

● **SYMPOSIUM: Seeking a Better Regulation**

**Introduction**

..... Yaping Liu  
Discourse Coalition, Meaning Competition and Policy – Making: The “Ride Sharing”  
Debate and Policy as a Case

..... Haizhu Zhang

**Abstract** Discourse theory points out that policy – making can be regarded as a process of discursive construction, meaning interpretation and competition around a specific issue. The “discourse coalition” framework explains policy – making as the processes of “discoursestructuration” and “discourse institutionalization”, which is the combination of discourse analysis and actor – interaction analysis. The influence of “discourse coalitions” on policy – making depends on many factors’ effects, such as discourses and their meanings, macro contexts, institutional structures, and power relations. This paper takes the “ride sharing” debate and policy making process as a case and found there were two discourse coalitions: a “government regulation” coalition and a “free market” coalition. The “regulation coalition” argued for the legitimacy of government regulation on “ride sharing” through the discourses of legitimacy, rights, traffic congestion, and safety. Meanwhile, the “market coalition” argued for the legitimacy of market mechanisms through the discourses of “sharing economy” and “new emerging industry”. Because of its superiority in power and resource network, the “regulation coalition” largely dominated the “ride sharing” policy – making process. However, the state’s advocacy of “Internet +”, the “sharing economy” and market – oriented reform of the taxi industry created a favorable environment for the development of the “market coalition”, the emergence of which also had an impact on policy – making. Ultimately, the final policy revised the access conditions of “ride sharing” and adopted the “category management” framework.

**Key Words** Discourse; Meaning; Discourse Coalition; Policy – Making; E – Hailing Car

Central – Local Relations and Government Reform: An Empirical Study of Reform  
Progress of the China Food Regulatory Institution at the Municipal Level

..... Peng Liu, Liang Ma & Zhipeng Liu

**Abstract** Most of existing literature argues that a decentralized decision – making structure and the different preferences of local governments are the crucial reasons for local policy implementation deviation in China. This paper takes observations of China’s food regulatory institution reforms in 333 municipal – Level governments as an example. Specifically, by using a regression analysis to find the factors that may affect the progress of reform, this study determined whether these local governments satisfied the time central government’s time requirements for reform implementation. By doing so, the possible reasons for perfect and deviated implementation of central policy can be illustrated. From the perspective of local government preferences, the statistical results demonstrate that various factors will positively expedite local progress, such as lower economic development, more negative incidents in certain areas, lower proportion of minority ethnic people and earlier accomplishment of the last local reform, surrounding cities as well as provincial level reforms. The findings shed light on central – local relations in China in that while local governments are still regulated by the central government through personnel and financial control, the preferences of local governments may affect central policy implementation. Other factors influencing a local government’s preferences during reform are obtaining positive evaluations and eliminating the effect of negative incidents.

**Key Words** Central – Local Relations; Prefecture – Level City; Food Safety Regulation; Government Agency Reform

## ● SYMPOSIUM: Institutional Environment, Policy Diffusion and Innovation

### Introduction

..... Lin Ye  
Cross – System Mobility and Policy Innovation: Policy Entrepreneurs’ Occupation Choice in a Restricted Institutional Environment——A Case Study of Social Finance Innovation in Southwestern Province

..... Lingyi Zhou & Shuoyan Li

**Abstract** Policy entrepreneurs can improve their institutional environment through a change in occupation and thereby more effectively promote policy innovation. By studying a policy entrepreneur’s effort to establish a social bank in a southwestern province in China, this article finds that when the policy entrepreneur changed occupations to attain cross – system mobility, the environmental constraints changed significantly. A nonprofit

organization which is outside the system can provide more innovation space for a policy entrepreneur. The nonprofit's power structure, incentive mechanism and social network are different and more conducive to the promotion of policy innovation. This study will not only help explain the impact of the institutional environment on a policy entrepreneurs' behavior, but also reveal another strategy for policy entrepreneurs to promote policy innovation in China.

**Key Words** Policy Entrepreneurs; Policy Innovation; Cross – System Mobility; Institutional Constraints

### Innovation and Diffusion of China's Patent Subsidy Policy Among Provinces: An Event History Analysis

..... Duogang Zhu & Junhua Guo

**Abstract** Why do some local governments tend to promote policy innovation? Why different local governments adopt the same policy? This paper develops a theoretical framework of local government innovation and diffusion from the perspectives of internal determinants and external diffusion. Using this framework, the paper examines the roles of resources for technological innovation, the Party and government elections as well as the seriousness of the problems and external factors at play in the diffusion of patent subsidy policy. Data from thirty one Chinese provincial – level authorities from 1999 to 2007 were used to test the theoretical hypothesis with the method of event history analysis. The results suggest that apart from the political circle measured by Party and government elections, both the resources for technological innovation and the seriousness of the problems exert differentiated impacts on the diffusion of patent subsidy policy among provincial – level authorities. In terms of external factors, national – level events including China's entry into the WTO and establishment of the Patent Law, exert far – reaching impacts on the diffusion of the patent subsidy policy, while the neighbor effect and nationwide adoption are insignificant. This study is of great importance to our understanding of the policy diffusion among Chinese local governments and provides vital implications for enriching and extending classical theories in policy innovation and diffusion.

**Key Words** Patent Subsidy Policy; Innovation Diffusion; Provincial – level Government; Event History

## ● ARTICLES

### Subnational Fiscal Structure and Local Governance: Evidence from China

..... Yu You, Guang Zhang & Yuyi Zhuang

**Abstract** This paper investigates the impact of fiscal decentralization and public expenditure structure on local governance performance from vertical and horizontal perspectives, respectively. Accordingly, we proxy fiscal decentralization by calculating the share of expenditure of sub – provincial governments to that of all levels within provinces, classify local public expenditure into developmental function and re – distributional function categories, and develop an index measuring local governance performance based on the existing literature. Using provincial panel data from 1997 to 2009, we make several findings. First, vertical fiscal decentralization within provinces significantly improves local governance performance. By and large, this effect can be attributed to how much sub – provincial fiscal expenditure is decentralized to the county – level governments, rather than to the municipal – level. Second, horizontal developmental function expenditures are detrimental to local governance performance. This is due to factors such as rent – seeking and corruption. We further find fiscal transfers can erode local governance performance. In addition, local governance performance is often positively correlated with industrialization and urbanization, and it illustrates the strong tendency of an incremental effect. Based on these findings, some suggestions on how to improve public expenditure functions and fiscal transfer system are given.

**Key Words** Local Governance; Fiscal Decentralization; Public Expenditure Function; Fiscal Federalism; Functional Federalism

### Social Service State: Why and How Can It Grow?

..... Mingang Lin & Yu Liang

**Abstract** Since the end of the 1990s, the social benefit schemes of 14 European welfare states have seen a growing need for social services while benefits in cash have declined. Social services have become one of the main pathways for social benefits. The “quasi – social service state” has begun to emerge. Through further analysis of changes in European social service policies, the welfare states established the new social policy idea of “social investment”. For example, the United Kingdom and Sweden adopted different strategies to promote the development of social services. In contrast, as the development of social policy in China proceeds, the all – around reform of Chinese social

services is needed. The reform paths include the following aspects. First, the state must develop social assistance services, and establish the assistance service system for needy families. Secondly, the state must adopt the idea of “social investment”, and expand the scope of benefits of social services. Third, based on social services, the state must establish a social security system with Chinese characteristics to promote the construction of a social service state in China.

**Key Words** Social Service State; Social Service; Benefits in Cash; Social Policy; Social Investment

Sorting and Incentives; Why Do We Need More Thresholds in China’s Government Hierarchies

..... Lingna Zhong, Shu Keng & Wei Chen

**Abstract** While clearly divided administrative levels in the Chinese government exist, this paper shows further divided ranks and levels inside each administrative level. Why does the Chinese government need these additional ranks and levels in its governmental hierarchies? Using the theories of personnel economics, this paper gives two theoretical explanations for the additionally established ranks and levels. First the incorporation of more assessments of an official’s abilities gives the candidate more incentives to pass the assessments. Second, additional levels reduce the chance of competition among unequal candidates and thus increases incentives. Using personnel transfer data at the provincial level after the 15<sup>th</sup> National Congress of the CCP to test these two theoretical hypotheses, the paper further illustrates the economic logic of the structural design of Chinese government.

**Key Words** Incentives; Sorting; Hierarchies; Bureaucracy; Chinese Government

Jurisdiction Size and External Political Efficacy: A Study Based on China’s County Data

..... Yanhua Deng & Jian Huang

**Abstract** The body of literature on political efficacy is large. But most studies explore its formation and consequences with individual factors. What’s ignored, for the most part, are the macro and structural factors. Using the 2010 CGSS data and relevant county information, this paper explores the impact of county size on political efficacy. We find that, on average, external political efficacy declines with the size of the county’s jurisdiction. Via a quantile perspective, we observe heterogeneity in the effect of county

size across the distribution of external political efficacy. The effect is noticeably negative on the lower deciles, but trivial on the upper decile. These findings have policy implications for municipal governance and social stability.

**Key Words** County Size; Political Efficacy; Government Responsiveness; Quantile Regression

### ● THEORETICAL REVIEWS

Public Sector Crisis Learning in Western Countries; Research Progress and Enlightenment  
..... Meilian Zhang

**Abstract** Organization theory and crisis management researchers have paid much attention to problems related to crisis learning since the 1990s. Much research has emerged in recent years as the number of extreme events and trans – boundary crises have increased around the world year by year. Public sector learning from a crisis experience is a good opportunity for governments to enhance their capacity to cope with a future crisis. Thus, it should be of great importance in public administration research. Using the Web of Science database, the paper reviews the literature on crisis learning and creates five categories of research; concepts, process models, influence factors, improvement as well as its relation with performance. The paper then presents the features and shortcomings of the current research and, finally, indicates areas for corresponding research in China.

**Key Words** Public Sector; Crisis; Crisis Learning

### ● BOOK REVIEWS

Find out Boundaries of Rationality, Open up Black Box of Decision Making: A Review of *An Equate – to – Differentiate Way of Decision – Making*  
..... Shuwei Zhang

### ● SUMMARY OF DOCTORAL DISSERTATION

Government's Behavior Selection to Citizen Participation in Urban Renewal  
..... Kai Dai