



# The politics of performance measurement in China<sup>☆</sup>

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## Abstract

Performance measurement (PM) has been widely used in China's public sector to enhance performance and ensure accountability. Like in other countries, PM in China is an arena of political management and manipulation by which political priorities are articulated and political loyalty and responsiveness are sought. This paper develops a regime-centered analytical framework to understand the political nature of China's PM. It identifies major political structures that influence the adoption and functioning of PM in China, including the unified political and administrative system, the Chinese developmental state and its performance legitimacy strategy, the unitary but decentralized intergovernmental systems, and the bureaucratic culture and informal rules. Despite their constraining effects, these structural attributes of the Chinese political system fundamentally account for the rise and popularity of PM in China.

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## 1. Introduction

Performance measurement (PM) became a formal practice in China's public sector in 1985 when target-responsibility system began to be adopted in local government management. Nonetheless, a PM culture could be traced back to the planned economy era when local governments and state-owned enterprises endeavored to meet quantitative targets assigned by the planning system, which was frequently interrupted or paralyzed by the vehemently turbulent political environment especially during the 1966–1976 Great Cultural Revolution. The adoption of PM in the 1980s and its entrenchment in China's public sector happened in a process of incremental but decisive transition of China's political economy, hence following a starkly different logic. PM became such a popular phenomenon that the use of PM especially visible numbers was itself a symbol of legitimacy in China's public life. Major recent developments showed a strong commitment of the central government to formalize, institutionalize and systemize PM practices. In July 2010, Performance Management and Supervision Office (jixiao guanli jianchashi) of the Central Commission for Discipline Inspection was established. In March 2011, the State Council approved the establishment of Inter-Ministry Joint Conference on Government Performance Management Work (IJCGPMW) that was composed of nine central agencies. In the following June, the State Council approved the IJCGPMW's proposal to initiate pilot tests covering four major areas of performance management including local governments, central government agencies, central programs, and central budgetary expenditures.

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The popularity of PM in China is apparently part of the global trend of evidence-based and result-oriented government, which influenced China through its external learning and imitation (Christensen, Dong, & Painter, 2008; Worthley & Tsao, 1999). Borrowing of PM practices, such as the balanced scorecard and performance budgeting, from western societies has been popular for local governments pressured by increasing demands for effective and efficient service provision.<sup>1</sup> The modernizing Chinese public sector management almost indiscriminately accepted reform ideals originated from western contexts such as small government, efficiency, citizens participation, and public private partnership. Meanwhile, it has been noticed that Chinese PM is far from a pure western transplant (Chan & Gao, 2009; Gao, 2009; Rosenbloom & Hahm, 2010; Walker & Wu, 2010). Significant differences exist regarding why, what, who(m) and how to measure, and regarding the consequences and impacts of PM. The adopted PM in China has, unsurprisingly, fit the local conditions by adapting itself in the actual process of implementation.

Such a decoupling is not just a Chinese phenomenon. Despite the orthodoxy view of PM as administrative instrument for technical performance and organizational control (Behn, 2003; Boyne, Meier, O'Toole, & Walker, 2006; Johnsen, 2005), scholars have increasingly realized the fundamental role of the political, social technical, and cultural contexts to shape PM and make it meaningful and appropriate (Julnes & Holzer, 2001; Moynihan, 2009; Moynihan & Pandey, 2005; Pollitt, 1987; Radin, 2000, 2006; Rosenbloom & Hahm, 2010). The “chain of performance measurement” is essentially linked to the “use and location of power”, and is socially constructed in the “interaction of institutional rules and the individual responses to these rules” (Lewis, 2015). This alternative perspective, which highlights the political causes and effects of PM, can be particularly powerful to observe the convergences and divergences of PM in different countries whose local conditions manage to accommodate the standard PM claims and purposes. Political factors of different levels, such as fundamental political values and institutions, basic governmental structures and processes, and organizational culture, can all exert influences. The many particular aspects of China’s political system undoubtedly set different incentives and constraints for PM, providing another case of the resilience of the Chinese political regime to imported managerial innovations.

This paper intends to systematically understand the ways that politics influences PM in China. In the following we will first set the theoretical framework for understanding PM from a regime-centered perspective, then apply it to China’s PM practices to disclose its contextualized interactions with politics. The research is mainly based on literature review, case information, and theoretical analysis. Conclusions will be provided at the end.

## 2. The framework

PM develops and evolves in given regimes. In this paper regime is defined as a set of enduring and mutually reinforcing political institutions that provide rules for actors within the system, for example by providing the boundary of appropriate and legitimate behavior, decision-making procedures, and standards of justice and equity (Young, 1980). Regimes are mixed products of purposeful designs and historical evolution, with both formal and informal elements (North, 1990). By having regime as a unit of analysis and having China as a targeted case, a framework of the politics of PM can be developed in Fig. 1, which identifies four important regime-level political attributes that may shape the adoption and functioning of PM.

### 2.1. Core political values and institutions

“Regime values embody normative preferences, beliefs, passions, and views of government and society that are associated with a political community’s founding and historical development” (Baehler, Liu, & Rosenbloom, 2014). These values provide the basic foundation of political identity and legitimacy, and fundamentally shape the perceptions of the appropriate ways to organize and operate a government. Core political values are found in a country’s constitutional, legal, and historical framework, especially those formal statements about political justice, freedom, rights, and the political institutions and practices to realize them. Hence it is politically and legally binding for the public sector, specifically the government, to respect and maximize these values. PM, as an instrument to improve the government, has to avoid jeopardizing or hindering these values. In ideal situations PM should actively

<sup>1</sup> Central government in China only spent 14.9% of China’s fiscal expenditures in 2012, and most central expenditures were for national defense, diplomacy, state security, foreign aid, central agency administration, relief, and national projects and programs, etc.

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