27] http://www.nottingham.ac.uk/cpi/documents/discussion-papers/discussion-paper-58-consultative-leninism.pdf

2.12 Recent interest in the Nordic Model[28]

The new stress on "harmonious society" has prompted the Chinese authorities to take a closer look at the Scandinavian model. Numerous study groups and delegations have to been to Scandinavia to study labour markets, education systems and other core elements of the Scandinavian model and several conferences have been held to discuss the issues. Especially in the discussion on how to build a public service oriented model the Scandinavian model plays a major role. In November 2005 a top-level delegation of CEOs from 25 of China's major SOEs came to Denmark to learn about the Scandinavian model and public sector management and in September 2006 an equally high-level delegation of business leaders and government official followed. They were especially interested in learning how the Scandinavian countries can combine an efficient business environment with a big public sector and high taxes.

It has impressed the Chinese that the Scandinavian countries for a number of years have ranked among the most competitive in the world with Finland topping the list for the third time during the last four years. Finland ranks No. 1 as to the quality of the national business environment[29]. Finland also scores very high on the macroeconomy index (No. 4) and on measures which relate to the quality of its public institutions (No. 5). Denmark is ranked No. 4 in the overall index and tops the list measuring the quality of public institutions. It may also be noted that *Transparency International* regularly ranks Finland, Iceland and Denmark at the top of the list of the world's cleanest governments. A recent survey by the *Economist Intelligence Unit* ranks Denmark as the best country in the world in terms of overall business environment due to the country's clean and efficient public institutions. The Scandinavian countries provide education, social insurance and public health in an efficient way and the differences between various social classes are comparatively small. This creates the foundation for relatively harmonious societies where people are taken as the main thing. However, a bigger role for the government in terms of welfare provision, environmental protection, education, public health, etc. normally would mean a bigger bureaucracy.

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[28] excerpt from Party Organization, Public Administration and Governing Capacity in China – Why Big Government? Kjeld Erik Brodsgaard
[29] The Global Competitiveness Report 2004-2005 (Oxford: Oxford University Press, 2005).

3. "Democracy", "Good Governance", "Rule of Law".

3.1 The purpose of this section

China is regularly exhorted to improve its human rights, governance, rule of law, to separate powers and to allow its people to move toward a democratic system. And its performance is equally regularly measured and compared unfavourably on a world scene. We cannot get away from league tables these days – not just football but school, hospital and university performance, national beer consumption, democracy[30], freedom[31] and even "governance"[32].

We have moved a long way from the days when people argued that you could not measure the outputs of government – and there is no doubt that, despite the various methodological criticisms which can be made of their construction, they do force government son the defensive – which is a good position for them to experience

Cynics, however, might be forgiven for thinking that some of the global indices which have been developed are best seen as subtle weapons in a new international game (see section 3.3 for more on this)! The purpose, therefore, of this section is to look more closely at the claims behind those who use these words – and to suggest that there should be a bit more humility evident in the discourse of the West.

Box 7; Some Definitions[33]

Democracy; a system which allows citizens to select, at periodical intervals, from a small group of self-selected and perpetuating elites (see Schumpeter).

Governance; an academic term to describe the obvious – namely that governments lacked the power to do things on their own and required to work in partnership with private and others. Found useful by the World Bank – which is not allowed to engage in political activity – to conceal the fact that they were engaged on a highly ideological mission to privatise the world and to "hollow-out" government; and now widely adopted by those who wish to pretend they more than they do[34].

Good Governance; from a useful insight about the importance of good government to economic and social development, it has become a pernicious phrase which is used by the global community and its experts to force developing countries to take on impossible social, economic[35] and political objectives[36]. A few voices of common sense have suggested a more appropriate strategy would be that of "good-enough governance" [37]

Rule of law; the principle that no-one is above the law. But see Solon's definition of "**Law**" - "the spider's webs which, if anything small falls into them ensnare it, but large things break through and escape".

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[30] http://www.idea.int/publications/aqd/upload/aqd_practical_guide.pdf. For an outline of one methodology from an organisation with no obvious agenda see http://www.idea.int/publications/aqd/upload/aqd_practical_guide_annexes.pdf

[31] http://en.wikipedia.org/wiki/List_of_freedom_indices

[32] http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1424591

[33] These are from the author's glossary *Just Words? How language can get in the way* accessible on his public admin reform website http://publicadminreform.webs.com/key%20papers/Just%20words%20-%20jan%2013.pdf

[34] for a more analytical assessment see Gerry Stoker's http://classwebs.spea.indiana.edu/kenricha/Oxford/Archives/Oxford%202006/Courses/Governance/Articles/Stoker%20-%20Governance.pdf. See also a 2006 OECD report entitled *Uses and Abuses of Government Indicators* http://www.oecd.org/document/25/0,2340,en_2649_201185_37081881_1_1_1_1,00.html

[35] the key "Governance" indicators (Country Policy and Insitutional Assessmentss) are produced by Daniel Kaufmann at the World Bank Institute. The CPIA index groups 20 indicators on which the Bank collects information. These are divided into four clusters. Three of these four clusters are 'economic': rather than measuring governance in the sense of a state's relationships with civil society, the indicators are defined in such a way as to measure a country's pro-market orientation. While more 'political' indicators of the quality of governance – such as the effectiveness of the administration or adherence to the rule of law – are certainly present in the overall measurement tool, they are essentially buried in a host of economic indicators.Thus although the Bank may claim that it is measuring governance, it is in fact making the statement that at least threequarters of 'getting governance right' amounts to creating favourable conditions for the private sector.

[36] A good critical overview of the (EU) use of the concept can be had at http://www.polsoz.fu-berlin.de/polwiss/forschung/international/europa/arbeitspapiere/2008-7_Boerzel_Pamuk_Stahn.pdf

[37] particularly Professor Merilee Grindle – see http://relooney.fatcow.com/00_New_1805.pdf

3.2 What is democracy?

Mass democracies face a potential crisis because of the scale of discontent surrounding the political process. Discontent comes in two main forms: disengagement from politics and frustrated activism. If the twentieth century saw the establishment of mass democracy the scale of discontent surrounding the political process in these democracies runs the risk of making these systems unsustainable in the twenty first century.
Gerry Stoker

Elections themselves are not the defining feature of democracy. The Government system in a democracy is made up of several structures or systems each of which has a distinctive role.
It is this **sharing of responsibilities** – in a context of free and open dialogue – which ideally gives democratic systems their strength – particularly in
- Producing and testing ideas
- Checking the abuses of power
- Ensuring public acceptance of the political system – and the decisions which come from it.

Box 8; The key institutions for a democratic system

- **Political parties** - who can form easily and compete freely for citizen votes
- An independent **Judiciary** – which ensures that the rule of Law prevails, that is to say that no-one is able to feel above the law.
- A free **media**; where journalists and people can express their opinions freely and without fear.
- An active **civil society** – with a rich structure of voluntary associations – able to establish and operate without restriction. Politicians can ignore the general public for some time but, as the last ten years has shown, only for so long! The vitality of civil society – and of the media – creates (and withdraws) the legitimacy of political systems.
- A **political executive -** whose members are elected and whose role is to set the policy agenda- that is develop a strategy (and make available the laws and resources) to deal with those issues which it feels need to be addressed.
- A freely elected **legislative Assembly** – whose role is to ensure (i) that the merits of new legislation and policies of the political Executive are critically and openly assessed; (ii) that the performance of government and civil servants is held to account; and (iii) that, by the way these roles are performed, the public develop confidence in the workings of the political system.
- A professional impartial" **Civil Service** – whose members have been appointed and promoted by virtue of their technical ability to ensure (i) that the political Executive receives the most competent policy advice; (ii) that the decisions of the executive (approved as necessary by Parliament) are effectively implemented ; and that (iii) public services are well-managed
- The major institutions of Government - **Ministries, Regional structures (Governor** and **regional offices of Ministries) and various types of Agencies**. These bodies should be structured, staffed and managed in a purposeful manner
- An independent **system of local self-government** – whose leaders are accountable through direct elections to the local population[38]. The staff may or may not be civil servants.
- An independent **university** system – which encourages tolerance and diversity

3.3 Where can we find democracy?

Conventional politics appears to have become irretrievably part of the malaise rather than offering any hope for a cure. But political activity outside the mainstream is stifled by a bought media
Craig Murray

Such a democratic model is, of course, an "ideal-type" – a model which few (if any) countries actually match in all respects. A lot of what the global community preaches as "good practice" in government structures is actually of very recent vintage in their own countries and is still often more rhetoric than actual practice.

a. Crony appointment systems
Of course public appointments, for example, should be taken on merit – and not on the basis of ethnic or religious networks. But Austria, Belgium and Netherlands, to name but three European examples, had a spoils-based system of government[39]. In those cases a system which is otherwise rule-based and transparent has had minor adjustments made to take account of strong social realities and ensure consensus. And in the case of countries such as Northern Ireland (until very recently), the form and rhetoric of objective administration in the public good has been completely undermined by religious divisions. All public goods (eg housing and appointments) were made in favour of Protestants.

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[38] Encouraging a strong and free system of local self-government is perhaps the most difficult part of the transition process – since it means allowing forces of opposition to have a power base. But it is the way to develop public confidence in government!
[39] Ie each of Belgium's 3 Regions has a both an executive and a "community" structure – with the latter reflecting ethnic issues. Netherlands has long had its "Pillars" which ensured that the main religious forces had their say in nominations and decisions. This has now weakened.

b. Italian mafia
The Italian system has for decades been notorious for the systemic abuse of the machinery of the state by various powerful groups – with eventually the Mafia itself clearly controlling some key parts of it[40]. American influence played a powerful part in this in the post-war period – but the collapse of communism removed that influence and allowed the Italians to have a serious attempt at reforming the system – until Berlusconi intervened.

c. Parties captured by commercial interests

USA
It was a US President - Dwight Eisenhower – who warned about the dangers to democracy in the US of the power of the "military-industry complex". America uses the "D" word a lot – and at the local level there seems to be a lot of it about. But it hardly exists at the national level – given the power of lobbyists; of the media; and the extent of commercial financing of the only 2 parties which operate. What passes for national politics in the US is little other than a never-ending Sumo wrestling match – between two aging warriors and noone else allowed to enter. Political parties have no significant policy statements, divergences or even existence. They are better seen as Masonic societies. Ralph Nader, David Harvey and Noam Chomsky are about the only people allowed access to the public with alternative world views. Howard Zinn's *People's History of the United States,* for example, is one of the extremely few bits of radical history one can get in the States. All of this raises some basic questions about the methodology of the global freedom indices discussed on the previous page. The USA authorities place major restrictions on the availability of alternative world views which are absent not only in schools, universities and libraries but even in bookshops and publishers – let alone the printed and visual media. On that basis it should be scored badly – but such things are difficult to measure and therefore are not part of the methodology used for these league tables.

UK
In 2000 a book was produced by George Monbiot with the title – *The Corporate Takeover of Britain* – which said it all. In 2006 an independent Commission was set up – *The Power Inquiry* – to explore how the feeling of citizen alienation could be dealt with. And the British General Election of 2010 demonstrated strongly the Schumpeterian system of democracy - that citizen power is restricted to the choice (on whatever basis – looks or trust) of which elite group will govern us – not in any way to influence what they will subsequently do. When you promise several things in manifestos and campaign statements and then do the opposite only a few months later (with no changes in conditions to be able to use as justification) then you have destroyed the basis for political legitimacy. The public then has no reason to obey government – as the French (and indeed Chinese) have long recognised with their traditions of popular mobilisation and government retreats.

European Union
A very useful booklet published recently exposes the way corporate interests have intensified their penetration of EU policy-making[41]..

d. The parlous state of the political party
These are well-known cases – but the more we look, the more we find that countries which have long boasted of their fair and objective public administration systems have in fact suffered serious intrusions by sectional interests. The British and French indeed have invented words to describe the informal systems which has perverted the apparent neutrality of their public administration – "the old boy network"[42] and "pantouflage" of "ENArques[43]".
Too much of the global community's commentary on Central Europe, Central Asia and China seems oblivious to this history and these realities in their own backyard[44]. Even if Western claims to democracy were more justified than they are, it has to be recognised that its various elements have only slowly and recently come into place. The rawness of China's economic developments and its disregard of human rights have strong parallels with late 19th Century American Robber barons. Seen in this light, differences between Chinese and most western systems relate less to the operation of the formal political system than to the issue of freedom of citizen and media expression – and to

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[40] There is a voluminous literature on this – the most lively is Peter Robb's Midnight in Sicily (Harvill Press 1996). For an update, read Berlusconi's Shadow – crime, justice and the pursuit of power by David Lane (Penguin 2005)
[41] http://www.alter-eu.org/book/bursting-the-brussels-bubble
[42] published critiques of the narrow circles from which business and political leaders were drawn started in the early 1960s – but only Margaret Thatcher's rule of the 1980s really broke the power of this elite and created a meritocracy
[43] business, political and Civil service leaders have overwhelmingly passed through the Ecole Nationale d'Administration (ENA) and have moved easily from a top position in the Civil Service to political leadership to business leadership.
[44] And Ha-Joon Chang is the best antidote for those free-trade zealots forgetful of their own histories of protectionism!

judicial independence. Most European governments are coalitions of parties (in which policies are hammered out in secrecy after elections). And the monopoly Chinese communist party has 75 million members after all. Political parties are a mechanism for selecting leaders who then negotiate policies (within administrative, financial and political constraints which are fairly similar everywhere).
The real difference between systems seems in fact to be how openly critical the public and the media are allowed to be – and this has got 2 dimensions. First the amount of actual choice on offer in the media (very limited in the USA where all media channels are basically owned by 4 companies); and, second, the consequences of adopting dissent positions (very harsh in China).

3.4 The quasi-one-party state
In effect citizens are no longer presented with real options by political parties at the national levels – neither in the USA nor Europe where parties have, to one degree or another, succumbed to what some people call the pressures of globalisation and others call „corporate interests". What it boils down to is a quasi one-party State. The growth in Europe populist politics (and in the USA of the tea-party) represents public disgust with the cardboard idiot or technocratic figures now paraded by the established political parties. Rene Cuperus is one of the few people who seem to be addressing this[45].

3.5 Do the Chinese have something to teach us?
In China, the Party has recognised that the recruitment of elected politicians has to be strictly conducted – with party members receiving strict training as well as their elected cadres. Of course any electoral system has to give scope for (if not encourage) mavericks (populists) to keep the representative part of the system operating. If necessary the Party makes the suitable policy adjustment to keep the public happy.
I have to confess some growing sympathy for the Confucian idea of leadership selection discussed by Daniel A Bell – whereby they are formally groomed according to clear criteria. At the moment, political leadership in the West is subject to the "accidental" or "fatalist" principle (to use the language of grid-group theory. For example, noone designed George W Bush – he just emerged from a tortuous process and series of accidental events! Confucianism uses a more deliberative and hierarchical process to try to select leaders who are judges to have the qualities reckoned to be needed for leadership. As someone with strong anarchistic leanings, I should be drawn more to the fatalist school – but I simply don't like the results! And the financial crisis caused by global capitalism also puts Chinese aspirations and capacity in a more positive perspective.

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[45] In his 2004 paper Party Paradox http://ippr.nvisage.uk.com/ecomm/files/The%20Party%20Paradox.pdf and a recent blog http://www.social-europe.eu/2011/04/tough-on-populism-and-the-causes-of-populism/comment-page-1/#comment-9193

4. Chinese reform; its achievements, constraints and aspiration

4.1 Introduction
One of the reasons for putting this paper together is the paucity of useful articles about Chinese administrative reform available on the internet. And most of that material is fairly formalistic – pedantic descriptions[46] of the intentions enshrined in the various statements from the Party's National Congresses held every 5 years.

A more critical approach can be found in an American article – *The Limits of Authoritarian Resilience*[47] - which puts the appropriate political "spin" on administrative reform – namely attempts to head off popular grievances while maintaining the power of the Communist Party.

The China Institute of a British University produces some interesting papers eg a thoughtful overview of central-local relations[48]

4.2 The different stages of Chinese reform
The following summary of the formal stages of Chinese reform is extracted from the Terms of Reference of a recent EU project. Such documents are usually written in very wooden language – but this one does face up the problems of implementing good intentions -

Large-scale government organizational reforms were launched in 1982, 1988, 1992 and 1998 in China. The reforms mainly focused on adjusting government structures and adapting government functions to the transition to the market economy. The reforms involved the merging of existing ministries and commissions and staff downsizing in view of increasing efficiency and reducing costs in public administrations.

An important component of this process is the reform of the Chinese Civil Service aimed at introducing and institutionalizing an open and transparent civil service system composed of qualified staff recruited on the basis of merits and performance.

*The first milestone in the process of institutionalization of the **Civil Service management system** is the 1993 Provisional Regulations of Civil Servants. The Regulations laid out comprehensive provisions on employment and management of human resources, including recruitment, appraisal, promotion, rewarding, demotion and development, wages and compensation policies.*

As part of the reform, the civil service force was restructured so to include two main categories of civil servants, namely the administrative civil servants – employed through open competition – and the civil servants in leading positions, holding managerial tasks, to be appointed by the State. This was considered to be the first step in the implementation of a comprehensive reform towards the establishment of a personnel management system with Chinese characteristics.

Some implementation problems

In terms of implementation, the reform encountered some structural problems inherent to the adaptation process and to the existing institutional culture, particularly at the local level.

- *For instance, the lack of qualified candidates meeting the requirements set out with the new system led - in the majority of cases - to hiring civil servants outside the competitive system thereby restraining the benefits expected with the enactment of the new regulations; or – as far as the appraisal system was concerned - appraisal had remained a limited exercise until 1993 when the Provisional Regulations of the State Civil Servant Appraisal introduced appraisal commissions in the administrations and a system of regular annual appraisal of individuals' performance in the workplace, linking performance to career's opportunities and pay increment.*
- *The new system was to some extent clashing with the traditional values that privilege harmony in the workplace and emphasizes the importance of personal relations in the professional and social life. This had repercussions not only on the implementation of the scheme, but on all other relevant measures associated to it, e.g. a performance-based incentives policy.*
- *Another factor that affected the implementation of the appraisal system - and eventually local governance - was the fact the performance was mainly appraised against economic growth indicators (trends in local GDP and social stability) rather than public wellbeing, health or environmental sustainability.*
- *The implementation of compensations and incentives policies were also highly conditioned to the availability of local budgets, as these differed from province to province. As regards human resources development, training programmes mainly concerned senior officials rather than younger talents. Moreover, the development of training programmes involving overseas travels started to raise financial concerns and doubts over the objectives of efficiency and effectiveness to which the reform aimed.*
- *Last but not least, the reform did not have a major impact in terms of staff downsizing. With the reorganization of the central administrations, staff redundancy problems were mainly addressed by reallocating redundant civil servants to provincial administrations and other sections of the public*

[46] Eg this 2007 paper by a Chinese academic http://www.managers.org.cn/mag/doc/ucman200701/ucman20060701.pdf
[47] http://www.ceri-sciencespo.com/archive/jan07/art_rb.pdf
[48] http://www.nottingham.ac.uk/cpi/documents/discussion-papers/discussion-paper-16-central-local-relations.pdf

sector. While such measure had a positive effect in terms of avoiding to lay off of a substantial number of public employees, it did raise new organizational and financial challenges within the management of the receiving administrations (e.g. provincial departments of central line ministries) and government agencies, public sector units (or PSU, service providers fully or partially funded by the government and affiliated to government administrations). The reform of the management of the PSU is part of the current administrative reform process.

With the new Civil Service Law, approved in 2005 and enacted in 2006, the Government intends to further the reform of the Civil Service initiated in 1993. The Law covers issues like officials' duties, ranking, assessment, salaries, training, punishment and aims as well at furthering the enhancement of a law-based civil service. The Law - the second milestone in the reform of the Civil Service in China - is an important part of the ongoing administrative process.

A new approach to the administrative reform
As explained in the section above, before the year 2000, the administrative reform in China had focused mainly on enhancing and improving government efficiency and effectiveness, in view of the integration in the market economy. The reform was also driven by the new public management theory integrating market principles in the management of the public sector, and by the need to cope with external challenges, e.g. fiscal pressure, organizational constraints, personnel redundancy.

With the shift from an economy-oriented management to the new concept of "Scientific Development", the administrative reform took new directions. The last round of administrative reforms is grounded on this change in the government development strategy.

As part of the new "Scientific Development" concept, in 2005 the Government promoted a new all-round socio-economic development vision – known as "the construction of the harmonious society" – that brings the focus more on societal needs and equity principles, a more balanced (regional, urban-rural) development and a close relation between the government and the public.
The new political orientation called for further reform of government so as "to establish a sound socialist administrative system through the administrative system reform, to ensure the fundamental transition of the government functions towards creating a better environment for development, providing quality public service, upholding social equity and justice, to make the institutional structure more scientific, standardized and law-based".

*The objective to **build a service oriented government** is also clearly mentioned in the Chinese Government's 11th Five Year Plan (2006-2010) and has been reconfirmed by the XVII Party Congress (October 2007) and the 11th National People's Congress (March 2008). The report of the XVII Party Congress emphasizes that "government responsibility must be amplified, social management and public service must be strengthened, ways to establish greater departments with integrated functions should be explored and [...] a master plan for the administrative reform should be worked out"[49].*
In addition to the further reform of the civil service outlined in the section above, another recent outcome of the administrative reform has been the merger of line ministries into five new super-ministries. In 2008, the former Ministry of Personnel was merged with the Ministry of Labour and Social Security (hereinafter MoLSS) into the new Ministry of Human Resources and Social Security, major stakeholder in this project (hereinafter MoHRSS), with larger responsibilities in terms of human resources policies, including the management of the civil service. The Ministry of Industry and Information, the Ministry of Environmental Protection, the Ministry of Housing and Urban-Rural Construction, and the Ministry of Transport also underwent restructuring.

In early 2009 Beijing has approved related restructuring plans submitted by all provincial and municipality governments further to this reorganisation. Each province was allowed to restructure - create, remove or reorder - its departments, with no requirement to match the number or types of departments at the central level, as instead in the previous stages of the administrative reform.

This ongoing reform process provides entry points to support the reform in core aspects already underlined by the Government in the 11th 5 Years Plan:
- *Clear separation of decision making, execution and supervision functions in government management.*
- *Simplification of regulatory framework on public management and establishment of performance evaluation system to ensure enforcement of laws and regulations; formulation of unified rules to institutionalize the evaluation mechanism and develop further research on quality control processes.*
- *Reducing the fragmented compartmentalization of government functions, the excessive number of departments, overlapping of responsibility; down-sizing personnel, thus improving administrations efficiency and reducing costs; at the same time, developing strategies to tackle the problem of future unemployment of redundant staff.*
- *Streamlining the civil service system and ensuring that the new Civil Service Law of 2006 is enforced in all its aspects and at all levels of the administration.*
- *Reforming the public sector units' management (contracting, staff selection, performance assessment) in order to improve efficiency, effectiveness and quality of services provided to the public.*

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49 Wang Yukai, "*The Past and Future of China's Administrative reform*", 2008 International Forum on Economic transition.

- *Effective allocation of public resources for the provision of public goods and public services at all administrative levels, in rural and urban areas; reforming the administrative system of urban and rural areas to meet the new challenge of the "Urban-Rural Integrated Development";*
- *Improving coordination between central and local levels of government especially as far as the fiscal policy is concerned. Fiscal policies are decided at central level but there are shortfalls in the implementation at local level;*
- *Exploring possibilities of cooperation between public administrations, public sector units, civil society and private actors in the management and delivery of public services.*

The Plan encourages Chinese administrations to gain inspiration for the furthering of the reform from winning strategies developed in other countries.

5. What does the Western experience of administrative reform tell the Chinese about the trajectories and possibilities of internal reform?

5.1 Cautionary remarks
Every country – like every individual – is different. Each country has its very specific history, social structure and cultural norms. Attempts simply to transplant foreign experience are generally doomed to failure. This is emphasised in a good Chinese exposition of their traditions in a challengingly entitled paper - *Western System versus Chinese system*[50].

Despite paying lip service to this (and the need for local ownership", western agencies and consultancies continue to use the fatuous language of "best practice".

Of course we can, should and do learn from the success and failure of others. When I was a regional politician in Scotland in the 1980s, I was keen to learn the lessons from the American "war on poverty" and made my first trip to the USA in 1987 with a Fellowship to see how the Allegheny area of Pennsylvania had coped with the massive decline of the steel industry which we were then experiencing – and some of the lessons were picked up in how we progressed from our work on community enterprise to explore the possibilities of community banking. At this time a whole literature about "learning policy lessons across boundaries of time and space" was developing – and later picked up by the New Labour Government[51].

More than 30 years' experience is available about other countries' attempts to make their systems more effective. Is possible to identify clear patterns and practical lessons from such rich, varied and complex experience? This section has to compress 40 years of personal experience of (and of reading about) organisational reform into a short space – and this is perhaps why it adopts a politico-historical approach which is not often found in the literature.

5.2 Why did the nut suddenly crack? The ideology of Western administrative reform of the past 25 years[52]

A breakdown in confidence
The role and power of the State increased very significantly in Western European countries after the Second World War. Three main factors contributed to this -
- a determination to avoid the serious economic depression of the 1930s
- the demonstrable effectiveness with which victorious Governments had wielded new economic and strategic powers for the conduct of the war
- Keynes' intellectual legitimisation for a more interventionist role for Government.

For more than 20 years - as the European and American economies, and their companies, expanded - it seemed that a magic formula for economic prosperity had been discovered in the concept of the "Mixed Economy".

The various revolutions of 1968 were the first signs that something was wrong - that people felt an important part of themselves excluded and alienated by the remote decision-making of Governments

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[50] http://www.nottingham.ac.uk/cpi/documents/briefings/briefing-61-chinese-western-system.pdf
[51] http://people.exeter.ac.uk/ojames/psr_3.pdf/ and also http://wrap.warwick.ac.uk/2056/1/WRAP_Stone_wp6901.pdf
[52] this is an update of chapter 4 of my book In Transit – notes on good governance which I wrote and published in a self-funded version in Romania in 1999. I find the text still valid a decade on - the first 100 pages can be accessed at http://publicadminreform.webs.com/key%20papers/In%20Transit%20-%20first%20part%20of%201999%20book.pdf

and large Corporations alike. And that they were increasingly unhappy with the decisions being taken on their behalf. It was, however, the oil-crisis of 1973 which started the intense questioning of both the scale and results of government spending the turmoil in thinking and practice about the operation of the machinery of Government which OECD countries have experienced in the past 30 years.

A time of experimentation and confusion
Box 9 lists the various efforts which EU countries have made to improve the operation and machinery of government over the past 30 plus years -

Box 9; Some examples of administrative reform

- trying to strengthen the "policy analysis" capacity of government (making it more aware of options)
- developing the managerial skills of the civil service
- reforming and restructuring local government
- "regionalising" certain central government functions
- trying to strengthen the supervision ("watchdog") powers of Parliament over the Executive
- "zero budgeting" and other types of budgetary reform
- merging Ministries to get better coordination
- creating accountable units of activity : with clear tasks, responsibilities and performance indices (OECD 1995)
- developing systems of performance review of government programmes
- "contracting-out" public services after competitive bidding to private companies : for a limited period of time
- "hiving off" Ministry functions to agencies
- increasing the accountability of senior civil servants : limited term contracts.
- establishing Regional Development Agencies
- establishing "citizen contracts"
- establishing quasi-markets
- introducing performance management

Those undertaking the changes have been practical people: and practical people get impatient of anything that smacks of theory. With hindsight, however, it can be seen that these various solutions were attempted "solutions" to three differently defined problems -

- **managerial problems** : which identifies as the main problem the skills and behaviour of the paid, permanent staff of the Public Service and therefore puts the emphasis on new techniques and structures (eg budgetary information on an output basis : more open appointments procedures : coordination devices) and on the need for stronger managerial skills and delegated responsibilities.

- **political** problems: which targets weaknesses in the quality and influence of politicians and the public in policy-making : apparently unable to control an all-too powerful bureaucracy. The role of politicians is very much to make the system of government accountable. The British Select Committees and US Investigative Committees are examples of such efforts at greater accountability. Local government reorganisation also comes into this category. The power of politicians does of course vary in different systems. In the West, reformist politicians in central and local government felt relatively weak in the face of the power of civil servant and professional bureaucracies, business and trade unions. Increasing the influence of politicians at national, local and regional level has therefore been one approach to the problem of bureaucratic power. There is a view that British politicians had by 2010 been too successful in asserting their power[53]. In transition countries the situation has been very different - with the (communist) politician being the pinnacle of a tightly-controlled hierarchy of power: in other words part of the bureaucracy which has to be challenged!
- **Lack of coordination between both management and political systems – and wider parts of the 'governance" system.** The world was becoming less deferential in the 1970s – that's when we first started to hear the language of "stakeholders" – people who insisted on their voices being heard. And "governance" was the term invented to indicate the search for new ways of these various groups (both within and external to the formal system of government) to communicate and consult with one another to achieve more consensual policy-making and robust policies.

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[53] The Power report

Table 1 is one prepared by me in the 1970s to try to make sense of the various (and contradictory) fashions and "fix-its" to which local government in Britain was then being subjected. The first column lists these three different perception; the second how they displayed themselves (symptoms); the third how the sort of solutions technocrats came up with – and the final column indicates how those of a more political bent were disposed to deal with the problem.

Table 1; Symptoms and responses to three different explanations of government problems

Definition of Problem	Symptoms	Technocratic Solutions	Political Solutions
1. MANAGEMENT Weakness • Over-hierarchical structures • Inadequate skills	• Delay • Lack of creativity	• Management information systems • Training • Delegation • MBO	• Limited-term contracts for senior officials
2. Problems in POLITICAL Process • Adversary process • Internal structures • Rewards/support	• Low polls • Crisis management • Petty arguments • Recruitment problems	• Training for politicians • Office support • Performance review committees	• Mixed policy task-forces • Investigative Parliamentary Committees
3, POOR COORDINATION • **Political/official** • **Interdepartmental** • **Political/community**	• Passing the buck • Inter-organisational disputes • Foul-ups • Public distrust	• Corporate planning • Departmental mergers • Liaison structure and posts • Working parties • Public consultation • Public relations	• Political executives • All-purpose municipal councils • Neighbourhood committees

Political impotence

The UK has been the trailblazer on administrative reform over the last 40 years[54]. But, despite the confident note struck by the hundreds of documents which have poured over the period from its Cabinet Office, the task of making government "more business-like" or more effective has been a frustrating one for the reformer – particularly in the first decade or so[55] - for reasons set out in the next box.

Box 10; why reform was so difficult in the 1970s

- the electoral cycle encourages short-term thinking
- there did not seem to be a definable "product" or measure of performance for government against which progress (or lack of it) can be tested.
- and even if there were, politicians need to build and maintain coalitions of support : and not give hostages to fortune. They therefore prefer to keep their options open and use the language of rhetoric rather than precision!
- The machinery of government consists of a powerful set of "baronies" (Ministries/Departments), each with their own interests
- the permanent experts have advantages of status, security, professional networks and time which effectively give them more power than politicians who often simply "present" what they are given.
- a Government is a collection of individually ambitious politicians whose career path has rewarded skills of survival rather than those of achieving specific changes
- the democratic rhetoric of accountability makes it difficult for the politician to resist interference in administrative detail, even when they have nominally decentralised and delegated.
- politicians can blame other people : hardly the best climate for strategy work

These forces were so powerful that, during the 1970s, writers on policy analysis seemed near to giving up on the possibility of government systems ever being able to effect coherent change - in the absence of national emergencies. This was reflected in such terms as state overload" and "disjointed incrementalism"[56]: and in the growth of a new literature on the problems of "Implementation" which

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[54] a useful short paper by a civil servant which takes the story to 2000 is at
http://www1.worldbank.org/publicsector/civilservice/rsUK.pdf
[55] and in 2002 the New Labour Prime Minister Tony Blair famously talked "the scars on his back from dealing with the civil service"
[56] in the language of Charles Lindblom

recognised the power of the "street-level" bureaucrats - both negatively, to block change, and positively to help inform and smooth change by being more involved in the policy-making[57].

Neo-liberals and public choice theorists give a convincing theory
In the meantime, however, what was felt to be the failure of the reforms of the 1970s supplied the opportunity for neo-liberalism in the UK. Ideas of market failure - which had provided a role for government intervention - were replaced by ideas about government failure. The Economist journal expressed the difference in its own inimitable way - "*The instinct of social democrats has been invariably to send for Government. You defined a problem. You called in the social scientists to propose a programme to solve it. You called on the Government to finance the programme: and the desired outcome would result. What the neo-liberals began to say was the exact opposite of this. There probably wasn't a problem: if there was, social scientists probably misunderstood it: it was probably insoluble: and, in any case, government efforts to solve it would probably make it worse*"

The very concept of rational government acting dispassionately in the public interest was attacked by neo-liberals on three grounds -

"Vote-maximising politicians, as the public choice theorists demonstrated (Buchanan and Tullock 1962) will produce policies that do not necessarily serve the public interest, while utility-maximising bureaucrats (Niskanen 1971) have their own private agenda for the production of public policies. The growth of the welfare state had brought with it an army of professional groups, who supplied the services. These were teachers, doctors, dentists, planners etc. They existed in bureaucratic organisations which were sheltered from the winds and gales of competitive forces. Provided free of charge at the point of consumption, there will always be an excess demand ; at the same time it is in the interest of monopolised professional providers to over-supply welfare services. Public expenditure on welfare services, in the absence of market testing, exceeds its optimum".
"The problems don't end there. Professional groups decide upon the level, mix and quality of services according to their definition and assessment of need, without reference to users' perceptions or assessments of what is required. The result is that not only is public expenditure on welfare services too high; it is also of the wrong type"." And finally the issue of efficiency; in the absence of the profit motive and the disciplinary powers of competitive markets, slack and wasteful practices can arise and usually do. Within bureaucracies, incentives seldom exist to ensure that budgets are spent efficiently and effectively. Often there is no clear sense of purpose or direction."[58]

And thus was born NPM
New Public Management (NPM) was not a coherent theory – rather a tag put on a collection of measures brought in from the business world. Fundamental concepts of public administration - eg hierarchy, equity and uniformity - were unceremoniously dumped.

Box 11 How the new business thinking affected the UK

- government structures were broken up - either by "hiving off" into independent units or by a sharp distinction being made between contractor and provider. Two thirds of Civil servants are now in free-standing agencies whose Chief Executives have been openly appointed.
- direct hierarchical supervision were replaced by contractual relationships
- recruitment, grading and pay rigidities were broken apart in the search for greater productivity.
- considerations of equity, impartiality and justice were replaced by those of consumer choice
- decisions uniform universal provision gives way to user charges and choice among competing providers
- accountability only through elected bodies was bypassed by Citizen charters, ombudsman and control through non-elected quangos"

It seemed, however, that in the worship of the private sector, the public sector had to start at the beginning of the learning curve – and succumb to all the simplistic assumptions of the early part of capitalism ie belief in scale. Ferlie et al[59] sketched out Four different marks of NPM -

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[57] One of my Professors – Lewis Gunn – wrote a famous article in 1978 entitled "*Why is Implementation so difficult*" which identied conditions for "perfect implementation" - which I used in one of my recent EU projects which was charged to help assist "compliance" with EU legislation.
[58] Peter Jackson Privatisation and Deregulation : the Issues (1993)
[59] in The New Public Management in Action (Oxford 1996)

NPM 1   **FORDIST MODEL**
- increased attention to financial control : strong concern with value-for-money and efficiency gains : getting more for less : growth of more elaborate cost and information systems
- a stronger general management spine : management by hierarchy : a "command and control" model of working : clear target-setting and monitoring of performance : a shift of power to senior management
- an extension of audit, both financial and professional : an insistence on more transparent methods for the review of performance : more standard setting and bench-marking.
- greater stress on provider responsiveness to consumers : a greater role for non-public sector providers : more market-mindedness
- deregulation of the labour market and increasing the pace of work : erosion of nationally-agreed pay and conditions : move to highly paid and individually agreed rewards packages at senior level combined with more short-term contracts. Higher turnover
- a reduction of the self-regulatory power of the professions : a shift in power from professionals to managers : drawing in of some professional to management
- new forms of corporate governance: marginalisation of elected local politicians and trade unionists : moves to a board of directors model : shift of power to apex of organisation.

This is a reasonable description of British trends in the 1980s.

NPM 2   **DOWNSIZING AND DECENTRALISATION**
- move from management by hierarchy to management by contract : creation of more fragmented public sector organisations at local level
- split between small strategic core and large operational periphery : market testing and contracting out of non-strategic functions
- moves to flatter structures : staff reductions at higher and lower levels
- split between public funding and independent sector provision: emergence of separate purchaser and provider organisations
- attempt to move away from standardised forms of service to one characterised by more flexibility an variety.

This is the phase Britain moved into in the 1990s

NPM 3   **IN SEARCH OF EXCELLENCE**
(a) <u>Bottom-up Form</u>: radical decentralisation : emphasis on OD and learning organisation. The French reforms fall more into this category - as do the operations of the more progressive German, Dutch and British local authorities of the 1990s.
(b) <u>Top-Down Form</u>: managed culture change programmes: stress on charismatic forms of top-down leadership. Corporate training, logos etc.

NPM 4   **PUBLIC SERVICE ORIENTATION**
- concern with service quality
- reliance on user voice rather than customer exit as feedback. Concept of citizenship
- desire to shift power back from appointed to elected local bodies : scepticism about role of markets in local public services
- community development
- belief in continuing set of distinctive public service values and tasks : stress on participation and accountability as legitimate concerns of management in the public sector

The Scandinavian reforms fall into this category - and the counter-attack in Britain in the early 1990s[60] and the 2000s concept of public value[61]

But with different impacts

In 1995 Sylvia Trosa[62] looked at the very different approaches taken by Britain, France and Australia: the British and Australian changes being very much imposed on a resistant system by strong political leaders - the British "revolution" in particular being based on a quite explicit critique of the possibilities of the system reforming itself by normal methods of persuasion. This contrasts very much with the French - and German - approaches: where there has been more apparent confidence in the public service system - and where modernisation was seen as a matter for incremental and internally driven change.

French thinking is still affected by the Rousseauist sense of the "General Will" - and is to be seen in their formalised system of national planning, in the operation of their highly professional ENA elite who occupy most of the key positions in both the public and private sector - and in their structure of

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[60] eg Stewart and Ranson - <u>Management for the Public Domain : enabling the learning society</u> (Macmillan 1994)
[61] first developed by Mark Moore in his 1995 book of that name, taken up briefly by the UK Cabinet Office in the late 2000s and usefully summarised by Colin Talbot at <u>http://www.workfoundation.co.uk/Assets/Docs/measuring_PV_final2.pdf</u>. See also Annex to this paper.
[62] Moderniser L'Administration (1995)

territorial administration of the State. And their attempt over the past 15 years to decentralise that system has demonstrated that same centrally-driven and consensual approach.

Hood has given us an interesting classification of the scale of the move to New Public Management (NPM) on the basis of the political incumbency – although globalisation has made these political terms largely meaningless these days eg the New Labour government is widely seen as even more right-wing (save in the public spending of its latter years) than the Thatcher governments.

Table 2; Varied NPM take-up across the political spectrum

NPM emphasis	Political Left	Centre	Right
High NPM	Sweden	Australia Canada New Zealand	United Kingdom
Medium NPM	France	Austria Denmark Finland Italy Netherlands Portugal United States	France
Low NPM	Greece Spain	Germany Switzerland	Japan Turkey

From what is set out in section 4, China would probably find itself in the same box as New Zealand or the UK

5.3 Making sense of it all
So far, I have tried to –
- emphasise how varied were the „explanations" we had in the 1970s about the sort of problems which created the need for „reform"
- to show how differently therefore (despite the talk of New Public Management - NPM) reform programmes developed in different countries.
- explain how, in the 1970s, the new breed of policy analysts had almost given up on the hope of getting the bureaucracy to operate in the interests of the public – „disjointed incrementalism" was the best that could be hoped for.
- how public choice theory came along to give an ideological explanation for reform failure – and also justification for what came to be called NPM but which was simply the (simplistic) treatment of government as a business.
- Although the extreme version of NPM is discredited, the love affair with (generally outdated and discarded) management practices continues with the current emphasis on performance management and measurement.

I personally was fighting bureaucracy in the 1970s and 1980s with a different (and simpler) theory – what I called the „pincer approach" - a combination of community action from below and strategic management led by politicians and explained in paper 50 of my website – *Organisational Learning and Political Amnesia[63]*. I was intrigued in 2006 to see that, almost a decade after the strenuous efforts of New Labour to modernise government, the Cabinet Office produced an expanded version of such a theory as their "model of public service reform"[64]. It had four (rather than two) forces - top-down performance management, user pressure from below and market incentives and staff capacity from the sides.

The role of OECD and World Bank
The power of neo-liberal thinking within The World Bank has been well known. What is not so well known is the role of the OECD in pushing the New Public Management agenda[65]. Unlike the World Bank, the OECD performs a very useful networking role in bringing senior civil servants and other together to share their experience and learn from one another. The briefing papers and Final Reports it produces are very clearly presented and probably the most accessible (if not only) material national civil servants read on this topic. An OECD Conference in 1999 produced a whole range of fascinating

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[63] http://www.freewebs.com/publicadminreform/key%20papers/Lessons%20from%20SRC%20experience.pdf.
[64]
http://webarchive.nationalarchives.gov.uk/20100125070726/http://cabinetoffice.gov.uk/media/cabinetoffice/strategy/assets/sj_report.pdf
[65] http://www.carleton.ca/cgpm/Projects/reform/Inversions%20without%20End.pdf

papers on the process of change (which generally academics can't follow) – and they returned to this subject with a rather more abstract paper on *Managing Change in OECD governments – an introductory framework*[66] in 2008.

What the academics have made of it all

Not a great deal of NPM is the short answer – at least not those (including such well-known names as Christopher Hood[67], Guy Peters[68], Chris Pollitt[69] and Herbert Wolman[70]) who have elected to keep away from The World Bank's "filthy lucre". A huge academic industry has duly grown around administrative reform in the past few decades - a lot of it very theoretical. University developments have encouraged academics to do consultancy work and, provided this does not get out of hand, this has given the academic a better understanding of practical realities. The academic role generally we might say is that of observer, classifier, pedant, tester of hypotheses and, in some cases, evaluator. In this field, what the best of them (mentioned above) have done is to -

- map the developments,
- note some of the rhetorical aspects
- develop (as we have seen above) different typologies
- set up some test and explore results of reform programmes

NPM is, of course, not the only game in town – and there has been a strong reaction against a lot of it in the past decade[71]. Peters suggests that administrative reform can be reduced to four schools of thinking - often confused in practice. They are - "market models" (A); "the Participatory State" (B); "Flexible Government" (C); and "Deregulated Government" (D).

Table 3; Peters' Four models of government

	A	B	C	D
Principal diagnosis	Monopoly	Hierarchy	Permanence	Internal Regulation
Structure	Decentralisation	Flatter Organisations	"Virtual Organisations"	No particular recommendation
Management	Pay for performance	TQM; teams	Managing temporary personnel	Greater managerial freedom
Policymaking	Internal markets Market incentives	Consultation Negotiation	Experimentation	Entrepreneurial government
Public interest	Low cost	Involvement	Low cost Coordination	Creativity Activism

After reviewing the nature and policies of each model, he identifies **four basic questions** and looks at how each model tries to deal with them -

Table 4; How each model tackles the four basic questions

Basic Question	A	B	C	D
Co-ordination	Invisible hand	Bottom up	Changing organisations	Managers' self interest
Error detection	Market signals	Political signals	Errors not institutionalised	Accept more error
Civil Service	Replaced with market	Reduce hierarchy	Temp employment	Eliminate regulations
Accountability	Thro' market	Thro' consumer complaints	Not clear	Through ex-post controls

[66] http://www.oecd.org/dataoecd/53/18/42142231.pdf
[67] whose The Art of the State – culture, rhetoric and public management (Oxford 2000) reduced the writing to four schools of thinking – hierarchist, individualist, egalitarian and fatalist.
[68] whose The Future of Governing ; four emerging models (Kansas Univ Press 1996) was a breath of fresh air at the time
[69] Public Management reform - a Comparative Analysis (first edition Oxford 2000) by Pollitt and Boueckert is still the basic text on the subject
[70] who has edited about the only study made of Evaluation in public sector reform – concepts and practice in international perspective (2003) http://books.google.com/books?id=e8bsrrWlaCwC&printsec=frontcover&source=gbs_slider_thumb#v=onepage&q&f=false
[71] the strongest attacks have probably been from Dreschler whose article The Rise and Demise of NPM can be found at www.freewebs.com/publicadminreform/key%20papers/Dreschler%20on%20Rise%20and%20Demise%20of%20NPM.doc. Gerry Stoker is also a clear and critical commentator on the British scene.

Some consultant perspectives
The previous section mentioned a few of the best-known academic writers in this field. There is, finally, a small group of individuals who work or have worked in or with government as Consultants and who have published extensively about administrative reform drawing on that experience. Four in particular are worth mentioning - Christopher Foster[72] and Geoff Mulgan[73] covering the British experience – the former in a more distanced and theoretical way although he has the longer experience of the role of adviser; Nick Manning[74] and Tony Verheijen[75] as international advisers.

5.4 Coda

So here I am, in the middle way, having had twenty years -
Trying to learn to use words, and every attempt
Is a wholly new start, and a different kind of failure
Because one has only learnt to get the better of words
For the thing one no longer has to say, or the way in which
One is no longer disposed to say it. And so each venture
Is a new beginning, a raid on the inarticulate
With shabby equipment always deteriorating
In the general mess of imprecision of feeling,
Undisciplined squads of emotion. And what there is to conquer
By strength and submission, has already been discovered
Once or twice, or several times, by men whom one cannot hope
To emulate - but there is no competition -
There is only the fight to recover what has been lost
And found and lost again and again; and now under conditions
That seem unpropitious. But perhaps neither gain nor loss
For us, there is only the trying. The rest is not our business.

TS Eliot; The Four Quartets

Except that, for me, it's not 20 years – rather 40 years since the mid 1960s when I was trying to make sense of the optimistic messages coming from writing[76] in the United States - whose governments then were engaged in interesting new endeavours on issues as far apart as poverty[77] and zero-based budgeting[78] But better people have indeed been here before – "whom one cannot hope to emulate". I've mentioned most of those who have inspired me on what I have called elsewhere my "search for the holy grail"[79]. And Rosabeth Kanter is one of them – researching in the early 1980s the organisational changes which America's giant companies were making to try to deal with the challenge then coming from the more flexible smaller companies, she was moved to draft her satirical 10 **rules for stifling innovation**

1. regard any new idea from below with suspicion - because it's new, and it's from below
2. insist that people who need your approval to act first go through several other layers of management to get their signatures
3. Ask departments or individuals to challenge and criticise each other's proposals (That saves you the job of deciding : you just pick the survivor)
4. Express your criticisms freely - and withhold your praise (that keeps people on their toes). Let them know they can be fired at any time
5. Treat identification of problems as signs of failure, to discourage people from letting you know when something in their area is not working
6. Control everything carefully. Make sure people count anything that can be counted, frequently.

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[72] The State under Stress – can the hollow state be good government? Co-authored with F Plowden (1996) and British Government in Crisis (2005)

[73] He was Head of the Strategy Unit in Blair's Cabinet Office – and a prolific writer. See his Good and Bad Power –the ideals and betrayals of Government (2006) and a wider piece on policy-making http://www.opendemocracy.net/content/articles/PDF/1280.pdf

[74] Particularly the comparative papers he edited for the World bank's work on PAR commissioned by the Russian Federation in the early 2000s - http://www.gsdrc.org/docs/open/SD24.pdf

[75] who has focussed mainly on civil service systems – and has not been heard of recently - http://www.google.com/books?hl=ro&lr=&id=ZiHCCR1JxogC&oi=fnd&pg=PR3&dq=Tony+Verheijen&ots=cAgEVyX1n2&sig=ydY3b9m9DUlsTHV7dEgJUoQMbuc#v=onepage&q&f=false

[76] people as varied as Donald Schon and Marlyn Fergusson

[77] The Dilemmas of Social Reform; Marris and Rein (1968)

[78] Wildavsky's was the clearest voice

[79] http://www.freewebs.com/publicadminreform/key%20papers/search%20for%20the%20holy%20grail.pdf

7. Make decisions to reorganise or change policies in secret, and spring them on people unexpectedly (that also keeps them on their toes)
8. Make sure that requests for information are fully justified, and make sure that it is not given to managers freely
9. Assign to lower-level managers, in the name of delegation and participation, responsibility for figuring out how to cut back, lay off, move around, or otherwise implement threatening decisions you have made. And get them to do it quickly.
10. And above all, never forget that you, the higher-ups, already know everything important about this business.

In other words she found lots of changes in organisational structure, job titles and language eg about decentralisation, empowerment etc – but power was still centralised; behaviour at the top was still the same; people were still treated the same patronising way!

The real tragedy was that this was not a cunning plot – those at the top actually thought they had made significant changes. Our national poet, Rabbie Burns[80], who wrote in the 18th century and worked first as a farm labourer then public official, had some good insights into this sort of thing - "*O would some power the giftie gie us tae see oursels as ithers see us*". (O would some power give us the gift to see ourselves as others see us – from his poem *"To a Louse"*).
Those with power don't like bad news – and the more powerful the system which they control, the more they are injured by criticism ("People don't realise how hard we're working!). I know because I had this power! But bad news – and complaints – do make for useful feedback. The danger is when you interpret it as mistakes made by underlings – rather than signalling bad policy, structures or systems.

One has to respect the dignified way in which national power in China is shared in the party leadership; policies are hammered out behind the scenes in a dialogue which involves academics; and formal positions of nationals leadership pass in a regularised way from person to person every decade. Perhaps no leaders in world history have ever had the responsibilities and expectations which those of China have today. Having achieved a remarkable economic transformation and wealth, the leaders of this massive country are now expected to deal with pollution[81] and the poverty in which so much of its people still live; the inequity and systemic corruption; and also achieve a peaceful achievement to a system of Rule of Law.

Those who have the combination of audacity and good fortune to go to the country to assist those efforts – whether in teaching or consultancy – should have the humility to admit that they have no answers.
Not, of course, that their hosts expect that from their visitors. They have their own context and processes of and capacity for policy experimentation, deliberation and decision. They are painfully aware of their weaknesses; and look to their visitors for something which, unfortunately, seems to be in short supply – historical understanding. That is to say the ability to articulate the processes by which, for example, Nordic countries[82] transformed themselves into the societies in which they are today. Sadly, western technocrats have colluded in recent decades to destroy a lot of that.
If a Euro-Sino dialogue can restore some memory and respect for what Europe had[83], it will indeed have been worthwhile.

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[80] http://www.poemhunter.com/i/ebooks/pdf/robert_burns_2004_9.pdf
[81] and most westerners are ignorant of the scale of work the Chinese have done on green technologies! See the interesting chart at the beginning of http://www.sven-giegold.de/wp-content/uploads/2009/12/Green-New-Deal_en.pdf
[82] See section 2.12 above
[83] Tony Judt's latter writings are an inspiration here http://www.nybooks.com/articles/archives/2010/apr/29/ill-fares-the-land/

6. Recommended Reading about China

6.1 Understanding the Chinese context
The first few comments reflected my own initial reading. Then a book review by a real Chinese expert. The other books I wd recommend you can dip into in Googlebooks in 6.3 below and see for yourself.

6.1.1 What I found useful – and not
It has been fashionable for some years to pen a book about the China changes and challenges – so there is a lot of rubbish around. Do not, for example, be tempted to buy a new book by Martin Jacques – **When China Rules the World**. This review by Perry Anderson[84] will tell you why.

Before my trip I bought and was disappointed by **What does China Think**? By Mark Leonard [85]. It's just too short. But **Out of Mao's Shadow – struggle for the soul of a new China by** Philip Pan[86] gave me powerful insights into the repression which is still endemic in the system.
Will Hutton's **The Writing on the wall – China and the west in the 21st Century** is only partially about China. This is, in fact, the latest in what is currently a trilogy about the DNA of western capitalism – the poison of the Anglo-Saxon model and the need for the European one. In that sense it's useful for a China-Europe Dialogue! Available from Amazon cheap paperback
The best writer for those interested in the operation of the political and administrative systems is **Daniel Bell[87]** who has been living and teaching in Beijing for at least 15 years (see section 6.4).
China modernises – threat to the west or model to the rest? Randall Peerenboom (OUP 2007) is one of the few recent books which also deals with institutional reform.
I also recommend **When 100 billion Chinese Jump – voices from the frontier of climate change**; Jonathan Watts[88]
We are now told how differently countries think. And this is a tantalising paper on the Chinese mindset[89].

6.1.2 The New Yorker's resident correspondent's five best book choices can be read here[90].

6.1.3 One expert's overview of books with large claims – and of some which give a more faithful picture
Gordon G. Chang's *The Coming Collapse of China* (2001) predicted that the Communist Party was on its last legs (though nine years later it's still standing). More recent Big China Books include Will Hutton's *The Writing on the Wall* (2006), which claimed the P.R.C. would be unable to continue its upward climb unless it converted to Western ways, and Martin Jacques' *When China Rules the World* (2009), which countered that Beijing is destined to displace Washington as capital of the world's leading superpower — and will not have to abandon Confucian values or Leninist structures to do so.
The authors of Big China Books have two things in common: a conviction that they know what will happen next (even though the P.R.C. has been defying the best guesses of pundits and academic specialists alike for decades) and an ability to provide easy-to-summarize answers to Big Questions. The most successful and widely reviewed tend to have theses spelled out in provocative titles that fit into ongoing point-counterpoint debates or give rise to new ones. *When China Rules the World* is a case in point. Its appearance immediately triggered an expected rebuttal from Hutton, and inspired Big China Articles (yes, there are lots of those too) for and against.
Big China Books vary greatly in quality, but even the best leave me cold due to their bird's-eye view of the P.R.C. Adopting an Olympian perspective, their authors tend to use broad strokes to portray things that actually require a fine-grained touch. For example, most treat China's population as an undifferentiated mass, or one that can be bisected along just one axis: be it the 90% Han and 10% non-Han ethnic divide, the clear ideological fault line between loyalists and dissidents, and so on. And they often buy into the cozy but distorting official myth of "thousands of years of continuous civilization," which suggests that China's borders have remained fairly constant over time and that the "Confucian tradition" has been remarkably enduring.
When in the company of even the most astute Big China Book authors, like Jacques, I often find myself wondering if the place they are describing can really be the same one that I regularly visit and teach and write about for a living. For the China I know is one where complex regional divides fragment the population and the

[84] http://www.lrb.co.uk/v32/n02/perry-anderson/sinomania
[85] http://www.amazon.co.uk/gp/product/0007230680/ref=oss_product
[86] http://www.hrichina.org/public/PDFs/CRF.4.2008/CRF-2008-4_Matters.pdf
[87] http://www.danielabell.com/index.php/en/commentaries
[88] http://www.amazon.co.uk/When-Billion-Chinese-Jump-Frontline/dp/0571239811/ref=sr_1_1?ie=UTF8&qid=1294678999&sr=1-1
[89] http://www.dr.dk/NR/rdonlyres/302507EF-2192-43AB-9769-23EBFDA4A6AE/422493/HowChinatransformsanexecutivesmind1.pdf
[90] http://thebrowser.com/interviews/evan-osnos-on-china

views of many people don't fit into either the dissident or loyalist category. It's a country with multistranded traditions, not just a single Confucian one. And it's a country whose long history has been marked by many discontinuities, from the mix of traditions to dramatic shifts over time in just how big China itself is imagined to be. (See pictures of the making of modern China.)

Fortunately, Big China Books are not the only option for general readers curious about the P.R.C., since many significant works that take a ground-level view of the country, rather than a bird's-eye one, have also been appearing. I am thinking, for example, of *Fast Boat to China* (2007). This is a lively account of the human side of Shanghai-based outsourcing by Andrew Ross, who usefully dubs his study a foray into "scholarly reporting" — a term for books that, as he puts it, have "mined the overlap between ethnography and journalism." Noteworthy examples have appeared throughout the past decade, but the richest year for them was probably 2008. Two of the most illuminating works published then were Leslie T. Chang's *Factory Girls*, which provided a moving account of migrant workers that was wonderfully sensitive to divides rooted in location, gender and generation, and Michael Meyer's *The Last Days of Old Beijing*, which offered a poignant look at breakneck development. (See portraits of Chinese workers.)

A good way to illustrate how works of scholarly reporting differ from Big China Books is to place two 2004 publications side by side: *Wild Grass: Three Stories of Change in Modern China* by Ian Johnson and *China's Democratic Future: How It Will Happen and Where It Will Lead* by Bruce Gilley. Both are by authors who draw on lengthy experience reporting on China and are interested in democracy and civil society. Gilley claims to know what the future holds for China. Johnson, though, focuses on telling a series of revealing tales about acts of resistance, like efforts by a crusading lawyer to help farmers fight unfair local taxes. He offers some thoughts on where China might be heading, but is generally content just trying to help readers think more clearly about the country's present.

Will more Big China Books appear this decade? I think it safe to bet that they will. The desire for confident answers to Big China Questions has never been stronger. Will admirable works of scholarly reporting also keep coming out? I'm even more confident answering this question affirmatively. One such work, *Country Driving: A Journey Through China from Farm to Factory*, is being published in February, and it's the best yet from Peter Hessler, whose two earlier books, *River Town* (2001) and *Oracle Bones* (2006), were exemplary forays into the genre. *Country Driving* begins with the author recounting his quixotic efforts to follow the Great Wall by car, depending on flawed maps that sometimes left large sections blank (for political reasons) and often seemed hopelessly out of date right after being issued (due to how fast new thoroughfares are being built). The next section describes Hessler's experiences living in a north China village that is transformed by the construction of a new road that links it to Beijing. The book concludes with a look at the economic dynamics of "instant cities" that keep springing up along a highway south of the Yangtze River. (Read "China Takes on the World.")
I haven't been to the places Hessler describes in *Country Driving* or met the people whose stories he tells with his characteristic blend of empathy, insight and self-deprecating humor. Yet I never doubt for a second that he's writing about the richly hued and socially variegated country that I know, as opposed to one of the imaginary lands conjured up in Big China Books. *Country Driving* won't satisfy those who like answers to Big Questions that can fit on dust jackets. Still, it captures beautifully the rhythms of life in a nation that is being turned inside out so quickly that it is not just lone American writers, but also Chinese from varied walks of life, who often find themselves struggling to traverse uncharted territory, armed only with their wits and with maps that become obsolete as soon as they are printed.
Jeffrey Wasserstrom

6.2 Websites/blogs from and about China

Heavy censorship means there may be problems accessing these blogs from China!

http://www.chinadaily.com.cn/english/cndy/cdtop.html - China Daily

http://english.peopledaily.com.cn/ - People's Daily (English)

http://www.newyorker.com/online/blogs/evanosnos/?xrail; I enjoy this blog which has nice vignettes – such as one on the hospitals I picked up and incorporated in my brief note on public services.

http://www.thechinabeat.org/ very informative american academic blog

http://www.hoover.org/publications/china-leadership-monitor

http://www.chinaeurasia.org/ an academic journal

http://www.bbc.co.uk/blogs/thereporters/jamesreynolds/; a blog kept by the BBC correspondent until he left. Useful to look at the old postings

http://www.chinadialogue.net/article/show/single/en/2965-Managing-water-resources-fairly-; an example of some of the useful research papers on aspects of public provision in China on this site

http://www.chinabloglist.org/ - gives you your choice!

http://www.rayallychina.com/ - what its like to live as an ex-pat (US) in Beijing!

http://angrychineseblogger.blog-city.com/ I liked his profile – "I have seen things that most people never get to see, and experience events from a perspective that most people do not realize exists. Naturally, I feel a need to tell people about it. The other reason that I am blogging, the main one as things stand, is because I occasionally feel incredibly exasperated at the ignorance that is allowed to exist in the world, and by the actions of several groups who seems to be going to concerted effort to maintain this ignorance

6.3 Googlebooks and other articles about China to dip into

There may, of course, be some problems accessing a google site from Beijing!
These are, by definition, academic – and therefore suffer a bit from complexity, verbosity and padding. The basic message in most cases could have been delivered much more simply!

ARTICLES

Understanding China's political system; a recent briefing
http://assets.opencrs.com/rpts/R41007_20091231.pdf

How China won and Russia lost – short article on the different reform paths.
http://www.hoover.org/publications/policyreview/72997307.html

political leadership reform
http://www.isnie.org/assets/files/papers2007/opper.pdf

Selecting Provincial Leaders
http://www.nzae.org.nz/conferences/2010/Papers/Session1/Wu__How_Does_Central_Authority.pdf

http://www.nottingham.ac.uk/cpi/documents/discussion-papers/discussion-paper-17-county-leadership.pdf

political incentive and policy distortion in China
http://129.2.17.93/drum/bitstream/1903/9837/1/Mei_umd_0117E_10765.pdf

electoral reforms in village China
http://bcep.haas.berkeley.edu/papers/qian.pdf

2008 The Fifth Generation
http://www.brookings.edu/~/media/Files/rc/articles/2008/07_china_li/07_china_li.pdf

Xianan admin reforms
http://media.hoover.org/sites/default/files/documents/CLM33JF.pdf

Admin Reform and Rule of Law (2009)
http://cjas.dk/index.php/cjas/article/viewArticle/814

http://instituteleap.org/Documents/The%20Supreme%20Court%20and%20the%20Making%20of%20Public%20Policy%20in%20Contemporary%20China.pdf

GOOGLEBOOKS
I exempt the first three from my critical comments about academia!

China's New Confucianism – politics and everyday life in a changing society; Daniel A Bell (2008)
This young academic has been living in China for about 15 years and must be the best informed. With "One China, many paths" (below) it must be the best intro to the Chinese mentality
http://books.google.com/books?id=8JKBeEfY5VMC&printsec=frontcover#v=onepage&q=&f=false

One China, Many paths; C Wang (ed 2003)
This looks THE book to give a sense of how Chinese intellectuals and others have been thinking in the last couple of decades.
http://books.google.com/books?id=LPE541jyjfgC&printsec=frontcover&lr=&rview=1#v=onepage&q=&f=false

China modernises – threat to the west or model to the rest? Randall Peerenboom (OUP 2007)
http://books.google.com/books?id=iKxZBjhH-LwC&printsec=frontcover&source=gbs_slider_thumb#v=onepage&q=&f=false

Democracy and Rule of Law in China; ed Yu Keping (2010)
http://www.google.com/books?hl=ro&lr=&id=czhfoj6VAtQC&oi=fnd&pg=PP7&dq=rule+of+law,+training,+China,+Leiden+University&ots=dijnNubqwo&sig=-QS8D76--dlhLPhcM_J1xxEu1gU#v=onepage&q&f=false

China's Legal Reform – toward the rule of Law; Keyuan Zou (2006)
http://www.google.com/books?hl=ro&lr=&id=syt9hKqQS4MC&oi=fnd&pg=PR9&dq=rule+of+law,+training,+China,+Leiden+University&ots=T9yDeGTmgp&sig=J03g9eIvlC93445lF8cDfG5UGyc#v=onepage&q&f=false

Accountability without democracy – solidary groups and public provision in rural China; Lily Tsai
Cambridge University Press 2007)
Very thorough study of the structures at rural level
http://books.google.com/books?id=B0oxnuDMI2EC&printsec=frontcover&source=gbs_slider_thumb#v=onepage&q=&f=false

Governance in China; Jude Howell (2004)
looks very useful – but a bit dated! And, of course, from a US perspective!
http://books.google.com/books?id=H8oYZqSj7EEC&printsec=frontcover&lr=&rview=1#v=onepage&q=&f=false

Governance in China (OECD 2005)
http://books.google.com/books?id=YaTljHsXSt0C&printsec=frontcover&lr=&rview=1#v=onepage&q=&f=false

From comrade to citizen – the struggle for political rights in China; Merle Goldman (Harvard 2005)
http://books.google.com/books?id=3Xpo027u9xwC&printsec=frontcover&lr=&rview=1#v=onepage&q=&f=false

Discontented Miracle - growth, conflict and institutional adaptations; Dali Yang (2007)
Collection of studies of sectors such as those of real estate, food safety, commercial media, local government in rural areas – most by Chinese authors. It seems a bit academic – and a lot of the research about 10 years' old
http://books.google.co.uk/books?id=bPJSZElXbgIC&dq=Dali+L+Yang&printsec=frontcover&source=an&hl=en&ei=wfd_SoHDPNqRsAbq0rHsAg&sa=X&oi=book_result&ct=result&resnum=6#v=onepage&q=&f=false

Remaking the Chinese Leviathan – market transition and the politics of governance in China; Dali Yang (2004)
This looks an excellent, analytical treatment of the institutional changes up to 2002 or so. Compulosry background reading I suspect.
http://books.google.com/books?id=8TfmRgLIKUQC&printsec=frontcover#v=onepage&q=&f=false

Holding China Together – diversity and national integration in a post-Deng era; Barry McNaughton and D Yang (2004)

This looks a highly relevant study of control systems – including the development of the evaluation of their cadres!
http://books.google.com/books?id=BVc-pZL1ze0C&printsec=frontcover&lr=#v=onepage&q=&f=false

Managers and mandarins in contemporary china; Jie Tang (2005);
An interesting case-study of the construction industry!
http://books.google.com/books?id=jOUKDXH60qkC&printsec=frontcover&lr=&rview=1#v=onepage&q=&f=false

Chinese culture, organisational behaviour; I Alon (2003)
A very important field – tantalising...
http://books.google.com/books?id=MlkaFBWsEWgC&printsec=frontcover&lr=&rview=1#v=onepage&q=&f=false

Red Capitalists in China – the party, entrepreneurs and prospects for political change; Bruce Dickson (2003)
http://books.google.com/books?id=Vi_WI81nqn8C&printsec=frontcover&lr=#v=onepage&q=&f=false

Commodyfying Communism – business, trust and politics in a Chinese city; David Wank (2001)
http://books.google.com/books?id=L3XyGhsdoLwC&printsec=frontcover&lr=#v=onepage&q=&f=false

Asian Management systems (2004);
Chaoter 4 on guanzi worth reading
http://books.google.com/books?id=zbaVMDJG8SIC&printsec=frontcover&lr=&rview=1#v=onepage&q=&f=false

About the author

Ronald Young lived the first 46 years of his life in Scotland – 22 of them as an aspiring academic and innovative politician in local then Regional Government. The last 20 years have been spent as a consultant in central Europe and central Asia. He confesses to great difficulty in answering the simple question "What do you do?"

"Student" was easy but, after graduation, I had a quick succession of jobs in what could be called generally the "planning" field - and "planner" is as vague a term as "manager" and enjoyed a rather limited vogue. In 1968 I joined a polytechnic and was also elected to a town council – so "lecturer" was as good a description as what I did as any. Using my voice was what I was paid for – whether to transmit information or opinions. I read widely – so "reader" was also a pertinent word. I became heavily involved in community development – managing to straddle the worlds of community action and political bureaucracy (for 20 years I was the Secretary of ruling Labour groups in municipal and regional Councils and also a sponsor of community action) and figured in a book about "reticulists" (networkers) – but imagine putting that word in a passport application!

For a few years I was Director of a so-called "Research Unit" which was more like a Think Tank in its proselytising workshops and publications celebrating the new rationalism of corporate management and community development. At age 43 my default activity became full-time (regional) politics – with a leader role but of a rather maverick nature who never aspired to the top job but was content to be at the interstices of bureaucracy, politics and academia. All this paved the way for the "consultancy" which I have apparently practised for the past 20 years in Central Europe and Central Asia. But "consultant" is not only a vague but a (rightly) increasingly insulting term – so I was tempted for a period to enter the word "writer" on my Visa forms since this was as good a description of what I actually did as any. At one stage indeed, my despairing secretary in the Region had actually given me the nickname "Paperback writer". Except that this was seen by many border guards in central Asia as a threating activity! Robert Reich's "symbolic analyst" briefly tempted – but was perhaps too close to the term "spy"! When I did the [Belbin test on team roles](#) to which I was subjecting my teams, I had expected to come out as a leader – but was not altogether surprised to discover that my stronger role was a "resource person" – someone who surfed information and knowledge widely and shared it. What some people saw as the utopian streak in my writing gave me the idea of using the term "poet" at the airport guiches – but I have a poor memory for verse.

I am also an "explorer" – first of ideas (desperately searching for the holy grail) and then of countries – in the 1980s Western Europe, the 1990s central Europe – finally central Asia and beyond.

Some 25 years ago, when I was going through some difficult times, my sister-in-law tried to help me by encouraging me to explore the various roles I had – father, son, husband, politician, writer, activist etc. I didn't understand what she was driving at. Now I do! *Lecturer, networker, politician, maverick, leader, writer, explorer, consultant, resource person, collector.*

In 2008 he started a website http://www.freewebs.com/publicadminreform/ which contains the major papers he has written over the years about my attempts to reform various public organisations in the various roles he has had - politician; academic/trainer; consultant.

"Most of the writing in my field is done by academics - and gives little help to individuals who are struggling to survive in or change public bureaucracies. Or else it is propoganda drafted by consultants and officials trying to talk up their reforms. And most of it covers work at a national level - whereas most of the worthwhile effort is at a more local level.

The restless search for the new dishonours the work we have done in the past. As Zeldin once said -
"To have a new vision of the future it is first necessary to have new vision of the past"

In 2009 he started a blog www.nomadron.blogspot.com to try to make sense of the organisational endeavours he has been involved in - to see if there are any lessons which can be passed on. To restore a bit of institutional memory and social history - particularly in the endeavour of what used to be known as "social justice".

"My generation believed that political activity could improve things - that belief is now dead and that cynicism threatens civilisation. I also read a lot and wanted to pass on the results of this to those who have neither the time or inclination -as well as my love of painting, particularly the realist 20th century schools of Bulgaria and Belgium".

ANNEX

Competing Public Values and the Dynamics of Reform in Public Institutions and Services
Professor Colin Talbot, Manchester Business School, University of Manchester, UK
July 10—11, 2010, Beijing International Hotel

There is a tradition in much of Western writing about public administration, and indeed also about more general management, to begin any speech by listing the reasons we are in an era of particularly acute and rapid change. In the past, it is usually implied, there was stability, order and limited change. And in the past, everything about public administration was wrong, or did not work, or was faulty in some way. However, today and in the future all will be change and innovation and everything will be better.
There is, to be fair, also a minority of experts who begin their talks with more or less the same scenario, but ascribe different values to it. For them, the past was a Golden Era and the future is full of looming disasters and lost glories.
I do not subscribe to either of these approaches, because each tells only one side of the story.

CONTINUITY AND CHANGE
There is always both continuity and change in public administration and public institutions. Sometimes the pace of change is faster, and sometimes the nature of change is more radical. But rarely, if ever, does change amount to an absolute overturning of everything that went before. Take the British state and public agencies as an example. Over the past century and a half it has experienced and organized:
- The rise of territorial colonialism and administration in the late 19th century and the dismemberment of Empire in the mid-20th century;
- The massive construction of urban infrastructure, including public health, in the late 19th century;
- Mass mobilizations and orchestration of industrial production for two world wars;
- Construction of the early welfare state in the 1920s, followed by its massive expansion after 1945;
- The transformation of the civil and public services from corrupt and aristocratic institutions into meritocratic, corruption-free, professionalized services between the late 19th and early 20th centuries;

I could go on, but these examples are enough to place the reforms of the last couple of decades, and the pace of change, into historical perspective. Is the 'information age' really so much more transformative than was Empire and its loss, or two world wars?

Despite this history, a great deal has be written over the past three decades about how public administration in most, but not all, Western countries has been through a transformative change from old-style, bureaucratic, Public Administration to the so-called 'New Public Management' (NPM), which is supposed to be more flexible, innovative, decentralized and actively managed for performance rather than simply conformance to rules.
Like all such sweeping generalizations, this trend turns out to be much more complex and sometimes contradictory in practice than the theoretically "tidy" explanations would tend to suggest.

Firstly, of course all former traditional Public Administrations in Western states were not the same – there was a great deal of variety across borders. Some were much more legalistic than others. Some were more centralized and some more decentralized. And so on.
Second, just because reforms were labeled as NPM did not mean they were actually the same as NPM in other countries – often diametrically opposite reforms were implemented if different countries and were all lumped together under the NPM label. Indeed, in some cases diametrically opposite reforms were implemented in the same countries and all labeled as NPM.

Thirdly, there has often been far more continuity with past practices than is often admitted. Those promoting reform, and often those supposedly analyzing it from 'outside' such as academics, usually had an interest in exaggerating the degree of change. In practice, in all cases there were elements of change and continuity.

Over the past two decades, for example, I have been following the trend to create more autonomous "agencies" of government in many countries. The so-called 'Next Steps' programme of agency creation

within the British civil service, which began in 1988, was often taken as an exemplar and as a model to be emulated. In every case I have looked at several things stand out.

- First, generally the rhetoric of reform far outpaces the actuality of changes. Most public agencies are large organizations with substantial in-built inertia. Change takes time and is often more incremental than radical. There is a frequent tendency for those in power to assume that because a decision has been taken in Washington or Whitehall that it has been implemented on the ground – we all know that is not always the case!
- Second, the rhetoric of reform is always one-sided and misses out important elements of change. In the case of British civil service agencies – including important welfare agencies like those concerned with employment and social security benefits – they were supposed to be the recipients of various forms of autonomy, decentralization and freedoms. In fact what tended to happen was what I called strategic centralization and operational decentralization. That is parent Ministries and the government gained new, powerful, strategic controls over agencies whilst at the same time allowing greater autonomy in operational issues. The strategic element of these changes was usually downplayed or even ignored in official accounts of the reforms.
- Third, even though parent Ministries had new, potentially powerful, strategic controls at their disposal they often reverted to the sort of bureaucratic micro-management that existed before the changes were made.

So what usually emerges is not a clean break from unified, hierarchical, ministries before the reform to decentralized, semi-autonomous agencies afterwards. Instead the picture is far more complex, with some agencies gaining real autonomy over strategic and operational issues and others not gaining much power over either, and some in-between.

It is also worth noting how these things change over time, and especially the cyclical nature of some changes. 'Agencification' in Britain was part of a trend towards the dissaggregation of public services into smaller units – that trend reversed itself in the early part of the last decade and public agencies have been subject to a wave of mergers and consolidations, sometimes being taken back into Ministries. At one point about 80% of British civil servants were working in Agencies, now that figure is down to about 50% and in a smaller number of larger agencies, and many of the initial freedoms have been eroded in what remain.

COMPETING PUBLIC (SOCIAL) VALUES
Many of the Western NPM-style reforms of recent decades have been informed by neo-classical economics, especially public choice, transactions costs and institutional economics. What all these have in common is a specific approach to human nature: humans are always, everywhere, regardless of culture, institutions and personal experience what are called 'rational utility maximisers'. Economists generally reject the idea that their assumption humans are rational utility maximisers amounts to a theory of human nature, preferring to suggest that these are merely theoretical axioms adopted for convenience. This neatly avoids confronting the ample evidence from social and evolutionary psychology, sociology, anthropology, and even the new field of behavioral economics that humans are not purely, or even mainly, self-interested or rational in their decisions. But to any reasonable analyst this does amount to a theory of human nature, and one that is patently wrong.

The other major trend in Western social science thinking in recent decades has been post-modern social constructionism. This assumes that all human institutions are socially constructed and infinitely malleable and the corresponding theory of human nature is that we are all 'blank slates', born without any innate preferences for social relationships.

The idea I want to advance today is that both of these theories are wrong, or at least at best only partially right. Humans do have innate tendencies – instincts – towards certain forms of social relationship, but these are less rational and more emotional, and take several forms. Human beings are also shaped, to some degree at least, by the environment into which they are born and experience – human conduct is shaped by both nature and nurture.

The idea of 'competing public (or social) values' that I advance in my latest book is derived from several sources: 'relational models theory' from anthropology/sociology; 'competing values theory' from organization and management studies; 'cultural theory' from anthropology and political science.

In brief this approach suggests that humans have four, inherited and instinctual, preferences for types of social relationship or values:

SOLIDARITY – which is based on 'communal sharing', community, coproduction and consumption, social cohesion and group identity, altruism, etc;
AUTHORITY – which is based on the idea of 'authority ranking' – that is of differential power and authority relations, ascription to some of superior authority based on some criteria such as divine authority, superior knowledge or skill, institutional status, elected position, etc;
EQUALITY – which is based on the idea of equal and reciprocal rights and obligations, reciprocal altruism, the 'rule of law', equity, etc;
AUTONOMY – which is based on the principle of 'market pricing', maximizing personal advantage from social transactions, freedom to use personal resources in whatever way one wishes and of course individual property rights.

I want to explain briefly what I mean by these being four elementary forms of social instinct. The best analogy is what is has been called the 'language instinct'. All evidence points towards the fact that all normal humans have an instinctual desire to acquire language and an innate ability to do so. Which language they do acquire depends entirely on what they experience – which society and culture they are born into. That this is a "human universal" is simply demonstrated by placing a new born child in a different culture and language context to the one its parents were from – something which has happened millions of times. The child acquires the language of its new 'home', regardless of its origins. An American child growing up in China with Mandarin speakers all around it will speak Mandarin. The public or social values instincts that I am talking about here are of a very similar kind to the language instinct. They underlying orientation towards social relations based on solidarity, authority, equality and autonomy are both a universal desire for such relationships but also an innate ability to absorb and practice their specific manifestations. Cultural expressions of solidarity, authority, equality and autonomy may vary widely and a human will tend to adopt those expressions (as with language) that are dominant locally in their specific society.

Each of these Public Values can have both 'positive' and 'negative' sides – thus, for example, Solidarity can result in things like tribalism, religious or ethnic sectarianism, etc but can also result in social solidarity and selfless altruism towards ones fellow group members.

Each of these Public Values is to some degree in conflict with the others and can produce tensions. Every human institution actually consists of a blend of all four, but often with one or two in a superordinate position. Thus in classical bureaucracy, for example, the Authority value plays a pre-eminent role, whereas in networks Equality predominates as a value.

Because of these conflicts, no human system, institution or organization is stable – there are constant dynamic tensions built into all societies, states, and organizations. Moreover these contradictions are not resolvable through synthesis (in the Marxist-Hegelian sense) but are permanent. As a result, any institution which pushes hard towards only one or two values will experience permanent tensions 'pulling' back towards the others. This helps to explain some of the cyclical changes we see in public institutions – between centralization and decentralization; aggregation and disaggregation; etc.

These values help us to understand some of the perennial debates about social welfare and the role of the state. For example, when it comes to responsibility for welfare provision should this be the duty of the state (Authority), of the family, civil society or social groups (Solidarity), of the individual or market (Autonomy), and to what degree should any of these be based on principles of Equality and Equity?
Again, to use some examples – in the USA the state plays a lesser role in social welfare provision than in most large OECD countries – it only taxes and spends (redistributes) about a third of national wealth (as measured by GDP). On the other hand, the USA has one of the highest rates of charitable giving and individual charitable activity of any OECD country. Most European states spend considerably more on state-public activity (between 40-60% of GDP), but the corresponding rates of voluntary social action are lower than the USA.

Welfare systems are also highly variable, with some based on direct state provision, others on mandated employer-based systems, and still others incorporating state, voluntary and personal elements. My point is that all of these can be traced back to differential balances of the values of Authority, Solidarity, Equality and Autonomy in any particular time and place.
The perennial debates that take place about how best to create 'the good life' for our citizens – how to provide for social welfare – represent these underlying values both in social policy and in the organization of welfare.

There is no "right" answer to these problems of policy and organization, but there are "wrong" ones. Different balances between these values are inevitable and legitimate in different societies and at different times. So is some degree of dynamism, as the tensions between contending values play out. But it is also clear that if a society or organization is pushed too far in the direction of one value over others, or of denying one value as against the others, it will be inherently unstable and subject to radical, often violent, correction.

My analysis of welfare and public service provision in Britain, for example, would be that in recent years governments have placed far too much emphasis on a single value – Autonomy – at the expense of other important values. The over-emphasis on choice, competition, and more recently so-called 'personalization' of services risks undermining the values of Solidarity and Equality in particular. In some respects this over-emphasis on the principle of Autonomy is itself a corrective to its neglect in the post-War rise of the welfare state, which tended to emphasize the professional power (Authority) of doctors, teachers and other professionals as against the Autonomy of the recipients of public welfare, education and health services.

But since the 1970s we have over-reacted and now gone too far in the other direction. Too much emphasis on Autonomy risks undermining the Solidarity that allows for redistributive taxation and benefits, the Equality that ensures all feel equally treated by the state, and even the Authority of the state to impose sometimes necessary solutions.

Similar phenomena can be observed in the organization of state welfare. An over-emphasis on the value of Autonomy – in the form of decentralization and dissagregation – has often been followed by a period of counter-reform in which Authority is re-established and organizations brought back together. We in Briatin went through the former in the 1980s and 90s, and the latter in the past decade. Today we face a new round of reorganizations which will allegedly grant much greater Autonomy to the producers of state welfare services – teachers, doctors, etc. I predict confidently that if these reforms are enacted as currently proposed within a few years there will have to be a re-assertion of Authority, at least to some degree.

I realize that what I have been saying today offers no easy answers. But I believe the approach does offer some tools for thinking about the dynamics of policy and organization in the 'public domain'. It allows us to think about the dynamics of change and the continuities that always underpin public welfare systems. It may not allow us to predict the future, but it does allow us to understand the past and at least make educated guesses about the consequences of some choices. Rather like meterology, I think we will always better at explaining why it 'rained' in policy or organizations yesterday than we will be able to predict whether or not it will rain again tomorrow, in anything other than probabilities.

For more on Public Value and Competing Values see Talbot's paper at
http://www.workfoundation.co.uk/Assets/Docs/measuring_PV_final2.pdf

Some of the papers which can be read on Ronald Young' s website http://www.freewebs.com/publicadminreform

Building Municipal Capacity; an interesting account of an intellectual journey

Just Words? a glossary and bibliography for the fight against the pretensions and perversities of power

In Transit - Part One The first section of the book I wrote a decade ago for young Central European reformers. I find it stands up pretty well to the test of time

The Management of Government A very thoughtful 2000 piece by management guru Mintzberg

How do we build training systems which actually improve the performance of state bodies? This paper extracts some lessons from the work I have done in the last decade - particularly in Kyrgyzstan and Bulgaria. Even altho I say it myself - it is one of the best papers on the subject

Democracy, Bernard, it must be stopped! Not one of my papers but some "tongue in cheek" advice from the retiring Sir Humphrey (of "Yes Minister") to the young colleague who inherits his position. Quite brilliant! By Anthony Jay

Overview of PAR in transition countries This is the paper I drafted for the European Agency for Reconstruction after the staff retreat the EAR Director invited me to speak at in June 2006 in Skopje, Macedonia. The best papers are always written after the event!

Annotated Bibliography for change agents For quite a few years I had the habit of keeping notes on the books I was reading. Perhaps they will be useful to others?

Lost in the logframe; a powerful critique by Lucy Earle of the project management system which governs all technical assistance project these days and which kills creativity and joy.

Roadmap for Local Government in Kyrgyzstan; this is a long doc (117 pages. I enjoyed pulling out this metaphor - and developing and using (in workshops) the diagram at pages 76-77

Transfer of Functions - European experiences 1970-2000 I learned a lot as I drafted this paper for my Uzbek colleagues. I haven't seen this sort of typology before..

http://www.freewebs.com/publicadminreform/