

Understanding China

Hongshan Yang

Urban Governance in Transition

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Preface

We are living in an era of rapid urbanization. In recent years, more than 10 million rural people have relocated to cities and towns for work every year across the country. With the increasing urban population, the role of urban governance in local governance is becoming increasingly important. As early as two thousand years ago, the ancient Greek sages noted that the aim of building city-states was for a better life. This is because city can provide more complete, convenient and better public services.

From the perspective of public services, the “city” in this research is defined as a geographical space with highly concentrated high-quality public services and provides a new angle for understanding the nature of city, the mission of urban governance and institutional evolution. The mission of urban governance is to: (i) provide high-quality public services and supporting utilities so as to attract more businesses for investment and meet citizens’ needs for higher-level public services; and (ii) establish a sustainable, financial system for constant improvement of public services.

This book mainly, in terms of urban governance in China, discusses some hot topics, such as institutional arrangements of urban governance, explanatory framework of governance models, city–county relationship, cross-regional governance, cross-departmental coordination, sub-district management, provision of community services and municipal performance evaluation to try to clarify some misunderstandings. As some challenges such as traffic congestion and environmental pollution in cities become more pronounced, they have raised great concern to the community, and some reforms are also being launched. To improve urban governance, we should not only innovate institutional arrangements and improve systems and mechanisms, but also attach importance to the theoretical research so as to deepen the understanding of major issues and hot topics.

During China’s market-based reform, two coalitions have been created in urban governance. One is a growth-oriented elite coalition which is committed to driving economic development. Since the 1980s, Party and the government have shifted work focus to the economic development, and many entrepreneurs began to rise, making the coalition of government and enterprise an strategy of local governance.

In order to attract the investment of enterprises, the city governments introduce policy privileges, simplify administrative procedures, and promote innovative governance. With the implementation of the strategy of rejuvenating the country through science and education, knowledge is more valued than before, so are intellectual elites. In order to make the decisions more scientific and leverage more technical knowledge, governments at all levels set up expert consultation committees to be open to experts' opinions in the decision-making process. In terms of individual influence, the social elites, who are able to directly communicate with the decision-makers, have a certain voice in policymaking and a greater effect on public opinions.

The other is the right-oriented community coalition formed by social members because of self-protection. They protect themselves by organizing collective action to prevent the harm from growth machine. Karl Polanyi commented that the changes in modern society are dominated by a double movement: the constant expansion of the market and its counter-movement. As the market-oriented reform progresses, the elite coalition that restrains the growth-oriented movement is formed and counter-movement against its "wayward" behavior can also be seen in cities. Because of the practices of breaking laws and running against ethnics by market players, the public, triggered by focus events, participate spontaneously in or launch campaigns in an organized way against compensation, salary arrears, environment, and safety to articulate their needs, thus leading to social disorder. Such movements to safeguard their own interests include protests against the nuclear waste project in Lianyungang, the garbage burning project in Xiantao, the arrears of wage by workers at Heilongjiang LongMay Mining Holding Group Co., Ltd., and so on.

In terms of power, the elite coalition plays a dominant role in public policy-making process of urban governance in a organized way. To attract investment, urban governments, through "green channel", streamline the approval procedures and improve the efficiency. In addition, some cities try to improve the business and investment climate to attract and retain investors. The creation of the growth-oriented coalition has injected vigor into urban development and has also greatly changed city appearance.

Since the reform and opening up, urban policymakers have, following the principle of "giving priority to efficiency while ensuring fairness", focused more on elite participation instead of making decision on their own before. They attach more importance to technical knowledge, and make the decision more rational and effective. This kind of elite coalition-led urban governance has made remarkable achievements, which are reflected in good infrastructure, fast expanding urban areas, competitive manufacturing, increasing fiscal revenues, and a larger group of middle class.

However, there are also some pronounced problems in this urban governance model, such as public service bias, insufficient public space provision, high housing prices, NIMBY conflict, and civil disorder. One of the important reasons for the widespread public square dancing or guangchangwu in Chinese cities is that there is a lack of community public space, especially indoor public activity space. Except residential buildings, some developers only provide private space for shopping

malls, banks, restaurants, greengrocers, intermediary services, and household services, some even do not reserve an office place for neighborhood committee. Therefore, residents can only find open-air places for entertainment. In recent years, the increase in NIMBY conflict and civil disorder contributes to the challenge that urban governance has to face.

It is common for policymakers to factor elements of value and fact into public decision-making. Fact inference judgement from people can hardly avoid their empirical truth. Experts have certain professional skills and knowledge, which may qualify them to participate in the decision-making process. However, the judgement for decisions concerning values mostly based on their subjective preference, and they are not qualified to perform value judgement on behalf of the public. From the standpoint of knowledge application, urban authorities should have regard to many elements to achieve good governance, such as expert knowledge, public preference, hard knowledge (technical knowledge), and soft knowledge (local knowledge in a given context). Furthermore, they also need to maximize the function of elite coalition, mobilize entrepreneurs and experts, listen to the voices of the community and balance the needs and desires of citizens.

In actual practice for urban governance, government places too much emphasis on hard knowledge, but do not pay enough attention to soft knowledge, which will result in common sense mistakes. For example, urban planners should not only have imagination and technical knowledge, but also possess local knowledge and identify local value preferences and development needs by having urban dweller's voices heard. Otherwise, failure to listen to their opinions will result in absence of spatial justice, further leading to ill-designed urban planning. As an old Chinese saying goes, "It is easier to know than to do". Therefore, listening to the voices of communities and leveraging local knowledge are essential in urban governance, which is easy to understand, but hard to put into action. In public decision-making, the elite coalition always tends to deem the value issues as the technical ones. The biggest challenge to urban governance in China is how to build a platform for dialogue between elite coalition and the community coalition, to listen to the interest demands across many communities and to improve the coordination so as to accommodate multiple interests.

At present, China is committed to making state governance modernized and urbanized, and improving the urban governance, which entails people-oriented awareness and fairness and justice so as to ensure fair share. In view of this, it is necessary to support urban development, focus on response-oriented mechanism, improve democratic dialogue and build a better urban system.

First, urban hotlines need to be integrated to encourage the public participation. Although the city government departments at all levels have set up hotlines, citizens find it difficult to remember them all and to get through. Drawing on foreign experience, it is essential to integrate the hotlines of various departments into two forms: emergency and non-emergency. If it is difficult to work on the former one, they can start with the latter.

Second, a dialogue mechanism needs to build between the two major coalitions to promote democratic governance. Urban governance needs to use knowledge and identify preferences from all parts, so collective forum needs to be built to encourage stakeholder participation, to take collective action by making more rational dialogues and building consensus in discussion. The committee system is an effective institutional arrangement to promote democratic governance. However, many committees in cities now are nominal, because they practically handle administrative affairs.

Third, municipal government needs to promote holistic governance and resolve the “fragmentation”. A city can be seen as a system, and its planning, construction, and management involve many departments which need to take concerted action. Urban spatial programming, for example, involves development and reform commission, planning bureau, bureau of land resources, environmental protection agency, and other departments. To reduce prevarication and policy conflicts, it is necessary to strengthen holistic governance, promote the reform to establish larger government departments, and improve cross-departmental coordination.

Fourth, urban authorities need to improve the municipal performance evaluation and accountability in a bottom-up way. Performance evaluation plays an important role in improving the sense of responsibility, responsiveness, and efficiency in administrative departments. At present, most of the municipal performance evaluation is carried out through internal control-top-down measurement and evaluation of performance. To enhance the responsiveness of the public sector to the needs of society, it is necessary to improve the interaction between the government and society and public satisfaction and to combine top-down and bottom-up evaluation.

In a nutshell, cities are the crystallization of human civilization. Thriving cities make a country prosperous, and strong cities make a country powerful. Urban governance is an epitome of national governance. Therefore, good urban governance contributes to good national governance. Cities are the sources of national innovation, and new systems are first implemented in cities then to other areas. In order to practice response-oriented urban governance, municipal governments need to encourage elites and experts participation, improve policy system and consultative democracy, listen to community voices, build consensus through dialogues, and facilitate development in a more inclusive way.

Beijing, China

Hongshan Yang

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Chapter 1

Introduction



1.1 Problems Raised

Since the reform and opening up, social mobility has increased and the social control function of the work units has gradually declined as the marketization advances. Against this backdrop, the urban governance relies heavily on sub-district offices and neighborhood committees instead of work units, leading to more responsibilities resting with these two organizations. However, it is difficult for sub-district offices to assume the role of social management and service provision due to limited powers and resources available. In order to mobilize social forces and resources, a campaign of community building was launched in the 1990s across the country.

During the community building, the market mechanism was introduced, and the government mobilized the various social organizations to provide community services, push ahead with community building and solve problems concerning it. With the rise of business services in community, many developers and property companies expand their business into community, contributing to a shift from totalism governance to partnership between government and enterprise. The market mechanism diversifies services and improves the environment in the community, but it also has brought about problems. Businesses provide community service for profit, which has the “crowding-out effect” on the disadvantaged groups. In recent years, collective protests for safeguarding legal rights and civil disorder happen from time to time, indicating the partnership between government and the private sector can not practically ensure a harmonious urban development.

Karl Polanyi argued that modern society was dominated by a double movement: the constant expansion of the market and its counter-movement.¹ This theory of a double movement provides both an explanation for protests for rights protection and civil disorder, and channels a direction for urban governance. Urban governance

¹Polanyi [27].

is not a one-direction action by government, but a process of interaction between the government and market entity and private actors. As the market mechanism is implemented widely, municipalities should not only play a leading role in the urban governance, but also need to allow the social organizations to develop and enhance self-rule capacity of residents.

On the basis of some theories, this book describes an explanatory framework of urban governance in China, introduces the background of the integrated governance model with Chinese characteristics, analyzes its operation mechanism, effectiveness and potential risks, and discusses the institutional arrangements in urban governance. In addition, it attempts to correct some cognitive bias by discussing some hot issues of urban management.

The book gives the answers to the following questions: what are the differences in fundamental attributes between city and village? What institutional changes has China undergone in urban governance? What are the differences between the current model, the pre-reform model and the Western model regarding the urban governance? Is the current urban governance model effective? Any there any underlying risks? And how to address them? What are the difficulties in cross-departmental operation in Chinese cities? What are the best practices of promoting multi-departmental cooperation in foreign cities? Should sub-district offices be abolished in urban governance? And has the pilot reform of achieved good results? What are the short links in providing urban community services? What are the problems of municipal performance evaluation? And how to improve it?

1.2 Previous Studies

China is now experiencing rapid urbanization, contributing to the constant spatial and demographic expansion of urban areas. It indicates that the role of urban authorities in local governance is becoming increasingly important. This book outlines the changes in institutional arrangements and models in China urban governance and pinpoints the existing problems, so as to explore the path of reform. To understand the model of urban governance, it is necessary to pay attention to various actors involved in urban governance and their relationship and interaction among them. The actors of urban governance include the governments, businesses, social forces and so on. Extensive outcomes have already been achieved through many studies on urban governance.

1. A Study on the Rights over Urban Governance

Rights over urban governance are one of the key issues of urban politics. It concerns who is in charge of urban governance and how the power is wielded and what outcomes it can produce. American elitists and pluralists, in the 1960s, debated over these issues. Since the 1980s, the Western countries have been relaxing restrictions on economy, making business leaders and social forces increasingly important in urban governance. In addition, theories of growth machine, urban mechanism and others were proposed about the rights over urban governance.

Based on the empirical research, Floyd Hunter argued that the business elite had a dominant influence on urban policy and cities were controlled by these people.² Moreover, he concluded that the local representative democracy was virtually a form of disguise for economic interests through its leading role, which triggered a theoretical debate between elitists and pluralists.

In the empirical study of New Haven, Robert A. Dahl proposed pluralism, thinking that the city power was divided and decentralized.³ According to pluralism, an urban society can be perceived as an aggregation of hundreds of small special interest groups with incomplete overlapping membership and widely dispersed power and a host of instruments influencing important decision-making.⁴

In the 1980s, Roggen and Molodchy advanced growth machine theory, arguing that it is the elite groups that are devoted to economic growth drives the urban development. Land resource is the main contributor to city development. Urban growth aims at developing the controlled land or redeveloping the land that has been developed. The growth machine theory is practically an extension of the elite theory and it emphasizes the power of business leaders, identifying entrepreneurs as a key force shaping urban systems.⁵

The theory of urban mechanism holds that urban politics includes a wider range of participants. Political, economic and social organizations have different resources, but none of them can meet the development goals independently, thus making it necessary to form coalition. Elkin proposed that the urban mechanism was created by the dynamic relation between market forces and political control, and he divided the American urban mechanism into three forms: pluralistic, federal, and entrepreneurial.⁶ According to the theory of urban mechanism, multiple actors need collaboration in urban governance to jointly promote urban sprawl.

Some researchers have conducted studies on the power over urban governance in China. According to Zhou Xueguang, China is still an authoritarian-regime country in which the centralized government communicates its policies to all levels of local governments through strictly-governed bureaucratic agencies.⁷ He Yanling et al. proposed that from the perspective of central-local relationship, Chinese city governments play three roles: “local state”, “local government” and “bureaucratic organization”.⁸ After investigating the model of the county governance after the tax distribution system by Zhe Xiaoye, it was found that the local government developed a trinity mechanism of “administration-politics-company” by means of “Land Platform”.⁹

²Hunter [11].

³Dahl [4].

⁴Polsby [28].

⁵Logan and Molotch [14].

⁶Elkin [6].

⁷Zhou [39].

⁸He et al. [10].

⁹Zhe [38].

2. Study of Urban Public Governance

Since the 1960s, more attention has been paid to the study on public governance due to the suspicion of the traditional public administration theory. In the pursuit of democracy or efficiency, it advocates the introduction of market mechanism and social participation in public services, and use of various governance tools for good governance. After thinking back to the various valuable public governance theories, it can be found that scholars, based on different institutional backgrounds and value appeals, put forward some different governance models, such as polycentric governance, new public management, new public service, autonomy, holistic governance and collaborative governance.

Based on the value appeal of democratic administration, Vincent Ostrom et al. put forward the polycentric governance theory, which laid a solid foundation for public governance research. Through the research approach of public choice, they demonstrated that under the “foot-voting” mechanism, a polycentric political system is conducive to catering for citizens’ service preferences and providing a variety of public goods and services.¹⁰

The new public management theory advocates the introduction of market mechanism to the public services, draws on the private sector management and competition methods, fosters public-private partnership, and stresses the need for governments to steer not row.¹¹ In addition, it requires a shift from focusing on efficiency to outcomes, carrying out government performance evaluation, improving public service quality and customer satisfaction, and enhancing the responsiveness and responsibility of government departments.

The new public service theory, which comes from the criticism of the new public management theory, deems the public interest, civil rights and public service as the core values, and believes that government should not run like an enterprise, but operate democratically.¹² According to it, the public managers in managing public organizations and implementing public policies should not steer the government, nor to row it, but to serve and empower citizens.

In addition to government and market mechanism, theory of autonomy points out that there is a third kind of governance mechanism for public affairs-self-organization and self-governance. The Elinor Ostrom found that in the management of public resources, consumers can make effective contracts, organize collective action, and achieve sustainable use through self-financing.¹³

¹⁰Ostrom et al. [25], McGinnis [18].

¹¹Osborne and Gaebler [20].

¹²Denhardt and Denhardt [5].

¹³Ostrom [23].

The holistic governance works to address the challenges of inefficiency in dealing with complex problems caused by the institutional fragmentation, and aims at integrating public sectors. Furthermore it advocates the cross-departmental and cross-sectoral collaboration to make departments at different levels to work together.¹⁴

The collaborative governance is designed to, in terms of addressing cross-sectoral issues, build forums, encourage stakeholders participation, facilitate collective decision-making based on consensus, foster partnerships, and organize collective action.¹⁵ Collaborative governance operates through partnerships, networks, compacts, allies, committees, alliances, guilds, councils, etc. Managers of public and private sectors work together to develop strategies and provide goods and services on behalf of their respective organizations.¹⁶

After studying the public governance literature, it is discovered that scholars have different value appeals. Collectively, there are two value orientations in urban public governance, democracy and efficiency. The former emphasizes open participation and advocates that the representative democracy is complemented with pure and consultative democracy; the latter, results-oriented, puts forward that limited participation is allowed and government should play a leading role in decision-making process and implementation. The study of public governance reveals that the municipalities need to develop cross-sectoral cooperation mechanism instead of adopting totalism approach, so as to maximize the potential of enterprises and social forces.

3. Study of Public Service Provision

Based on the division of roles between government and market, the responsibility for government is to provide public goods and services. After distinguishing provision from production by Ostrom and other scholars, they proposed that the production of public goods and services could be carried out by either the private sector or the public sector, or through collaboration to engage private sectors and nonprofit organizations in this process and allow them to compete.¹⁷ The public economy is not necessarily an exclusive government monopoly economy. It can also be a mixed economy in which the private sector also participates in the provision of public services.¹⁸ Ostrom also pointed out that a series of collective choices involving provision shall be the primary responsibility of the government, and “production” is the technical process of transforming resource inputs into outputs, and both the private sector and the third sector are allowed to participate and undertake some responsibilities.¹⁹

¹⁴Perri 6 [26].

¹⁵Ansell and Gash [2].

¹⁶Agranoff and McGuire [1].

¹⁷Ostrom et al. [25].

¹⁸Ostrom and Ostrom [24], McGinnis [17].

¹⁹Oakerson [19].

Savas argues that there are three parties to service provision: consumer, producer, arranger. Government is essentially an arranger or provider, a social tool for deciding what should be done collectively, for whom, to what extent or at what level, and how to pay.²⁰ When roles of arranger and producer are played by one party, the government will monopolize the public economy, and the administrative cost will be incurred accordingly. When the arranger and the producer are two different parties, the private sector will intervene in the public economy, and the transaction costs will incur accordingly. The relative value of the two costs determines whether or not to separate the arranger from producer.

Salamon has conducted numerous empirical studies of the American nonprofit organizations and found that government cooperation with the voluntary sector has become the backbone of the social service delivery system and that government has become the most important source of revenue for the nonprofit private sector. He put forward “Third-Party Government”—nonprofit organization participation in the governance of public affairs. In addition, he also argued that there some drawbacks of nonprofit organizations, such as lack of capacity to provide sufficient resources, vulnerable to be influenced by the value preferences of the rich and paternalism. However, nonprofit organizations are also well-positioned to provide, to some extent, personalized services according to customer’s needs through competition among service providers. He concluded that the cooperation between the voluntary sector and government is much more beneficial than either of them replacing each other.²¹

Osborne and Gaebler proposed that it is necessary to distinguish the functions of “steering” and “rowing” in urban governance, with managers in charge of decision-making and guidance, and leaving the implementation done by employees. Moreover, the helmsman is supposed to try to see the whole picture, balance competing demands on resources, and the oarsman needs to deal with specific tasks and get things done. Governments need to be adept at developing appropriate approaches to achieve their objectives. However, meeting policy goals at all costs is in fact inadvisable.²²

4. Study of Urban Governance in China

Since the 1990s, particularly the new century, the outcomes of study on urban governance in Chinese academia have increased significantly. Generally speaking, urban governance involves the debates of the relationship between city government, market and society. From the perspective of management, Zhao Yanjing put forwards that city government can be perceived as an enterprise aiming at managing city, and it needs to introduce market mechanism to provide public goods and services following the rules of enterprises, as a way to establish market-oriented institutional arrangements.²³ Liu Shuyan, from the standpoint of stakeholders, points out that the framework of urban

²⁰Savasse [32].

²¹Salamon [31].

²²Osborne and Gaebler [21].

²³Zhao [37].

governance needs to come up with more ways of public participation, and establish a public participation system for the entire process.²⁴ Zhang Tingwei proposes that the central facet of urban management is to build partnership between the government and the market, making the urban public resources be allocated by the market mechanism. In addition, the core of urban governance is the alliance between the government and society, involving marginalized social forces in urban management through public participation.²⁵

With the increasing responsibilities of the urban sub-district offices, the role of them has been discussed by scholars. There are main four viewpoints: (1) establishing the sub-district offices as first-level governments and implementing a new three-level government and three-level administration system,²⁶ and (2) advocating to change the sub-district offices into the grassroots governments and the district-level governments into the dispatched agencies,²⁷ and (3) maintaining the nature of the sub-district offices as dispatched agencies, allocating the functions to sub-district offices in a reasonable way, handing over the power of administration and law enforcement, and strengthening the comprehensive coordination capacity,²⁸ and (4) proposing the abolition of sub-district offices, reducing the district's jurisdiction area, making the community be directly managed by district government, and implementing a new two-level government and two-level administration system.²⁹

In terms of urban community governance frameworks, there are more academic debates. Lu Feng, Li Lulu, Li Hanlin and other scholars analyzed the urban grassroots management model based on the work unit system.³⁰ He Haibing examined the institutional changes of urban social management from work unit system to sub-district offices then to the community since the founding of People's Republic of China.³¹ The bureaucratism still exists in the neighborhood committee under the management of government.³² Some researchers argue that urban government should empower the social organizations, developing the "small-scale government, large-scale society" governance framework.³³ Others propose a government-community cooperation model, in which administrative responsibilities previously undertaken

²⁴Liu [13].

²⁵Zhang [36].

²⁶Wan [33].

²⁷Pu [29].

²⁸He [9].

²⁹Wei [34].

³⁰Lu [15], Li and Li [12].

³¹He [8].

³²Gui and Cui [7].

³³Lu [16].

by self-governing organizations are transferred to service stations in the community to promote the purchase of social services by the government and support the development of community organizations.³⁴

1.3 Thoughts and Methods of Study

1. Thoughts of Study

Since the reform and opening-up and the advancement of market-oriented reform, China's urban governments, in the complex, changing and diversified contexts, have given up the "arranging-all" governance model and monopolizing the provision of public services. Instead, they have introduced market mechanisms and private actors, emphasizing public participation, resource sharing and comprehensive governance in order to enhance the responsiveness and public service capacity, which contributes to a large number of new practices. Through reviewing the practices of urban management reform, it is found that the theory of public governance is valued. It does not negate the leading position of the government and the role of representative democracy, and engages the private sectors and social forces in the management of public affairs and tries to improve the efficiency of public service provision and enhance the participation and democracy in the process of governance.

From the perspective of the relationship between government and society, this book, based on the level of cooperation between these two parties and the cross-sectoral collaboration, first makes a typological analysis of urban governance, then discusses the new model in China-integrated governance model-and its background, characteristics, mechanism, outcomes and potential risks, and clarify the difference between the new model and the one before the reform and the Western urban governance model, in order to deepen the knowledge of the urban governance with Chinese characteristics. Through a series of institutional arrangements embedded in each other, the integrated governance model strengthens the invisible control mechanism, ensures the unified leadership, and improves the capacity of urban governance and public service delivery.

However, there are also risks to the holistic integrated model, and enforcing cross-sectoral integration is likely to cause social conflicts and civil disorder. To deal with the risks effectively, institutional improvement is central. This book will explore the institutional arrangements to mitigate the negative impacts of the integrated governance, including the arrangements of mechanism and institutional needs. Furthermore, it also empirically analyzes the city governance in America, examines the mechanism of cross-sectoral and collaborative governance. In recent years, many debates have been carried out on the reform of subdistrict offices, the provision of

³⁴Xu [35].

community services and the management of municipal performance, and this book also aims at clearing up some misunderstandings.

2. Methods of Study

To explore the transformation of urban governance in China, it is necessary to develop an appropriate analytical framework which is the fundamental tool for understanding the issues being studied by presenting the basic variables and explaining the relationships between them. Otherwise, absence of variables and analysis framework may cause urban governance research to remain in the stage of descriptive analysis. The study in this book adopts the commonly-used analytical framework 2×2 in the typological research to identify two key variables, distinguish four kinds of urban governance, and strive to form cognitive structure.

In terms of urban institutional development, this study applies the Institutional Analysis and Development (IAD) framework developed by the Elinor Ostrom.³⁵ Based on viewing institutions as independent variables and the action arenas as dependent variables, it seeks to explore how incentives are produced by particular institutional arrangements and exert an impact on the behaviour of actors, with a view to predicting and assessing the outcomes of these actions. On this basis, the framework of improving the institutional arrangements could be developed. The action arenas of IAD framework include two groups of dependent variables: action situation and actor. The former enables the analyst to explain the relationship between behavior and outcome and possibly improve them from the perspective of the institutional arrangements which produces incentives. The latter may be either individuals or organized groups. What makes the actor choose strategy choice in any particular situation depends on his own understanding and estimation of the possible outcomes from various strategies. Through the analysis of the action situation, the analyst can predict the interaction pattern and the outcomes of the actors. In the IAD framework, institution refers to the rules, norms and strategies accepted by the actors.³⁶ These institutions provide the basic norms for the actors and their relationships, thus forming a specific action situation, which affects the choice, cost, benefits and outcomes of action by actors.

In this study, IAD framework is adopted to the study of urban governance reform in China to develop the analysis flow chart: institutional arrangement-action arenas (action situation)-action pattern-evaluation of outcomes (as shown in Fig. 1.1). This analytical framework primarily indicates that China's urban governance is based on an array of basic institutional arrangements, and it shows the relationship between the government, market and social subjects. These institutional arrangements constitute the action situation of transition of urban governance and determine the value and reform orientation for transition of urban governance in China.

³⁵Ostrom [22], Sabatier [30].

³⁶Crawford and Ostrom [3].

自然/物质条件	Physical / Material Conditions	行为情境	Behavioral Context
共同体属性	Community Attribute	行动者	Actor
使用的规则	Rules Adopted	互动模式	Interactive Model
行动舞台	Action Arena	结果	Outcome
		评估准则	Evaluation Criteria

Fig. 1.1 Institutional analysis and development framework

The IAD framework emphasizes that the institution determines the action situation and has an important influence on the action choice of the actors. The institution not only provides the basic framework for the government action, but also offers the action incentives to the main market players and social subjects. Under different institutional arrangements, the interaction models and outcomes of the multiple actors are different. The analysis of the interaction model and outcomes of urban governance actor under the current institutions helps to predict the institutional evolution.

1.4 The Outline of This Book

The book includes ten chapters.

This chapter is an introduction to the main parts in this study, summarizes the theoretical development, relevant literature and representative views of the existing studies, introduces the thoughts and methods of this study, and outlines the main contents of each chapter.

Chapter 2 discusses the nature of the city and governance mission. It gives definitions to the nature of city from the perspectives of different disciplines, such as architecture, geography, economics, sociology. After that, from the standpoint of public administration, it sets forth a new notion of the nature of city, expounds the basic mission of urban governance, tries to clarify the cognitive misunderstandings of urban and rural governance, and puts forward new approaches in improving urban and rural governance. From the perspective of public administration, city is the geographical space with high-quality public service resources. In terms of the relationship between urban and rural areas, it is necessary for government to change the mindset of “equality in urban and rural public services”. Although it is incumbent upon the urban authorities to ensure that rural residents can access basic public services, it does not mean that the equality in accessing public services between urban and rural areas can be achieved.

Chapter 3 analyzes the institutional changes of urban governance in China. District-level governments implement a new two-level government and three-level administration system, and the urban governance relies on the sub-district street office and neighborhood community. Since the founding of People's Republic of China, urban governance has undergone the development from work unit system to sub-district street system, from connecting sub-district street with neighborhood community to separation of neighborhood community from service station, from quasi-community system to community system. According to whether the decision-making is mandatory or not, there are two kinds of actors of urban governance: actor with power and actor without power. Based on whether the ruling party has a leading role in operation of an organization, the actors of urban governance are categorized into two types: state organs and public institutions, private organizations.

Chapter 4 explains the institutional framework and theoretical evolution of urban governance in China. From the perspective of the relationship between government and society, it discusses four models of urban governance: government-arranges-all, self-governance, holistic governance and collaborative governance. In practice, the integrated governance model was created in Chinese cities, which results from the context where government has decreased resources while assuming all responsibilities. Faced with the unbalance of limited resources and unlimited responsibilities, the city government through its power to carry out integration of the market players and social actors by means of qualification management, seeking resources, elites absorption, setting up Party organs, and project cooperation. Under the governance, the public sectors play a leading role and has achieved significant gains, but some social conflicts also have happened. In order to address the social risks caused by the model of holistic governance, it is necessary, in terms of the cross-sectoral cooperation, to facilitate governance according to laws, enhance consultative democracy and develop the institutional arrangements of collaborative governance.

Chapter 5 describes the ideal model of city-county relationship. In view of the problems arising from the "City-Leading-County" institution, there have been many debates about "Province-Leading-County" in recent years. It is necessary to clarify the relationship between city and county in theory in order to promote the institutional reform to "Province-Leading-County". According to the different value orientations of fairness and efficiency, there are two representative viewpoints about the relationship between city and county in the academia: "city-county competition theory" and "city-county integration theory". The former argues that they are equal players in competition, suggesting separation of governance, while the latter believes that they are interdependent, emphasizing regional integration. By analyzing these two views, this chapter expounds a mixed model of city-county relationship. It also puts forward, through studying the cases in other countries, some concrete policy framework on the "Province-Leading-County" reform.

Chapter 6 studies the institutional development of urban cross-sectoral governance in the United States. The city government system in the United States is diversified, and falls into four categories: strong-mayor, weak-mayor, committee-leader and council-manager. In metropolitan areas, many autonomous cities and towns are independent of each other, shaping the political fragmentation pattern. Despite