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External government performance evaluation in China: a case study of the ‘Lien service-oriented government project’

Wenxuan Yu and Liang Ma

External government evaluation projects are playing an increasingly important role in holding government in China accountable to the public. This paper looks at a large-scale project funded by a philanthropic institution. The ‘Lien service-oriented government project’ has been monitoring government performance in mainland China since 2010. The case study highlights the challenges faced by performance evaluation projects in China, as well as their potential.

Keywords: Administrative reform in China; evaluation methodology; external government performance evaluation; performance measurement in China.

Evaluating government performance with performance measurement is one of the central thrusts of the New Public Management (NPM) (Hood, 1991; Osborne and Gaebler, 1992; Boyne, 2002; Kettl, 2005; Ingraham, 2007). External performance evaluation programmes and projects by international organizations, nonprofit organizations, mass media, think tanks, citizen groups and academic institutions are common (Coe and Brunet, 2006; Hood *et al.*, 2008). Internationally, organizations including the United Nations, World Bank, and the Organization for Economic Co-operation and Development (OECD) have established sophisticated government performance evaluation programmes (Hood *et al.*, 2008).

In China, external government performance evaluations have also been growing but few empirical studies have examined them. This paper presents a case study of the ‘Lien service-oriented government project’, which is conducted annually by Nanyang Technological University and Shanghai Jiaotong University on government performance in key cities in mainland China. The paper reveals the challenges that external government performance evaluations are facing in China.

Performance evaluation in China

As part of its historic legacy of a centrally-planned economy, China’s top-down ‘targets and responsibilities’ system is the dominant government performance measurement

system. Although this performance measurement system motivates local governments to develop the economy through strong performance target-setting, administrative accountability and promotion incentive mechanisms (Chou, 2005; Li and Zhou, 2005), it has some serious problems such as design flaws, displacement between means and goals, unfair utilization of performance results, insufficient performance reporting and communication, and lack of institutionalization. These problems significantly affect the effectiveness of the government performance measurement system in China and can lead to perverse behavior from public officials (Chou, 2005; Chan and Gao, 2008; Gao, 2010).

Because of the authoritarian political system and unitary administrative structure, and the lack of strong institutional checks and balances in China, academics and reform-minded public administration practitioners have advocated engaging non-government entities in the process of internal government performance measurement and improving external government accountability (J. Wu and Yan, 2006; Duan, 2009). Therefore, elements of civic engagement have been introduced in internal government performance management systems in China. More and more local governments have begun to initiate and implement citizen-engaged government performance evaluation projects, such as the ‘Democratic review of administrative and business style’ (‘minzhu hangfeng bingyi’) and the ‘Evaluation of government performance

Wenxuan Yu is an assistant professor in the Global Affairs and Public Policy Programme of the School of Humanities and Social Sciences at Nanyang Technological University, Singapore.

Liang Ma is a research fellow at the Nanyang Centre for Public Administration at Nanyang Technological University, Singapore.

by 10,000 people' ('wanren ping zhengfu') (Xu, 2010; So, 2014).

In addition to these citizen-engaged internal government performance measurement activities, government performance are being carried out by a variety of non-government bodies, for example:

- Since 2007, the Government Performance Center of South China University of Technology has been assessing the overall government performance of 21 prefecture-level governments and 121 county-level governments in Guangdong province (Zheng, 2008).
- *Oriental Outlook* magazine has been conducting large-scale public surveys to evaluate and rank the 'happiest cities in China' since 2008.
- The private consulting firm Zero Point has been publishing a report on Chinese citizen satisfaction with public services since 2005 (Yuan and Zhang, 2012).

However, very few studies have focused on the effectiveness of these kinds of evaluation. Therefore we developed a theoretical framework to examine external government evaluation projects in China. The framework draws on work on organizational report cards and the international ranking of public service delivery and governance (Gormley, 1998; Gormley and Weimer, 1999; Coe, 2003; Coe and Brunet, 2006; Hood *et al.*, 2008).

Our framework has six dimensions: independence, relevance, validity, reliability, comprehensibility and functionality (see table 1).

Table 1. Framework for external government performance evaluation.

<i>Dimensions</i>	<i>Indicators</i>
Independence	Organizational and financial independence
Relevance	Practical significance
Validity	Theory support Comprehensiveness Representativeness Statistical methods Weighting methods
Reliability	Comparability Transparency
Comprehensibility	Ease of understanding by the public and government officials
Functionality	Public attention Government use

The quality of an external government performance project depends on its validity and reliability. The validity of an external government performance project can be assessed based on whether it has theoretical support in the literature; whether it measures all important performance dimensions (comprehensiveness); whether samples are representative; whether sophisticated statistical methods are used; and whether or not it utilizes appropriate weighting methods (Gormley and Weimer, 1999; Hood *et al.*, 2008).

Reliability is the degree of stability exhibited when a measurement is repeated (Litwin, 1995). The reliability of an evaluation project can be tested by longitudinal comparisons (comparability) and public verification and duplication (transparency). Comprehensibility refers to the degree to which users can understand the findings and results of an evaluation project. Comprehensibility determines to what extent performance information will be used (Hatry, 2006).

Finally, functionality relates to the use made of the results by the target audience.

The 'Lien service-oriented government project'

Our case study—the Lien service-oriented government project—was one of the research projects conducted by the Lien Public Service Research Programme at the Nanyang Center for Public Administration (NCPA) at Nanyang Technological University in Singapore. In 2009, in response to a proposal by NCPA's dean, Professor Wei Wu, the Lien Foundation, a philanthropic organization based in Singapore, set up an endowment to provide continuous financial support for NCPA to carry out research on public service delivery in China. The NCPA research team started to collaborate with the School of Public Affairs at Xiamen University in China to carry out citizen and business surveys in 32 key Chinese cities. This was the first time that a major Chinese university had collaborated with an overseas university to investigate the quality of public service delivery in urban China (W. Wu *et al.*, 2011).

In 2011, in order to further improve the representativeness and reliability of the Lien project, the Lien Public Service Programme sought the assistance of the School of International and Public Affairs at Shanghai Jiaotong University (SJTU) to carry out telephone interviews with city residents and businesses in 32 cities (Yu *et al.*, 2012). In 2012, Lien included an additional three cities—Xining, Yinchuan and Hohhot—to cover all

major Chinese cities (four municipalities directly administered by the central government, 30 provincial capitals and subprovincial cities) in mainland China except for Urumqi in Uyghur and Lhasa in Tibet (W. Wu *et al.*, 2013).

The Lien project has tried to continuously improve its effectiveness and research quality and has received positive feedback from academia, government and the public (W. Wu, 2012). Table 2 shows the development of the Lien project over the three years from 2010 to 2012. Lien's practice and examinations of financial sustainability, project management, quality improvement and publicity provide a useful frame of reference for the development of other external government performance management projects in China.

Theoretical framework, evaluation scheme and methodology of the Lien project

Theoretical framework

The 2003 outbreak of SARS (severe acute respiratory syndrome) in China revealed a series of challenges in administrative accountability, public service delivery and crisis management. In 2004, Wen Jiabao, the prime minister of China, advocated the concept of 'service-oriented government' and as a key element in his administrative reform programme. His aim was to improve the efficiency and effectiveness of public service delivery and establish a transparent, accountable and honest government (Yu, 2011; Bo, 2012). As a result, the Lien project switched

its focus from the quality of public service provision to service-oriented government.

The Lien project emphasized that building service-oriented government in China should focus on citizen-centered governance, capacity building, and holistic governance. First, in contrast to the previous pro-business economic development model, Lien advocated that the Chinese government should make citizens its central focus, emphasizing citizen satisfaction and trust (Podger *et al.*, 2012). Second, in addition to providing quality public services, the Chinese government needed to concentrate on government capacity building, fostering a democratic, transparent and effective government under the rule of law. Third, service-oriented government in China needed to take an holistic approach, pursuing balanced development of all dimensions—moving from essential public service delivery to a more modern, individualized approach. Accordingly the Lien project provided a working definition of service-oriented government as: 'a government model that is honest, effective, efficient, open and transparent, encourages citizen participation, provides quality public goods and service, creates a friendly environment for sustainable development, and enjoys a high level of public trust and support' (W. Wu *et al.*, 2013, p. 5).

Evaluation metrics

The Lien service-oriented government index was based on the Lien public service quality

Table 2. The evolution and development of the Lien service-oriented government project from 2010 to 2012.

<i>Project year</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>
Theme	Public service quality	Service-oriented government	Service-oriented government
No. of indicators	106	75	68
Sample cities	32	32	34
Data collection methods	Face-to-face interviews	Telephone interviews	Telephone interviews
Data source	Survey and fiscal data and onsite observation	Survey and fiscal data	Survey and fiscal data
Citizen sample size	31,173	25,222	23,923
Business sample size	3153	3203	3606
Methods for aggregation of subdimensions and indicators	Principal component analysis/standardized regression/arithmetic average	Principal component analysis/arithmetic average	Principal component analysis/arithmetic average
Weighting assigned to the three perspectives	N/A	1:1:1	4:3:3

index. The former had three dimensions: public service quality satisfaction, business environment, and general public service, with a total of 106 performance indicators. The new index had five extra dimensions: government efficacy, open government information, citizen participation and government trust. It contained 10 subdimensions and 75 performance indicators (see figure 1). Recognizing the potential biases and limitations of subjective data, we measured the general public service provision perspective from government fiscal data.

cities (municipalities under the direct administration of the central government, provincial capital cities and subprovincial cities) for two reasons:

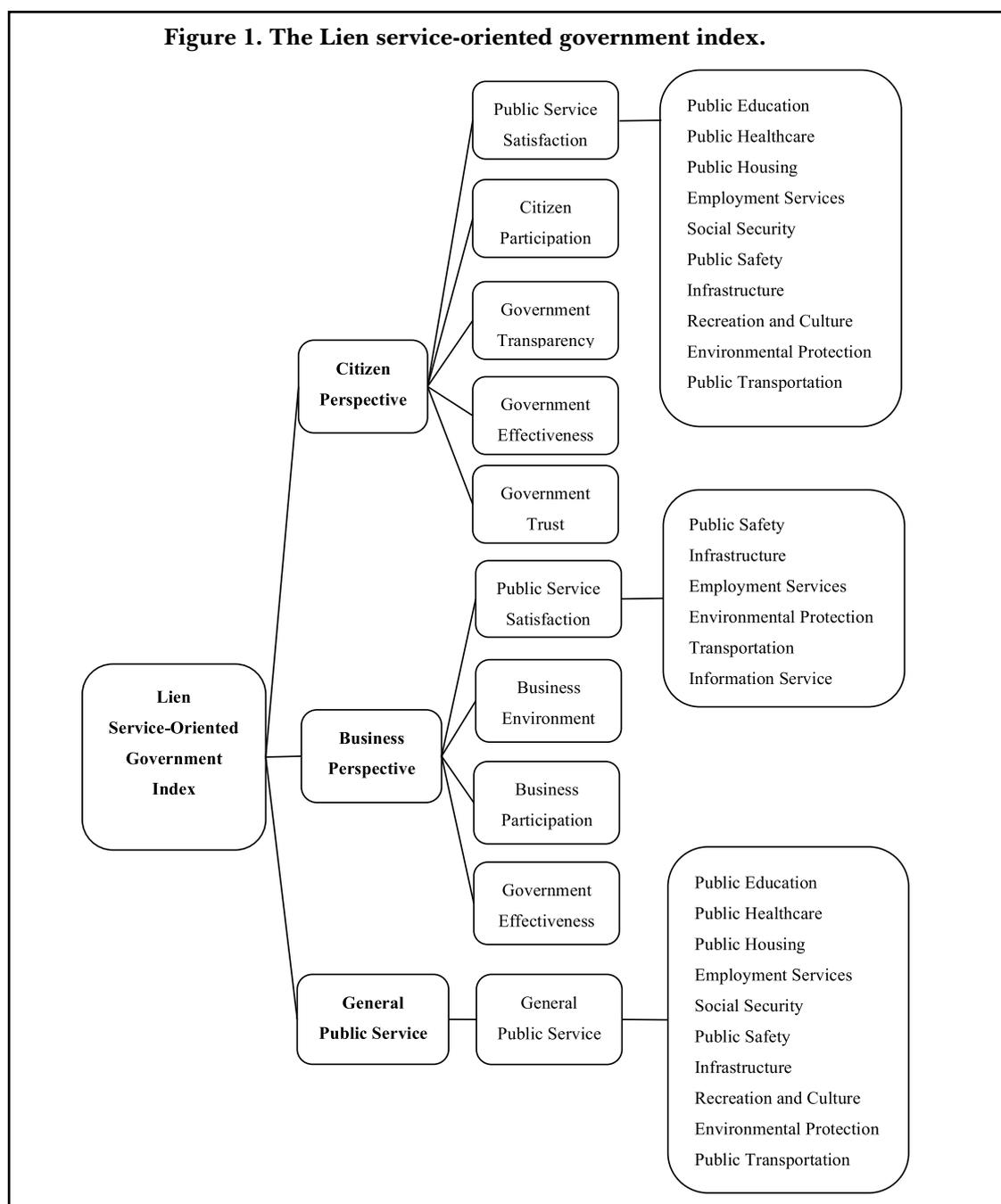
- First, over half of China’s population in 2012 was in cities.
- Second, because of limited financial resources, personnel and, more importantly, the availability of government statistics, the Lien project could not cover other cities at the prefecture level and below.

Methodology

The Lien project looked at 34 key Chinese

Data collection: Even with generous support from the Lien Foundation, investigating the

Figure 1. The Lien service-oriented government index.



attitudes of urban residents and business toward public service delivery and government efficacy was a costly and overwhelming task. Therefore the quality of the Lien project was, to a large degree, determined by the representativeness of the samples it chose. Although difficulties such as poor representation, low response rate, and politically- and socially-biased responses in carrying out large-scale surveys in China have been well recognized (Manion, 1994), considering a variety of factors such as the feasibility of sample selection, quality control, time frame, and budget constraints, the Lien project aimed for a sampling error smaller than $\pm 5\%$ at the 99% confidence interval level. In 2010, the Lien project collected 1000 valid citizen samples and 100 valid business samples in each of the 32 target cities. Research teams consisting of faculty members and graduate students of Xiamen University were dispatched to the field. For the citizen surveys, researchers conducted random face-to-face interviews at various locations, such as transport terminals, shopping malls, public schools, and community centers, according to a stratified sampling framework based on the latest local population census. For the business surveys, researchers identified business owners and managers using the local *Business Yellow Book* and conducted either face-to-face or telephone interviews (W. Wu *et al.*, 2011).

In 2011, after examining the 2010 data, the research teams realized that many serious practical and technical constraints needed to be overcome. To further improve data representativeness, and to lower costs, a computer-assisted telephone interview (CATI) system was used for telephone surveys. In 2011, except for the nine largest cities with 1000 citizen samples, the sample size of the remaining 23 cities was reduced to around 700. In 2012, with the same budget and two extra cities, citizen samples were reduced to 700 in each city, while the sample size of businesses remained unchanged.

Survey instrument design: While the 2010 face-to-face interview method resulted in a survey instrument containing numerous items covering various dimensions of public services and government competency (W. Wu *et al.*, 2011), it was decided that these interviews were too expensive to conduct and were also difficult to control. Hence, in 2011, the Lien research team reduced the length of the survey instrument to improve response rate. The 2011 survey experience showed that the instrument should be further shortened to 7–8 minutes

because most respondents tended to stop after that. In 2012, the number of survey items was further reduced after several rounds of pilots and consultations with experts. In light of these adjustments, the response rate, as expected, significantly improved, as did response validity and reliability (W. Wu, 2013).

Weighting and standardization: How to weight the three different perspectives to produce a single ranking was one of the biggest challenges the Lien project had to address. In 2011, equal weightings were arbitrarily applied but, in 2012, after consulting experts, the citizen perspective was weighted 4, the business perspective 3 and the general public service perspective 3. Despite these slightly different weightings, the rankings of the top 10 cities remained stable from 2011 to 2012 (W. Wu *et al.*, 2013).

Comprehensibility: In reporting its findings, the Lien project adopted a variety of strategies to ensure that its research methods and findings were intuitive and easily understandable. For example, to facilitate public understanding of the standardized scores used for dimension aggregation, the Lien project modified standard scores ranging from -1 to +1 to more intuitive 10-point scores. The Lien project also adopted intuitive figures and graphs to make its findings more easily understandable and interpretable (W. Wu *et al.*, 2013).

Publicity and impact: A series of measures were taken to publicize the results. Every November, the Lien project invited international and Chinese media to attend a press conference. Influential Chinese domestic media such as the Xinhua Agency and *China Daily* reported on the Lien project and the rankings, and local media from award-winning cities, such as Chengdu, Jinan and Changchun, published in-depth special reports on the Lien indexes and the development of service-oriented government in their localities. For the 2012 press conference, the Lien project also invited senior government officials from the top 10 cities to share their experience and best practices. Xiamen, the city that consecutively won the 'best service-oriented government' accolade, not only included the Lien indexes and rankings in the headline article of its official newspaper, *Xiamen Daily*, it also promoted the award in its annual mayor performance report to win over political support and motivate government officials for continuous improvement. To some extent, Xiamen's success can be attributed to the municipal

government's attention to the Lien indexes and its related improvements.

Findings and discussion

Although citizen engagement elements are being included in internal government performance measurement systems in China, whether these are actually used in government decision-making, as a check-and-balance mechanism, or to improve government's external accountability is still unclear. External government performance monitoring can play an important role in holding government accountable to stakeholders (Duan, 2009; Gao and Lou, 2012), but this monitoring has to be credible.

In China's current political, social and economic environment, the independence of external government performance activities, to a large extent, determines their credibility. The Lien project was sponsored by an endowment foundation based in Singapore, which did not have a hidden agenda nor any desire to intervene in the project. The majority of external government evaluations have been carried out by higher education institutions and primarily financed by central or local government research grants and therefore may not be fully independent and unbiased. Our interviews with academic researchers on some external government performance evaluation projects suggested that maintaining independence and immunity from government influence could be a challenge.

One way to address this concern is to open up the evaluation process, providing detailed information about data collection and data analysis and to release raw data to the public for replication and verification. However, our interviews with NCPA researchers indicated that, although they wanted to publish their data, previous problems with some mainland scholars and journalists as well confusion about intellectual property rights and professionalism have deterred them from doing so.

Other factors influencing the credibility and usefulness of external government performance evaluation projects are relevance and quality. NCPA is one of the most important overseas educational institutions for China's overseas official training. It has established an extensive alumni network in China. The majority of NCPA researchers did PhDs in international universities, so they understand current international performance management theory and practice, and have experience working and living in mainland China. NCPA's partner universities in mainland

China have also provided the Lien project with strong support in addressing various policy, culture, administration and technological barriers and difficulties.

Although the Lien project has attracted the attention of the general public and some people in local government, it is still unclear whether its rankings and findings have actually influenced government policy-making. As an external evaluator, the project has so far mainly achieved its goals of improving government accountability through naming and shaming. However, the extent to which naming and shaming has substantive impact on policy is questionable in China.

Conclusion

This paper has looked at the current state of external government evaluation in China. However, the impact that existing external performance evaluation projects are having on policy needs to be systematically studied. We have developed a theoretical framework to examine the implementation of external government performance evaluation projects. The framework has been used in this paper to explain the Lien project. Although the Lien project is a single case, it has revealed the complex political, social and cultural environment external government evaluation projects in China are dealing with. It has also exposed the challenges that these projects face, such as localization, theory construction, methodology, independence, sustainability and functionality.

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