

Fragmented government: theories and facts in China

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Abstract:

At present, how to abandon fragmented government has been a critical challenge to the practices and theories of Public Administration. In the practical level, the practices of defragmented government rose and developed in the late 20th century; In the theoretical level, the problems of separated department raised public awareness gradually, which used to be neglected by the schools of traditional public administration and new public management. The concentrated expressions of fragmented government are the gaps and conflicts among government departments, which are the natural products of bureaucracy. Bureaucracy carves the key concepts, division and specialization, and brings two major government failures as well: one is low efficiency of government internal management system and low resource utilization rate, the other is incapability to address “wicked problems”. According to the theory of fragmented government, the fragmentation of Chinese government is found in three aspects: organization value, power and resource distribution, and policy process. In the case study of Fuyang government in Zhejiang Province, the findings suggest that Chinese government has shown features of developmentalism in the reform of defragmentation. The study concludes that service-oriented reform is better for Chinese government than development-oriented.

Keywords:

Separated department, wicked problem, fragmented government, development-oriented, service-oriented

1. Significance of the study

As the waves of globalization and information sweep the world and post-industrial, post-modern and other thoughts diffuse around the global, the complexity of public problems in present exceeds that in the past traditional society. The wicked problems, includes lots of problems related to emergent public crisis, social policy, city diseases, and sustainable development and so on. The wicked problems reveal that the contradictions between the system of department and cross-sectoral governance needed are becoming increasingly acute¹. The system of department is required to deal

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with affairs of different natures, while cross-sectoral government is needed to tackle complex public problems. Considering the solutions of wicked problems, significant topics to the practice and theory of public administration today are how to overcome the excessive division in cross-sectoral governance, how to establish a way of holistic thinking, how to negotiate, how to cooperate, and how to integrate policy objectives and resources between departments effectively.

1.1 The rise of defragmented government in the practical level

After the 21st century, the decline of New Public Management gave rise to the practice of defragmented government around the globe. The Blair Government introduced the concepts of 'joined up government' and 'partnership' in the 1999 White Paper, "Modernising Government", to improve the government's response to 'wicked' problems, including intractable social issues such as drug use and social exclusion. Meanwhile, Canadian government adopted 'horizontal management' to coordinate the relationship between federal departments and local governments and to deal with cross-cutting issues such as climate change, Aboriginal issues, public security and globalization and etc. In 2004, the Management Advisory Committee provided its report, "Connecting Government", to advise the Australian government, in which it comprehensively illustrated the whole-of-government approach. In 2007, the Chinese government proposed the reformational notion of strengthening the integration of institution, probing into carrying out the Super-Ministry System of the unified functions, and improving the cross-sectoral coordination system. Thus, defragmented government becomes a new major trend for the government reform.

1.2 The area of ignorance by traditional public administration and New Public Management in the theoretical level

Early in 1937, Gulick pointed out in "Notes on the theory of organization" that division of labor can make people with different skills exert their advantages in different specialized fields, which would improve efficiency at last. But excessive division leads to decentralization and hardly creates overall effectiveness. Hence, how to establish effective methods for communication and coordination is the crucial problem to the organization theory.ⁱⁱ However, until now, there is no satisfying way to solve the problem. Either in traditional public administration or New Public Management, post, duty, and power of governments are always fragmented. Traditional public administration is based on Wilson's Dichotomy of Politics and Administration and Weber's bureaucracy. Because it overemphasizes on the division of duties, hierarchy and internal control, traditional public administration ends up with discoordination among departments and gives rise to departmentalism. New Public Management emphasizes the renewal ideas of managerialism and marketization, but restricts itself in the cost-benefit analysis of single policy or of single sector, while neglects the connection of sectors and integrity of policies.ⁱⁱⁱ The two classic theories failed to recognize that the fragmentation is the major government failure, which is the failure

of tackling wicked problems and cross-sectoral problems and the failure to satisfy the needs of citizens.

The paper is going to analyze fragmented government from theoretical and practical levels. Firstly, this paper reviews the relevant literatures on the definition of fragmented government, the source of fragmentation and the governmental failures. Following this, we discuss fragmentation in the Chinese government by studying the case of Fuyang government in Zhejiang Province. We conclude with the features of developmentalism in the reform of defragmentation of Chinese local government.

2. Fragmented government and the cause

On the face, the government management system seems to be integrated; but under the face, it is always fragmented. In present government management models, governments at different levels are divided into departments according to different functions. The organizational structure with functional division is able to meet the needs of differentiation and division and to improve efficiency, while on the other hand it brings fragmentation to public services and lays down the causes of fragmented government. According to the definition given by Perri6, Leat and etc., if different functional departments face the common social problem, but lack of coordination, communication and cooperation, leading to uncompleted overall policy objectives, fragmented government is formed. ^{iv}

2.1 Turf and turf wars

Turf and turf wars are the key concepts to understand fragmented government. Turf refers to different departments with their independent functional field, policy space and jurisdiction in their fields.^v Each department makes its policy agenda on its field, and tries to optimize utilization of resource in order to achieve its policy objective. Meanwhile, it also develops its organizational culture and ideology. In the case of lacking communication and coordination, different departments will preserve their strength or sacrifice overall benefits to protect their own fields, and even fight with each other when they have conflicts.^{vi} Once departments are involved into turf and turf wars, various problems related to fragmented government will come one after another, and drawbacks in provision of public services will come into being as well.^{vii} The problems include: shift the problem to another department, i.e. let other department pay for the price; conflicts in projects, i.e. some departments have conflicts in policy objectives, or split when sharing the same policy objective; repetition that wastes resource and upsets service-users; conflicts in objectives, i.e. inconsistent service objectives lead to serious conflicts; lack of communication that results in lack of interference or unsatisfying effects of interference; self-contained when responding to needs, i.e. some sectors believe that they could solve problems on their own without communicating to other sectors, while they fail to meet the needs at last; confusion to services, i.e. citizens could not get services or could not figure out where to get

services; lack of consideration on the causes of problem and overemphasis on professional interference that leads to neglect or gaps in services provision or interference.

2.2 Fragmented government and bureaucracy

Fragmented government roots in the internal characteristics of bureaucracy. Since Adam Smith attributes the improvement in productive powers of labor to the result of division of labor and specialization, division and specialization become important symbol of modern society. One of starting points for Weber to study bureaucracy is rationalization, and the other is division and specialization. "Bureaucracy is built on the high degree of division and specialization. Each department has its stable and detailed requirement of skill norms to handle complex affairs and tackle various problems. Thus, experts and technical personnel are equipped in every field to meet the work needs."^{viii} From Weber's prospective, functional bureaucracy help the organizational members to master specialized skills and knowledge through training, and to improve working efficiency. However, the overemphasis of government on division and functional distinction will inevitable give rise to the conflict of cross-sectoral policy objectives and of methods. Bao-chung Han has mentioned that "the bureaucracy itself will develop towards more division and specialization, and the internal gap will be formed. Organizations will move towards sub-legislation, and the organizational relationship will be fragmented. 'Weber's problem' leads to fragmentation."^{ix} However, it is to be remarked, fragmentation is the result of lacking cross-sectoral coordination, but cannot be used as the excuse to oppose division and specialization.

2.3 Benign fragmentation and malign fragmentation

Scholars like Perri6, Leat and etc. distinct benign fragmentation from malign fragmentation, and study their causes. Benign fragmentation refers to the emergence of fragmentation that is an unanticipated consequence, and is not the intention of government. The causes of benign fragmentation are: management and budget control concentrated on policy input, i.e. government reform usually starts from process and details; the requirement of corruption control, i.e. policy decisions focus on the supervision, check and balance, while neglect relevance of policies; customer-oriented government, i.e. the satisfaction-oriented public services may not be able to drive functional integration among sectors; strategic decisions of functional departments, i.e. each department considers all about its own need in the process of development and reform; services required by democracy, i.e. citizens hope to get diversified public services, forcing the government to move towards fragmentation. Malign fragmentation means that the government intends to be fragmented. The reasons are as follows: "divide and rule" strategy adopted by politicians to control and monitor bureaucracy; professional monopoly, i.e. experts define boundary of specialized affairs

by using specialization as excuses, in order to evade boundary-crossing affairs; maximized control area, i.e. senior civil servants maximized their power by defending their own turfs. ^x Perri6, Leat and etc. pointed out no matter the starting point is good or not, if the public sectors start from their own needs and lack overarching vision, the cross-sectoral relationship will tend to break and fragment.

3. Government failures of fragmented government

According to the principles of functional sectors, each sector has its own independent turf, goals, values and behavioral norms, which contribute to cross-sectoral gaps and conflicts and lead to the ineffective integration of cross-sectoral goals and resources. Under this circumstance, it is hard to avoid government failures. Government failures of fragmented government mainly appear in the two aspects: internal management of government, and provision of public services.

3.1 Due to blurring boundary of bureaucratic organization, fragmented government will always involve into ‘border clashes’ and lead to the waste of resources and loss of efficiency.

Anthony Downs explains the divisions of sectors in his book “Inside bureaucracy”, by using the idea of “territoriality”. He divides policy spaces into “territorial stripe” according to the specialized functional divisions of bureaucratic organizations. The important feature of modern bureaucratic organizations is blurring boundary, which derive from the complex interdependence of modern society. Due to the blurring boundary, the fight for policy spaces inside bureaucratic organizations never ends. Although the “border clashes” inside policy spaces would not threaten the survival of bureaucratic organization, the uncertainty of policy spaces makes every bureaucratic organization sensitive to outside aggression and affairs happened in “unsettled area” and outer space. Because of the influence of territorial sensitivity, “each social sector in essence has territorial imperialism in some degree....As long as the intercourse exists among sectors, the imperialism will lead to conflicts, although the cooperation is still the main theme. ^{xi}

3.2 Traditional decision model related to fragmented government could not solve wicked problems effectively.

Leach and Percy-Smith point out that traditional decision model has three major defeats. The first defeat is linear policy process. The traditional decision model simply describes policy process as linear process of defining policy problems, making policy decision, implementing policy and evaluating policy. The simple linear description cannot reflect the complexity of policy progress. The second is single departmentalization of decision prospective. Inside fragmented government, sectors start from and fight for their interest. The implement of policies only relies on their resources and strengths. The third is one-off policy. Sectors regard each policy as

independent, irrelevant, and new.^{xii} This model enjoys high efficiency in overcoming tame problems. Tame problems refers to public policy problems sharing the following five features: has a well-defined and stable problem statement; has a definite stopping point, i.e. when the solution is reached; has a solution which can be objectively evaluated as right or wrong; belongs to a class of similar problems which are all solved in the same similar way; has solutions which can be easily tried and abandoned.^{xiii} However, in the reality, “what citizens face is joined-up problems, which cannot be simply divided into the catalogues of subjects, specialized fields and organizations.”^{xiv} The wicked problems are always cross-boundary that no sectors can solve them independently. Therefore, the traditional decision-making mode can do nothing when confronting wicked problems.

4. Analyses of Fragmented Government in China

Fragmented government is not a new problem in China. Since the founding of P.R.C, separated department has always been a problem in governmental administration system. In the planned economy era, power and resources were concentrated in central government and distributed to the ministries and commissions. Government by functional departments was formed, in which departments impeded each other without cooperation. Meanwhile, the significant problem of departmental barriers emerged.^{xv} 1978, some power and responsibilities for economic development were decentralized to local government, so the main problem in administrative system was transferred from departmental barriers to regional barriers. However, in the 21st century, lag of the social construction and administration, together with the high frequency of social contradictions have resulted in the reemergence of departmental barriers. Nowadays, the mission of government is not only to lead economic development, but also to deal with some wicked problems like emergent public crisis, social policy, urban diseases and sustainable development. That explains why it is urgent to abandon fragmented government. In a sense the "Giant Department" reform of the central government is a response. Noteworthy, the "separated department" during this time is obviously different from that before 1978. The latter is an inevitable outcome after planned resource allocation, but when responding to citizens and solving problematic issues, the former turns to be a difficult situation. We are going to discuss the current situation of fragmented government in China from three perspectives, namely organization value, power and resource allocation, and policy process.

4.1 Fragmentation in organization value.

Inside the government, consensus is the prerequisite for all the departments to head towards the overall objective. For Chinese Government, fragmentation in organization value is reflected in the trend of "interest-oriented department". Sun Liping pinpointed: "the essence of interest-oriented department is the disintegration of government's public power by private subjects, meanwhile the private subjects is also a

part of the government." ^{xvi} According to the system designing, departmental heads should be the representatives sent by their leaders, and their mission is to promote the overall policy. While in reality, they become the spokesmen of their departmental interests. They only speak for their own departments, and seldom speak for the overall situation. This leads to the departmentalization of administrative power, interest-orientation of departmental power and legalization of departmental interests. The three changes above turned department's' value orientation to "the pursuit of departmental interests" rather than "caring for public interests". Departmental heads pretend to obey their superior, but actually are very passive in affairs which need multi-departmental cooperation. Because of the difficulty lies in the multi-departmental cooperation, superior leaders are likely to act as coordinators rather than decision makers. As stakeholders, departmental heads only care about their own interests and contradict their duty to represent the public interest. Thus it becomes the greatest obstacle for the value integration in Chinese government.

4.2 Fragmentation in power and resource allocation

On one hand, fragmentation in power and resource allocation is reflected in multi-departments' overlapping functions. Blurring function and responsibility, as well as duplicate law enforcement are common problems in Chinese government. Take food safety for example, seed - cultivation - fertilizer - transportation - processing - wholesale - retail are the stages in which departments of agriculture, forestry, sanitation, quality monitoring, industry and commerce, food and medicine supervision are all involved. The result turns to be that the more departments are involved in, the more structural flaws there are. On the other hand, it is reflected in "departmentalization of finance". It goes against the rational dispatch and allocation of resources, meanwhile cripples government's strength to realize the overall objective. In the present financial system, quite a number of public resources are scattered in departmental levels, say the policy resources, funding approval and self-owned assets. When using them, departments never proceed from the whole situation, but treat them as their own property. At the same time, finance, the vital policy tool to carry out policies, is malfunctioned due to the "departmentalization of finance". It makes the superior financial branch offer money, but departments set the policies.

4.3 Fragmentation in policy process

Fragmentation in policy process is apparent in Chinese Government. In 1992, Lieberthal and Lampton used the conception of "fragmented authoritarianism" to illustrate that the power is separated under the highest political level in China. The combination of the hierarchy system under bureaucratic politics and the functional division of power endows individual department independent source of authority. No one's authority can exceed others'. Based on their interests, they will enact their own departmental policies or influence their superiors' policy process. So Lieberthal and Lampton think that in China, public policies are formulated after discussions, debates

and bargains among departments, superior and subordinate governments, and governments at the same level. The public policy process is indeed a game played by various departments.^{xvii} Reflected in disputes and concessions among departments, fragmented decision process brings not only high cost, long policy period, low efficiency and a waste of time, but also the distortion and deterioration of public policy.

5. The Practice of abandoning fragmented government in China: Fuyang as an example case study of Fuyang

In China, although the "Giant Department" reform which aims at abandoning fragmented government hasn't achieved the anticipated goal, not a few local governments have taken initiative to explore their own way. Cases of Suizhou from Hubei, Shunde from Guangdong and Fuyang from Zhejiang are quite influential. Two reasons of made us chose Fuyang as the study subject. One is that distinguishing from the others; Fuyang's reform is not the political assignment from the superior government. That means the reform in Suizhou and Shunde is from outside, while Fuyang's is initiative. The other is that after research and survey, we found that the core of Fuyang' reform is "how to maximize governmental resources into GDP growth", which accords with GDP orientated logic in Chinese local government. Combing the two points above, it is feasible to select Fuyang to discuss the practice to abandon fragmented government in China.

5.1 Detail of Fuyang's Reform

On Apr. 23rd and 28th, 2007, Fuyang local government issued two documents which announced its reform to abandon the fragmented government.

A. Organizational restructure. As the two documents stated, Fuyang government established a "4+13" structural system. The "4" consists of the Industrialization Promotion Group, Urbanization Promotion Group, Working Style Improvement Group and Decision-making Consultative Committee. Among them the three Groups are only advisory and discussion organs which are not involved in decision-making process. Decisions are still made by municipal government. Decision-making Consultative Committee is to deal with consultation and make decisions for major municipal issues. The "13" consists of 13 special committees in charge of plan and coordination, overall planning, public assets management, land purchasing and storing management, structural reform, social security, industrial economy, environmental protection, major projects construction, urban and rural coordination, development of social affairs, development of modern service industry, city of leisure and sports respectively. Each committee takes its own responsibility and the director is meanwhile the deputy mayor. Thus relevant committees, offices and bureaus are organized based on their functions. Special committees' main job is to integrate the resources, coordinate powers from departments and put major decisions into practice.

B. Rebuild of policy process. With the "4+13" governmental structure, Fuyang has built a comprehensive management system. To be brief: Firstly, the committee for public assets controls the finance power in the government including fund, capital and resources. For fund, financial income from 166 independent accounting units is all saved in policy account. Considering capital, public assets management centre is set to manage all the public institutions' house properties and land properties. Considering resources, regulations of government resources management are formulated to disburse the auction, rent and lend of all the governmental resources. Then, budget making system is reformed so departments only have regular revolving fund at hand, and their control over the fund is weakened. Since 2009, Fuyang local government has divided its budget system into three parts: departmental operation, special items, and infrastructural construction. Departmental operation is ratified according to manning quotas, office facilities and vehicles. Special items budget is based on documents issued by superior level or municipal government. Infrastructural items budget is arranged by government in an unified way. Lastly, project library is set to guarantee everyone accords with strategic target and key emphasis. Applications projects are divided into two types: special projects and infrastructure projects, which correspond to special budget and infrastructural budget respectively. Committee of Plan and Coordination operated the infrastructural projects. It makes overall plans according to financial ability and land supply, and lists the sequence based on the order of priority before various departments put them into practice.

3.2 Intrinsic motivation of Fuyang's fragmented government reform

A. Through organizational restructure, "decision making to execution" system is adopted in the government and "coordination" process is added. Nominally, Industrialization Promotion Group, Urbanization Promotion Group, Working Style Improvement Group and Decision-making Committee do not have decision-making power. Since these institutes are run by chief heads of the municipal government, consultation more or less is equivalent to decision-making. Different from the traditional decision-making system which lacks coordination, the new one has established a mechanism which helps the communication and coordination of 4 separate leading groups, thus information asymmetry and disagreement are avoided. The 13 special committees play coordinating functions, together with their sub-organizations, they also become executive bodies.

B. Through rebuilding of policy process, a "resource pooling first, unified distribution second" operating mechanism is built. The policy process is modified from double track "made dish" way to top-to-bottom unified integration. Traditional policy process in Chinese local governments is a "double-track" system, namely coexistence of top-to-bottom way and bottom-to-top way. They are apparently embodied in the specification of "governmental projects" and "departmental projects". The key projects, i.e. "governmental projects" are arranged by municipal government, while the ordinary projects, i.e. "departmental projects" are executed after departments' application and

superior leaders' approval. There are two features in the "double track system": one is that vast policy resources and decision-making power are distributed in various departments, the other is that departments are decision-making body and executive body simultaneously. In such process, a serious problem is that departments substitute and command the whole government. For the key projects, mayor has to balance the departments or even ask money from directors of bureaus, while for the ordinary projects, responsible departments have to ask the mayor for help in case there are any difficulties in coordination with others. In this situation mayors are engaged in coordination but neglect decision-making. The hierarchy system looks to be from top to bottom, but actually it is reverse. Fuyang's reform is to tackle such problems.

3.3 Two modes in abandoning fragmented government

From the analyses in the two parts above we can see that Fuyang's reform has a clear road map. In the rebuilding of organization and policy process, power is concentrated to get resources distributed in various departments so that the departments will only have the executive functions. The concentrated resources could be put into infrastructural projects. But where is the motivation for infrastructural project from? This is deeply connected with the incentive and promotion system for Chinese officials. Their immediate interests are reflected in the promotion. Since 1980s, GDP growth and economic performance have become leading indicators for promotion.^{xviii} Generally speaking, infrastructural construction has a positive relationship with economic growth, i.e. Economic growth is dependent on investment in infrastructural construction.^{xix} Thus it can be seen that whether the restructure of governmental system or modification of policy process, they are both aiming at maximizing the output of governmental resources for the GDP growth.

Table 1 Two modes in abandoning fragmented government

	Core purpose	Problems	Emphasis for integration	Method	Decision-making mechanism	Organizational system	Value orientation
Development-oriented	Economic development	Resources waste and efficiency loss	Concentration of power	Control and command	Concentrated in High-level officials	Close	Reason of practice
Service-oriented	Citizen's requirement	Resources waste, efficiency loss, problematic issues	Coordination	Communication and coordination	Interactions between different levels and departments	Open	Reason of coordination

In conclusion, Fuyang has adopted a development-oriented mode with 6 features:

