

# Chinese Administrative Reforms: A Replica or Derivative of the Western NPM Model?

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At the theoretical level in the public administration community, there is an ongoing debate as to whether public administration principles can be universally applied to any country or whether they are bounded by political, economic, social, cultural, historical, environmental and traditional factors. While there is an increasing observation in the 21st century that convergence of administrative reforms between developing and developed countries has great momentum, this paper argues that national context plays a significant (if not vital) role in a specific country's administrative reforms. To put this argument in context, the paper examines similar and dissimilar features of Chinese administrative reforms with that of USA, with a conclusion that Chinese administrative reform is not a replica, but rather a derivative, of the Western NPM Model.

**Keywords:** western NPM model, Chinese administrative reforms, similar features, dissimilar features

## PART I: INTRODUCTION

At the forefront of the 21st century, we are living in a globalized era. Almost every aspect of our lives is shaped by the impact of the global age. The concept of a global village has never been quite as true as in our present time. Despite an increasingly prevalent literature arguing for the similarities of administrative reforms across different developed countries, and between developed and developing countries, each country and each region on the planet still has certain unique administrative features.

Nowadays, it is a common fact or understanding that the USA and the PRC are the two largest economies in the world. However, in many people's perceptions, it will take another ten to twenty years for the Chinese economy to catch up to that in the USA if current growth trends continue. Yet, the 2014 IMF-World Bank meeting announced that China had become the largest economy in the world. By 2016, China's GDP was \$21 trillion and America's was \$18.5 trillion, when measured by purchasing power parity (PPP),

which both the CIA and IMF agree is the best yardstick for comparing national economies (Allison, 2017).

In a recent article written by a Harvard scholar, Graham Allison, "America second? Yes, and China's Lead is only Growing," Allison commented:

*"Never before has a nation risen so fast on so many dimensions. When Ronald Reagan became president in 1981, China's economy was just 10 percent the size of America's. By 2014, it had catapulted to 100 percent, and today it stands at 115 percent. If the US and Chinese economies continue their current growth trends, China's economy will be 50 percent larger in 2023. By 2040, it will be three times larger"* (Allison, 2017).

In the Post-Mao Zedong era, Chinese public administration development in general, and Chinese administrative reforms in particular, have been greatly influenced by Western public administration traditions and models (e.g. New Public Management (NPM)). Thus, a growing consensus has been observed for the convergence argument of administrative reforms between China and Western-NPM style reforms.

To appreciate the understanding of New Public Management, here are two descriptions of the term:

*“New public management is a topical phrase to describe how management techniques from the private sector are now being applied to public services”* (Lane, 2000).

*“In the place of the PPA (progressive public administration) model came New Public Management or NPM (cf. Aucoin, 1990; Hood, 1987, 1990a, b, 1991; Dunsire & Hood, 1989; Hood & Jackson, 1991; Pollitt, 1993; Pusey, 1991). NPM involved a different conception of public accountability, with different patterns of trust and distrust and hence a different style of accountingization. The basis of NPM lay in reversing the two cardinal doctrines of PPA; that is, lessening or removing differences between the public and the private sector and shifting the emphasis from process accountability towards a greater element of accountability in terms of results. Accounting was to be a key element in this new conception of accountability, since it reflected high trust in the market and private business methods (no longer to be equated with organized crime) and low trust in public servants and professionals (now seen as budget-maximizing bureaucrats rather than Jesuitical ascetics), whose activities therefore needed to be more closely costed and evaluated by accounting techniques. The ideas of NPM were couched in the language of economic rationalism, and promoted by a new generation of ‘econocrats’ and ‘accountocrats’ in high public office”* (Hood, 1995).

To highlight the significance of New Public Management, part II gives more definitions and elaborations of the New Public Management movement.

Nevertheless, due to its unique historical, cultural, political and social backgrounds, China’s Administrative Reforms in recent decades have also encountered substantial difficulties and challenges. Western public administration models are limited in their ability to explain or resolve Chinese administrative issues.

Based on the description of the Western NPM model, and identifying the context of, and unique challenges and opportunities for, Chinese administrative reforms, this paper intends to utilize the contextual factors of the Chinese historic governance ideology, political institutions/systems, administrative system/tradition, economic stages, social issues, cultural differences and value orientations to argue that some of the “standard” features or ingredients of the Western NPM Model do not apply to Chinese public administration systems, and thus pose a challenge to Chinese administrative reforms.

To this end, the paper is divided into seven parts. Part I introduces the topic; Part II illustrates the Western new public management model with its main features; Part III presents similar features of Chinese Administrative reforms vis a vis those of the USA; Part IV explores the context of, and unique challenges and opportunities to, Chinese administrative reforms; Part V reveals implications of Hofstede’s dimensions of national culture to Chinese administrative reforms; Part VI summarizes dissimilar features of Chinese administrative reforms against those of the USA; Part VII concludes the paper, unifying the similar and dissimilar features of the Chinese Administrative reforms with that of the USA in one diagram.

Two caveats: first, this paper does not delineate the Chinese Administrative reforms as a substantial body of literature can be found elsewhere for such a purpose (Liu, 1998; Dong et al, 2010); second, this paper uses administrative reforms in the USA in the past two to three decades (especially during the Clinton Administration) as a proxy for the Western New Public Management model so as to compare it with Chinese administrative reforms since it is very difficult for the academic community to reach a consensus as to which country truly represents the standard practice of NPM.

## **PART II: WESTERN NEW PUBLIC MANAGEMENT MODEL**

According to Owen Hughes, NPM is “A concerted program of public sector reform aimed at replacing administration by management, replacing formal

bureaucracy by markets or contracts as far as possible, and reducing the size and scale of the public sector” (Hughes, 1998: 1489).

Christopher Hood, who popularized the term NPM, described seven aspects of the managerial program (1991). Several years later, Hood (1995) highlighted these seven doctrines again: first, unbundling of the public service into corporatized units organized by products; second, more contract-based competitive provision, with internal markets and term contracts; third, stress on the private-sector style of management practice; fourth, more stress on discipline and frugality in resource use; fifth, more emphasis on visible hands-on top management; sixth, explicit formal measurable standards and measurement of performance and success; and seventh, greater emphasis on output controls.

In short, the concept of an NPM movement started in the early 1980s, originating from New Zealand (later becoming the “New Zealand Model”), Australia and the United Kingdom, and was later disseminated to the United States and a number of other countries. The essence of NPM is borrowing the concepts and techniques of private sector management and applying them to public sector management, thereby reducing the functions of the public sector through contracting-out and privatization. The theoretical foundations of NPM are the new institutional economics, transaction cost theory, principal-agent theory and public choice theory (Hood, 1991; Kaboolian, 1998), all of which based their assumptions on human beings acting as rational economic men (and women) with budgeting maximization as the biggest incentive for public officials. Thus, rational choice supplants government and other public service, broadly defined, with market mechanisms. To be more concrete, these NPM ideas cover the retrenchment of public employees, reducing the scale of public expenditure, privatizing, contracting-out, shifting-out government service to the outside, importing private sector instruments to the public sector, decentralization, deregulation and re-regulation, fostering a culture based on performance, utilizing quality as measurement instruments, emphasizing results and outcomes instead of process,

as well as emphasizing customers as a priority (Masser, 1998).

Multiple factors have triggered the NPM style of administrative reforms. Since the late 1970s and early 1980s, driven by economic downturns, many countries initiated reform programs in the public sector. Moreover, political pressure required reform endeavors. “Bureaucracy bashing” is a typical phenomenon. Bureaucrats were accused of self-expanding, trouble making, lack of initiative and insensitivity (Savoie, 1994). Anti-State sentiment was vividly demonstrated in the late President Ronald Reagan’s quote: “In this present crisis, government is not the solution to our problem; government is the problem.” (Reagan, 1981). As guidelines for administrative reforms in the UK, Thatcherism originated from the influence of the “Far Right” ideological school. Margaret Thatcher acted from a stance of anti-statism. She argued that overarching government suffocates the creativity of individuals, families and social groups. She maintained that big government generates and distributes public goods without efficiencies, that big government twists the market mechanism and is insensitive to the quality requirements from the consumer, and that uniform provision ignores the diversity of public service. Politically, Thatcher believed that political appointees had become the captives and conspirators of the bureaucracy. As to aspects of executive function, criticism of Thatcherism focused on the rigid hierarchical structure that lacked flexibility and creativity. Therefore, she claimed, the bureaucracy could not follow the rapid pace of economic and technological development (Zhou, 1999).

Prof. Kenneth Apfel, former commissioner at the Social Security Administration in the Clinton Administration, has presented the following key features of NPM (Apfel, 2010):

- Government bureaucracy is self-perpetuating, slow to improve and needs major changes
- Inject competition and market forces to enhance change
- Focus on results and customers, not processes
- Empower employees to get results, and focus on accountability for results

- Deregulate and devolve; cut “control mechanisms”
- Steer, do not row

### PART III: SIMILAR FEATURES OF CHINESE ADMINISTRATIVE REFORM WITH THAT OF THE USA

Can similarities be found between US and Chinese administrative reform initiatives? Table 1 lists twelve common features of administrative reform between the two countries:

**Table 1. Similar Features of USA and Chinese Administrative Reforms**

A. Phenomenon	1	Bashing the bureaucrats
	2	Economic concerns
B. Reasons	3	Restore trust and confidence in government
	4	Top-level political support
	5	Downsizing government organization and employees
	6	Decentralization of government functions and authority to lower levels of government.
	7	Privatization
C. Content	8	Market-orientation
	9	Contracting-out
	10	Minimal State Orientation
	11	Promoting Transparency of Administrative Procedure
	12	Improving Public Service

Bashing the bureaucrats has been a phenomenon common to the two countries. In the USA, both Ronald Reagan and William Clinton used this strategy for political advantage. In the PRC, the bureaucracy was seen by the public as inefficient and irresponsible: corruption was rampant in the 1980s, especially in the 1990s and into the 21st century.

In both countries, economics was a major factor

leading to administrative reforms. In the USA, economic downturns took place in the 1970s, 1980s and again with the 2007-2011 financial crisis. In the PRC, although economic growth has been consistently rapid since 1978, the administrative cost has been consuming the lion’s share of public expenditures.

Politicians and bureaucrats in both countries have faced increasing pressure to institute reforms in order to demonstrate that they have the capacity for good governance. To win back the trust and confidence of the public in governments, and to rebuild the legitimacy of governance, top politicians (Mao Zedong, Deng Xiaoping, Jiang Zeming and Hu Jingtao in the PRC; Ronald Reagan, William Clinton, Albert Gore and George W. Bush in the USA) supported somewhat similar administrative reform initiatives.

In the PRC, several recent administrative reforms have downsized the bureaucracy, especially in the 1998 effort—more than 40% of central government employees were eliminated. Some of the central government functions were shifted to the provincial governments. In the Clinton-Gore Administration, more than 360,000 (or 16%) federal employees were downsized, and some of the departmental functions were decentralized to the front line employees.

In the USA, privatization, market-orientation and contracting-out were buzzwords in the Clinton and Bush administrations. In the PRC, market-orientation was a theme in building a socialist market economy in the 1990s, and privatization and contracting-out efforts were increasing conducted.

Just as a “Minimal State” orientation was tested in the Clinton Administration in terms of large-scale reduction of Federal employees, in China constructing “small state and big society” was a slogan throughout the 1990s.

Promoting transparency of administrative procedures and improving public services have long been on the government agenda in the USA. The PRC started to implement the Open Government Information Regulations in 2008 (Piotrowski et al, 2009), and

improving public service has consistently been a topic of recent administrative efforts.

#### **PART IV: THE CONTEXT OF, AND CHALLENGES TO, OPPORTUNITIES FOR CHINESE ADMINISTRATIVE REFORMS**

##### ***Historic Governance Ideology***

Modern archaeologists have discovered evidence of Chinese culture that flourished as early as 2500 B.C. in China. The Qin Dynasty (221 B.C. to 207 B.C.) established the first centralized Chinese bureaucratic system, with a resulting need to staff the administrative machinery.

Confucius' political thought, the leading governance ideology, is based upon his ethical principles. He argues that the best government is one that rules through "proprieties" (*li*) and people's natural morality. For Confucius, what characterized a superior ruler was the possession of *de* or 'virtue.' Confucius claimed that "He who governs by means of his virtue is, to use an analogy, like the polar star: it remains in its place while all the lesser stars do homage to it" (Yang, 1958).

Confucius's emphasis on the moral character of top leaders, rather than the formal law, resulted in a tradition within Chinese governance—the weakening of law and the strengthening of the power of the leaders.

It is not uncommon to realize that in Chinese society lawlessness exists in many areas, while in other areas there are laws, but people do not observe them. This situation posits a big challenge to Chinese administrative reforms. Administrative reforms have been pursued in the PRC many times since 1949. Nevertheless, unlike that of USA and other Western countries, Chinese administrative reforms have seldom been guided or dictated by relevant laws. For example, the seventh round of administrative reforms in 1998 was proposed by the State Council and passed by the Ninth National People's Congress on March the 10th, 1998. But this was not a law. There were no ramifications if some of the clauses were not carried out.

Confucius emphasized people's virtues and natural morality, especially for high level leaders. The PRC's civil servant law requires the civil servant to meet ideological and political qualifications, in addition to working capability, educational level and working experience (The Civil Servant Law of the People's Republic of China, 2005).

Thus, other than the neutral competence of the civil servant candidate which is required under the USA's civil service system, virtue and morality—interpreted as political integrity and political correctness—is essential in China.

##### ***China's Political Systems***

China's political systems constitute the fundamental series of laws, systems, regulations and precedents that have regulated the People's Republic of China's state regime, governmental system, and relationships between state and society since the founding of the People's Republic of China in October of 1949. China's political systems cover the following elements: 1) Constitutional system; 2) the Ruling Party of the PRC; 3) People's Congress System; 4) Multi-Party Cooperation and Political Consultative system; 5) Central administrative system; 6) Sub-national administrative system; 7) Military system; 8) National Executive (Presidential) system; 9) Cadre-public servant system; 10) Election system; 11) System of Ethnic Regional Autonomy; 12) Special Administrative Region system (China's Political Systems, 2012).

The National People's Congress and local people's congresses at all levels are organs representing the people in exercising state power. Multi-party cooperation and political consultation under the leadership of the Communist Party of China (CPC) constitute the basic party system in China. The Communist Party has been ruling in this context since the founding of the PRC.

Thus, the major impact of China's political systems on the Chinese administrative reforms is embodied on at least three fronts. First, despite a great effort to separate the party functions from that of the government over the

PRC's history, the party always dictates the directions of the government, and in many cases the operations of the government. Second, in terms of personnel management in China, the Chinese Communist Party controls and decides on the government leaders at various levels through a Nomenklatura system (Chan, 2004). Third, unlike Western civil service systems which require the neutrality of their public servants, a Chinese civil servant is required to support the leadership of the Chinese Communist Party (CPC).

### ***Administrative System and Tradition***

“Administrative System” refers to a series of regulations and precedents as to composition, jurisdiction and means of activity of relevant national administrative agencies. The central administrative system of the People's Republic of China includes the central administrative organs under the National People's Congress and the leadership relationship to the central administrative organs over the sub-national administrative organs at various levels (China's Political Systems, 2012). The Chinese Constitution stipulates that the State Council—the Central government—is the supreme executive agency of the national power organ. The several levels of sub-national governments—executive agencies of the respective state power organs—are state administrative agencies at various local levels. Those local levels of governments accept the unified leadership of the State Council (Constitution of PRC, 1982).

In the USA, we may define Intergovernmental Relations as: the series of financial, legal, political and administrative relationships established among all units of government that possess varying degrees of jurisdictional authority. These relationships are called federalism when applied more narrowly to the federal government's relations with state governments, and the states' relationships with each other (Henry, 2010). One important feature is distinct national and state responsibilities. In the Chinese case, the several levels of sub-national governments—executive agencies of the respective state power organs—are state administrative agencies at various local levels that accept the unified leadership of the State Council.

Thus, in the USA, the central (federal) government is separated from the state government, whereas the Chinese central and local government is a unitary government. Both the central and sub-national governments are under the leadership of the State Council. This difference has a significant impact on the operations of the government. For example, the federal government reform initiatives are constrained to the federal government in the USA, and the federal government has no direct power to request administrative reform at the state or local government, although some such reforms occur as a function of funding-related regulations. In China, due to the unitary nature of the government, the central government has the authority to direct administrative reform for both the central government and the sub-national government units. It is true that almost every administrative reform initiative in the PRC's history had been conducted nationwide—not constrained just to the central level. In this regard, administrative reforms in China were more thorough. That could be either good or bad.

### ***Economic Stage***

In 1978, the Chinese government introduced a “Reform and Opening to the Outside” grand policy and economic reforms guided by the late leader Deng Xiaoping. In the early 1990s, the government introduced elements of a free-market economy, although with Chinese characteristics. In the process, the government also encouraged foreign investment. Its GDP has been growing by nearly 10 per cent a year over the past three decades or so. Its economy surpassed Japan's in 2010 and became the second-largest in the world, behind only the USA (Dawson and Dean, 2011).

The World Bank, the Standard Chartered Bank and the OECD have estimated that China may become the world's largest economy in 2030, although older projections optimistically suggested 2020 and even 2015 respectively (Lin, 2011; Standard Chartered Bank, 2011; OECD, 2007).

In Mao's era (1949-1976), China had adopted a Soviet Union type of command economy. In the post-Mao

era, the country adopted a “Reform and Opening to the Outside” policy in 1978, through which the whole country was re-oriented in its focus from class struggle to economic development. Administrative reform in the post-Mao era focused on separating the enterprise functions from that of the government, leaving increasing discretion to the enterprise to manage its own affairs. The government has been paying more attention to macro coordination and service rather than micro management. Thus, some of the functions of the government for the previous planned economy needed to be shifted from the domain of government to enterprises and the market.

The 1998 administrative reform was the most comprehensive one in recent decades in China. The number of ministries and commissions was reduced from 40 to 29. Sizable cuts in government employment were planned and targeted at downsizing 50 percent of government employees. The seventh round of reform efforts sought to further transform government functions. In clarifying the relationship between government and enterprise, the State Council had shifted 280 functions to the enterprises, social intermediate organizations and local governments (Song, 2001:375-6).

Different economic development stages require different public services and goods. The more advanced economic development stages demand that government provide better public goods and services, such as fire-fighting and police patrol mechanisms. A more advanced economy also requires the administrative system to be efficient and competent.

### **Social Issues**

China’s rapid economic development over the past four decades or so has been accompanied by unintended effects. Many of the problems have been apparent in the social arenas. One of the most significant issues is inequality of social economic development. According to a 2009 authoritative report, 0.4% of people controlled 70% of the national wealth. The degree of wealth centralization surpassed that of the United States (Cai, 2009). According to the World Bank’s latest report, in the United States’ 5%

of the population has accumulated 60% of the wealth, while in China 1% of the family amassed 41.4% of the wealth. The degree of wealth concentration in China surpasses that of the United States, becoming one of the world’s most polarized countries (Xia, 2010). The Gini coefficient, proposed by the Italian economist Gini in 1922 according to the Lorenz curve, is an important international analysis index used to comprehensively examine the difference in income distribution among residents. A Gini coefficient of 0 indicates that the income distribution is perfectly averaged, while a Gini coefficient of 1 indicates absolute inequality. In this interval, the smaller the value, the more the social income distribution is near the average; the larger the value, the greater the gap between social income (Xia, 2010).

China’s Gini coefficient, which reached 0.5 in 2010, was higher than that of all developed countries in 2008 (Henan Shanbao, 2012). In a “China Family Panel Studies” series, it was found that the national Gini coefficient for household net income in 2014 was 0.50 (Zhang, 2017). Thus, there is great disparity between urban and rural dweller, and between rich and poor.

Perhaps the most acute social problem has been declining moral standards in society. In Mao’s era (1949-1976), the societal energy was concentrated on the class struggle, whereas in the post-Mao era people’s enthusiasm is sharply concentrated on monetary gain and material possessions, while putting aside other considerations. The social ethos has suffered rapid decay. A case in point was the tragic 2008 Chinese milk scandal, a food safety incident in the PRC in which milk and infant formula was adulterated with melamine. Apparently, societal moral conditions warrant serious reflection.

There are plenty of other eminent social problems and concerns, as demonstrated in the areas of demography, the social safety network, environmental pollution, social conflict and injustice, housing prices, medical costs and so forth.

Facing acute social issues partly due to the rapid transition of the society from the late 1970s, the

Chinese communist party and government attempted a number of initiatives to strengthen the capacity of the government and also make government decision-making more transparent.

The People's Republic of China established its civil service in 1993 when it promulgated the Provisional Regulations on State Civil Servants. China adopted its Open Government Information Regulations on May 1, 2008. Preceded by some 25 years of incremental and uneven progress toward greater government transparency, China's OGI Regulations nonetheless marked a sharp break with a long tradition—and a still strong culture—of government secrecy. Various Chinese government agencies also relied on open hearings to collect feedback from the public for the significant issues that impact their lives.

However, in terms of widespread perception of the government officials' corruption, social injustice, the huge gap between the rich and poor, inequality of social economic development, and worrisome moral declines, administrative reform is not a precise and appropriate vehicle to address such issues. Indeed, many domestic and international scholars continue to call for urgent political reforms in China.

### **Cultural Differences**

Culture is designated by the modalities of human activities and the symbolic structure of those significant modes. Different people have different definitions of culture. Culture usually covers written and oral languages, locations, music, literature, drawings, sculpture, drama, movies and so forth (Williams, 1976). Chinese culture is regarded as collectivist, formal and hierarchical with a small number of close, lifelong friends, and relationships with other people involving reciprocal obligations. American culture is perceived as individualist, informal, egalitarian, with a large collection of "friends" and acquaintances that changes over time; people avoid interdependent relationships. Chinese culture avoids direct confrontation, open criticism, and controversial topics, and is concerned with maintaining harmony and with "face." American culture is willing to confront, criticize, and discuss controversial topics. Americans press personal

opinions about what they consider "the truth." (Li, 1995; Aguilar and Stokes, 1996; Anonymity, 2012).

A prominent feature of Chinese culture is to resolve people and people's relationships, whereas Western society uses the law. For 2000 years, China has been a land that is based on human relationships rather than law. Chinese uses ethics and tolerance to adjust the relationship between people. Chinese culture posts challenges to the Chinese administrative reforms at least in the following three aspects: 1) No laws to direct administrative reforms; 2) No budget attached to administrative reforms; 3) Enormous attention paid to the relocation of the downsized personnel. There was neither punishment if a target was not achieved nor reward if a target was accomplished. Too often, due to the relationship-oriented (connection or networking) Chinese culture, many downsized public agencies reemerged, and employees returned to their previous posts after a period of time.

When conducting administrative reforms, China has to be very cautious in terms of placing downsized personnel; China has to be careful in abolishing and merging administrative agencies, especially in terms of the impact on the incumbents.

### **Value Orientations**

Scholars across the world agree that despite the diversity of Chinese communities, many shared characteristics persist. The Chinese value the importance of the family; the hierarchical structure of social life; the cultivation of morality and self-restraint; and the emphasis on hard work and achievement. In many ways the family unit takes precedence over its individual members (Kim, 2005; Lu, 2010).

It is hard to define universally agreed-upon Chinese values. Barbara Matthews (2000) developed forty values in four categories, while Ying Fan (2000) identified 71 values, some of which are extremely important, such as bearing hardship, governing by leaders instead of by law, propriety, veneration for the old, deference to authority, virtue (moral standards), taking a long-range view, and so forth.

From the perspective of the Chinese government, the following values are singled out as the most prominent ones (in descending importance): political (or social) stability, economic development, hierarchy, authority and family.

To maintain the legitimacy of the Chinese government and the Chinese Communist Party, stability is not only necessary, but a “must have” condition. Economic development not only serves to maintain the legitimacy of the Chinese government and the Chinese Communist Party, but also to serve their purposes: serve the people wholeheartedly. In order to keep the society stable and to develop the economy rapidly, attention to the values of hierarchy, authority and family is necessary according to Chinese culture.

## PART V: IMPLICATIONS OF DIMENSIONS OF NATIONAL CULTURE

**Table 2. National Culture for USA and China**

	USA	China
Power Distance	Small	Large
Uncertainty Avoidance	Weak Uncertainty Avoidance	Strong Uncertainty Avoidance
Individualism-Collectivism	Individualism	Collectivism
Masculinity-Femininity	Masculinity	Femininity
Long-Term/Short-Term Orientation	Short-Term Orientation	Long-Term Orientation

Using Hofstede’s five dimensions of national culture (Hofstede, 1980; Henry, 2010:94-96), Table 2 compares the cultural dimensions of the USA and China.

In power distance, the USA typically has a smaller power distance between the supervisor and the subordinate than that of China. The practical implication is the participative extent of decision making. In the Clinton Administration, Gore encouraged front-line employees’ participation to

raise reform ideas and initiatives for the reinvention lab. But in China, because of the larger power distance that is characteristic of the bureaucratic hierarchy, the American style of participation is seldom encouraged. Too often in China the central government enacts the reform package. The job at the lower level echelon is to carry out the will of the top bureaucrats.

The USA is generally agreed to have a weak uncertainty avoidance culture, while China has a strong such culture. For example, the Clinton Administration reduced the size of the federal civilian workforce by 426,200 positions between January 1993 and September 2000 over thirteen of fourteen departments (NPR, 2012). Though the Clinton Administration utilized a number of methods such as “buy-out” and “employment freezing” in carefully implementing the downsizing strategy, the Chinese are even more prudent in laying-off public employees. For example, in the 1998 administrative reform efforts the Chinese government relied on a number of methods to reduce its central government employees to make sure there was no large shock to the society. These methods included (but were not limited to) finding a public service institution to take over the downsized employees, sending them to a state-owned enterprise or sending them back to schools for more training.

In terms of the individualism-collectivism spectrum, USA administrative reform has followed the rule of law so as to fully respect individual rights, while Chinese administrative reform has followed the principle of subjecting individual interest to the national interest.

In the masculinity-femininity area, USA administrative reform has the following features: assertiveness, performance and independence that are characteristics of masculine culture, while Chinese administrative reform has the following features: nurturing of life, interdependence and caring for others that are dominant values of feminine behavior.

In the long-term/short-term orientation, it is interesting to observe that USA administrative reforms lack consistence or continuation across different presidencies. Seldom, if ever, will the

following president continue the reform efforts of his predecessors. This is particularly true of the Obama to Trump transition. In the case of administrative reforms in China, at least in the post-Mao era, however, it is not difficult to identify the continuation of administration reforms.

Even if some of the above attributes are debatable, they have significant implications for management style and even for the targets of administrative reforms.

## **PART VI: DISSIMILAR FEATURES OF CHINESE ADMINISTRATIVE REFORM WITH THAT OF USA**

Comparing Chinese administrative reforms with that of the American-style NPM model, some of the American features do not apply due to the contextual factors of China's historic governance ideology, political institutions/systems, administrative system/tradition, economic stages, social issues, culture difference and value orientations.

We know that the essence of NPM is applying the concepts and techniques of private sector management to public sector management, reducing the functions of public sector management through contracting-out and privatizing. In the USA, an emphasis on the adoption of managerial practices from the private sector that would theoretically work in the public sector was encouraged from the Reagan Administration onward. For example, under Reagan more than 2000 business people were involved—at least symbolically—in identifying bureaucratic ‘waste’ (Pollitt and Bouckaert, 2000: 282), while this was not a major strategy in the PRC. In the PRC, the private economy virtually ceased to exist in the Maoist era (1949-1976). Thus, the post-Mao reforms concentrated on both stimulating the growth of the private sector and privatizing public enterprises.

Deregulation of public sector services in the U.S. was a major theme. For example, in the Clinton Administration in the 1990s, agencies eliminated about 640,000 pages of internal rules and about 16,000 pages of federal regulations (Kamensky, 1999). In the

PRC, however, strengthening regulation and the rule of law were the mega-trends of the post-Mao reforms.

Emphasizing results and customers have been the distinguishing features of administrative reform efforts in the US over the past decades. One of the early guiding documents was the NPR report entitled “From Red Tape to Results: Creating a Government That Works Better and Costs Less” (Gore et al, 1993). A defining statute was the Government Performance and Results Act (GPRA) in 1993 (GPRA, 1993). In the PRC, such efforts were either not heard of, or not the focus of administrative reform initiatives.

In the U.S., empowering employees to get results was highlighted in the Clinton Administration. However, such concepts (of empowering employees) are typically alien to Chinese reformers.

Moreover, there are several distinct features of Chinese administrative reforms that can hardly be found in the U.S. practice of NPM-type of reforms.

First, in the post-Mao era, the focus of the PRC was on economic development and toward a market-oriented economy. Thus, some of the functions of the government for the previous planned economy needed to be shifted from the territory of government to the state-owned enterprises and markets. In the U.S., although the government influences the economy, it is based on an underlying market economy system. Thus the government does not have micro-economic management functions in the first place.

Second, in the PRC, adjustments of relationships between the government and the Chinese Communist Party, government and enterprise, and government and society attracted much attention for reform efforts, while this was not the focus of the U.S. reforms.

Third, in the PRC, administrative reforms were not accompanied by the issuing of laws or corresponding budget constraints. From 1993 to 2001, the Clinton Administration was able to get 90 laws through the Congress (Zhang, 2009). It is very interesting to observe that all the administrative reform efforts in

Mao's era (1949-1976) experienced a dysfunctional cycle of "Expanding—downsizing—expanding—downsizing" of the central government agencies and the number of government employees, without exception. Such an outcome is directly derived from the absence of laws to enforce the reform endeavor. There were no punishment or reward mechanisms. In the end, no one was responsible or accountable for the final result.

## **PART VII: CONCLUDING REMARKS**

Since the founding of the People's Republic of China in 1949, administrative reforms seem to be the concomitant products of the system. Administrative reforms have happened periodically either in Mao's era (1949-1976) or the post-Mao era (1978-present).

In Mao's era (1949-1976), administrative reforms occurred in a comparatively closed system that adopted a Soviet type of command economy. The country focused on class struggle. In the post-Mao era (1978-present), the country has accelerated its pace toward economic development and a focus on the market economy. Those strategic adjustments are essentially political decisions. In the "Reform and Opening to the outside" period, the PRC's administrative reforms have been largely impacted by the outside world, although many of its efforts have to be traced to the roots—values and systems which are ingrained in the country's profound historical governance ideology (say Confucius' political philosophy), political system, administrative system/tradition, economic development, social issues, culture traits, and value orientations.

The legacy of Confucius' political philosophy is its emphasis on the proprieties and virtue of rulers (top leaders), while ignoring the importance of legalism. This political ideology has had unfortunate impacts upon politics in general, and administrative reforms in particular, in the PRC's history. One consequence is the lack of laws to stipulate the reform processes and targets. Another ramification is the shortage of budget constraints to ensure reform outcomes. Administrative reforms without the warrant of law and

budget requirements could lead anywhere. Indeed, the performance of administrative reforms over the PRC's history has seldom precisely met the expectations.

China's political system allows the Chinese Communist Party to be in a dominant position—to make strategic decisions for the directions of the country. In Mao's era (1949-1976), the country focused on class struggle and adopted a planned economy. Administrative reforms in this period had to reflect the need for political targets—centralization and decentralization of the State-owned enterprises. The outcome was a cycle of "expanding-downsizing-expanding-downsizing." After 1978, the whole country shifted to a focus on economic development, and presently everything is centered on the improving economy and markets. Still, the Chinese Communist Party is in an absolute position of leadership. While there are recurring efforts to separate the functions of the government from those of the party, such efforts have typically ended nowhere.

China's administration adopted a unitary system that differs from the U.S. federalism system. The Chinese arrangement ensures that the whole country is in tandem with every round of administrative reforms. In the USA, the reinventing government movement in the Clinton Administration in the 1990s and the President's Management Agenda in the Bush Administration in the early 21st century only applied to the Federal government, each of the fifty states having set its own agenda. Chinese administrative reform can be very effective if it is a success, or very disruptive if it is a failure.

China's economic development has been very rapid in the past four decades or so. China's economic success has accelerated further administrative reforms in order to meet the increasing demands of the public for better public services. Transformation of government functions—to delegate more discretion to the enterprises themselves—is such an endeavor.

Changing social issues and problems deserve the attention and action of the Chinese government. Rampant and systematic corruption, social injustice

and inequality of social economic development are the primary concerns. These problems could lead to social instability, which must be addressed by the administrative reforms.

In many aspects, Chinese culture is very different than western culture. Viewed through the lens of national culture, these differences could impact administrative style, targets and orientation of the country.

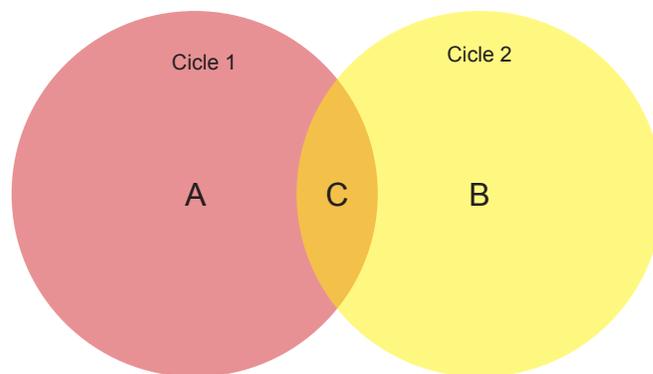
Among others, Chinese citizens value family, authority, harmony and hierarchy. However, the Chinese government values economic development and especially political (and social) stability. Yet this millennia-old value orientation has fundamental implications for Chinese governance and plays a strong role in the rationale of Chinese administrative reform initiatives.

Some scholars believe that the NPM movement is an internationalized phenomenon since it is not restricted to developed countries such as the United Kingdom, New Zealand, Australia, and Canada, but has also found its way to developing and transitional societies in Asia, Latin America and Africa—countries like Singapore, Malaysia, India, Philippines, Ghana, and Malta, all of which adopted NPM ideas and practices (Lam, 1997). Some other scholars argue that countries like the United Kingdom, Australia and New Zealand underwent comprehensive reform efforts and thus belong to the high NPM group, while other countries such as Germany, Japan, and Switzerland experienced only limited reforms and thus belong to the low NPM group (Nolan, 2001; Hood, 1995). Pollitt et al (2007: 6) stated that “the NPM works best when it is built on the secure foundations of a stable Weberian bureaucracy. NPM can have very negative effects when injected into situations where the civil service is highly politicized, the ‘public service ethic’ is unknown, budgets are unstable and accountability is weak.” It is true that in countries like China there are both convergence and divergence factors compared to the high NPM group in general and the USA in particular.

Below is an illustrative picture of US and Chinese administrative reforms. The overlapping area

(part C) is the commonality of the US and Chinese administrative reforms, while Part A and Part B represent unique features of Chinese and American administrative reforms respectively.

**Figure 1. Similarities and differences between American and Chinese administrative reforms**



Circle 1: Chinese administrative reforms

Circle 2: American Administrative reforms

A: Unique features of Chinese administrative reforms

B: Unique features of American administrative reforms

C: Common features of both Chinese and American administrative reforms

Given the above arguments, Chinese administrative reforms have been influenced by the Chinese context—namely China’s historical governance ideology, political system, administrative system, economic development, social issues, cultural differences and value orientations. All of these seven dimensions are quite different than those of Western countries (e.g. United States). To realize the purpose of administrative reforms, PR China must rely on continued administrative reforms in the short run and political reform in the long run. It is safe to say that Chinese administrative reform is not a replica, but a variant or derivative of Western standards, of NPM.

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