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Policy Process Diffusion

Transforming the Governance Model in Chinese Cities

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Acronyms

Hukou	Household Registration
SO	Social organization
PRC	People's Republic of China
CASS	Chinese Academy of Social Sciences
UNSW	University of New South Wales
NGO	Non-governmental organization
CPC	Communist Party Congress
OECD	Organisation for Economic Cooperation and Development

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Abstract/Summary

The growing migrant population in Chinese cities has created serious challenges for the hosting cities. Ignoring migrants' need for social integration might help the government or host society save money in the short term, however, it can sow the seeds of social instability in the long term. Local governments in China are concerned that they have to cope with the economic, social and political pressure resulting from a rapid growth in the urban population. Following the abolishment of the Detention and Eviction System (*Shourong Qiansong Zhidu*) in 2005, the treatment of migrant workers and migrants in general improved significantly. Until 2015, migrant workers gained greater access to social insurance contributions and benefits, while rural–urban migrant children could attend urban schools. In some smaller cities and large cities in the west, migrant workers could access government-subsidized housing. However, these policy changes did not fully satisfy the demands of the migrant population. This may be due to policies being poorly designed or difficult to implement. It may also be a result of migrants' responses that stem, for example, from marginalization vis-à-vis the urbanization agenda or lack of trust in the system.

Several approaches have been employed to relieve the pressure of migration: (i) using control and repression to reduce the visible signs of dissatisfaction in public spaces; (ii) using compensation to ease dissatisfaction; and (iii) identifying the root causes of dissatisfaction and seeking to resolve problems. In the past, local governments often resorted to the first and second options—using social control and economic compensation to maintain stability. The reality is that the costs of these approaches are very high, both financially and socially. Heavy-handed control has resulted in deeper dissatisfaction and lower trust in the state, while compensation rendered in exchange for stability has stimulated the appetite for more compensation and, in turn, distorted society's understanding of social justice. In some cases, instead of reducing the open expression of discontent, people were incited further. In this context, the central government has become increasingly interested in changing the approach of governance by further addressing the causes of dissatisfaction.

However, an idea from the top may not necessarily be taken up willingly at the local level. In this paper, we focus on how the idea of community governance is pushed downwards along the administrative hierarchy, and horizontally at different levels of government. Through this policy process, we examine the relationship between multiple stakeholders and how social organizations and civil society become involved in the provision of social services and in facilitating community building.

We studied the cases of four urban areas: Haicang, Guiyang, Chengdu and Taicang. We found that in these cities, co-production and participatory governance are imposed on the urban communities by higher level authorities, with the state playing very active roles in initiating, financing and facilitating the process. Despite much-improved community environment, however, communities are still not participating to the extent that the state would like. Nonetheless, we argue that this top-down approach has its merits. It may be an efficient way to ignite the co-production process and, to some extent, sustain it. When these practices are embedded in an authoritarian hierarchy, however, local officials involved are unavoidably evaluated using two separate performance assessment systems, the hierarchical and the horizontal, which have not been compatible so far.

Despite the different names for these models, the common features are that the government is introducing new actors to the governance system to reduce the governmental responsibility for providing services directly and allocating funding

directly. There are different perceptions of this attempt in the existing literature: one is that the government is seeking to make it easier to maintain control; the second is that the government is seeking to withdraw its responsibility for this system. Our research suggests that it is misleading to argue that the government reform is focused on maintaining tight state control. However, it would be reasonable to claim that the reform is an attempt to seek ways to reduce the tension between the state and public. The state is seeking a better governance approach to replace the old approach, so that the state is not at the centre of every problem faced by society, and can redirect some of the pressure to other actors in society. In this sense, contracting out social services to non-governmental providers is not in conflict with the attempt to improve community governance, if it can help reduce pressure at higher levels.

Introduction

The increased migrant population in Chinese cities has created serious challenges for the hosting cities. Though ignoring the migrant population's need for social integration might help the government or host society save money in the short term, it can sow the seeds of social instability in the long term (Tonkiss 2005; Silverman 2002; Foa 2011). In the 1990's, the concept of social exclusion was used to study marginalized migrant populations, particularly cheap laborers (Roche and Van Berkel 1997), and the studies on the migrant workers in China also followed the same trend (Li 2005; Li 2006; Ren and Wu 2006; Wang and Zhang 2006). The core focus of these studies was on the livelihoods of these migrants (particularly rural–urban migrants) and the unfair treatment they received from the government and mainstream society. These studies indicated that Chinese migrant workers faced unequal treatment in terms of access to work, housing, welfare and education for children. However, migrants live and work in host cities and contribute to these cities; thus, the local governments of the host cities should not view them as burdens to society (Yu 2010). From the perspective of social development and citizens' rights, migrant workers should be accepted by cities as equal citizens (Wang 2006). The starting point of the research before 2010 was based on social justice—all members of society should be treated equally, with equal access to social protection and social services.

In practice, the local governments were not happy with these comments. They argued that they were the ones that had to cope with the economic, social and political pressure resulting from rapid growth in the urban population. Some local governments raised the concepts of the urban population's carrying capacity and comprehensive bearing capacity (The Sixth Census Office, Ningbo City 2012), arguing that a city has limited ability to take on a new population. The life quality of residents is affected when the number of people and density exceed a certain level, and, thus, cities need to control population growth. This line of argument garnered a lot of criticism, given that Chinese cities are not among the most populated cities and do not have the highest density; however, they are not the best managed cities either. In terms of size, Jakarta, Delhi and Manila are probably more chaotic than Beijing and Shanghai, though Tokyo, Seoul and New York are better managed. It is true that population density may affect life quality; however, cities with higher densities (such as Hong Kong and Macao) have not reached their limit. Thus, it is delusive to justify that large cities in China cannot host more people. Further, when people discuss population pressure, they are not referring to future pressure caused by new migrants—they are discussing about the people who have already lived and worked in these cities for years. This means that the so-called lack of "carrying capacity" is more about the lack of governing capacity rather than the financial, special and natural resource limits pointed out by local governments (Li, Chen and Hu 2016). The roles of resources and governing ability are linked—better governing ability means that a place can overcome resource constraints more effectively. Cities such as Hong Kong, Singapore, Tokyo and Seoul are all examples of cities overcoming resource constraints as a result of improved governing ability. In this sense, poor governance is one of the core reasons behind the difficulties associated with migrant integration.

Following the social policy reform of China in 2005, the treatment of migrant workers and migrants in general have improved much. Migrant workers have since become entitled to social insurance contributions and benefits while rural–urban migrants' children can attend urban schools. In some smaller cities and large cities in the west,

migrant workers are even able to live in government-subsidized housing. However, these policy changes did not satisfy the migrant population, and the protests against unequal treatment continue. Sometimes, this may be a result of poor policy designs that made policies difficult to implement at local levels. For example, the transferability of social insurance between different regions is technically very difficult to achieve (Li 2014). However, it is also clear that local governments are not always willing to implement the policies. Increasingly, farmers are not always interested in attaining urban Household Registration (Zhang and Tong 2006).

In recent years, governance has become a more serious issue. The reforms do not seem to have benefited the targeted recipients though it has affected the vested interests of those who are benefiting from the existing system. For example,urban citizens are not always willing to grant more access to services and benefits to migrant workers like they did at the turn of the century. For example, urban parents are not willing to let their children receive education in the same schools as rural children and do not wish to have more numbers of rural children competing with their own children in university entrance exams (Ann et al. 2015).

As the tension between rural and urban interests became more serious, local governments tended to view the social issues associated with migrant population as a threat to social stability. They focused on maintaining stability and took any action to prevent expression of discontent (Zhang 2011). As a result, the policies were not made out of consideration for protecting citizens' rights and maintaining social justice but for minimizing social conflicts. Several means were employed to maintain social stability: (i) using control and repressing voices to reduce dissatisfaction in public spaces, (ii) using compensation to ease dissatisfaction and (iii) identifying the root causes of dissatisfaction to resolve problems. In the past, the Chinese government often resorted to the first and second options—using social control and economic compensation to maintain stability. The reality is that the costs of these approaches are very high, and the effects are not as positive. Heavy-handed control has resulted in deeper dissatisfaction and lower trust in the state, while compensation rendered in exchange for stability has stimulated the appetite for more compensation and, in turn, distorted society's understanding of social justice. In some cases, some of these measures, instead of reducing the open expression of discontent, incited people further (Tang 2012).

In this context, the central government has become increasingly interested in changing the approach of governance by further addressing the causes for dissatisfaction. Therefore, at the central government level, local governments were given permission to undertake experiments to improve social governance and the integration of migrant