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Chinese Public Policy Innovation and the Diffusion of Innovations: An Initial Exploration

Kenneth W. Foster, University of British Columbia, Canada

Abstract: In a rapidly changing country such as China, how to promote public policy innovation is an especially critical issue. Understanding how and when innovation occurs, and how and when innovations spread to other jurisdictions, is vitally important if the goal of spurring greater innovation is to be achieved. This article examines one particularly interesting case of policy innovation in China, the development of the "Service Promise System" in the city of Yantai. The analysis of this Case will provide the basis for a more theoretical discussion that combines insights from the Western literature on the topic with the specific characteristics of the Chinese administrative system. One of the key aims is to sketch out an agenda for future research.

Introduction: The Importance of Local Policy Innovation

In a rapidly changing country such as China, how to promote public policy innovation is an especially critical issue. Over the past twenty-five years, socio-economic change has proceeded at a pace rarely seen in history. As the economy became increasingly marketized and society increasingly pluralized, the Chinese Communist Party (CCP) leadership quickly realized that the old administrative system was rapidly becoming obsolete, and that new methods of governance were needed. While this realization pointed to the need for pro-active reform, at the same time new problems demanding resolution were constantly emerging. Thus policymakers have faced a bewildering array of public policy issues, all intertwined within an unprecedented systemic transformation. In such uncharted waters, no reform blueprint or storehouse of ready-made policy solutions is available. Thus innovation is especially important. That is, if the government is to succeed in effectively managing the economy and society, policymakers must generate new ideas and action-oriented models. Muddling through is of course one option – and in some policy areas this is the prevailing mode of action in China today – but if China is to complete the transformation into a well-governed and successful country, public policy innovation is essential.

Moreover, although attention is often focused at the apex of political power in Beijing, local-level innovation is probably most significant. Officials at sub-national levels – in the provinces, cities, counties, townships, and villages – directly face the many problems of governance and must craft solutions. These officials, especially those in the middle of the system, are crucial actors in Chinese public policy, for several reasons. First, decentralization has given them substantial power and responsibility. Second, although China is a unitary state, central policies tend to be vague, giving local officials substantial leeway in shaping local policies and implementation. Third, the center has difficulty in controlling its agents in the far-flung state apparatus. Lastly, the center tends to encourage local experimentation. Local officials thus are at the center of the battle to craft and implement new policies that address emergent and longstanding public policy problems. Local innovation has proven to be highly noteworthy over the past twenty-five years; promoting even more local innovation would seem to be vital to the health of China’s continuing transformation.

Closely related to the issue of policy innovation is that of the diffusion of policies across jurisdictions. From one angle, an innovation in one jurisdiction is often actually an adaptation (or wholesale copying) of a policy observed in another jurisdiction. A policy innovation is transferred from one location to another. From another angle, if good governance is the aim, one would hope that a successful policy innovation in one location would diffuse to other places. Thus when considering public policy innovation, one must ask not only when and why innovation occurs, but also when and why innovations travel to new jurisdictions.

This paper examines one case of policy innovation in China as part of an initial exploration of two interrelated questions. First, in contemporary China, what factors help or hinder the generation by sub-national policymakers of new and innovative ideas? When do new ideas and models arise, and where do they come from? Second, how do new ideas and models diffuse across jurisdictional boundaries in China? What mechanisms are important in promoting or hindering ideational diffusion? Developing answers to these questions can not only help us to understand better the Chinese administrative system. It can also provide clues as to how to facilitate more policy innovation and foster
more diffusion of good ideas both geographically and across the many levels of the system. Lastly, research in this area can contribute to the Western-centric theoretical literature on policy innovation and diffusion.

Yet this paper will offer more questions and hypotheses than answers, for it represents just the beginning of a new multi-year research project. Moreover, to my knowledge, scholars writing in English have not yet attempted systematically to address these sorts of questions with reference to China. Given the exploratory nature of this research, it perhaps makes sense to proceed in a purely inductive fashion. I will begin with a description of an example of Chinese local-level policy innovation and transfer, a pathbreaking effort in the city of Yantai to improve the quality of public services. This will then provide the springboard from which to launch into a more theoretical discussion that combines insights from the Western literature on the topic with the specific characteristics of the Chinese administrative system. The goal will be to illuminate salient features of the Chinese system related to policy innovation and to sketch out an agenda for future research.

Innovation in Urban Administration:
The Case of Yantai’s “Service Promise System”

In 1994, the leader of a government department in Yantai Municipality introduced a pathbreaking new system, called the “Service Promise System” (fuwu chengnuo zhi), designed to enable his agency to do a better job of supplying public services. This innovation was soon adopted by city leaders and promoted in other bureaucratic units. Heralded as a successful model, officials in the central government in Beijing in turn attempted to facilitate its diffusion to other parts of the Chinese bureaucracy. Thus here we have a case of a local official who came up with an innovative solution to a vexing problem (an agency doing a poor job of providing public services), a city government that championed the innovative solution, and the diffusion of the innovation beyond its original jurisdiction. The rest of the this section will examine these processes in more detail.

The Problem.

As is well-known, over its history the state bureaucracy of the P.R.C. has often not done an especially good job of actually “serving the people.” Controlling access to valuable services and lacking any accountability to the masses, cadres in charge of providing public services have traditionally displayed an anti-service mentality. Public services were of poor quality, guanxi (personal connections) was an important key to accessing government services, and citizens routinely had to face scowling bureaucrats for whom the notion “public servant” was quite alien. Thus in places such as Yantai, residents often have had to put up with poor public services and an unresponsive government administration.

As the provider of many basic services in Yantai, the Municipal Construction Commission (MCC) was the focus of discontent over the state of public service provision. As one official reported, the vast majority of complaints from citizens that reached city leaders concerned the MCC. Thus as 1994 began, the director of the Municipal Construction Commission, Li Dongxu, appears to have been on the lookout for new ways of dealing with the problem of poor public service provision and the “men nanjin, lian nankan, shi nanban” (“hard to get in the door, hard to deal with the bad attitude of officials, and hard to get things done”) phenomenon faced by Yantai residents seeking to conduct affairs with government agencies. He would soon find a possible solution, an innovation that he could introduce into Yantai.

The Origins of the Yantai Initiative.

The story of Yantai’s Service Promise System begins with a dramatic example of the international diffusion of administrative reform models. In 1994, the Director of Yantai Municipal Construction Commission (jianweihu jianweihui), along with a number of other municipal and provincial officials (mainly from the jianweihui), took an “Advanced Management Training” investigation trip to Hong Kong and Singapore. The trip was specifically for the purpose of finding out how these governments had tried to deal with problems such as bureaucratic inefficiency and the poor quality of public service provision. As the person in charge of overseeing the provision of many fundamental public services, Director Li Dongxu was looking for ways of improving the performance and reputation of his own piece of the municipal administration.

In Hong Kong, Director Li was introduced to an initiative called Performance Pledges in which administrative agencies would publish a set of “service promises” (fuwu chengnuo) and standards, while also setting up mechanisms by which the agencies could be at least partially accountable to city residents. Li Dongxu was sufficiently impressed by what he learned that, upon his return to Yantai, he immediately worked to conceive and implement within his agency a Service Promise System of his own, one that was closely modeled on what he had seen in Hong Kong. Consequently, he began an innovative experiment that would eventually get Yantai national headlines and help Director Li land a promotion to a post in the Ministry of Construction in Beijing.

Hong Kong’s Performance Pledges system had been introduced in 1992 by then-Governor Chris Patten. Yet this was not a home-grown creation. Rather, it was modeled after the Citizen’s Charter Programme that Prime Minister John Major had initiated back in the United Kingdom (Luo and Chen 2002, p. 353). Thus we see a long chain of policy diffusion—from the U.K. to Hong Kong, and then on to Yantai (and later, up to Beijing and to a number of other Chinese cities).
The Citizen’s Charter Programme and, by extension, the Yantai initiative were based on a set of ideas associated with the New Public Management paradigm in the field of Public Administration.10 This approach to public management (and administration) stresses (among other things) the need in administration for explicit standards and measures of performance, an emphasis on output controls, and the use of private sector styles of management (Hood 1991; McLaughlin, Osborne, and Ferlie 2002). In the reform of public services, the NPM paradigm calls for a new focus on “customer care”, on treating citizens who use public services as customers and clients.

In 1991, John Major embarked on what was described as “a campaign to guarantee the rights of individuals against the inefficiency and indifference that is widely – and often accurately – said to plague Britain’s faceless bureaucracy” (Gelb 1992, p. 11). Called by one scholar “an important political-administrative experiment” (Doem 1993, p. 17), the Charter initiative aimed at making service-providing agencies more oriented towards customer satisfaction. It was organized around six principles: standards, information and openness, choice and consultation, courtesy and helpfulness, putting things right, and value for money. In practice, for the most part it centered on “the publication of standards of service provision and means of public redress if these are not attained” (Chandler 1996, p. 3). Accompanying this was the idea that many public services should be exposed to competition, privatized, and/or contracted out (Lewis 1993). The goal was to infuse the bureaucracy with a service-oriented culture and to make it more transparent and accountable to citizens.

It is unlikely that Director Li understood or even cared much about the philosophical underpinnings of Hong Kong’s Performance Pledges Programme – what he saw was a model that seemed to work, that was spoken highly of in Hong Kong, and that had a good pedigree (coming from the UK). He saw something that could be useful to him as Director of one of Yantai’s largest yet most maligned agencies.

Innovation within One Agency.

Upon his return from Hong Kong, Director Li Dongxu apparently informally discussed with municipal leaders his idea of developing a new sort of mechanism to improve the performance of the agencies under his command. Then he convened several meetings with the MCC and came up with a plan to devise a system that would follow the spirit of and take some of the particulars from Hong Kong’s Performance Pledges initiative. The new system would be called the Service Promise System (fuwu chengnuo zhi).11 The first experimental implementation of the SPS occurred in June of 1994, in ten MCC units that were on the front lines of service provision.12 Among these were the Municipal Gas Company, the Municipal Water Company, and the Public Transportation Company.13 In January of 1995, a further eighteen units implemented the initiative.

The Service Promise System (SPS) centered on the publication by agencies of detailed Service Promise Statements (just as agencies in the U.K. had issued Charters). Although the precise formula underwent some evolution during the first year or two of implementation in the MCC, each statement was supposed to include several elements. First was a list of what services are provided by the agency, followed by a set of standards that the agency pledged to uphold in sponsoring these services. Next was a description of procedures to be followed when accessing services and time limits within which the agency must take action or respond (e.g. to an application or request for service, etc.). Lastly, the statements specified procedures by which a user of agency services could file a formal complaint with the agency and set out monetary compensation that the agency would grant in the event that it failed to respond to such a complaint in a timely manner.

As this suggests, the statements were aimed at making information available to citizens, forcing agencies to set and try to meet service quality standards, and setting up limited forms of accountability to the users of agency services. Each of these was something that had not been done before. Although in preceding years the city government had sporadically called on agencies to disseminate more information to the public, nothing much had ever happened as a result. The exercise of asking agencies to specify service quality standards was unprecedented and, for the first time, formally suggested that the agencies were actually there to serve residents, rather than to give them privileges or to lord it over them. Moreover, the most striking new feature of the SPS was how it gave citizens new and clear channels within each agency for making complaints. Typically, one office within an agency was given the task of taking complaints and acting on them.

Now, it is obvious that this sort of exercise could easily amount to nothing in terms of impact on an agency’s service. No legal mechanisms were established. Citizen complaints could be easily brushed aside. And the standards and promises were set by the agency itself, rather than through citizen input or by an official with authority over the agency.

It is also true, nevertheless, that the SPS devised a potentially effective mechanism through which agency leaders could bring about some degree of change in how their organization operates and interacts with the public. That is, it was a mechanism to spur, from within, internal change in an agency. It was a method with which leaders could shape the behavior of those bureaucrats who were directly in charge of public service provision. As such, the degree to which the SPS would actually bring about change would depend mostly on the seriousness with which Director Li insisted on its strict implementation.
By all accounts, Li Dongxu pursued the effective implementation of the SPS with zeal. This is not hard to understand, for after all, this was “his baby”, and he had everything to gain by seeing it succeed. And he had ways of trying to achieve success. For example, he made performance in implementing the SPS and improving service quality a key basis on which cadres in his agency would be judged during the yearly cadre evaluation exercise (Li and Li 1996, p. 7). He also reports having authorized surprise inspections of units under his command.

As mentioned earlier, a full evaluation of the effect of the SPS on service quality is impossible due to the lack of data. Nevertheless, it appears that the introduction of the SPS did lead to a spurt of activity that resulted in real improvements. With Director Li breathing down their backs, those in charge of individual MCC units endeavored to be more user-friendly and looked for ways of making concrete changes. Though there is no independently-verified concrete evidence, it seems reasonable to believe that improvement did actually occur. Much was made at the time of the reported fact that calls to the Mayor’s complaint hotline concerning MCC units declined by over 50% after the SPS was implemented. If nothing else, residents probably found the MCC more willing to hear and act on their complaints and problems.

What we do know is that during the first few months of 1995, Party leaders in Yantai became convinced that the experiment in the MCC was worth expanding to other municipal agencies. Although this in itself is no proof that the SPS was generating real improvement in how MCC units operated and in citizen satisfaction, it suggests that the SPS was proving to be at least somewhat effective, while also presenting an attractive model in general. No doubt, Li Dongxu did all he could to convince Party leaders of the effectiveness and potential of his experimental system. Party leaders saw its merits and decided to make the SPS a city-wide initiative. In this way, the SPS idea emerged from within one piece of the city administration to become one of Yantai’s signature policies and, eventually, Yantai’s claim to fame within the Chinese state.

An Innovative System becomes a City-Wide Policy.

Party leaders in Yantai shared with Li Dongxu the interest in finding ways to improve the operation of the municipal bureaucracy and to increase public satisfaction with government. It seems clear that for both Li and city leaders, the interest in this was driven to a substantial degree by the desire to be noticed and perhaps rewarded by their superiors at the provincial level and in Beijing. That is, it does not appear that they were under any sort of real pressure from above to actually do something significant to improve the quality of public service provision. This was rather one of those areas in which strong action was in effect, optional. In fact, it was also an area in which an innovative and successful policy just might enable a municipal leadership to stand out among its peers in the eyes of a select group of powerholders in Beijing. As was discussed above, the SPS could easily turn into a toothless initiative. Yet the SPS could make a real difference – if city leaders pushed it hard and ensured that there was real and continual pressure on individual units to accomplish it faithfully.

In May of 1995, Yantai municipal government began the effort to get the SPS implemented throughout the service-providing parts of the bureaucracy. First, twelve agencies were instructed to draw up their own service promise statements and to activate the SPS in each of their service-providing units. Included among these were the Bureau of Post and Telecommunication, the Bureau of Industry and Commerce, and the Municipal Transportation Commission. Over the next two years more agencies were added, so that by 1999, a total of 26 agencies had established the SPS. This involved the production of multiple service promise statements within each agency (as each unit would produce its own). The SPS was, of course, more important in some agencies than in others, according to how much “service-providing” the agency actually did. A city-wide guide to service promise statements that was published in late 1997 listed 53 service-providing units as participants in the scheme, of which seventeen were part of the Municipal Construction Commission.

The city-wide drive to implement the SPS and to improve the quality of public service provision involved action in a number of areas. First, the government undertook to instruct agencies in how to draw up a service promise statement and to create the administrative infrastructure needed to support it. Second, some attention was given to holding intra-agency training sessions to educate front-line staff about the SPS and principles of good service. A third, and very important, aspect of the effort centered on publicity. The fifth and final area was the creation of mechanisms through which to evaluate and supervise agency performance in implementing the SPS and in providing public services.

Much more could be said about these five aspects and the implementation of the SPS. Yet that would be moving beyond the scope of this paper. For what is of interest here is that the Yantai government did in fact take relatively strong steps to initiate an innovative new system within the bureaucracy, one that also involved a new policy governing bureaucrat-citizen interactions. The government’s effort in this regard, while not completely successful, was far from superficial. Despite problems in effectively evaluating and monitoring the functioning of the SPS, it seems clear that city leaders exerted significant pressure on agency officials to make improvements in the quality of public services and in agency interaction with members of the public. The Yantai government’s championing of the SPS idea and the goals of improving service quality created an environment in which agencies had to at least make some efforts in that direction. Moreover, some
agencies could grasp the opportunity to make real changes that would gain them accolades from city leaders and in the media. In general, agency leaders seem to have realized that they had better make at least some improvement in order to avoid negative scrutiny by their superiors. The city government used the results of the Democratic Evaluation and its own other informal investigations to recognize good performers. For example, in March of 1998, the Yantai Party Committee and People’s Government issued an “Honor Role” (guangrong ce) that listed 15 units, five agency leaders, and 53 mid or low-level officials as doing an exceptional job of implementing the SPS.17

In short, city leaders were committed to seeing the SPS succeed, at least to a degree. And some agency leaders also pursued the goal of improving the quality of public service provision with a certain zeal.18 Key officials in Yantai thus embraced Director Li’s innovative policy and promoted it as a key accomplishment of the Yantai Municipal Government.

Efforts to Transfer the Innovation to other Localities and Bureaucracies.

During 1996, a full-scale push to spread the Service Promise System model to other cities and parts of the administrative bureaucracy got under way. A set of ideas for how to improve the provision of public services that originated in the United Kingdom now began to diffuse out of the city of Yantai and across the vast Chinese bureaucracy. This diffusion began as a result of efforts by Yantai officials to achieve recognition from their administrative superiors (most immediately, in the Provincial Government). These efforts were successful and ultimately attracted the attention of national-level officials in Beijing. And once the idea had percolated up to the top of the system, officials at the top decided to use their influence to thrust the SPS onto governments in other municipalities and administrative systems. Two sets of agents there led this push: first, officials at the Ministry of Construction (the national-level superior of the Yantai Municipal Construction Commission) and, second, leading Party officials in Beijing who were in charge of the ongoing effort to battle corruption and irregular practices within the bureaucracy (i.e. those in charge of jiufeng gongzuo). In addition, people affiliated with the Chinese Public Administration Society also played an important role in popularizing the SPS.

In the latter part of 1995, the Yantai Jiufeng ban (Office for the Correction of Unhealthy Tendencies) sent a report on Yantai’s efforts to implement the SPS to the Shandong Province Jiufeng ban. In response, on October 17, 1995, the provincial office issued a circular to all of its lower-level offices in the province. This circular noted that over the years many localities had used various methods in attempting to improve the functioning of the bureaucracy, but that none of these efforts showed the promise of or had succeeded nearly as much as Yantai’s SPS. It called Yantai’s SPS a “breakthrough” and urged other localities to imitate it. Around the same time, a newsletter of the Ministry of Construction published a glowingly positive description of the Yantai MCC’s SPS.

Subsequent communications eventually brought the SPS to the attention of Xu Qing, the Director of the national-level Jiufeng ban in Beijing.19 He was reportedly quite excited about Yantai’s experience with the SPS and decided to make this into a model to be used elsewhere as well. In May of 1996, the national Jiufeng ban and the Ministry of Construction jointly sponsored a two-day set of meetings in Yantai on the topic of “spreading the experience of the Yantai Municipal Construction Commission’s Service Promise System.” Both Xu Qing and Hou Jie, chief of the Ministry of Construction, took part. A report on this meeting and on Yantai’s SPS experience was later sent up to the State Council and received a favorable comment by Premier Li Peng.20 And some months later, a “Meeting to Report on the Yantai Experience” was held in the Great Hall of the People in Beijing. Thus not only had Yantai gotten itself into the spotlight, but it also seemed to have actually produced an idea that could prove useful in agencies across the country.

Shortly thereafter, the effort to spread the SPS proceeded on several different fronts. In June of 1996, the Party Ministry of Construction issued a “decision” to all of its lower-level units asking them to study the SPS of the Yantai MCC and to work on inaugurating the system themselves. After getting approval from State Council leaders, Xu Qing and his Jiufeng ban decided to promote the SPS in two other ways.21 First, eight ministry-level agencies under the State Council were designated as test sites for the spread of the SPS. In August a meeting was held in Beijing to bring together relevant officials and get this initiative off the ground. Second, twelve cities were also designated as test sites, and in September a meeting focused on this proposal was held in Dalian. After this first wave of initiatives, a circular was jointly issued by the Jiufeng ban and the eight “test site” agencies that urged all local governments to adopt the SPS model.

Judging the degree to which these efforts actually resulted in the spread of the SPS would require a great amount of research and is beyond the scope of this paper. Scattered reports suggest that the SPS idea was adopted to one degree or another in some other places. An official with the Yantai Electric Power Bureau reported that his bureau started really trying to activate the SPS only when its superiors at the provincial and national levels started putting pressure on it to do so, suggesting that the SPS did indeed spread throughout this particular piece of the bureaucracy. And a 1998 article in the journal Management of Local Government described how, beginning in mid-1996, the government of Jinhua City in Zhejiang Province had implemented the SPS in twenty-three of its agencies (Zhang 1998).
Policy Innovation and the Diffusion of Innovations

At the outset of this paper, two questions were highlighted. First, when and why do subnational officials generate new and innovative policies? Second, how do policy innovations diffuse across jurisdictional boundaries? At first glance, this division makes sense: one can look separately at policy innovation and at policy diffusion or transfer. However, on closer inspection, the two issues seem hopelessly intertwined because it seems that most policy innovations are not thought up de novo, but rather involve some degree of learning from the experiences of another locality. That is, there is usually some degree of policy diffusion or transfer involved, whether it takes the form of simply being inspired by a general principle used elsewhere or the wholesale adoption of someone else’s policy. Yet subsumming the study of policy innovation within the rubric of policy diffusion would lead to an overly narrow perspective on the politics of innovation.

In order to rescue the study of innovation from being overwhelmed by a focus on processes of diffusion, an analytical distinction is in order. That is, it makes sense to separate the cross-national diffusion of ideas from intra-country diffusion. Apparently, the question of when and why an innovation emerges for the first time in a specific country can be analytically separated from the question of why and how an innovation spreads to other localities within a country. The former question may very well involve learning from abroad – the cross-national diffusion of ideas, and this can be investigated within the context of asking why an innovation emerged in a specific locality. The latter question gives primacy to processes of diffusion, but would naturally lead to an investigation of why some localities pick up on the innovation and why some do not.

In addition, studies of diffusion cannot shed light on a very important phenomenon: the emergence of people who, in the existing literature, are called “entrepreneurial executives” or “public entrepreneurs”. Innovations in governance generally need a champion. Bureaucratic agencies and systems resist change, and thus someone with the necessary skills and resources has to emerge to bring about change, to introduce innovation. The study of innovation in China and elsewhere needs to ask why and when such entrepreneurs emerge.

Consequently, we have an agenda for the rest of this paper. I will raise and briefly consider three questions that seem worthy of future research. First, what role do policy ideas from abroad play in facilitating public policy innovation within China? Second, when do entrepreneurial executives arise within China? Third, what processes of policy diffusion can be found in China? My consideration of each of these will be aimed at promoting research that would eventually generate ideas about how to facilitate more policy innovation within China and the transfer of good ideas across jurisdictions within China.

Foreign Ideas and Domestic Innovation

In recent years, many scholars in the West have turned their attention to the cross-national diffusion of ideas, and this can be investigated within the context of asking why an innovation emerged in a specific locality. The latter question gives primacy to processes of diffusion, but would naturally lead to an investigation of why some localities pick up on the innovation and why some do not.

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Foreign Ideas and Domestic Innovation

In recent years, many scholars in the West have turned their attention to the globally increasingly important phenomenon of cross-national policy transfer and diffusion. As Dolowitz and Marsh (2000, 5) put it, this literature is “concerned with the process by which knowledge about policies, administrative arrangements, institutions and ideas in one political system (past or present) is used in the development of policies, administrative arrangements, institutions and ideas in another political system.” They note that the incidence of policy transfer increased substantially during the 1990s. China is certainly not alone in seeking to learn from and being influenced by foreign ideas. And the study of cross-national diffusion with reference to China can generate insights that can enrich the Western-centric theoretical literature on this topic.

The Yantai example highlights how Chinese policymakers can gain inspiration for public policy innovations during trips abroad. While the degree to which China should adopt ideas and policies developed in other countries has been the subject of intense debate within China over the past century and a half, during the reform era Chinese officials have made intense efforts to learn from the experiences of the Western world, in particular. Yet obviously, this process has involved what Pitman Potter calls “selective adaptation,” as policies are altered to fit the Chinese context and the particular
objectives of the importer (be it a person or an organization).

Three lines of research seem significant in this context. First, when do foreign ideas become the basis for innovative policies within China? The case of Yantai’s Service Promise System suggests perhaps the most straightforward path through which this can happen: an official picks up an idea or policy that he can implement within China essentially on his own authority. This example also implies that when the new innovation is not threatening to the existing distribution of power and resources, it has a greater chance of being adopted. While hardly pathbreaking, these observations help to define the outlines of a research agenda. Perhaps certain policy areas in China more open than others to innovation derived from looking to foreign examples. Efforts to learn from foreign examples, through fact-finding trips, seem undoubtedly useful, but are some more useful than others? That is, do particular designs and agendas for these trips result in more productive trips and in more readily applicable lessons? Moreover, it appears obvious that innovation based on foreign ideas is more likely to happen on a very local and small-scale level, such as within a particular piece of an urban administration. This indicates that more encouragement should be given to individual officials to experiment within their jurisdictions and that lower-level officials perhaps should be given more chances to learn from overseas examples (instead of giving most chances to higher-level officials). Finally, there is the broader issue of why officials turn to foreign ideas and models. The theoretical literature makes it clear that this should not be viewed as a strictly rational, problem-solving approach, in which officials face policy problems and thus look abroad for the best solutions (Hall 1989; Ikenberry 1990; Nakano 2004). Officials do indeed search their environment (local, national, global) for solutions, but their choice regarding what ideas to import and how to adapt them to the local context reflects a highly subjective process of evaluation in which a variety of factors (such as self-interest, power considerations, etc.) play a role.

This last point leads directly to another core question and points towards a second line of research: to what degree are foreign models adapted upon introduction to China? And how does this adaptation affect the success of these policies in achieving desired outcomes? We need systematic studies of how foreign policies and models (or the manner of their implementation) are changed upon introduction to China and on what factors affect the degree of adaptation that occurs. When British officials visited Yantai to learn about the adaptation there of the U.K.’s Citizen Charter Programme, they were struck by how “draconian” the Yantai government was (in comparison with the British government) in implementing the new system. This was an adaptation that seems to have made Yantai’s version more immediately successful than the British version. And yet one suspects that in many other cases, the process of molding a foreign idea to fit into the local context weakens the impact of the new policy, making it less innovative and successful. There is a tricky balancing act involved here that needs careful examination.

Finally, and more broadly, there is a need to develop an overall framework with which to analyze the transfer of policies into China. There is no space here to delve into the intricacies of such an endeavor, so I will simply concur that the framework developed by Dolowitz and Marsh (2000) seems both promising and very applicable to examining policy transfer into China. Their framework consists of a series of questions: Who are the key actors involved in the policy transfer process? Why do actors engage in policy transfer? What is transferred? From where are lessons drawn? What restricts or facilitates the transfer process? How is the process of policy transfer related to policy “success” or “failure” (however defined)? This is obviously an exhaustive list of questions, and each points to rich opportunities for research. An important component of addressing these questions is a focus on the processes by which information is communicated. Wolman and Page (2002) argue that scholars of policy transfer should examine information networks that include producers, senders, facilitators, and recipients of information, looking especially at how “information is processed, framed, and assessed.” This indeed seems crucial, for as they note, policy transfer is at heart about learning (be it individual or organizational learning), and so understanding the cognitive processes by which learning occurs is essential. Combining the Dolowitz and Marsh framework with Wolman and Page’s advice to focus on information networks results in a promising way of organizing research on the cross-national transfer of policies into China.

Entrepreneurial Executives in China

The Yantai case illustrates the key role that individual officials can play in conceiving and implementing innovative policies. Director Li Dongxu, an administrative official, developed a new initiative, made it work in his own department, and used his skills and connections to promote the initiative to both local and national superiors. Not only are individuals important in generating new and innovative ideas, but also leadership is essential in propelling innovative initiatives to get off the ground and achieve any sort of success. Innovation challenges the status quo; bold and skillful individuals are immensely helpful in enabling such a challenge to succeed. The implication here is that to promote greater innovation in public policy in China, the CCP should do what it can to facilitate the emergence and activities of officials who take on the role of “public entrepreneur,” “entrepreneurial executive,” and “policy entrepreneur” - officials who are creative and who can use this creativity to develop and implement innovative solutions to public policy problems.
Of particular interest is a Western literature that explores entrepreneurship among public officials. In their fascinating edited book, *Leadership and Innovation: Entrepreneurs in Government*, Doig and Hargrove (1990) compile biographical analyses of thirteen “entrepreneurial executives,” government officials “whose careers at managerial levels were linked to innovative ideas and efforts to carry these ideas into effect” (7). On the basis of these sketches, they identified three personal attributes and four types of historical conditions that seem favorable to the exercise of entrepreneurial leadership within government that makes a significant impact. Replicating this sort of research in China would undoubtedly be fruitful. Who have been the most innovative local officials during the reform era? What are their backgrounds? Why were they able to succeed?

The work of Teske and Schneider (1994; also see Schneider, Teske, and Mintrom 1995) proposes an alternative yet complementary approach. Conceiving of bureaucratic entrepreneurs as “actors who help propel dynamic policy change in their community,” they eschew the biographical approach and instead argue that the emergence of these actors is a function of the characteristics of their community (331). This, of course, raises the question as to whether this may also be true in China.

Finally, although his focus is somewhat different, Mintrom’s (1997) work points to the importance of examining in detail exactly how these entrepreneurs identify a problem and work to obtain support for their innovative solution. Within the Chinese context, how do local officials not only come up with innovative policies, but also acquire the political support to implement these policies?

This is where the particular context of Chinese local government officials becomes especially relevant. Indeed, if studies such as these are to help to uncover ways in which public entrepreneurs can play a greater role in policy-making, they must clearly identify the structural constraints and incentives that shape the behavior of local officials. They also need to analyze what constrains or enhances the ability of these entrepreneurs to get their ideas actively engaged in communication with both the provincial and central governments at the same time. In this case, the

authority, stretching from the top to the bottom (in contrast with Federal systems such as the US), building flexibility into the system is key, as is the deliberate introduction of incentives for officials to take risks with innovative policies.

At the same time, the success of entrepreneurial executives in their efforts to implement innovative policies may also (depending on what sort of policy is involved) rest on their ability to use the cadre management system to prod lower-level officials to cooperate faithfully. Director Li in Yantai was apparently able to use his influence over the yearly evaluation of officials within his department as a stick with which to encourage front-line officials to take the SPS seriously. This may be sufficient for innovations within one agency, but for those of larger scope the problems of implementation are much more complicated. Thus the question of how to encourage entrepreneurial executives and their innovations also touches on the knotty issue of how to improve the facilitation of policies in China.

The Diffusion of Policy Innovations within China
In the case of Yantai’s SPS, diffusion of the innovative model took what is probably a fairly typical path. A locally-generated innovation was noticed by officials in the Central Government in Beijing, who then decided to promote it on a nationwide scale. This pattern of movement of an innovation from one locality to the Central Government and then to other localities is seen also in the United States (Karch 2003, p. 11). Yet beyond this simple observation lie important questions about the forces that propel or hinder such diffusion across different jurisdictions in China and in similar large states.

The Yantai SPS example highlights some of the mechanisms that are involved in the diffusion of innovative policies. It may be useful to discuss these with reference to several steps that are involved in the diffusion process. First, once local leaders had come up with and implemented an innovative policy, they evidently made great efforts to get their innovation noticed by officials at higher levels of the Party-State. We see here a general feature of central-local interaction in China: local officials have to work to try and make themselves stand out in the eyes of their superiors one or more levels up the administrative hierarchy. This reflects a pattern of competition among localities for the attention of officials in the provincial and central governments. How is this done? It helps to have a policy that resonates with the prevailing concerns of the higher-ups (SPS spearheaded a concern to curtail corruption). But one suspects that personal connections are also crucial. And then there is the use of normal administrative channels, the sending of memoranda to superiors at higher levels of the state. In their effort to get their concept noticed, Yantai officials seem to have engaged in communication with both the provincial and central governments at the same time. In this case, the
innovators were entrepreneurial in trying to bring their new idea to the attention of others. Since this meant that the target was their superiors, it generated a pattern of local to center to local diffusion. In other cases, of course, local officials may go “shopping”, visiting other localities thought to be more “advanced” (such as Shanghai) in search of new policy ideas. This would lead to a local-local pattern of diffusion.

In the diffusion process observed in the Yantai SPS example, the second step was for central leaders to learn about and decide to promote the innovative policy. The decision to do this may simply occur based on relatively idiosyncratic factors. Yet it is worth asking whether there may be certain parts of the central bureaucracy that are more open and receptive to locally-generated innovations.

The next step in the process is an effort by the Center to promote an innovative policy. The Yantai example showcases some of the mechanisms the Center uses to do this. First of all, two departments took charge of the effort. Then circulars were sent to various parts of the administration and to local government offices, urging them to adopt the SPS. Conferences were held to disseminate information about the SPS and to generate publicity while also signaling the importance of the innovation. Finally, test sites were established – particular agencies and localities were given special attention and instructed to get into the forefront of the effort to implement the SPS in places other than Yantai. Evidence suggests that this drive to spread the SPS met with little real and lasting success. Why? Are these methods used by the Center to spread innovative policies effective?

Answering this question involves looking to the fourth and final step in the diffusion process: the adoption and implementation of the new policy by another organization or jurisdiction. In examining this step, two questions stand out. First, why and when would an administrative organization or local government take the step of adopting an innovation championed elsewhere? In the Yantai SPS example, other local governments apparently saw little benefit in adopting the SPS, suggesting that the main driving force behind the zeal of Yantai’s officials was the desire to be noticed by superiors. Perhaps local governments would much rather come up with something new than merely borrowing ideas from other local governments. Second, how successful is the Center in “forcing” the diffusion of innovative policies? Much of the Center’s effort in this regard seems to focus on cajoling and persuading officials to adopt and implement a policy, since it lacks the ability to enforce strict implementation of policy in many areas.

So in this area as well, there are rich opportunities for further research. Moreover, there is also an intriguing opportunity for comparison of the dynamics of diffusion across jurisdictions in China with the dynamics of such diffusion in the United States. There exists a large literature on the diffusion of policy innovations within the U.S. While much of this literature is quantitative and thus sheds little light on the process of diffusion (what I see as the most interesting aspect of the phenomenon), some more recent efforts, including that of Wolman and Page (2002) mentioned earlier, are beginning to look more closely at how diffusion takes place. In particular, a recent Ph.D. dissertation by Andrew Karch (2003) presents a highly attractive framework for the study of the diffusion of policy innovation across American states. Karch proposes that policy diffusion consists of four political processes that may occur separately or simultaneously. His focus is on the state to which an innovation is being diffused. Thus his framework actually fits into the fourth step discussed in the preceding paragraph. Adapting the categories somewhat to fit better the Chinese context results in the following set of processes. Agenda-setting is the process by which a policy innovation gets on the agenda of the local government. Information generation is that by which local officials acquire information about the new policy. Customization refers to how local actors alter and shape the policy to fit their own agendas and local conditions. Lastly, enactment concerns the implementation of the innovative policy. While space does not permit further discussion of these categories, they may be a useful way of organizing illuminating and provocative lines of research into the diffusion of policy innovation in contemporary China.

Concluding Remarks

There is a pressing need for more research on the issues discussed in this paper. Despite the seemingly obvious importance of these issues, Western students of Chinese politics have paid relatively little attention to them. This has left a large hole in our comparative understanding of the dynamics of Chinese politics and the functioning of the Chinese administrative system. At the same time, the Western literature on policy innovation and diffusion is heavily slanted towards the study of Western societies; thus the degree to which the theoretical findings of this literature are applicable to non-Western societies and developing countries remains an open question. The study of policy innovation and diffusion in China would certainly enrich the Western-centric theories on which the discipline of public administration is founded. In this paper, I have made various references to Western theories and introduced some frameworks derived from Western studies. This is not at all based on any assumption that these theories are appropriate – the simple fact is that this is all we have to go on at the moment. The challenge for scholars of Chinese politics and administration is to build from of this existing literature and engage in empirical research that may very well result in serious modifications to these frameworks or the development of novel theories that have broad applicability.

Moreover, despite the obvious fundamental differences between the political systems of the U.S. and...
This understanding of policy innovation follows the classic definition introduced by Jack Walker (1969, 881) in his seminal study “The Diffusion of Innovations among the American States”: a policy innovation is “a program or policy which is new to the states adopting it, no matter how old the program may be or how many other states may have adopted it.”

Perhaps the most famous and consequential example is that of agricultural decollectivization. In the latter half of the 1970s, before Deng Xiaoping and the CCP formally announced the policy of decollectivization, innovative experiments in this area were underway at the local level, most famously in Anhui and Sichuan.  

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Notes

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9 Indeed, the ideas and techniques used in the Citizen’s Charter Programme continue to show up in various places. In 2003 the Prime Minister of Nepal launched a new programme that deliberately copied the UK model (The Rising Nepal, 20 November 2003), while in India the Department of Posts released its own Citizen’s Charter (The Times of India, 9 July 2003).

10 NPM ideas are seen by many as helping to drive a global public management revolution, shaping administrative reforms introduced in a diverse array of countries. See Kettl 2000; McLaughlin, Osborne, and Ferlie 2002. On the Citizen’s Charter Programme as an example of NPM thinking, see Doern 1993, p. 22. For a broader discussion of the relationship between NPM ideas and administrative reforms in Hong Kong, Singapore, and China, see Cheung 2002.

11 The full name is shehui fuwu chengnuo zhi, which translates more awkwardly into English, but which does suggest more clearly that the focus is on services provided to society (shehui).

12 The information in the rest of this paragraph is from Li and Li 1996.

13 As with the other units under MCC control, these were administrative units directly attached to the MCC.

14 For example, this was cited by the Yantai Propaganda Department chief at a speech in 1996. See Rong 1997, p. 47.

15 See Wang and Ren 1997. The authors were the Party Secretary and Mayor, respectively, of Yantai at the time.


17 The vast majority of these were part of the MCC.

18 An evaluation of the degree of success or failure of the Service Promise System in Yantai is beyond the scope of this paper. An innovation is an innovation, whether it is ultimately successful or not. At a most fundamental level, the goal of studying innovation is to determine how and when innovative efforts are made. The question of success or failure is a separate question. With regards to Yantai’s SPS, it can be noted that although it did not produce a sea-change in how bureaucracy worked and in the quality of public service provision, Chinese scholars I have spoken with believe that it did make some positive impact. However, the data needed to make a rigorous assessment of this question is lacking.

19 He was also the vice-party secretary of the Central Discipline Commission.

20 This was noted by Xu Qing in a speech given in September of that year and published in Chengnuozhi zai Yantai, p. 5.

21 Chengnuo zhi zai Yantai, p. 5-6.

22 For a more technical analysis of more fundamental problems with the SPS, see the excellent article by Zhou Zhiren (1997).

23 Western scholars of China have carried out some initial research into these systems. See Brodsgaard 2002; Burns 1989; Edin 2003; O’Brien 1999.

24 I must note that this part of the discussion is relatively speculative since I lack detailed information about the process of diffusion in the Yantai case. So my remarks concerning how this may have occurred is meant to be suggestive. I believe my interpretation is plausible, but further research would be needed to confirm its validity.


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Private Entrepreneurs in China: Social Entrepreneurs or Social Menaces?

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Abstract: Many think that private entrepreneurs are capable of creating partnerships with central and local government, business, churches, charities and other local and national institutions. There is a considerable amount of research about how private entrepreneurs make different social contributions whereas scholars and politicians define them as social entrepreneurs. Nevertheless, this paper argues that private entrepreneurs in China have been traditionally discriminated and continue to be regarded as social menaces in the People’s Republic of China (PRC)’s regime though they really acted as social entrepreneurs for a short time during modern China. Chinese leadership, from the founding of the PRC to the reforms and opening-up, has seen private entrepreneurs as social menaces - a threat to the authority rather than social entrepreneurs - a dedication to changing the systems and patterns of society.

Many scholars have described the development of private entrepreneurs in China (Kraus, 1989; Liu & Wu, 1986; Shi, 1993; Tung, 1997; Wong & Sun, 1997; Xue, Su, & Lin, 1978; Yang, 1956). However, most of the research has focused largely on its development from the start of the reform era in 1978. Instead, there has been little analysis of private entrepreneurs in China from a historical perspective. Without this kind of research, we cannot understand why from the start of reforms onward Chinese leadership has very carefully handled the emergence of private entrepreneurs. Essentially, private entrepreneurs in traditional China were stigmatized as non-producers and parasites. It was not until modern China1 that it began to be found that the merchants’ social status was raised. This might be referred to what Western countries called “social entrepreneurs.” However, until the early regime of the People’s Republic of China (PRC), due to ideological influence and the power struggle at the highest levels of Chinese leadership, the private sector disappeared almost completely in China. Its re-emergence since the reforms and opening-up has thus caused academic attention.

This paper analyzes the evolution of private entrepreneurs in traditional China, modern China and the PRC, with an attempt to highlight how China’s rulers in different times treat private entrepreneurs. It is argued that from traditional and modern to contemporary China, private entrepreneurs have been treated as social menaces – a threat to the authority rather than social entrepreneurs – a dedication to changing the systems and patterns of society.

Concepts of Entrepreneurship in Western Countries

In Western countries, the use of the term “entrepreneurship” has a rich history and a much more significant meaning. The term "entrepreneur" originated in French economics as early as the 17th and 18th centuries. Richard Cantillon in 1730 defined entrepreneurship as self-employment of any sort. Entrepreneurs bought at certain prices in the present and sold at uncertain prices in the future (Cantillon, 2001). Jean Say described entrepreneurs around the turn of the 19th century: the entrepreneur shifted economic resources out of an area of lower and into an area of higher productivity and greater yield (Say, 1963).

Up to the 20th century, Frank Knight regarded an entrepreneur to be capable of predicting and acting upon change within markets (Knight, 1935). In contrast to other scholars, Joseph Schumpeter envisaged entrepreneurs as the innovators who drive the "creative-destructive" process of capitalism. The entrepreneur was the change agent in the economy and moved the economy forward and was an innovator capable of implementing change within markets (Schumpeter, 1954). Harvey Leibenstein thought that the entrepreneur was a supplement for the market, whose emergence could fill market deficiencies through input-completing activities (Leibenstein, 1980).

While economists have focused the entrepreneur’s function as thriving on competition and profit, sociologists believe that the entrepreneur’s function is not just profit making in the business field, but also is a commitment to leading through inclusiveness of all actors in society and a dedication to changing the systems and patterns of society (Ashoka, 2000). A social entrepreneur’s job is to recognize when a part of society is stuck and to provide new ways to get it unstuck. He or she finds what is not working and solves the problem by changing the system, spreading the solution and persuading entire societies to take new leaps. Social entrepreneurs are not content just to give a fish or teach how to fish. They will not rest until they have revolutionized the fishing industry (Ashoka, 2000).

Thus in contemporary society, we have seen that Bill Gates, the founder and CEO of Microsoft or Li Ka-
sitting, Hong Kong's richest businessman and the founder of Hutchison Whampoa and Cheung Kong Holdings, seem to be better known around the world than most heads of state. From their influence, extending from economics to political, social, environmental and cultural arenas, one may conclude that the age of the entrepreneur has arrived. Entrepreneurs’ duties are not only in the business field, but also in the societal sphere. This is what is called “social entrepreneurs.” Gregory Dees contends: “The language of social entrepreneurship may be new, but the phenomenon is not. We have always had social entrepreneurs, even if we did not call them that... Social entrepreneurs look for the most effective methods of serving their social missions” (Dees, 1998).

In contrast to Western usage, the Chinese term “entrepreneur” in traditional and/or modern China was generally called “merchant” (shang ren). It was not until the PRC’s regime that the term ‘entrepreneur’ with different names caused a diffuse and ambiguous category.2

**Merchants in Traditional China**

In traditional Chinese society, the private entrepreneur was called merchant (shang ren). At the very beginning of Chinese recorded history, from the Shang dynasty (approximately between the 18th and 12th centuries BC) to the end of the period of the Spring Autumn War State (chun qiu zhan guo) (approximately between the 8th and 5th centuries BC), there were business activities among merchants (Zheng, 1932, pp.36-38).

Yet it is worth noting that merchants in traditional Chinese society were generally looked down upon and regarded as non-producers and parasites. This was because the society was hierarchically formed in a social order: scholar-official (shi), farmer (nong), artisan (gong) and merchant (shang), with shang at the bottom of this hierarchy. For instance, in the Han dynasty (206 BC – AD 220), merchants were seen as social and political degenerates (De Bary, Chan, & Watson, 1964; Hao, 1998; Yang, 1950; Yang, 1970). In the Ming’s regime (A.D. 1368-1644), the fourth rank’s official and above, and dukes, marquises, and earls all were banned from doing business. To avoid this discrimination, these officials used to employ “front men” (agents) them to run their business (He, 1962). In addition, given this ideology, gentry and officials utilized such discrimination as defense mechanisms to guard their status and privileges against the merchants’ intrusion (Jiang, 1968; Tong, 1957).

**Merchants in Modern China**

It was not until the Qing period (A.D. 1644-1911) that he found that merchants’ behavior was similar to “social entrepreneurs” (Fu, 1956; Yang, 1970). With the arrival of Western powers, people in the late Qing society, particularly officials and scholars, widely accepted views on power and material superiority (Li-Chen, 1972). On 22 April 1903, the Ministry of Commerce (shang bu) released an imperial edict on the state’s new concern for the merchants: “According to historical records, commerce and industry were regarded by the state as very important to economic development. However, due to social misunderstanding, industry and commerce were thought of as matters of the last importance. Just because that, the national economy and the people’s livelihood had progressively grown weak... We must now give up this misinterpretation; we must unite and not allow any obstacle between officials and merchants... so as to enrich the people’s wealth and to strengthen the state’s foundations” (Ju, 1958, pp.27-28).

Since the emergence of the Treaty Ports, new merchants emerged, such as the compradors and the industrial entrepreneurs (Murphey, 1970). They, in turn, organized themselves in new groups with the specific purpose of offering relief and good works. These new organizations were called shan tang – charitable halls or hospitals (Chan, 1975, p.33). In Canton, for instance, there was a popular group of leading charitable halls, named as the Nine Charitable Halls (Jiu Da Shan Tang), including Aiyu (founded in 1870), Guangren (in 1890), Guangji (in 1892), Fangbian (in 1894), Chongzheng (in 1896), Shushan (in 1897), Mingshang (in 1879), Huixing (in 1900), and Runshenshe (originally founded in 1869 as a literary organization but later engaged in charitable work). Such large groups, at that time, represented a public declaration of the solidarity of Canton (Chan, 1975, pp.33 & 41). All merchants wanted to join a shan tang, because this showed that they became “titled merchants” (shen shang) – respectable and responsible gentlemen. An old Hong Kong newspaper, Xianggang Huazi Ribao revealed the political influence of merchant organizations in Canton over indigenous society:

“[T]he charitable halls in their inception had aimed at just offering private social welfare, but soon involved to play roles of political leadership. They became experts on various occasions such as surtaxes, commercial policies and social disturbances, etc. The government regarded them as an organ where “titled merchants” (shen shang) expressed the opinions of the merchant community. When the government sought their opinion, they deliberated with representatives of the various guilds, assessed their views, and then passed their judgments on to the government” (Xianggang Huazi Ribao, 22 March 1901; Chan, 1975).

While the uprising of merchants began with staking out their rights and freedoms, the state was also eager to establish official organizations to oversee activities of the merchants. For instance, the Canton General Chamber of Commerce, with official pressure, was established on 3 July 1905 (Chan, 1977, p.229). Duties of the Chamber was to coordinate different local
guilds, to mediate cases involving merchants in disputes, and to promote China’s commercial and industrial development.

In the Republican era (1911-1949), the government had a closer control over merchant organizations. It legitimized all merchant organizations as “legal groups” (funtuan) and placed all of them under the supervision of official general chambers of commerce (Garrett, 1974; Kirby, Lin, Shih, & Pletz, 2000-01). Seemingly, the legitimization meant that the government recognized the right of citizens to sit for social organizations through laws and regulations, but actually it signified that the government attempted to set limits on the formation and power of merchant organizations.

Private Entrepreneurs in Pre-reform Era (1949-1978)

When China morphed into the communist regime in the pre-reform era (1949-1978), it proved to be unfortunate for the private sector (See Table 1). This specific period could be divided into six episodes, each having a direct relation to the survival of private entrepreneurs and involving a power struggle at the highest levels of the leadership between the faction of Liu Shaqi and the faction of Mao Zedong. When Liu’s faction was in charge of economic affairs, the number of private entrepreneurs rose. Its number declined when Mao’s faction came to power (See Table 2). Liu’s faction (e.g., Chen Yun and Deng Xiaoping etc..) was generally called pragmatism, whereas Mao’s faction (e.g., Lin Biao, and Hua Guofen, etc.) was called revolutionism. These six episodes are: Utilization (1949-1952), Restriction (1952-1953), Transformation (1954-1957), Great Leap Forward (1958-1960), San Zi Yi Bao Policy (1961-1965), and Cultural Revolution (1966-1976).

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<td>Decrease</td>
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<td>1954-1957</td>
<td>Transformation</td>
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<td>1958-1960</td>
<td>The Great Leap Forward</td>
<td>Decrease</td>
<td>R</td>
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<td>1961-1965</td>
<td>The San Zi Yi Bao Policy</td>
<td>Increase</td>
<td>P</td>
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<tr>
<td>1966-1976</td>
<td>The Cultural Revolution</td>
<td>Decrease</td>
<td>R</td>
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Note (*): R refers to Revolutionist Leaders such as Mao Zedong, Lin Biao, and Hua Guofen etc., while P refers to Pragmatist Leaders such as Liu Shaqi, Chen Yun and Deng Xiaoping etc.
Private Entrepreneurs in the 1950s
Immediately after the founding of the PRC, the new government suffered a downward movement of economy and productivity. The strategy of ‘utilization’ became the first stage (1949-1952) of the Chinese Communist Party (CCP). The two factions both agreed that the state needed to utilize the private economy to recover the national economy. Soon, however, the party set limits on the formation and the development of private entrepreneurs. In fact, the second stage of “restriction” (1952-53) was carried out almost simultaneously with the policy of “utilization.” The government at this stage issued the Provisional Regulations for Joint State-Private Industrial Enterprises. This defined the concept of the GLF was to exert unified leadership over agriculture, forestry, animal husbandry, side occupations, and fishery, and to transform and/or organize the rest of the private sector into various kinds of co-operative organizations. As a result, small agricultural producers’ cooperatives (APCs) were merged into big ones. For example, over 54,000 small APCs were merged into 30,000 in Henan Province; 9,600 small APCs into 1,461 in Liaoning Province. On 5 March 1956, Mao propelled the process of “transformation because he thought that China should strive to bring to fruition a bit earlier, socialist transformation of her handicraft industry and capitalist industry and commerce” (Mao, 1964, p.223). As a result, by the end of the year, joint state-private industrial enterprises constituted 99 percent of private industrial establishments and 99.6 percent of the private industrial output value. In 1956, 112,000 private industrial establishments, with 1.2 million workers and other employees, changed over to joint state-private operation.

The Great Leap Forward (1958-1960)
Mao launched the Great Leap Forward (GLF) in 1958 to implement China’s modernization in one step. The basic concept of the GLF was to exert unified leadership over agriculture, forestry, animal husbandry, side occupations, and fishery, and to transform and/or organize the rest of the private sector into various kinds of co-operative organizations. As a result, small agricultural producers’ cooperatives (APCs) were merged into big ones. For example, over 54,000 small APCs were merged into 30,000 in Henan Province; 9,600 small APCs into 1,461 in Liaoning Province. On
average, each APC embraced 2,000 households (Liu & Wu, 1986, p.232-3).

**Private Entrepreneurs in the 1960s**
The GLF drove the Chinese economy to the verge of collapse and made the Chinese people suffer from widespread famine. Liu complained that too rapid commune system and too many communes at one stroke would produce bad economic results (Ahn, 1976, p.75). As a result, the revolutionist faction was forced to step down from the political and economic arena.

The pragmatist faction came to power. In January 1961, it introduced the policy of “three freedoms and one fixed quota” (san zi yi bao) to substitute for the GLF. The so-called “san zi” meant “plots free for private use, free markets, and enterprises free to resume responsibilities for their own profits and losses.” “Yi bao” referred to “fixing output quotas based on individual households” (Li & Lok, 1995, p.389). The whole policy was to achieve “the restoration of private plots,” “the use of the household as the main accounting unit in communes,” and “the resumption by enterprises in communes of sole responsibility for profit and output quotas” (Wheelwright & McFarlane, 1970, p.67).

Under this policy, commune members were allowed a little freedom and private ownership within a given range. As a result, it cultivated small private plots and expanded their size accordingly. For instance, in the areas where the average size of land per person was 2 mu, 10 percent of the plot could be allotted for private use (Li & Lok, 1995, p.389). As for enterprises, each unit had to be responsible for its own profits and losses. Free markets opened to country fairs. For example, people could trade non-essential grains and sell cooked food in a free market (Li & Lok, 1995, p.389).

The emergence of the Cultural Revolution was partly due to Mao’s phobia. It had two causes. First, he worried about the upsurge of the private economy that implied a revival of capitalism. Second, he worried about the upsurge of the private economy due to Mao's phobia. It had two causes. First, he

On the other hand, Mao enlisted almost all students of the Chinese college, middle school and primary school to join “red guards” organizations (Granqvist, 1967; Leung, 1989). Under these organizations, the students were conceptualized to repudiate bourgeois ideology wherever it might be found (Gurley, 1976, p.221). When the red guards found any forms of capitalism and bourgeoisie, a form of “spectacle of suffering” was instantly inflicted on them (Spierenburg, 1984). Liu Shaoqi was accused of being “China’s Number One Revisionist.” Other pragmatist leaders were also purged. Any forms of the private/market economy were regarded as “capitalist tails”, all of which were vandalized.

As a result, China was plunged into the 10-year (1966-76) turmoil of the Cultural Revolution. By the 1978, only 140,000 small retailers and repairers run by individual operators survived the wrath of the Cultural Revolution (Malik, 1997, p.44), and the whole number of individual laborers was 150,000 persons (see Table 1).

**PRC Since Reforms and Opening-up**
China’s “reforms and opening-up” started with the third session of the 11 Central Committee of the Chinese Communist Party in December 1978. At this session, the CCP decided that the small private plots belonging to commune members, rural sideline occupations and market trade were necessary complements to socialist economy. This marked the revival of the private economy.

In the early 1980s, Chinese leadership recognized those peasants who engaged in private or collective business in industry and commerce in urban areas as “self-employed people” (geitiu). In July 1981, the State Council issued two documents (“The Regulation to Open a Variety of Ways to Solve the Problem of Urban Unemployment” and “The Regulations of the Urban Non-agricultural Individual Economy”) in favor of this kind of economic development (Xinhua, 16 July 1984).

However, immediately after the issuance of the two documents, the Party’s Central Committee issued the Resolution on Certain Questions in “The History of the Party Since the Founding of the PRC” to make a guideline regarding the development of the geitiu. It clearly indicated that “the state economy and the collective economy are the basic forms of the Chinese economy. The working people’s individual economy within certain prescribed limits is a necessary complement to the public economy” (Liu & Wu, 1986, p.630).
In the mid-1980s, numerous private enterprises employed over official stipulation (eight persons), and even hundreds of employees, and owned considerable amounts of capitals assets. In 1987, the 13th Chinese Communist Party Congress officially recognized the private economic sector as a necessary supplement to the state sector. In the following year, the 13th Communist Party Congress officially recognized the private economy occurred on 9 September 1997. The President was in favor of the private economy.

Meanwhile, such upsurge caused social criticism. For instance, official newspapers accused private businesses of stealing from state enterprises with the help of corrupt enterprise managers and accused xiahai entrepreneurs (party-state officials) of stealing from state materials to fence them to private companies (Conner, 1989). A report in 1986 from Guangdong Provincial Academy of Social Sciences warned that the rapid growth of large private enterprises probably produced the negative impact on the state plan and the public economy, and the “exploitation of surplus value” within these enterprises…. It was necessary to reinforce the control over private enterprises (Mo, 1987).

The party-state was aware of the challenge from the upsurge of “capitalism” and “bourgeoisies” since an outbreak of the Tiananmen incident. It took an anti-private business stance, blaming private businesses for the inflation that was one complaint of Tiananmen protesters. Private enterprises and the getihu became the targets of an intense campaign, with tight controls over and frequent attacks on them.

Furthermore, when Jiang Zemin had came to power, he repeatedly reprimanded private entrepreneurs as “exploiters” and accused them of profiteering, cheating, and taking advantage of the people…. Private entrepreneurs should not be allowed to join the party (Beijing Review, August 28-September 3, 1989, pp.15-20; South China Morning Post, October 2, 1989, p.1).

It was not until 1991 that official hostility toward the individual economy ended. The press began to treat it positively: “we must help people understand the nature of the individual enterprises, so that they are respected. At the same time, the entrepreneurs should establish thoughts of self-respect, self-love, self-dignity, and self-strengthening” (Wang, 1991). In January of the following year, Deng Xiaoping paid an inspection tour to South China and delivered a series of speeches to assert that China would go on “reform and opening up” program in spite of “capitalism” or “socialism” in nature. This tour gave a strong signal that the party-state was in favor of the private economy.

A breakthrough issue regarding the private economy occurred on 9 September 1997. The President Jiang Zemin at the 15th Communist Party Congress emphasized that the state had to redefine the private economy from a “complementary” to an “important part” of the socialist market economy as necessary to meet the country’s new economic realities. (The 15th National Party Congress, 1997, p.3). As a result, the 9th National People’s Congress (NPC) in 1999 passed revisions to the Constitution regarding changing the status of the private economy from a “complementary” to an “important part” of the socialist market economy.

Another critical issue for private entrepreneurs took place on July 1 2001, President Jiang Zemin, at a ceremony marking the 80th anniversary of the founding of the Communist Party, invited entrepreneurs back into the fold in a landmark speech that drew on his “Three Represents Theory,” pointing out that the party represented not only worker and peasants, but also “advanced productive forces” (including private businesses), opening the door to letting private entrepreneurs join the party.

Conclusion
This paper’s central argument is that theoretically as well as historically, China’s rulers in deferent times have treated private entrepreneurs as social menaces – a threat to the authority rather than social entrepreneurs – a dedication to changing the systems and patterns of society.

In traditional China, merchants were discriminated and looked down upon because the social system discriminated against the merchant class (the shang was at the lowest rank). Although during the Qing dynasty, merchants were accepted, respected, and even behaved similar to what Western countries called social entrepreneurs (e.g., they set up charitable halls or hospitals (shang tang) to provide indigenous people with social welfare services and to show their identity of “title merchant” shen shang). The expansion of the merchant community led to the official set up of official chambers to embrace merchant chambers. Until the Republican government, all merchant organizations were legitimized as “legal group” (fanqutuan) under the supervision of official chambers This further restricted the development of merchant organizations.

Before the PRC’s regime, private entrepreneurs were also discriminated against. In the pre-reform era, the power struggle at the highest levels between faction of Mao Zedong and faction of Liu Shaoqi directly led to the private economy on the verge of collapse. Despite their political hostility, private entrepreneurs were utilized, restricted, and transformed in years of the founding of the PRC and then were annihilated during the Cultural Revolution. Cheng argue that the whole process confiscated all consumer stores, houses, bank deposits, domestic animals, poultry, and other items (Cheng, 1982, p.103). Donnithorne reports that private ownership of houses and shops came to an end (Donnithorne, 1967, p.227). Snow has described that almost all forms of private property were banned and even the function of the family was reduced to a minimum (Snow, 1970, p.421).

On the other hand, despite two decades of the reforms and opening-up, Chinese leadership seemed to have still worried about a threat to Chinese socialist
regime caused by the development of private entrepreneurs.

Recently, Jiang introduced the redefinition of the private economy from a “complementary” to an “important part” of the socialist market economy as necessary to meet the country’s new economic realities and “Three Represents Theory” looking after needs of private entrepreneurs and letting them join the party. However, this is a strategy of inclusion and incorporation, a classic feature of Leninist system clinging to power, for both “xiahai entrepreneurs” (party members) (Rosen, 1994) and “red capitalists” (private entrepreneurs co-opted into the party) (Dickson, 2003).

Dickson contends that this strategy is the creation of state-led business and industrial associations, through which the entrepreneurs cannot constitute a ‘critical public realm’ unlike Hungary where political change is promoted from within. His findings tend to belie any suggestion that the entrepreneurs will progressively demand greater autonomy for the organizations (Dickson, 2003, p.78). On the contrary, the entrepreneurs see themselves as partners, not adversaries, of the state (Dickson, 2003, p.57). Thus, economic development will accentuate the convergence of views between the state and business, at least in the short run” (Dickson, 2003, p.78).

Entrepreneurs are characterized by their inherent capabilities to contribute to society, and Western society has regarded them as social entrepreneurs, a commitment to leading through inclusiveness of all actors in society and a dedication to changing the systems and patterns of society (Ashoka, 2000). However, China’s private entrepreneurs seem to deviate from this aspect of expectation.

Finally, Chinese society in the pre-reform era was called by the danwei society in which all organizations (e.g., state organs, enterprises, grassroots organizations) were institutionally connected with the party (Li, 1993; Li & Wang, 1996; Li, Zhou, & Li, 1996; Lin & Ma, 2000; Lu, 1989; Lu, 1993a; Lu, 1993b; Lu & Perry, 1997; Zhou & Yang, 1999; Zhu, 1997). Thus, the party, called the omnipresent party, could be represented in every aspect of society (Ho, 2001, p.75). The party has intended to create state-led business and industrial associations. Nevertheless, there are numerous listed companies in contemporary Chinese society, out of the party’s control domain. How can the party dominate them? This aspect of research is worthy of exploring.

Notes

1 There are different schools of thought to identify when modern China began. Despite the differences, two periods are noteworthy. The Opium War of 1839-42 should be regarded as the point of departure, because this event introduced capitalism and imperialism, thus producing revolutionary changes in China. The other, with the arrival of European explorers and missionaries during the transitional period from the Ming (1368-1643) to the Qing (1644-1911) dynasties, it was China that first learned of Western science, art and culture. Clearly, this paper supports the first period. More detailed discussion, see (Hsu, 1988, pp.4-7).

2 These diffuse and ambiguous names ascribe to political consideration. Before the reforms, particularly in the period of the culture revolution, any businessmen were called as capitalists and were supposed to be a threat to Chinese socialist society. To avoid political attack, businessmen at the start of the reform era in 1978 generally did not call themselves private entrepreneurs. Instead, they liked to describe themselves as “individual economy unit” (geti gongshang), “individual industry and commerce” (geti gongshangye), “individual economy” (geti jingji), “individual industrial and commercial household” (geti gongshang hu) or “individually owned small business,” “individual business (geti shangye), and “individual proprietor enterprise” (geren yezhuzhi qiye), etc. See, (Ho, 1996).

3 The proposed amendment to the Constitution in 1999 was concerned with Article 11. This article stated: “Non-public sector comprising individual and private businesses within the domain stipulated by law is an important component of the country's socialist market economy”, and "the country should protect the legitimate rights and interests of individual and private enterprises, and the country should also give guidance to, and exercise supervision and management over them according to law.

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MPA Programs in Australia

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Abstract: Australian universities have established specific Masters programs for public servants over the past twenty years. However, until recently, despite being established, they have not thrived by comparison with MBA and other masters courses in business. It was not easy to attract students and good staff. MPA programs have generally not captured the public sector community’s attention in the same way as is the case in a number of US schools of public administration or management.

This situation changed in 2003 with the creation of the Australia and New Zealand School of Government (ANZSOG). This is a consortium of five governments - the Commonwealth government, the New Zealand government, and the three largest state governments - and nine universities set up to provide an Executive Masters in Public Administration. The ANZSOG cohort is composed of future leaders in the opinion of their governments. All students are fully funded by their governments and at a level that is more costly per student than other training. Funding of this scale reflects a major change for governments in Australia.

The establishment of the Australia and New Zealand School of Government represents a major change in education of public managers in Australia. There are lessons for other countries in its establishment.

A number of Australian universities have established specific master’s programs for public servants over the past twenty years. However, until recently, despite being initiated, they have not thrived by comparison with MBAs and other master’s courses in business. It was not easy to attract students and good staff. MPA programs have generally not captured the public sector community’s attention in the same way as is the case in a number of US schools of public administration or management. Universities in Australia first offered MPA degrees in the 1970s and early 1980s. Early courses included the Master of Public Administration at the University of Queensland and Sydney University. The Australian Graduate School of Management (AGSM) was initially set up in the 1970s to provide an education for public sector managers as well as for private sector managers. Such early programs tended to fold for different reasons. At AGSM, key staff left and the demand from students was for MBA programs. Other MPA programs suffered from lack of students.

This situation changed in 2003 with the creation of the Australia and New Zealand School of Government (ANZSOG). This is a consortium of five governments – the Commonwealth government, the New Zealand government, and the three largest state governments – and nine universities set up to offer an executive master’s degree in Public Administration. The ANZSOG student cohort is composed of future leaders in the opinion of their governments; in the first two years of operation there are 250. The creation of ANZSOG has required considerable coordination between governments and universities in different parts of Australia and New Zealand. The nine universities involved are the main ones with expertise and interest in public sector management. In a change from previous practice, all students are fully funded by their governments and at a level that is more costly per student than other training. Funding on this scale reflects a major change for governments in Australia.

It was not usual for public agencies to fund staff to take MPAs or the equivalent. The initiative reflects the need to look at future staffing for public managers in a strategic way, to try to recruit good staff, educate them well and promote them quickly. That this need was felt also points to perceived problems with existing MPA programs, in that governments were dissatisfied with what they were receiving from the universities. ANZSOG does work with the university providers but the governments have specified what is taught and how it is to be taught.

This paper provides a brief account of the development of MPA programs in Australia, but it is mainly about the setting up of ANZSOG and the executive master’s, the effects of the ANZSOG initiative on other MPA programs, as well as drawing some lessons for other countries, particularly in the Asian region. There is also the prevailing view that the task of running government during and following a period of major reform on the scale and scope that have been carried out in Australia, is a complex and difficult one, that requires better educated managers.

Education for public managers

Until the reforms of the 1980s, Australian public servants were administrators rather than managers, followers rather than leaders and more interested in process rather than outcomes. The normal practice, at least until the 1970s was for aspiring administrators to enter the public service directly from school after an
examination administered by a separate non-partisan government agency, be appointed to a position at the bottom of the hierarchy, gain regular promotions, often based on seniority, or seniority combined with "efficiency," and, in principle, aspire to become a department head. Recruitment was based on merit and appointment was to the service as a whole rather than to one department or agency. Lateral appointment to higher levels than the base grade was discouraged. Relatively few public servants were educated even to the level of first degree. Until 1976, there was a ceiling imposed to make sure that no more than 10 percent of new recruits could be university graduates. In the late 1970s, in the course of research into the administration of several countries, an American writer, Ira Sharkansky (1979, p. 32), evaluated the Australian bureaucracy in these terms:

In Australia, the atmosphere in government offices and statutory authorities is one of genteel respect for professional norms and orderly procedure. There is little overt sign of upward striving on the part of executives, and little mobility from one organisation to another... There may be little financial reward and considerable loss in retirement benefits to be had from changing jobs. It is also difficult to jump over the seniority queue that governs most promotions. A high-flier might break into an organisation at the upper levels, but he will do so at the cost of some hostility from his new colleagues... Australian officials do not cut corners in pursuing achievements for themselves or their organisations. They express a narrow view of what is permitted to them... Australia’s public servants show few signs of entrepreneurship.

Education for this group was typically only provided by the workplace, in day-to-day training for the job itself rather than university-level training or education for future management. Occasionally, an enterprising staff member would attend night school to gain an undergraduate degree, but higher degrees were rare.

This comfortable, easy life has changed dramatically. Since the 1980s, the public services in Australia have been transformed. Australia has been one of the leading countries in the world in implementing what has become known as New Public Management. Starting in the early 1990s, and continuing on from then there has been a transformation in government (Hughes, 1998, 2003). This has involved cutting budgets, cutting staff, privatisation, contracting-out and above all, the replacement of the old traditional model of public administration. This has had impacts on personnel and on their training. There are now very few base grade staff. Currently the public service is for the better-educated and is better-paid than before. Almost all administrative staff have first degrees.

Reforms and education for public sector management
The transformation of the public services with the advent of the New Public Management had substantial effects on the education for management roles. Far better staff are needed as the tasks of managing in a post-bureaucratic environment are more difficult than following the rules in a bureaucracy.

There has been a problem of disciplinary base. Early MPA programs, such as that at the University of Queensland or the University of Sydney, could be seen as political science-based programs rather than from business management or economics. What was taught was firmly within the field of public administration rather than public management. This led to problems when the reform process was underway.

Some staff from the existing MPA programs became the leading figures in opposing the reforms. In 1989, the Secretary of Finance, Michael Keating, a strong advocate of managerial change, wrote “at the extreme there is even some outright opposition to the reforms, although interestingly much of this comes from people in universities who are not directly involved.” Most criticism came, not only from academics from a political science tradition, but also from schools or departments where fairly traditional arts-based public administration is taught, with overt disdain for more managerial courses. Painter (1987), for example, complained that “aspiring public service managers acquire MBAs, learn about marketing and master the jargon of economics.”

Most criticism of the managerial model, in other countries as well, has come from academics, mainly those involved in liberal arts training within the universities. More recently, Jones, Guthrie and Steane argue (2001, pp. 23-24):

Critics of NPM appear to outnumber advocates in academe, if not in the practitioner environment. Some of this may be related to the fact that academics face professional and career incentives to find fault rather than to extol success... Some criticism may derive from the fact that it is perceived to draw conceptually too strongly from a “business school/private sector management” perspective. This conceptual framework threatens the foundations of much of what is believed to be gospel and is taught about government and public-private sector relationships to students in public administration programs, in political science and related disciplines.

Many within universities were also disadvantaged by the changes. With the advent of managerialism, there was a shift away from liberal arts-based training towards economics and management, which has doubtless been followed by a shift in resources both from outside and within the university system. The demand side from government and public services has certainly shifted towards skills in economics or general management, often without
attention being paid to the special requirements of government work.

Most public servants, however, are now well-educated to at least the first degree level. But it has been typical that master’s degrees for public servants have not been seen as necessary for further advancement. There have always been students that have wished to undertake further study themselves but with higher degree study almost universally involving the payment of substantial fees, only relatively small numbers have wished to fund themselves for a higher degree. Even then many students have chosen specialist qualifications in accounting or engineering, for instance, and in MBAs rather than in public administration. One reason that governments did not support MPA training was that they questioned the relevance of what was taught, much of which really belonged to an earlier age.

The Australia and New Zealand School of Government
The initiative for establishing ANZSOG came from the Victorian government, which involved the University of Melbourne and Monash University (both in the city of Melbourne) in its deliberations from the outset, and other governments and universities subsequently. Participating governments identified a significant need for renewal of policy and management capacities in the public sector. A study conducted by the Boston Consulting Group (BCG) in 2001 (before the idea of involving NZ had been raised) stated that:

Government CEOs interviewed in Victoria, New South Wales, Queensland and federally identified a set of common, high priority, high potential development problems that were resulting in insufficiently deep successor pools. They also identified a gap in executive development program offerings. An Australian Graduate School of Government could help to address both these issues. Strong supporters for the AGSG concept exist in governments and elsewhere around Australia… There is market demand for potential AGSG offerings. (BCG 2001, 5).

Governments were concerned that demographic changes – the impending retirement of the ‘baby-boomer’ generation – meant that the next set of managers needed to be found. There was an aging public service workforce, a shallow successor pool and the feeling that public service is less attractive to desirable recruits. This, together with competition from the private sector for scarce talent, and the increased complexity of government meant a new approach was needed. The view was also expressed that existing MPA programs did not provide what was needed by government. There was a measure of dissatisfaction with the current offerings of universities. One senior manager described this as a “disconnect between what is available and what governments need,” while another said he was “underwhelmed by what is on offer.”

Governments demanded more technical skills in such areas as economics and data analysis, as well as management. The view was also expressed that MBA programs were not suitable for public sector management as the task of a public manager was so different from that of a manager in the private sector. The governments wanted something new.

After discussion for more than a year, the Australia and New Zealand School of Government was created at the beginning of 2003 with, as members, the federal government, the New Zealand government, and the Australian state governments of Victoria, New South Wales and Queensland. Other states were likely to join later. University partners tended to be those where there was already a specialisation in public sector management, including Melbourne University, Monash University, the Australian National University, Sydney University, University of New South Wales, Griffith University, University of Queensland and Victoria University Wellington in New Zealand.

The program brings together the best emerging public sector leaders from Australia and New Zealand with outstanding teachers and practitioners to enhance participants’ knowledge and capability to drive improved public sector performance. The core curriculum is multi-disciplinary and application-oriented, and emphasizes technique, experience, judgment, and values – in short, the “trade-craft” of government. It builds on an explicit recognition that there is a corpus of knowledge, skills and values which are essential for effectiveness in Australian and New Zealand governments; ANZSOG programs are directed to impart this knowledge, skills and values.

From the Boston Consulting Group study there were two key programs identified – the Executive Master of Public Administration (EMPA), the other an Executive Fellows Program (EFP). The latter is a residential program of three weeks for 80 high level executives. The most important is the EMPA.

Executive Master of Public Administration (EMPA)
The ANZSOG EMPA was designed to allow full participation in a master’s level course without students needing to be taken from the workplace for long periods. It is a ten subject program. The basic format is for one-week intensive subjects, three taken as the full cohort of 120 in one location, two in three groups of 40, two in the local jurisdiction and three with one of the partner universities. An expected benefit from this is that participants build links and networks across, and acquire greater knowledge of, the participating governments.

Candidates generally require a Bachelor’s degree in any discipline at an Australian or New Zealand university or equivalent, or have produced evidence to the satisfaction of the Dean of the School of Government of equivalent qualification for entry to the degree through extensive practical, professional or
scholarly experience of an appropriate kind; and significant work experience.

The aims of the EMPA are to bring together the best emerging public sector leaders from Australia and New Zealand with outstanding teachers and practitioners to enhance participants’ knowledge and capability to improve public sector performance. Graduates are to:

• be familiar with fundamental theory underpinning effective performance in public sector management and policy development;
• have a good feel for the difficulties of delivering results in government;
• be skilled in applying theory and analysing data to solve real world management problems; and
• have well-developed personal and leadership skills.

Required subjects

There are eight required subjects:

Delivering Public Value – This subject examines the theory and application in public sector contexts of organisational structure, purpose and rules; political purposes and institutional arrangements; risk identification and management; operational planning; and interdependencies and connections between policy and service delivery and between policies and programs. Utilizing the theoretical perspectives of the management disciplines, the course will be practically oriented towards delivering outcomes for government, applying available resources efficiently and managing people and operations to deliver those outcomes.

Decision-making Under Uncertainty – the use of data in government, including statistical methods. This subject includes: techniques of quantitative reasoning in addressing policy problems, modelling, constrained optimization, probabilistic analysis, decision-making under uncertainty, data analysis and statistical inference, techniques in qualitative research, formulating research questions and objectives, the ethics of research (informed consent), sampling, data collection techniques, analysis and evaluation of qualitative data.

Designing Public Policies and Programs – an applied appreciation of the tools available for designing, developing, analysing and evaluating public policies and programs and the skills required for providing constructive advice to Government. This includes: applied problem solving, evidence-based policy making, policy analysis and evaluation, modelling outcome bottom lines, external constraints on policy and program design, stakeholder engagement, consultation and management, and social and environmental impact analysis.

Government in a Market Economy – public sector economics in an appreciation of the insights that economics can offer many aspects of government activity. It includes: the workings of markets; supply and demand, value in the collective realm, “public goods” and externalities, information and market failure, signaling, moral hazard, adverse selection, the economic role of government, creating markets, beyond markets, the character of non-market determination, “public goods” and “public choice.”

Leading Public Sector Change – This subject combines examination of the theoretical underpinnings of leadership with practical personal development tools. It includes: leadership, public/private/community comparisons, development of leadership capabilities, drivers of public sector change, aligning organisational culture, change management, communication, entrepreneurship in the public sector, and values, morality and professionalism. Students will develop and applied knowledge of leadership, people management, change management and communication methods, and will be given the opportunity to reflect on the strengths and weaknesses of their own leadership and communication skills and those of their managers and colleagues.

Governing by the Rules – regulation, law, convention, practice and ethics. The subject will address, origins of government and the notion of authority and legitimacy, the constitution, “the platform,” “the mandate” statute, regulation, administration and review, principles of administrative law, powers, instruments, management, and “administerability,” the role and force of conventions, institutional cultures in Courts, tribunals and governments, ethics, personal responsibility and accountability.

Work-based project – a project of significance for a government organization, carried out by syndicates. The project is undertaken by teams of up to five students, and will address a substantive public sector issue. Projects will test the team’s ability to define a “real-life” problem, design a strategy for addressing the problem, gather data, formulate and evaluate options and make recommendations. The work-based project will conclude with a 2½ day residential component, where students will have the opportunity to present the outcomes of their project to ANZSOG faculty and their Executive MPA colleagues.

Public Sector Financial Management – accounting, budgeting and other aspects of financial management as taught by the partner university in the jurisdiction of enrollment.

Electives (2) – taken from the graduate subjects in the partner university.
Government members of ANZSOG indicated they wanted the teaching to be innovative, based on cases, with a curriculum of a high level expressly designed to provide a group of future leaders in the public sector. Classes are organized around students’ real-world roles as managers and policy advisers, rather than requiring students to integrate from discipline silos. The teaching style is interactive and innovative, making extensive use of case studies, guest speakers, simulations and other teaching methods, which will increasingly draw on “real-life” Australian and overseas experience.

Early on, it became apparent that a number of cases would have to be developed. Although the teaching style learned a lot from US public management courses – some staff and visitors have experience at the Kennedy School at Harvard – the cases often used were so nation-specific to the US as to be of little relevance or use elsewhere. Specific grants to write cases were derived from the New Zealand government and the Commonwealth Secretariat in London, which wanted cases relevant to smaller developing countries. A case library is being developed to assist the teaching and to be available to other teaching programs.

The first year of operation has been a great success. Demand for the course is far greater than the available government funding. The curriculum design process involved the very best professors in the two countries and the individual subjects are interesting and appreciated by the students with teaching evaluations very high, comparable to that achieved by business schools.

Lessons for other MPA programs in Australia
The existing MPA programs have continued, but have had to change to some extent. Despite ANZSOG being competitive, the best public administration and public management academics have become involved in what ANZSOG is doing. To some extent, the ANZSOG EMPA has assisted other MPAs by giving recognition to those who take higher degrees, or that one way of progressing in a career is by showing the initiative of doing a master’s.

There have also been necessary changes to existing courses. Some have decided on direct competition, others on changing their offerings to be more in accordance with the kinds of teaching that governments want and the kinds of programs governments want. In this regard, one point of departure from US courses is that the prescriptive MPA is now regarded as old-fashioned. There is much more now required from management and the term public manager has largely replaced that of public administrator.

There has been more entrepreneurial activity with overseas partners now for some Australian public management courses, more effort to be responsive to students and their employers. Monash University, for instance, one of the ANZSOG partners, has the largest master of Public Policy and Management course – an MPA by another name – and has instituted a review of all subjects to learn from the ANZSOG experience, to participate in the case-teaching and case-writing programs, and to further engage offshore. The general lesson is that MPA programs have needed to become more professional, more engaged with government and to generally have to work harder.

Lessons for other countries
Although this research concerns two countries – Australia and New Zealand – as they attempt to initiate a kind of succession planning for public management in the future, there are some possible lessons for other places.

- The demographic issues leading to the change are common to many countries. The current generation of public managers is approaching retirement and there are fewer in the cohort that follows.
- Governments need to be actively engaged in the development and maintenance of public sector management courses.
- Public administration of the old bureaucratic style just does not work anymore. Managers in the future need greater education and from a wider source of intellectual homes than was the case. Management is different from administration (Hughes, 2003) and substantial management theory needs to be learned.
- In some areas, such as human resource management, much can be learned from private sector experience. But in general the kind of education designed for private sector management courses, notably MBAs, is not applicable to the needs of the public sector.
- Technical skills need to be developed in such areas as economics and data analysis. Managers cannot rely on the subordinates to offer advice; they need to know for themselves how to interpret and use economics and other data.
- While much can be learned from other countries, there are limits to its utility. Ideally, management theories and processes for government would be specific to that country. There are some theories and principles that can be transferred, but there are some that are so nation-specific that they should not. The United States is the intellectual home of public administration, but many of its theories and precepts are not relevant to other political contexts.
- Interchange between academics and practitioners of different countries can help to develop courses and subjects. ANZSOG has been greatly assisted by academics from the US, from the UK and there have been interactions already with several countries in the region.

Conclusion
The establishment of the Australia and New Zealand School of Government represents a major change in education of public managers in Australia. The Executive Master of Public Administration is an innovative program, one that includes public servants from several states and the central government, as well as the New Zealand government adding another dimension altogether. Calls by participating governments for nominations for the first 120 places for the course have already been oversubscribed.

Traditional MPA courses still exist but have found it difficult to cope with the changed environment. If once such courses were the place where academics criticized governmental reform programs, they are no longer. MPA degrees or EMPA degrees or MPPM degrees are now widely regarded as necessary for a career at higher levels in the public service. The recent Australian experience with far-reaching reform has led to major changes in the education for public managers as well.

Author

Professor Owen Hughes is Director of the Monash University Graduate School of Business. Professor Hughes has published widely in management, public management, public policy and Australian politics. His book Public Management and Administration is in its third edition (Basingstoke, Palgrave, 2003) and has been used widely as a textbook in the UK and Australia, as well as in the US, Africa, the Middle East and Asia. In 2001, the second edition was translated into Chinese by Renmin University Press in Beijing and in 2004 an English language reprint and a new Chinese edition were published by Renmin University Press. Other books include Australian Politics (Melbourne, Macmillan, 1998), two editions of Australian Politics: Realities in Conflict, (co-authored with Hugh Emy) and the co-edited works Whitlam Revisited (1993) with (Hugh Emy and Race Mathews) and Intergovernmental Relations and Public Policy (1991) (with Brian Galligan and Cliff Walsh). He has written some thirty book chapters and articles, including ‘Public Management or Public Administration’, the inaugural winner of the Sam Richardson Award for the best/most influential articles in Australian Journal of Public Administration for the year 1992.

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Experience and Lessons of MPA Administrative Law Education in the United States to China

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Abstract: In the United States, Administrative Law, as one of the core curricula of the MPA, has in the past encountered some problems in the teaching process. Particularly with respect to educational goals, textbook compilations and teaching methods, it has experienced a process for perfectibility step after step, which serves as a good reference for China to inaugurate MPA teaching at the initial stage. It would be important to draw ideas from experience and lessons in the U.S. when carrying out administrative law education in China.

In October 2001, with the inauguration of enrollment of MPA students in twenty-four domestic universities, including Renmin University of China, through national united examination, the MPA, a new academic degree, emerged in China. After one year's practice and operation, particularly in teaching teachers of MPA courses are more or less accustomed to the features of the MPA, but they have also encountered a range of problems. As one of these teachers, I will try to discuss some problems arising from China’s MPA administrative law teaching by combining my own teaching practice, survey study results, and information from American colleagues.

I. Problems generated from MPA administrative law teaching in the U.S.
In the U.S., administrative law as a new subject enjoyed a fast development, especially after World War II. However, in the public administration sector, scholars did not recognize the significance of administrative law until recently. Now they are fully aware that administrative law is of pivotal importance to public administration organizations. For this reason, administrative law has already become one of the hottest subjects in the U.S. and has split into the discipline and rules generally followed in the specialized fields of public administration (Neustadt, 1990). As a consequence, specialized fields of public administration all have set up courses of administrative law in the U.S. Generally speaking, MPA administrative law education in the U.S. has several problems that are elaborated as follows:

1. Problems with regard to educational goals
What is the objective of administrative law education for MPA students? In other words, what can students learn from this course? In the academic field of public administration in the U.S., there were different opinions regarding this. Focal points of the controversy include: Is the mission different from that of the namesake in the School of Law? If yes, what is the major difference? And how are we able to distinguish them?

After a great deal of teaching practice and scholastic debate, some common understanding was achieved. In the first place, scholars generally agree that legalists and public administration academicians approach administrative law from different perspectives. According to Professor Peter Woll, what a legalist shall vindicate is the right and interests of his clients. Law school is to train legalists who are competent vindicators of individual rights, but not vindicators of the public interest. However, administrative law education in public administration aims at providing formal training to students on how to guard against willful governmental infringement of individual rights and how to effectively work out managerial decisions for the public interest (Woll, 1987).

Second, on the basis of some consensus already reached, scholars have explored the goal of administrative law education. Professor Kenneth F. Warren (1996) argued that there are at least two educational goals one is to make students of public administration comprehend and master the elementary knowledge of administrative law, and associate problems of administrative law with relevant public policies. In addition, some other professors examine the educational goal as setting up administrative law in the MPA by means of comparison. According to them, traditional social scientists are not concerned with legal issues related to public administration. Since law school focuses only on legal principles, law school graduates know little about the relationship between legal principles and operational demands of democratic government and democratic social practice (Pierce, 1991; Shapiro, 1991). Consequently, it is clear that the most elementary purpose in setting up the course of administrative law is to cultivate a legal sense and legal
quality of students of the MPA discipline, and to train them to observe indispensable legal procedures and master the norm of administrative law when they are involved in public policy formation and implementation. Particularly in the U.S. that boasts of a high level of democracy, it seems more important for public administration personnel to grasp the knowledge of administrative law. Obviously, this educational goal is different from that of law school, which is the “fruit” achieved by American scholars of administrative law through incessant debate and through practical trial and error.

2. Problems with regard to schoolbooks compilation
The U.S. is one of the pioneer countries in teaching and research of public administration. However, in compiling the textbooks for administrative law courses for the MPA program, it has gone through a gradually adaptive process. The first problem encountered is: can MPA students who have little legal background knowledge use the same administrative law textbooks as law school students? In the U.S., textbooks on administrative law were compiled primarily for law school students before 1982. All of these textbooks are full of legal terminologies. Moreover, the fundamental purpose of these early textbooks is not to inspire readers to actively think over some significant public policies and public administration issues in American society, but to teach students how to win administrative lawsuits. For instance, why do so many inclined debates fail in terms of traditional legal judicial precedent languages such as “what judgment” or “what decision” (Schwartz, 1990)? Students of the MPA or the public administration discipline, show more interest in debates as to “try what,” and they pay more attention to the administrative law problems related to significant public policy and public administration. For example, what kinds of statutory procedures should the Nuclear Energy Regulatory Commission (NRC), the Federal Aviation Agency (FAA) and National Aeronautics and Space Administration (NASA) comply with when making rules and holding hearings of witnesses, and how do these statutory procedures affect the capability of each agency to put forth precautionary functions, including preventing another Three Mile Island Event, another airplane collision and another distressful traffic tragedy? (Warren, 1996).

Obviously, it is impossible to “mechanically” use administrative law textbooks of law departments without taking into account the factors concerned as mentioned above. (Barry and Whitcomb, 1987; Carter, 1983; Cooper, 1988; Heffron and McFeeley, 1983). In the 1990s, Professor Kenneth F Warren of the Political Science Department at St. Louis University began to compile administrative law textbooks for students of non-law majors. His Administrative Law in the Political System has been very popular among scholars and students. Its third edition is an attempt by social scientists to satisfy the demands of the public administration sector for popular administrative law teaching materials. This book aims at introducing students to the status administrative law enjoys in the American political system, especially the influence, instruction and restrictive effects that administrative law may have when administrative organization stipulates procedural rules by operation of law. With regard to traditional administrative regulation subjects (such as enacting of law, release of order, judicial review of administrative behavior), this textbook is the only one that uses non-professional language, and takes into account the requirement of social science students.

Professor Kenneth F. Warren summarized some features of MPA administrative law textbook compilation as follows: (1) The textbooks shall be composed by social scientists particularly for students of social science; (2) The textbooks are not introductory books of legal background knowledge; (3) Combining law and social science helps people understand the essence of administrative law; (4) The case analysis method usually used in the textbooks for law school is adopted, which makes the elusive administrative law topics easier to understand; (5) The textbooks adopt analytical methods familiar to social sciences students so that they can approach administrative law from the perspective of the American political system; (6) The administrative law topics (such as drafting, completion and supervision of police policy) that are closely related to social science are presented; (7) Viewpoints prevalent in the 1990s are utilized in examining the development of administrative law (Warren, 1996).

3. Problems with regard to the way of thinking of teaching or teaching methods
The teaching methods for MPA administrative law courses have also experienced a gradual transformation. At the very beginning, the teaching was completely in accordance to that of law school, namely the teaching method led by case analysis. In consequence, students were dissatisfied and teachers were at a loss.

For this reason, scholars started to adopt the teaching method and way of thinking about non-legal cases to adapt to the teaching of administrative law for MPA students. They gradually discovered that the core problem in administrative law study is how to connect administrative law with real public policy; therefore it requires a research method and way of thinking which is different from that of law school which merely underlines specific administrative cases. For example in the book Focal Points of Administrative Law, which is about broadcasting control, Krasnow et al. point out that a strict and systematic method is needed to conduct research on control behavior. They comment: “It is evident that with only a little effort people can fully comprehend the system of broadcasting management, such as management of some influential broadcasting. This does not mean that people are unwilling to comprehend the management problem of
broadcasting, but they hate to use language of analytical procedure to interpret it.” (Krasnow et al., 1982)

Likewise, Warren put forward a similar teaching method, that is, a systematic and theoretic analytical method. With this method, reasonable assumptions are made of various independent and interdependent factors in the model. For instance, the influence from both interest groups and administrative agencies should be considered when forming statutes and regulations. Since its debut, this systematic method has been widely applied with success. Systematic theory has offered a very clear analytical framework or model for beginners to understand how political participants (usually called political actors) associate with other institutions. For the benefit of research and description, investigators and compilers further define the connotation of “system,” namely, a concept that may have macroscopic and microscopic tiers: it can be applied to the study of a small town’s major policies or to the study of a certain state in an international context.

As summarized by Warren (1991): for our purposes we can take this system frame as an analytical tool and put the administration system into this structure for inspection. Moreover, we can also verify the complicated roles that administrative organizations are playing in the American political system.

4. Problems with regard to MBA and MPA courses
Both the MBA and MPA represent high-level professional education. American scholars, considering the difference between business and public sector careers, have worked toward different course settings for the two programs. However, along with the continual outspread of executive authority and continual innovation of administrative systems in the U.S., and particularly in company with the continual innovation of management theory scholars discovered that there were more and more similarities shared by both MBA and MPA courses. Although there exist great differences with regard to the objects and goals of the two sectors, administrators of the public sector and the private sector share many more similarities in respect to work responsibility than might be expected. In some circumstances, their undergraduate programs are the same, but they differ in specialized fields. Master of Business Administration (MBA) and Master of Public Administration (MPA) programs have become more and more popular of late. Although the MBA pays more attention to management of the private sector, we cannot deny the fact that the MBA and MPA courses are very similar. Because of the high correlation between the two programs, there even emerged joint-degree programs for the MBA-MPA, where students of either concentration are to complete the same core curricula (such as organization theory and conduct, microeconomics and macroeconomics). MBA and MPA students will be the future leaders in the private and public sectors, and they must be trained in fields like public finance, accounting, administrative law, human resource management and management information systems.

Apparently, administrative law has already become a practice-oriented course in the U.S. On one hand, future business managers should not only be familiar with the internal managerial skills, but also have expertise as to private and public relationships; on the other hand, research on administrative law is primarily conducted on the basis of relations deriving from executive authority. As government control and management in the U.S. is now very complicated and sophisticated, study on the relation between government and the governed has been an intriguing topic. In recent years, many Americans have even begun to challenge the validity of administration's position (Spicer and Terry, 1993). Therefore, American students regard administrative law as an important course that they have to study (Pierce, 1991; Warren, 1996).

II Lessons
The problems that MPA programs have encountered in setting up administrative law courses in the U.S. provide us with a good chance to reflect upon our own difficulties. Especially in present day, when we are focusing managing state affairs by the rule of law, education in administrative law is of great significance. And this is the very reason why I want to borrow ideas from the experience and lessons of the U.S. and present my own opinions about MPA administrative law teaching in China.

1. Educational goal should be different from those of the law department
The educational goal of Chinese MPA administrative law teaching is to cultivate the legal sense of MPA students and train them to adopt an analytical mode of administrative law and think about problems related to public policy and public administration, as well as administrative enactment of law. In fact, our MPA education is to improve public administration staff’s comprehensive quality, and the capability to administer according to law is an important indicator. It is the requirement for following up and implementing cardinal policies and strategies of “managing state affairs by operation of law” and propelling standardization and legislation of governmental works, and the challenge of WTO accession in terms of enhancement of governmental capability to accommodate to international rules. Public servants need to take on a relatively strong legal sense, consciousness of regulation and a concept of democracy. In their work, they must strictly comply with work rules and perform duties and execute public affairs in accordance with stipulated responsibility purview and procedures. They shall carry out law sternly, justly and civilized, and create an open, just, uncorrupted and high-effective administration environment for the public. They shall firmly resist ugly phenomena such as not complying with the law, not severely executing the law, not investigating violation of
laws; they must avoid breaking the law while carrying out the law, substituting law with authority, and so on. It is obvious that such a teaching goal is totally different from that of law school. So we should develop a new teaching method, way of thinking and curricula suitable for MPA students.

2. Issues with regard to textbook compilation

Nowadays, almost all of the pilot MPA programs are occupied with compiling or translating their own textbooks. Some people think this is just a waste of resources to some extent, while others believe that at the initial stage of MPA education this waste is inevitable. In my opinion, at present textbooks are principally compiled by publishing houses in China, the market has its own rules, and the operation of publishing houses can be assessed by the market. Yet scholars and teachers should be ethically responsible. They should fully consider the practical situation of MPA students, adequately draw experience and lessons from American practice and work out really applicable textbooks.

Most of the current MPA administrative law textbooks are compiled according to the structure of administrative law textbooks used by law schools, and the contents are almost the same. Of course, the compilers of MPA administrative law textbooks are those who used to compile administrative law textbooks for law schools. I understand that it is extremely demanding to design new courses, but I personally believe that compilers should try to visualize the characteristics of public administrations.

These characteristics include: cases and theories in the field of public administration, and public administration terminologies; more materials about administrative execution of law and public policy processes, as well as the rights, obligations and duties of public institutions and public servants; and an institutional approach. It is admirable that there are already some pioneers in this respect.

3. A combined method

Our traditional “spoon-feed” teaching method is definitely inappropriate to MPA students who already have work experience; therefore, we need a more flexible and diversified teaching method. It is also evident that pure case teaching is not easy for the students who are not well-trained in law and thus lack relevant legal background knowledge. Many professors who come back from abroad prefer a Western-style teaching method, namely, to assign students substantive Chinese and English materials, then students present their opinions and teachers make comments. This method is also not very beneficial. I believe that in the teaching process teachers must take full consideration of the working environment of these students, and they must draw on the thinking pattern of systematic theory in exposition of contents. That is to say, the teaching should start from the systems familiar to the students, and then carry out analyses on the surrounding environment based upon this system, and gradually introduce theory and cases of administrative law, instead of the usual order of concept, characteristics, principles, types and cases. The relationship of cases to theory is also not advisable, because MPA students are more familiar with the specific system, despite the fact that some systems are displayed in the form of cases themselves. In the meantime, teachers should encourage group discussion, and conduct legal analyses on this problem in order to make theoretical conclusions.

I have tested different teaching methods and discovered that the results yielded are noticeably different. In my surveys, particularly in the discussion with MPA students about teaching methods, I found that students mostly prefer the teaching pattern which starts with system, then leads in concept and principle to discussion of problems from the point of view of law, and then back to theoretical analysis of specific systems. One of the advantages for Chinese administrative law teaching is that there are a great number of court cases in China. However, unlike the law department, we cannot place stress on the detailed analysis of a case itself and find out the probability of victory or defeat for both litigants. What we should do is to analyze the problems existing in public policy and administrative execution of law through cases.

4. Issues with regard to setting up administrative law courses for MBA and MPA Programs

As noted earlier, public administration and business administration programs in the U.S. share more and more features. As is now well-known, public administration and business administration in the U.S. have been borrowing managerial experiences and methods from each other. In China, such an interaction between the two fields is unprecedented right now. Although it is difficult to say whether such a phenomenon will expand to other countries and regions, assuredly the cross reference of management methods in the public domain and private sectors has more advantages than disadvantages.

What we can learn from this is that both MPA and MBA students should pay attention to administrative problems such as government’s administration according to law, public policy establishment and implementation, providing subsidies for administrative conducts, and so on. It is because of this that public-private relations is a essential topic in our society.

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References


Implementing a Performance-based Management System
(with a Case Description of China Post)

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Abstract: This study examines an implementation model of performance-based management (PBM). It argues that technical competencies and stakeholder involvement are necessary for a successful PBM implementation. Using the case of PBM reforms in China Post, it finds that technical competencies are being developed in the reforms. It also finds that, although the channels of stakeholder participation exist, stakeholders may not be involved in making critical decisions in Chinese reforms.

Performance-based management system (PBM) is becoming a world phenomenon when many governments use some forms of it to address specific issues in their countries. US and British governments employ it to deal with political pressure for efficient use of taxpayers dollars, while the government of New Zealand adopts it to articulate employee responsibility (Mascarenhas, 1996). Hong Kong government connects it with its financial policies in the hope to withstand the impact of economic depression (Lam, 2003).

The challenges facing the Chinese government indicate a need to adopt a PBM system in China. Since 1978, the market-oriented economic reform has created a maturing market and a large number of private enterprises. The need for economic efficiency in a competitive market contradicts the inefficiency of governmental operations characterized by a centralized and multiple-layer decision-making process, a top-down management structure, obsolete infrastructure, and most importantly, institutions with superfluous workforces. The latest phenomenon, often referred to as “inflated institution”, poses a serious threat to the market, which requires efficient operations of governments. Governmental agencies staffed with unnecessary workers are seen not only as a waste of resources, but also as the root of multiple decision-making layers, and thus an obstacle for efficient policy-making and implementation.

Another issue in the Chinese economy is the existence of a large number of inefficient state-owned enterprises. Many of them lose money and receive government subsidies over years. These enterprises constitute a significant portion of the Chinese economy, and they hire a large number of workers. Many of them are considered “pillar” industries – the ones that lead the economy such as transportation and communication. Because of the important economic role of these enterprises and the possible severe political consequences, simply allowing these companies to be eliminated by the market is not a choice. Therefore, performance-based reforms are considered critical in these enterprises.

Consequently, institutions in China have adopted a variety of PBM reforms. Academic discussions are also underway to seek the optimal use of PBM in the Chinese economy (Zhou and others, 2003). The debate seems to focus on the issue of developing PBM in China with the adoption of some features commonly seen in other countries. These features include an idea that an organization should be evaluated by its performance and should use performance measures.

This paper attempts to model PBM implementation in China in an effort to facilitate its implementation in the country. (1) The authors first examine a general model in developing PBM implementation strategies. (2) The second part of the paper develops a theory that explores the characteristics of PBM implementation in China. (3) The paper then analyzes a case of PBM in China Post. The data are gathered from an in-depth survey of eight officials and managers in China Post, which has implemented several waves of PBM for the past two decades. One of the authors was previously a Postal Master in Zhejing Province who has about 10 years’ work experience in China Post at the management level; another, a Chinese professor who is doing research in the field of performance management, and another, a US professor who has extensive research experience in PBM of US governments. (4) The article summarizes some lessons learnt from the case study.
This study serves three major purposes. First, it examines the Chinese PBM practice that is completely different in its socioeconomic and cultural setting from that of the U.S. and other developed countries where the majority of PBM literature is developed. The salient contrast of the two settings should help the building of a general theory of PBM implementation, or at least provide catalyst for countries to learn from each other (Lan, 2003). Differences of political process and cultural environments become much more salient in a comparative context than in a sole US setting where technical capacities are often blamed for the failures of managerial reforms such as Zero-based budgeting (ZBB) and Planning, Programming, and Budgeting System (PPBS). Second, it provides practical guidance for the Chinese reform, which might choose to imitate a US PBM system (or a system of another country) in the future. Prediction on what will happen if such a system is adopted is indicated in this study. Last, it should help US reformers identify the circumstances when a special case happens to hinder the implementation. It should manifest the fact that some factors, under proper conditions, may play a more important role than expected.

The PBM Implementation Model

The purpose of this section is to develop a general model that explains the process of PBM implementation. The researchers believe that PBM implementation consists of three interconnected phases. Phase 1 is a process in which reasons of adopting a PBM system are presented and therefore the purposes of PBM are determined. This process should involve groups who participate or have great interests in PBM. The exchange of ideas and information among the groups helps articulate the goals of PBM and solicit supports critical for PBM implementation.

In the second phase of implementation, a thorough evaluation is conducted to assess tasks in PBM and the capacities required to complete the tasks. PBM implementers match their core capacities with these tasks to pave the way for finding strategies perceived to be most effective in achieving PBM goals. In the last stage of implementation, a list of implementation strategies are developed and implemented. Ideally, a monitoring system is set up to consistently evaluate the implementation. This model of implementation is depicted in the following graph.

Graph 1. A PBM Implementation Model

<table>
<thead>
<tr>
<th>Purpose Determination</th>
<th>Capacity Evaluation</th>
<th>Implementation Strategies</th>
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<tr>
<td>(What should be done?)</td>
<td>(Can we do it?)</td>
<td>(How to do it?)</td>
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</table>

1. Purposes of PBM

There are four major purposes of PBM – for planning, resource allocations, daily management decision-making, and showcasing. Performance information can enhance the planning process by helping an organization specify its goals, quantify its objectives, develop its performance expectations, and assess the implementation of the plan. Performance information can be integrated in an organization’s long-term plan and performance management can serve as a major mechanism to evaluate the planning process. Another purpose of PBM is to collect performance information and to present it in the process of allocating an organization’s resources. In the budgeting process, performance information can be included in budget requests, and it can also be used by elected officials to specify their target of service.

When a performance goal is developed, managers can use it to develop plans or practices in daily management and decision-making. For example, staffing decisions can be made based on the need to meet performance standards in a specific task. Decisions to adjust an organization’s service delivery structure can be made on the basis of meeting performance outcomes. Also important is the possibility to use performance information in evaluating individual employees’ job performance and to make employment-related decisions such as hiring and firing.

Of course, performance information can be and should be used to demonstrate performance outcomes, and by doing so, an organization gains supports and feedback from stakeholders on its goals and service quality. It is important to note that showcasing, which is not necessarily a negative term, occurs not only between an organization (or administration) and its customers, but also among managers within an organization. In fact, because performance information is often understandable in general, communication can be significantly enhanced with use of it.

It is vital for an organization to specify the purposes of its PBM. Purpose determination gives a sense of direction of PBM, and such direction is imperative for assessing implementation capacities and strategies. It is also crucial for an organization to evaluate the success of its PBM. Nevertheless, purpose
determination is not an easy task for many organizations because of ambiguity of PBM mandates. In order to achieve an efficient and convenient implementation, it is recommended that an organization starts its PBM with a less ambitious goal. For example, use of performance information in resource allocation decisions is considered technically difficult, while showcasing of performance information will be easier as long as information collected is accurate.

Purpose determination is a prelude to evaluating capacities of PBM implementation. As suggested above, different purposes of PBM indicate different levels of PBM requirements, and therefore different implementation capacities. For example, an effort to incorporate performance standards into resource allocation decision-making requires consensus and supports from decision-makers such as managers, elected officials, and maybe taxpayers. In addition, performance-based resource allocation decision-making also poses a technical challenge for decision-makers to identify the relationship, if not causation, between such decisions and performance goals. The performance measurement literature suggests that this relationship can be extremely difficult to establish. In contrast, the only requirements for performance showcasing are data accuracy and presentability. The relationship between performance and an organization’s decision-making, although implied in such showcasing, is not explicitly required. In sum, different purposes of PBM suggest different levels of capacities to carry them out.

2. Capacity Evaluation
After the purposes of PBM are determined, efforts should be made to evaluate capacities to implement the PBM system. The performance measurement literature indicates that three kinds of capacities may influence PBM implementation –stakeholder supports, technical competency, and cultural accordance.

Stakeholder Supports
In government, the PBM implementation is not only a managerial effort to improve services, but also a political initiative to shape up agenda. Government stakeholders with different interests may take different positions in supporting, meddling, or opposing it. Those who expect benefits from PBM would support it, while those perceiving harm would oppose it. Many others adjust their positions according to their changing interest in PBM. Stakeholders with same interests formulate groups in searching common benefits from PBM. Stakeholder groups in a governmental setting include managers, elected officials, citizens (or clients, customers), the union, individual workers, and other interest groups.

Acqurement of stakeholder support is critical for the success of PBM implementation (Wang and Berman, 2001). In the US system, elected officials decide on the financial resources and the budget needed for PBM. It is hard to image a successful PBM implementation without financial support. Elected officials are also major users of performance information. Managers take major responsibility in designing, implementing, and evaluating PBM systems. Workers carry out the implementation and report the results. Citizens or client groups are potentially the major users of performance information and should provide feedback important for PBM. Ideally, supports from all these stakeholders should exist and sustain for the success of PBM.

To acquire supports from stakeholders, a PBM system must attend to the interests of stakeholders. They must perceive a positive value as the result of PBM implementation. Performance information generated in the PBM system must be easy for elected officials or general public to understand and to use. The information must also be meaningful for managers in decision-making. Individual workers’ fear that PBM is another managerial attempt to punish them must be eliminated, and their responsibility for accountability should be enhanced.

Stakeholder participation is perceived to have positive influence on PBM. This is the concept of participatory PBM. Wang and Berman’s study discloses that elected officials’ participation is positively associated with the use of outcome measures in US country governments (2001). Participation allows stakeholders a chance to understand the value of PBM and realize the benefits of its implementation. It also gives them opportunity to express their expectations for PBM. The result of participatory PBM is a greater consensus on the purposes, uses, and potential benefits of PBM among stakeholders. With potential benefits perceived by stakeholders, their support for PBM is expected. Significantly, to reap all benefits of participatory PBM, stakeholder involvement should be emphasized at the beginning stage of PBM design and the involvement should sustain throughout the whole implementation and evaluation process.

Technical Competency
PBM technical competency refers to the ability of a PBM system to produce valid and reliable performance information. Three elements are often considered in evaluating technical competency of a PBM system – measurement system integrity, sufficient analysis, and adequate and consistent resource support.

Measurement system integrity is critical in PBM technical design if valid performance information is to be achieved. System integrity requires that performance goals be clear and quantifiable, and that measures be valid, reliable, specific, and tailored to organization missions. It also requires that performance data be accurate and be collected in a timely fashion for analysis.

Sufficient analysis is needed for PBM to produce meaningful information. A decision should be made on the unit of analysis (PBM for an program, an activity, or an organization). Analysis tools should be
are essential capacities for the establishment and sustainability of PBM.

3. Implementation Strategies

A PBM user needs to develop an implementation strategy that takes advantage of its existing capacities. The strategy is the list of actions taken by the PBM user to apply capacities to achieve the PBM purposes. Based on the classification of capacities presented above, three distinctive but equally important strategies or their combinations can be developed. They highlight stakeholder supports, technical competencies, and cultural accordance.

A PBM system that involves all important stakeholders at stages of design, implementation, and evaluation has characteristics of a participatory PBM. The participation modes include formal processes of budgeting or strategic planning process, or informal meetings with key elected officials or citizen representatives. In these occasions, stakeholders’ expectations are solicited and included in discussions. Information exchange in these meetings serves the purpose of articulating PBM goals, expectations, costs, and benefits. The goal of participation is for stakeholders to achieve a consensus on these parameters of PBM and their support to PBM can be solicited. The PBM system needs to demonstrate net benefits to stakeholders for their commitment and supports. Also, participation is a continual process in all stages of PBM implementation to sustain stakeholder supports. Progress reports should be made available for stakeholders’ review. Periodic assessment on PBM implementation should be conducted with involvement of key stakeholders.

Technical competencies refer to a PBM user’s abilities to develop clear performance goals and expectation, valid and reliable measures, data collection and management capabilities, and performance analysis abilities. A technically competent PBM user should have PBM-savvy staff and PBM training capabilities. Newly hired workers should go through the training. The term technocracy PBM is used in this article to indicate a tendency to emphasize the development of technical competencies in PBM implementation. It also implies ignorance of establishment of other necessary elements in PBM implementation, mainly the stakeholder supports and development of a PBM culture.

Efforts to develop a PBM culture require long-term committee and sustained support of leaders in an organization. PBM training should be initiated to educate workers on the value and practice of PBM. PBM language should be used in organizational documents (i.e., budgets, strategic plans, financial reports) to encourage performance communication. A reward system based on performance should be established for individual workers to perceive the real benefits (and costs) of PBM. Accounts of successful PBM should be promulgated among workers to

Cultural Accordance

When a PBM system is established, its implementation and, of more consequence, its sustainability are influenced by behaviors, beliefs, commonly-accepted values, and ways of thinking and conducting business among individuals in an organization. An organization is permeated by these cultural attributes through informal and unwritten rules and norms. Violation of these norms and rules by any individual or group often leads his/her isolation or desertion by the majority.

PBM requires a culture that accommodates its performance-centered doctrines. That is for organization members to talk about performance, think about it and, use it daily. Development of a performance-based culture requires that an organization overcome the influence of other cultures that suggest different organizational values. The examples of such non-performance cultures include seniority-based and relationship-based evaluation. We see plenty forms of these non-performance cultures in modern organizations. The cultural conflict generated by adoption of PBM is won only when the majority of the members in an organization adopt the performance-based norms.

Although stakeholder support and technical competency are important for the establishment of a PBM system, development of performance culture is critical for PBM sustainability. In sum, stakeholder support, technical competency, and cultural accordance
encourage performance comparison. Speakers on PBM should be invited to give presentations on PBM. The above are just a limited list of cultural-building strategies. The overall idea is to instill PBM value into organizational blood – the mind of each individual in the organization.

**A Theory of Implementation Strategies: PBM with Chinese Characteristics**

In this section, we attempt to develop a theory about PBM implementation strategies in China. We argue that the Chinese PBM is characterized by technocracy PBM with limited stakeholder participation.

1. Lack of stakeholder participation

The Chinese PBM is part of its economic reform designed to transform China’s centralized planned economy to a market-driven one. The economic reform started in the late 1970s, evolving from an initial effort of decentralization of the government and agriculture to gradual transformation of state-owned enterprises and governmental institutions. The overall purpose of the reform is to improve efficiency and effectiveness of the Chinese economy. As the essence of PBM is to enhance efficiency and effectiveness in organizations, which is consistent with the overall goal of the economic reform, PBM was quickly adopted by Chinese institutions in various forms such as “streamlining institutions” (Jing-Jian-Ji-Gou) in governments and “performance-based evaluation or PBE” (“Ji-Xiao-Gua-Goo”) in state-owned enterprises.

Nevertheless, these reforms see limited stakeholder participations as governments adopted a top-down implementation strategy in which a limited number of decision-makers, most likely at the high level of governments, are responsible for initiation and planning, while the majority of workers and officials play a role of implementers. Stakeholders’ opinions are not consistently solicited, or if they are, are not fully considered in implementation. Several reasons may explain the lack of stakeholder involvement. One is the perception that the interest of an individual or a group is often consistent with that of the majority, and if not, the former should obey the latter in the name of the majority rule.

In China, the value of a reform is often justified through an emphasis on an alleged interest of an entity as a whole, often in the form of an agency, an organization, or a nation, instead of individuals’ interests in the entity. As the interest of the entity is composed of individuals’ interests, both are in agreement in the context of the reform. However, the political and economic interests of the entity are clearly outweighed over an individual’s (or a group’s) when they are in conflict. In China, executive administrations or the communist party units are often regarded as representing the interest of the majority. Unions do exist and perhaps serve workers well when the workers’ interests are in harmony with that of the whole organization. But unions are not seen as a real balance of the power of the administration or the party unit when workers’ interests are in discordance, or in many cases in conflict, with the administration’s or the party’s interest.

In PBM, decision-making power is redistributed, and operational structure is reorganized, unavoidably affecting the interests of groups in an organization. True representation of different groups whose interests are affected in the PBM process warrants the consideration of the interests so the implementation of the reform can be smoothed with potential resistance being minimized. By the same token, lack of such interest representation causes clashes in PBM implementation. The reform package with absent or limited stakeholder involvement is likely to generate dissatisfaction among employees and low level public officials, who can come up with their ways of dealing with the reform. In China, this phenomenon of indirect resistance in someone’s own way is called “the policy is dealt with own practices” (Shan You Zheng Ce, Xia You Dui Ce). The lack of conciliation among different groups erodes stakeholder support necessary for PBM.

2. Development of technical competencies

With consistent support from high level of governments and extraordinary capacities of the Chinese government in mobilizing resources in the name of serving national interest, the Chinese PBM always has sufficient financial and technical resources for design and implementation. In reforms, performance goals and measures can be quickly identified or developed. Resources are mobilized to support the reforms. Financial resources and human expertise are concentrated and developed in PBM implementation and analysis. This article hypothesizes that, faced with a political mandate and a system that lacks stakeholder involvement, the Chinese PBM largely relied on the technical competencies to implement.

3. Two different value types

There are two types of values in the Chinese culture that seem to be associated with PBM implementation. One emphasizes the spirit of entrepreneurship and adventure that help China achieve economic development in the past two decades in China. This value system seems to be consistent with the essence of PBM, which encourages the reward for achievement.

On the other hand, Chinese also respect seniority and like personal relationship-building. These values are not consistent with, and in many cases contradictory to, the values of PBM. Seniority is a symbol of having experience. Respect of seniority is rooted in the belief that experience represents rightness, and the experienced ones represent powers. Seniority as a criterion conflicts with the essence of performance-based reforms, as experienced ones may not perform. Development of personal relationship is a particularly
useful venue in Chinese society. Keeping a good relationship with those who have power often reaps significant benefits. Nevertheless, injecting personal relationship in management practice is detrimental to the value of PBM which emphasizes the reward for performance, not relationship.

PBM in China Post: A Case Study
China Post is a state-owned utility enterprise. It is responsible for the construction and operation of the postal network, and universal postal service nationwide. Its headquarters is State Post Bureau that administrates the postal network nationwide. It has local post bureaus in provinces, municipalities, counties, districts and townships.

China Post has implemented several PBM reforms since the 1980s that include Performance-Based Wage (PBW or Guong-Xiao-Gua-Gou) in the 1980s and Performance-Based Evaluation (PBE or Xiao-Ji-Kao-He) in the late 1990s. Both reforms were designed to link wage and benefits of postal workers with organizational performance measures in order to control the cost. PBE is built on the lessons learnt from PBW and has more implementation details. One very recent PBM effort in China Post was the attempt to adopt the Balanced Score Card based on the past PBM experiences (See Notes 1 and 2 for a more detailed discussion of these reforms). Thus, it is generally believed that China Post has implemented PBM in a systematic manner, and the study of such efforts can teach valuable lessons.

In the first quarter of 2004, researchers conducted a study of China Post in Zhejiang Province, one of the few frontrunners in economic development and postal revenue in China. The purpose of the study was to provide initial empirical evidence on the use of PBM implementation strategies in China. The study includes an in-depth survey that asks a list of questions on PBM implementation strategies. The survey solicits written comments from respondents on these strategies to validate and enrich the responses. Follow-up communications were also established to confirm the responses. China Post has three layers of services in a province (equivalent to a state in US) – the provincial post bureau, city postal bureaus, and district/county postal bureaus. Eight postal officials at leadership positions in their organizations participated in the study. Two respondents are from the provincial post bureau, three from city postal bureaus, and another three from district/county postal bureaus.

1. What measures are used and why are they used?
The survey asks a list of questions on use of performance measures, purposes of PBM systems, and implementation strategies. Many questions are open-ended to solicit respondents’ written comments. The response indicate that financial measures and customer satisfaction measures are used in PBW and PBE, while performance measures inside organizations such as measures of service reliability, efficiency, and employee satisfaction measures are not used. For example, none of respondents indicate the use of employee satisfaction measures in their organizations. This finding suggests a difference from the US PBM system where internal performance measures are much more prevalent than customer satisfaction measures (Berman and Wang, 2000, Poister and Streib, 1999).

Most respondents believe that performance measures (i.e. financial measures and customer satisfaction measures) are used for establishing goals for services, monitoring the service efficiency and effectiveness, and determining employee salary and benefit. Respondents also indicate the use of financial measures in making funding decisions. Nevertheless, they do not perceive the use of performance measures in communicating among managers and between governments. This finding is different from that in the US where performance measures is often used for communication, not for making critical management decisions such as performance-based funding (Wang, 2000).

2. What implementation strategies are used?
Respondents indicate that various stakeholder groups participate in PBM. Administrations, party units, unions, and workers are involved in PBM. The only stakeholder group that is not involved is customers. Nevertheless, an examination of respondents’ comments suggests different roles of stakeholders in PBM. Administrations play a critical role in PBM as they draft the policy, organize discussion, and make final decisions on implementation issues. They are also responsible for monitoring and modifying the implementation.

Party officials’ responsibilities are in supervision and monitoring. The party committee may decide to discuss the draft and organize party members’ support for the reform. The committee may decide on taking a vote on the final draft of the reform to show solidarity of support and instill a sense of legitimacy to the reform. The union participates mainly through a vote of its representatives on a PBM draft. A majority of members in the Committee of Worker Representatives need to approve the draft as expected. Some respondents indicate individual employees’ participation through the union.

These findings seem to suggest that the channels of a participatory PBM exist in China’s PBM. To understand the level of the participation and how it works, the researchers designed a survey question in which respondents were asked to make decisions based on a hypothetical scenario. In the scenario, some higher level officials recommend to close a postal branch because it is in deficit. Respondents were asked to select from a list of strategies to deal with the recommendation and explain the rationale of their selections. The strategies include some that require skills critical for participatory PBM, and some that do not. The finding is shown in the following table.
Table 1: Selection of Participatory Strategies

<table>
<thead>
<tr>
<th>Strategies</th>
<th>% of Selection</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Participatory Strategies</strong></td>
<td></td>
</tr>
<tr>
<td>(1) Involving individual employees in the branch in fighting for the recommendation</td>
<td>0.0%</td>
</tr>
<tr>
<td>(2) Persuading the higher level officials to change mind</td>
<td>12.5%</td>
</tr>
<tr>
<td>(3) Involving the workers’ union in fighting the recommendation</td>
<td>0.0%</td>
</tr>
<tr>
<td>(4) Involving the party unit in fighting for the recommendation</td>
<td>0.0%</td>
</tr>
<tr>
<td><strong>Other Strategies</strong></td>
<td></td>
</tr>
<tr>
<td>(1) Preparing data to demonstrate that the branch has a chance of improvement in the future</td>
<td>37.5%</td>
</tr>
<tr>
<td>(2) Following the recommendation, but quietly reallocate the workers to other branches</td>
<td>62.5%</td>
</tr>
<tr>
<td>(3) Following the recommendation, and promise the laid off employees for rehiring in the future if possible</td>
<td>75.0%</td>
</tr>
<tr>
<td>(4) Following the recommendation, but use attribution</td>
<td>50.0%</td>
</tr>
</tbody>
</table>

The above data show that the majority of respondents choose non-participatory strategies, indicating that involvement of stakeholders may be limited when it comes to making critical organizational decisions. When asked for the rationales of their selections, one respondent points out that elimination of an unprofitable branch is to protect the interest of the majority of employees in the organization. Another commented that a consistent support for decisions made by higher-level governments, unwillingness to pass over issues beyond the management, and doubt on the effectiveness of approaches that involve other stakeholders. One respondent elaborated:

The union’s responsibility is to protect the interests of the workers, and closedown of the unprofitable branch is consistent with the interest of the organization as a whole and the interest of the majority of the workers.

The data also indicate that technical capacities in the reform are well-developed. All respondents except one (or 87.5%) indicate that their reforms have developed clear performance goals. They have valid performance measures to assess performance; and they have set aside resources for reforms (62.5%). The majority of respondents indicate that they collect reliable performance data (62.5%), that they can conduct performance analysis of root causes (62.5%), and that their performance analysis of organizational performance can be associated with analysis of individual performance (62.5%). It is surprising that half of respondents (50%) indicate that the linkage between organization performance and individual performance established in the reform is objective and reasonable. This finding is completely different from the experience in the US where such linkage is believed to be very difficult to develop and sustain.

Finally, there is no evidence that a performance-centered culture has been established or advocated in the PBM implementation. No respondents comment they have systemically trained staff to conduct performance analysis.

Summary
This study examines an implementation model of PBM. Using a case in China Post, it furnishes initial evidence supporting the argument that the Chinese PBM is characterized with a technocracy PBM in which technical capacities are developed and sustained. In the Chinese PBM, clear performance goals and valid performance measures can be developed, and individual performance are linked to organizational performance. Resources are available for PBM.

On the other hand, the Chinese PBM system doesn’t seem to stress the practice of participatory PBM, although the channels of stakeholder participation do exist. Administrations still play a critical role in designing and implementing the reforms. The involvement of unions, party officials, individual workers are supplementary. When the time comes to...
make a critical performance-based decision, administrations often seek to solve the issue within their authority, not to endeavor to solicit a broader range of political support.

Why limited participation? The authors argue that the limitation of participatory PBM is partly rooted in the fact that stakeholders are not independent entities in Chinese economy. The interests of stakeholders are believed to be interrelated, not contradicted, so decisions made by one stakeholder group are not inconsistent with interests of others. When the reform does negatively affect a group, it is often portrayed as a minority whose sacrifice is justified by the net gain of the majority.

What is the impact of limited participation? The PM literature has suggested that both technical capacities and stakeholder support are necessary for the success of a PBM reform (Wang, 2001). Stakeholder support is also associated with sustainability of a PBM reform. Lack of political support as the result of limited stakeholder involvement may not take an immediate toll on a PBM system but will incur a long-term damage for the continuation of the reform on a full-fledged scale.

Notes

1. Performance-Based Wage (PBW or Guong-Xiao-Gua-Go)

PBW was initiated in the 1980s in China Post under the management of State Owned Enterprises (SOE). It was intended to control cost by linking wage growth with performance measures such as growth rate of whole national postal revenue. In PBW, postal bureaus adopt Labor Quota Management, which sets work requirement for a position, labor quantity for positions and units, and wage base for units.

2. Performance-Based Evaluation (PBE or Xiao-Ji-Kao-He)

Based on the experiences of PBW, PBE was adopted in 1999 after the reorganization that severed China Post with China Telecommunication Company. China Post was losing money at the time and was required to break even within three years. In PBE, profit is calculated and is used as an important indicator for each postal unit. In addition, customer satisfaction and productivity measures are also collected and analyzed. The linkage between profitability and wage is established in PBW. Part of employee wage and benefits are determined by profitability and hiring/firing decisions are also influenced by the financial performance of an organization.

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References


European Approaches to MPA Education: Convergence and Divergence

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Marleen Brans, Catholic University of Leuven, Belgium

Abstract: This paper sheds light on the experiences of MPA education in Europe concerning its key characteristics, major approaches, and the extent of convergence and divergence in the areas of MPA teaching, research and international cooperation. In a broad perspective, it gives an overview of the development of the European MPA education in the context of globalization and Europeanization for the past 15 years. Specifically, it takes University of Leuven the “European Masters of Public Administration” program as a case study. It mainly argues that there is a strengthening and convergent need and trend of international cooperation of MPA education not only among European universities but also with universities beyond the border of Europe. Despite the convergent priority of internationalization, the divergent approaches to MPA education under the different administrative cultures and financial situations pose challenges to the international cooperation of MPA education.

1. Introduction
Is there a common European perspective on MPA education? Recent inventories of Public Administration programs (Connaughton and Verheijen, 1999) show that a common European perspective or ‘model’ of public administration education has not yet emerged. Public administration and public administration education is primarily a national undertaking (Raadschelders and Rutgers 1999, Rutgers and Schreurs 2000). However, under the influence of globalization and the speeding up of the process of the European integration, the content of public administration education is moving (Verheijen and Connaughton, 2003).

Although there are competing views on whether a European model of PA education exists or not, it seems that there is an agreement on the emergent converging need for public administration education to be internationalized (Olsen, 2002). The globalization and the increased European integration, interdependency and interaction have changed extensively the public administration and public affairs internationally, which has created the conditions for the international cooperation of the (M)PA education (Trondal 2002, Olsen 2002, Connaughton and Randma 2003, Verheijen and Connaughton 2003). The international cooperation (or internationalization) of MPA education has moved from being largely occasional, non-institutionalized towards becoming increasingly routine and institutionalized. In particular, this process has been accelerated by the European Union’s SOCRATES program and the ERASMUS MUNDUS programs (EC document).

The purpose of this paper is to offer a perspective on MPA education in Europe, from the experiences of one participant. Specifically, we wish to shed light on the dynamic processes of Europeanization and internationalization of the MPA education. In order to have a better understanding on the current development of MPA education, first we look at the approaches to (M)PA education in Europe from a historical perspective (in section 2). Then our focus is directed towards the emergent converging and dynamic trend of international cooperation of MPA education in section 3. Section 4 provides an example of the MPA education in Europe by the case “European Masters of Public Administration” program of the Catholic University of Leuven, Belgium. We identify the main benefits as well as the problems and challenges facing MPA education in Europe in section 5. The final section (6) draws some tentative conclusions and presents a prospect for the future development of European MPA education.

2. A historical perspective on Public Administration education in Europe

2.1 The traditional approach to Public Administration education
Verheijen and Connaughton (2003) note that as an independent and integrated field of study in its own right, Public Administration is a relatively young academic discipline. The independent academic Public Administration programs have only become institutionalized and developed in Western Europe in the past four decades. Historically, Public Administration in Europe is rooted in a strong state tradition (ibid). Therefore, the study of Public Administration is traditionally constructed as a study of the state. The most often identified types of the European states in the PA literature are the Anglo-Saxon, Napoleonic, Germanic and Scandinavian states (Pollitt, 2002).
The diversity of state traditions inevitably results in considerable differences among the national styles of Public Administration thought and the approaches to PA education, especially related to the PA curricula (Stillman 1999, Raadschelders and Rutgers 1999, Connaughton and Randma 2003). For example, the PA and the major approaches to PA education in Anglo-Saxon tradition (e.g. the UK, Ireland) are centered on business administration and management, i.e. economics and management. The French tradition is characterized by an interdisciplinary approach to Public Administration, such as political science, policy science, administrative science and some other closely related interdisciplinary field of study. This approach manifested itself in France, then to a varying degree in a number of North and West European countries, such as Sweden, Belgium, and Spain (cf. Hajnal 2002). In Germanic tradition (e.g. Germany, Italy, and Portugal), the public administration paradigm, relying on the parallel concepts of the strong state and public law, was predominant throughout Continental Europe until WWII. The legalistic administrative culture views public administration as a well-running machine, executing detailed legal regulations. The PA education has a strong emphasis on legal subjects (Hajnal 2002, Connaughton and Randma 2003).

2.2 The evolution of (M)PA program as an academic discipline

The predominance of legalistic approach to PA education has been continuously decreasing since the WWII; but it is improbable that the legalistic approach will be quickly replaced by either the public or the managerialist approach (Hajnal 2002). Hajnal (2002:254) argues that the development of the PA program is incremental, “more evolution than revolution.” This section looks at the evolutionary process of the PA as an academic discipline from a predominantly legalist approach towards interdisciplinary and multidisciplinary approaches. In this respect, Verheijen and Connaughton (2003: 835-842) and Connaughton and Randma (2003: 7-8) identify three types and approaches of academic programs in Public Administration in Europe: interdisciplinary, multidisciplinary, and Public Administration specialization integrated in other programs. All these have been evolved from the legalistic approach.

- **Interdisciplinary** academic programs in Public Administration are defined as programs in which public administration is studied from the integrated viewpoints of different disciplines, generally those of political science, law, economics and sociology. The subject ‘Public Administration’ is taught as the core of the program.

- **Multidisciplinary** programs typically do not include the subject “Public Administration.” Public administration is studied exclusively from the viewpoint of the different contributing disciplines.

- In some European states Public Administration does not (yet) exist as a separate field of study, but rather as self-standing specialization under law or political science or, less frequently, economics or business studies (Verheijen and Connaughton, 2003:835-842).

The emergence of specialized academic programs in Public Administration is a relatively recent phenomenon in Europe, although the study of governance and public administration has a long history in the European context (ibid). According to Verheijen and Connaughton (2003:836-838), Public Administration education in Europe has reoriented itself since the WWII. Some key points of the evolutionary development are as follows:

- First, the new Institutes d’Etudes Politiques (IEP) created in France in 1945, and later of the Ecole Nationale d’Administration (ENA), led to a fundamental shift in requirements for entry into the French administration. Law remains a core element in the preparation for entry examinations into the ENA and the civil service. Yet it no longer had a monopoly. The IEP designed an interdisciplinary Public Administration program. This development marks the beginnings of a fundamental shift in orientation towards Public Administration as a distinct academic discipline.

- From the mid-1950s independent multidisciplinary and interdisciplinary university programs in Public Administration were created in a number of states. In Italy, Finland, Germany, Belgium and the UK, new programs in Public Administration were established between 1955-1970. The rationale for the creation of these programs was based on the perception that the civil service needed to become less legalistic. In the case of the UK, new programs were established primarily as a reaction to the report of the Fulton Commission in 1968, which called for a professionalization of the administration through the improvement of managerial and analytical capacities.

- A second wave of development of new independent programs in Public Administration followed at the beginning of the 1980s in the Netherlands, Ireland and Portugal.

- The development of Public Administration programs in Nordic states (except Finland), France, Greece, Spain and Austria is the creation of increasingly independent specialization in general social science or political science programs.

- During the past two decades, and in recent years, Public Administration programs have also developed stronger links with programs in management or business studies as part of the general focus on management in public administration. These links are strongest in the UK with NPM movement and to a lesser degree,
Ireland, but are also apparent in the Netherlands and in a selection of the Nordic states, especially in Finland.

2.3 A glimpse at the (M)PA education in some European countries
Although our main focus is on MPA education, it would be helpful to have some brief ideas on the general approaches to PA education in individual European countries. We take a quick look at a few characteristics of the (M)PA education in some European countries. The country we choose corresponds to the typical state tradition stated above, namely, the UK (Anglo-Saxon tradition), France (Napoleonic tradition) and Germany (Germanic tradition). We will also present Belgium in later section 4 since our case ‘EMPA’ program from the Belgian Catholic University of Leuven (note 1). The major characteristics of the (M)PA education in UK, France and Germany are presented below:

<table>
<thead>
<tr>
<th>Country</th>
<th>State tradition</th>
<th>PA disciplinary characteristics</th>
</tr>
</thead>
</table>
| UK      | Anglo-Saxon    | – in the late 1960s and 1970s, the teaching of PA as a subdiscipline of Political Science was complemented by the emergence of specialist vocational undergraduate programs. These programs were multidisciplinary, drawing not only on politics but also on other subjects relevant to a public service career, such as economics, social policy, organizational studies, management studies, finance and law.  
– When student demand declined during the early 1990s, several courses were closed and those that have remained have been redesigned as public policy programs or public management programs within business schools.  
– Postgraduate courses lead usually to specialist MSc awards in the management of public services or form part of general management development programs for the Diploma of Management Studies or the MBA.  
– applications of public choice theory, focus on British experience of NPM  
– the study focus on both central government and local government  
– the politics and administration of the European Community have become a well-established sub-discipline of politics |
| France  | Napoleonic     | – the development of administrative science is inextricably linked to a particular French model of the state. The uniqueness of the state rests on the combination of two phenomena : the social autonomy of the state and the social supremacy of the state.  
– Influenced by administrative law as PA studied through the prism of legal texts  
– in the 1960s, the legal, the managerial, and the sociological models in PA were tearing the study apart. This period of doubt had come to an end by the late 1980s, thanks to the emerging paradigm of public policy. In conclusion, PA remained wedged between legal dogma, public management theory, and political science and thus has difficulty staking an exclusive claim of its subject of interest |
| Germany | Germanic       | – PA programs dominated by judicial thinking and methods  
– Focus on historical bases of state, public law, institutions, legal system and their analysis  
– Multidisciplinary and interdisciplinary approach (to complement legal education, other disciplines enter. PA is taught not only within programs which specialize in PA but also in political science, social science, or business administration, psychology and ethics, etc.) |

The above descriptions indicate that the PA programs in different administrative cultures have been evolving over time. The processes of European integration have created the momentum for these evolutionary changes in PA as an academic discipline (Connaughton and Randma, 2003). In addition to the disciplinary status of PA as an autonomous field of education, there is another issue related to the education curriculum that attracted much interest: the degree, to which European and international issues are emphasized in university curricula (Hajnal, 2002). The following section will turn to these European and international issues by examining the dynamics of Europeanization and internationalization experiences of MPA education in Europe in some detail.

3. Europeanization and internationalization of MPA education-an emergent converging need and trend

3.1 MPA programs with a strong European dimension

Why is or should a European dimension be emphasized in MPA programs? Many reasons account for this. One is that with the speeding up of the process of European integration, the work of the civil servants in national administration is increasingly permeated by European business. This requires that civil servants become equipped with an understanding of the decision-making procedures and policies of the EU institutional systems as well as administrative cultures and practices in other EU member states. The gradual increase in administrative cross-border cooperation in Europe also requires the civil servants working at local, regional or central government level act internationally. This in turn, requires the Public Administration programs provide them with adequate knowledge and appropriate skills to work in the European arena. To this end, the Public Administration programs need to develop with strong European dimensions and international perspective (Verheijen and Connaughton, 2003).

Second, to develop the European Dimension in education at all levels is to strengthen the spirit of European citizenship, drawing on the cultural heritage of each member state so that the PA students have better knowledge, better understanding, and greater awareness of the education, administration, and culture diversity in Europe. This European dimension can also reveal a critical view of their own systems and situations through a transnational approach (Gordon, 2001).

What is the European dimension? The European dimension is not an abstract concept. It is found in practice and in context. It is defined by series of small steps taken within specific projects, such as inclusion and integration of a number of European and comparative courses in core curricula of academic Public Administration programs (Connaughton and Randma 2003, Verheijen and Connaughton 2003). The many European projects on PA education also contribute to the European dimension. Through these projects, European academics and administrations can establish networks to work together in exchange of expertise, good practices and methods by use of information and communication technologies. This will make them feel that they are part of a larger community of interests and ideas and will enhance their belongingness and sensitivities to European affairs (Gordon, 2001). To initiate these European projects, the EU, especially the European Commission has played an important role.

3.2 The role of EU in promoting the European dimension and internationalization of MPA education

In promoting the European dimension as well as the internationalization of MPA education in Europe, EU has played an important role in terms of making policies, initiating projects, and contributing financial support.

Because MPA education operates within the broader EU higher education framework, the EU higher education policies have influences on MPA education and its internationalization strategies. Therefore, in this section, we take a brief look at the EU higher education policies. Then we turn to present the EU projects that have facilitated the MPA education internationalization. The patterns of internationalization of MPA education will be addressed in two dimensions: the internationalization of MPA education within European context and the internationalization of MPA education beyond the border of Europe.

3.2.1 The EU policies facilitating internationalization of European higher education

The EU institutions, including the Council, have taken an interest in the European dimensions of education, hoping to make young people more conscious of European ideas and of being European (Beukel 2001: 131, cf Olsen 2001: 9). The most recent major policies in facilitating the European dimension and the internationalization of higher education are based on (1) Sorbonne Declaration, (2) Bologna Declaration, (3) Prague Communiqué, and (4) Lisbon Recognition Convention.

The Sorbonne Declaration aims at the harmonization of European higher education system and making European universities comparable in terms of excellence with universities all over the world, especially with the United States of America. The international recognition and attractive potential of European systems are directly related to their external and internal readability (Kahn, 2002). To this end, LMD (licence, master, and doctorate) framework is formulated, which corresponds to the standard structure throughout the world. The L refers to the BA (Bachelor of Arts); M refers to the MA (Master of Arts) and D refers to the Ph.D. (Doctor of Philosophy or doctorate).

The main objectives of the Bologna Declaration are to create a common European higher education area, that can:
promote European cooperation concerning the content of education, particularly with regard to curricula development, integrated programs of study, training and research, inter-institutional cooperation

- increase student and academic staff mobility
- develop a system of credits as an appropriate means of promoting student mobility

The Prague Communiqué targets at assessing the progress and setting priorities to meet the main goals of the Bologna Declaration. The Lisbon European Council Convention of 2000 aims at building knowledge infrastructure, enhancing innovation and economic reform and most importantly, modernizing education systems (Lisbon Council, 2000). Following the Lisbon Convention, the Barcelona 2002 European Council meeting set a goal for European universities becoming “world quality reference” by 2010. It is apparent that after all these policy formulation, the European Commission is clearly “enlarging its field of operation and policy implementation in education” (Van Der Wende 2003, Kwiek 2003).

3.2.2 The EU programs and projects in facilitating MPA internationalization

With regard to the internationalization of higher education and the MPA education, two EU programs are worth mentioning here. One is the SOCRATES-ERASMUS program; the other is the ERASMUS MUDUS program. The former supports European cooperation, and the latter extends the cooperation beyond Europe, i.e. with third countries (EC documents).

3.2.2.1 The SOCRATES-ERASMUS program-to promote internationalization within Europe

SOCRATES has acted as “a window of opportunity” for developing European activities in and with universities. As the sub-program of SOCRATES, ERASMUS is regarded as the “flagship of the EC educational program” (Wit and Verhoeven, document). ERASMUS was in fact, launched in 1987 as a program facilitating student exchange. The focus of the ERASMUS program is to promote the European dimension in universities by intensifying European cooperation and opening access to learning opportunities across the European Union. The main participating countries are within Europe, including the EU Member states, the EEA countries (Iceland, Liechtenstein and Norway) and some associated countries (EUROPA document). According to Wit and Verhoeven, the ERASMUS accounts for at least 55 percent of the overall budget of 920 million euros of the SOCRATES 1995-1999 program. Funded by SOCRATES, we mention here the Thematic Network in Public Administration. It is interesting to note that this network build upon the earlier network that organized Erasmus student exchange and transfer of credits.

The Thematic Network in Public Administration (TNPA)

SOCRATES is the sponsor for Thematic Network in Public Administration (TNPA). The TNPA is a vital so far in facilitating the European dimensions of the MPA education and its internationalization activities. Therefore, it deserves some elaboration. We present some key features of TNPA, which could be helpful in understanding the internationalization experiences of MPA education in Europe with regard to: (1) the concept (2) the aim and objectives, (3) the strategies and approaches (4) the main activities. The references in this section draw heavily from European Commission documents. Therefore, if no special indication, the references are from those documents.

(1) What is TNPA?

The Thematic Network in Public Administration (TNPA) represents a network of 122 Higher Education Institutions and Associations throughout Europe. It consists of higher education institutions with undergraduate and postgraduate programs in Public Administration and/or Public Management. The number of professional groups and associations is likely to further increase in the future as strengthening the attention to the profession is a key theme in the network’s strategy. The network includes the principal universities active in the PA discipline and is thus representative of the current developments in Public Administration. Its extension is an ongoing objective in order to attempt to involve the optimal number of institutions with academic programs in the subject area.

The TNPA operates as a platform to facilitate and generate discussion on how to develop a European dimension to PA programs and the development of the discipline; to finalize the implementation of the strategy to overcome shortcomings in strengthening the attention for the pan-European dimension in higher public administration studies.

(2) The aim and objectives of the TNPA

The main goal of the TNPA is the development of a greater European dimension in Public Administration and Public Management programs. The network provides a platform for the exchange of information concerning Europeanization and facilitates dialogue between Public Administration teaching institutions in Europe. The provision of such a network, which encompasses the principal institutions involved in Public Administration education in Europe, and the integrated activities of the Thematic Network aim to positively contribute to the challenges and transformations that national Public Administration systems are encountering as a result of the European Integration process. Simultaneously, the projected results of the TNPA may also be perceived as a positive input to the goal of meeting the demand of supplying policy relevant education and knowledge to practitioners working at the various levels of government.
The mission of the first TNPA project “Europeanization of Academic Programs in Public Administration 1997-2000” is to diagnose the state of the art regarding the study of the European dimension in Public Administration programs and related courses in Western Europe, and Central and Eastern Europe; and to design a strategy to overcome shortcomings in order to strengthen a pan-European dimension in higher PA education.

The aim and objectives of the second TNPA project “building the European Dimension of Academic Programs in Public Administration: creating networks for strategic action” are:

• to create and stimulate networks for the implementation of the strategy for the Europeanization of academic PA programs through piloting, establishing and sustaining activities in improving the availability of comparative PA data and programs, links with the profession, East-West relations and accreditation.
• to create a sense of urgency and opportunity among relevant stakeholders, particularly at directional and managerial levels within PA programs and related departments about the need to bring their programs and courses offered in line with the expectation of better European programs and to encourage greater participation and information exchange within the partnership in order to develop the European dimension of Public Administration education and other dimensions of the Socrates program.
• to strengthen links with other existing networks and associations in order to facilitate and sustain cooperation with groups such as NISPAcee (Network of Institutions and Schools of PA in Central and Eastern Europe), and the European Group of Public Administration (EGPA), and with various established research groups in comparative PA willing to translate their projects into innovating, ICT supported teaching and training modules.
• to support the EAPAA (European Association for PA Accreditation) in stimulating the debate on and dissemination of quality control, evaluation and accreditation, in developing quality standards and in preparing and organizing a series of pilot accreditation projects among outstanding programs in PA as a benchmarking, learning and standard setting experience.
• to promote links between universities and higher education institutions offering courses in Public Administration, training institutions providing in-service training and potential employers and professional organizations, both at the national and at the European level through the development of an international internship program and the development of transnational networks linking universities and public administrations.

• to explore opportunities for closer Trans-Atlantic cooperation, and to include the Euro-Mediterranean cooperation in TNPA activities to stimulate cooperation with the Mediterranean partners.
• to contribute to the development and consolidation of EPAN (European Public Administration Network), which strives to build a sustainable basis for the activities of the Thematic Network and the promotion of the European dimension in PA teaching (note 2).

(3) The strategies and approaches
The major implementation strategy to turn the proposed network strategy of the first TN project into effective reality is to create a series of interconnected and operational strategic initiatives, preferably by key figures in the field. The core areas of institutional development of a network are to promote and stimulate the attention for quality in academic PA teaching by:

• engaging in the debate on core curriculum development in PA and spearheading and carrying out European accreditation activities in PA
• joint production of European PA education through joint teaching modules
• joint degree programs
• joint training of young professionals in doctoral networks and summer schools, creating platforms where practitioners and academics meet through thematic workshops, internships, and career guidance systems.

The TNPA project 2001-2004 is centered on the idea of stimulating innovative reform at the operational level in which Public Administration education is delivered by creating networks of strategic action. This strategy outlines different fields of action. For each element of the strategy, a working group has been established:

• Better European programs
• Joint curriculum development
• Summer schools, accreditation
• Doctoral network
• Links with the profession
• Institutional development (East-West relations, Euro-Mediterranean partnership).

(4) The main activities of the TNPA
The above six main modules account for the major activities by the TNPA in facilitating the international cooperation of the MPA program. Limited by page, we illustrate with only two examples in this section.

► Joint Curriculum development
The TNPA supports the development and sustainability of the existing joint curriculum programs like the European Masters of Public Administration (EMPA) program. Participating universities are Leiden,
Yan and Brans / European Approaches to MPA Education: Convergence and Divergence

Rotterdam, Budapest, Speyer, Liverpool, Vaasa, Tartu and IEP Paris. This exchange-based degree program aims to provide students with a comparative understanding of public sector structures, policies, and processes in Europe as well as with a good methodological approach for analyzing the differential structures and processes of public sector management, guidance and control.

The working group concentrates on the Quantitative Analysis of European PA university programs – Phase II project, to be finalized in 2004/2005. The Phase I project has resulted in a number of important insights into the field of emerging European Public Administration education as well as in the creation of a workable method of compiling and analyzing program information. The Phase II project, “European PA education in a comparative view” seeks to extend these results and to make them more sustainable. In addition, the working group undertakes the establishment of the courses syllabus catalogue, to be put on the EPAN website. The purpose of the project is to construct a database of courses syllabus in the Public Administration field.

Summer Schools

The annual Summer School is organized by EPAN (The European Public Administration Network, a network devoted to advance the study and teaching about Public Administration in Europe) with the help of ERASMUS funding. This school relates to various other schooling initiatives already undertaken by the membership of the Network. By establishing and continuing the organization of Summer Schools, the Network aims to motivate young teachers to Europeanize their courses by introducing topics related to European institutions and their impact on national administrations and policy processes on the one hand, and to institutions and policies of other European nations and sub-national governments in a comparative perspective on the other. Another objective of the Summer Schools is to supply young lecturers with the methodologies required to make teaching and learning processes more effective and attractive. Such methodologies include approaches founded on problem based learning, use of comparative case studies, ICT and others.

The first EPAN 2002 Summer School was held at Leiden University (The Netherlands) under the title: “Europeanization, Institutional Analysis and Public Administration.” The second Summer School continued focusing on the double goals of strengthening the research competences in comparative public administration in a European context, and developing the pedagogical competences of the participants. Basically, the 2003 Summer School in Bratislava was to imbue the students with a solid understanding of the dynamics, processes and principles guiding public policy management from a truly comparative perspective in a European context. The teachers of the Summer School are acclaimed scholars in their respective fields, with extensive research and teaching experience in Public Administration. The selected topics include: “European Policy Management from a Comparative Perspective”, “Political-Administrative Relations in the Policy Process”, “Multi-level Governance in the European Context” or “Implementation in a Comparative Perspective.”

The 2003 Summer School was a cooperative effort between EPAN and NISPAcee, joining their respective Western and Eastern European traditions and resources in Public Administration practice and teaching (EPAN application 2004). The second objective of the 2003 Summer School was the improvement of pedagogical skills for the participants, particularly learning how to use case studies in teaching and the betterment of lecturing techniques. The third Summer School took place at the Catholic University of Leuven in 2004.

After each Summer School, a certificate is issued by EPAN and the cooperative university for example, the NISPAcee (The Network of Institutes and Schools of Public Administration in Central and Eastern Europe).

3.2.2.2 The ERASMUS MUNDUS program-to promote internationalization within and beyond the border of Europe

The ERASMUS MUNDUS program is a cooperation and mobility program in the field of higher education with the overall aim to enhance the quality of European higher education and to make EU as a center of excellence in the world. The program fosters cooperation with third countries and endows EU-funded scholarships for third-country students and scholars participating in the program’s master’s courses, and for EU-nationals studying in the third-countries. It aims at improving the development of human resources and promoting dialogue and understanding between peoples and cultures. The Commission supports European cooperation projects that highlights improving the brand image, visibility and accessibility of European higher education or which deal with the international dimension of quality assurance, of credit recognition, of mutual recognition of qualifications with third countries, of curriculum development or of mobility.

According to Martinez (2003), the Commission Parliament and Council has adopted the proposal for Erasmus World in 2002, with a planned budget for 2004-2008 200 million euro, is under consideration by the Council and the Parliament, which has called for the budget to be increased to 300 million euro. The main instruments for internationalization include:

- Agreements with the USA and Canada, which were renewed at the start of 2001 for five years
- The Tempus program, which covers the countries of the Former Soviet Union, the western Balkans and Mongolia, and which was extended in June 2002 to the EU’s Mediterranean partners
• The Alfa and Alban programs for Latin America
• Asialink, which involves many countries in Asia
• Pilot projects with Australia and Japan

Compared with the SOCRATES-ERASMUS program, the participants of the ERASMUS MUNDUS program have extended to the institutions from all countries of the world, which means that the cooperation is not only among institutions within Europe, but also with the institutions beyond the border of Europe. Because this program is relatively new EC initiative, it is not feasible to illustrate its activities in detail and assess its effectiveness. The information here is based on the draft proposal of European Commission and the Internet (Web).

4. The Belgian MPA Experiences

4.1 The PA education in general
According to Beyers and Plees (1999), Connaughton and Randma (2003), and some internal documents, we present first some disciplinary characteristics of the PA education in general; then we give an example of the EMPA program of the KU Leuven.

• In general, PA in Belgium is a relatively young field of study, rooted in Law, but with a new generation in political science and sociology.
• Teaching of PA is located within political science departments.
• PA curricula has considerably developed since its original administrative law focus and has gradually come to include core courses on management and public policy.
• Rational choice perspective is rather limited in Flemish PA teaching. Explanatory frameworks more generally rely on organization theory and on historical institutionalism.
• Theoretical and methodological issues are emphasized (with the increasing attention on research methodology).
• The principles taught in PA courses include values that are located at both sides of the dichotomy--politics and administration, although some management masters may emphasize the three E’s (efficiency, economy, and effectiveness) more than the three P’s (Politics, power, and participation).
• In recent years, a lot of attention is devoted to the European dimensions of PA. The European integration is relatively well-covered in the EMPA program, to a lesser degree, is local governments.

4.2 The EMPA program—European Masters of Public Administration

4.2.1 The aim of EMPA
The goal of the EMPA program, taught at the Catholic University of Leuven, is to equip students with advanced academic training to gain a comparative understanding of public sector structures, policies and processes and to master the methods for analysis of public administration, public policy, and public management. It has an explicit European orientation, which includes the study of institutions and policies of the European Union. Two basic topics are emphasized. One, is the issue of convergence and divergence of public administration, policies, and management in European countries. Another, is the question of how the characteristics of the different systems of public administration within Europe, relate to national and sub-national perspectives on the issue, processes and institution of European integration, both within and across the borders of the European Union (Brans and Pelgrims, 2002).

4.2.2 The courses (core and elective courses)
Verheijen and Connaughton (2003) contend that the number of courses offered on European integration and comparative Public Administration is one indicator of Europeanization; another more important indicator of the degree of Europeanization is whether these courses are part of the core program. Looking at the core courses and some elective courses offered by EMPA program, we note that the core courses of the EMPA program underscore the importance of Public Administration from a comparative perspective, and with strong European dimensions. Some elective courses examine as well the local and regional aspects of Public Administration. We present some recent years’ core courses and some elective courses (that slightly change in different academic years) in the table below:

<table>
<thead>
<tr>
<th>Core courses</th>
<th>Perspectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Comparative Public Administration in Europe</td>
<td>Comparative, European dimensions</td>
</tr>
<tr>
<td>Seminar Comparative Administration</td>
<td>Critical thinking with research design and methodology</td>
</tr>
<tr>
<td>The Economics/Political aspects of European</td>
<td>Economic, Political, European dimensions</td>
</tr>
<tr>
<td>Integration</td>
<td></td>
</tr>
<tr>
<td>Comparative Public Management (in Europe)</td>
<td>Comparative, OECD, European dimensions</td>
</tr>
<tr>
<td>European Policy-Decision Making: advanced course</td>
<td>Political European dimensions</td>
</tr>
<tr>
<td>Comparative Public Policy in Europe</td>
<td>Comparative, European dimensions</td>
</tr>
</tbody>
</table>

Table 2
Elective Courses

Regional Institutions, Politics and Policies
Constitutional Law of the European Union
European Social Security Law
History of European Integration
Managerial Aspects of European Integration
Political Aspects of European Integration
Comparative Federalism
European Security and Conflict Management
Political Problem Solving in Culturally Divided Societies
Judicial Protection in the European Union
Selected Problems of International Law and the Law of International Organizations
Current Developments in European Integration
Political and Legal Changes in Central and Eastern Europe
Pressure Groups in the European Union
Social and Political Philosophy
Evaluation research
Anthropology of children and youth
Philosophy of Law
International Environmental Politics and Sustainable development

Perspectives

Political, regional
Law, European dimensions
Social
Historical, European dimensions
Economic, European dimensions
Political, European dimensions
Comparative, Political, Economic
Social, European dimensions
Political, cultural
Legalistic, European dimensions
Legalistic
European dimensions
Political, European dimensions
Social, Cultural
Social, Political, Philosophical
Critical thinking, methodological
Social, historical
Legalistic, Philosophical
Social, Political, environmental

4.2.3 The internationalization experiences of EMPA program

4.2.3.1 The internationalization of higher education in Belgium

In recent years, the KULeuven has taken several steps to position itself internationally. The main elements of its internationalization practices are the cooperation with foreign universities on a bilateral and multilateral basis, developing European programs (e.g. SOCRATES, ERASMUS), and promulgating international course programs (EMPA, Master of Arts in European Studies, International Study Program on Statistics) (Hef fen, Verhoeven, and Wit, document). In the following section, we focus on the EMPA education internationalization experiences.

4.2.3.2 The network for internationalization of EMPA

The EMPA program has developed from a network, supported by the European Commission’s Erasmus bureau, of different universities, which all participate in the student exchange program. The network attempts to balance the relations between East-West, North-South. After several years’ development and expansion, the current EMPA consortium consists of the following universities:

• Erasmus Universiteit Rotterdam-Department of Public Administration (Netherlands)
• Rijksuniversiteit Leiden Department of Public Administration (Netherlands)
• Hochschule Fur Verwaltungswissenschaften in Speyer (Germany)
• Katholieke Universiteit Leuven, Department of Political Sciences
• University of Liverpool, Institute of Public Administration and Management
• University of Vaasa, Department of Public Management (Finland)
• Budapest University of Economic Sciences, Center for Public Affairs Studies and the International Studies Center (Hungary)
• University of Tartu, Department of Public Administration and Social Policy (Estonia)
• Institut d’Etudes Politiques de Paris (France)

4.2.3.3 The patterns of internationalization of EMPA

► Student exchange program

The EMPA program started in 1990 as an exchange program for master’s students in Public Administration. Students enrolled in the program of their home institutions, took one semester abroad at a network institution. Students who successfully completed course work and exams at home and partner institutions, as well as the dissertation, received an EMPA certificate, signed by the participating institutions.

To facilitate the network program and exchange, the partner institutions agreed on:

• standards for student entry
• core course curricula
• transferable credits
• minimum course work requirements per institution
• an annual student exchange matrix
Some considerations of a joint degree program 1994-1995

In the mid-1990s, it was considered to use the exchange program and the joint certification as a step towards further consolidation. The network entertained the idea of establishing a joint degree program – Joint Master’s in Public Administration.

The development of a joint degree program demands a certain standardization of the basic units of education, such as credits, number of courses and lectures, workload, and the identification of necessary hours and or credits. More important, however, is the establishment, in mutual consensus, of the necessary mastery of knowledge of Public Administration, which is required at the successive stages of the joint program.

In preparation of the joint degree program, the EMPA network prepared joint standards on:

- entry and recruitment
- implementation of student exchange
- content of the program
- periods of attendance
- course work requirements
- student supervision
- examination
- evaluation of dissertation
- granting of degrees

It further has to agree on issues of finances and fees, exchange of personnel, promotion and publicity, and the inter-institutional bodies of the program.

The procedural and institutional translation of agreed standards into a joint degree program, however, proved impossible for several reasons. Problems were engendered by the unequal spread of benefits and costs over the partner institutions. Different student financing and fees traditions within the network prevented originating sufficient funds to run the program and to equally spread costs and benefits. Therefore, it was decided by the partners to proceed with the EMPA program with joint certification. Many of the principles laid down in the draft joint degree proposal, however, are still valid under the certified program.

Joint certification and deepening the program

Although the idea of joint degrees was abandoned in the mid-1990s, the EMPA partners proceeded to work on the basis of agreed standards without formalizing these in a joint degree program. The Bachelor-Master reforms in all European countries, however, initiated the program in which students now enroll at the home universities, institutionally more similar. Student funding and fee traditions, nevertheless, remain diverse and make a return to joint degrees not favorable. Moreover, partners believe it is no longer necessary to establish a joint degree. They consider joint certification on the basis of joint standards and trust sufficient and wish to deepen the network activities in practice through less formalized but not less effective means. It is interesting to note though, that the new Erasmus Mundus program is exactly looking for the kind of joint degree that was designed in the mid-nineties by the EMPA program.

Now the format of student exchange is this: students who enroll at their home universities can take one semester abroad at one of the partner institutions and whose dissertations are jointly evaluated are eligible for an EMPA-certificate, on condition they successfully complete coursework, examination, and dissertation requirements. This certificate supplements the degree awarded by the home institutions. For example, a student enrolled in the EMPA program at the University of Liverpool becomes a master in Public Administration, and earns an EMPA certificate.

4.2.3.4 The institutions of the EMPA program

The EMPA program is managed by the EMPA Consortium, consisting of representatives of the partner institutions. The Chair is rotated every year. Since 2000, before transferring the chair, at the annual EMPA Consortium meeting, the incumbent chair delivers an EMPA lecture. The partner institutions assign faculty members for representation at the Consortium, who are responsible for student exchanges within the network, and for furthering the EMPA agenda.

5. Benefits, problems and challenges to internationalization of (E)MPA education in Europe

5.1 Benefits

Gordon (2001) investigates the impact of the internationalization of the PA program on individuals and their organizations and finds some major benefits of internationalization activities by using questionnaires and interviews. Three of them are worth mentioning. In addition to the benefits to students, which apparently correspond to the aims of the internationalization program, there are also benefits for institutions, and for academic staff. We present here the latter two benefits.

Benefits for Institutions.

Through participating in or managing international projects such as SOCRATES, institutions can have outside funding, which give access to activities and products that would otherwise have not been possible. In that sense, the international programs like SOCRATES sponsor a funding structure that creates a “window of opportunity,” and a channel for profiling and imaging. The project approach also contributes to the quality of the institutions’ working methods and the types of materials used. It fosters project management skills, gives the participants the experience of organizing international meetings, improve their team working skills and enhances interactions within the staff, and between staff and students). All in all, the experience opened up the institution to the outside, to Europe and even to the rest of the world. Participating in a SOCRATES project is felt to have significant
repercussions, particularly on small organizations, encouraging them to think “European” (Gordon, 2001).

Benefits for the academic staff.
Through the internationalization activities, staff members can develop new skills such as in languages, project management, information and communication technologies and managing budgets, and improve areas of professional competency and better team working, as well as better knowledge of an area of work through project activity and transnational cooperation.

The benefits of internationalization are one side of the coin. We should not neglect the other side of the coin. The internationalization of the program does present some problems and challenges. We turn to this point in the following section.

5.2 Problems and challenges
Some problems and challenges encountered in the internationalization process are listed as below (Gordon 2001, some internal reports from Wit and Verhoeven, TNPA project, Brans and Pelgrims 2002).

With regard to the mobility of the students, they may be reluctant to go abroad due to:

- lack of financial support
- lack of affordable or suitable accommodation
- inadequate knowledge of a foreign language and of certain cultural aspects,
- Visa problems due to strict bureaucratic regulations in awarding visas
- Short stay of the students raises the question whether they can really learn anything of the other culture.

The problems and challenges at the institutional level and European level are also apparent, which can hinder systematic and systemic approaches to internationalization. For example,

- the credits awarded at different universities are not always considered to be compatible.
- inadequate funding or lack of continuity in funding
- lack of suitable staff
- difficulties in cooperating with partners in other European countries
- the overall administrative overload
- the plethora of detailed rules and regulations that ERASMUS entailed
- difficulty in incorporating all the internationalization activities into the day to day work or into existing curricula.
- systemic approaches are in great need, which should be based on a policy direction with clear objectives and a well-developed strategy to achieve them at national as well as institutional levels
- The SOCRATES grants fund very small numbers of teachers in comparison with the total eligible population. The numbers are unlikely to increase substantially in the short term due to the fund constraints.
- The challenge is that the teachers who learned and benefited from the fund can disseminate information about the course and what they have learned in a broad range of accessible ways so that more benefits could be drawn from the experiences of the beneficiaries.
- Whether SOCRATES can contribute to fundamental change in the education systems requires greater political will, a more organized strategy and a high level of coordination and cooperation among actors at the different levels. It also necessitates the political will of the member states and the means to go with it.
- Problems of sustainability of the efforts of a European project if lack of support
- Given the larger picture, most projects, whether implemented within the SOCRATES context or others, had difficulty in sustaining the hoped for outcomes, whether because of shortages in time and resources, or lack of commitment from individual academics or a shortfall in political will.
- The challenge is the empirical tests about the assumptions and models concerning the dynamics of changes of the internationalization programs
- The benefits from SOCRATES depend on the implementation of a strategy adopted locally and nationally, which needs to be consistent and long term. Formulating such strategy will need to include a reflection on the types of obstacles to be overcome, general financial issues, the need for some forms of recognition or acknowledgment in reward or qualification terms, the need for recognition of work through financial reward or time allowance, etc.

Though there are many problems and challenges, the internationalization process is progressing. In the next section, we look at some future steps in overcoming the problems and meeting the challenges in order to improve MPA education and its internationalization strategies and practices.

6. A future prospect
First, with regard to future deepening the EMPA program, Brans and Pelgrims (2002) write, the EMPA partners are committed to deepen the EMPA program through:

- An extension of student exchanges. On this issue some EMPA partners are faced with solving the following problems:
- European funding for student exchange has become scarce in recent years, and students’ willingness to participate in exchanges is hampered by financial considerations.
• Master’s programs in Public Administration increasingly attract international students beyond European borders. Students from other continents are less willing to take a second semester abroad, after having familiarized themselves with the institutions and countries of the home institutions.
• Semester exchange may have to be replaced by other more flexible tools of exchange – pooling of international students for short modules, summer schools.

► An extension of faculty exchange
• When students cannot attend another institution, other institutions can reach them. In recent years, there has been an increase of faculty exchange, either in short-term format, or in a longer-term format.
• Faculty of Leiden and Budapest have taught at the University of Leuven, and faculty of Leuven at the University of Tartu and the University of Budapest, either through the provision of a taught course, or the delivery of guest lectures.

► An extension of joint teaching material: physical exchange of students and staff can be complemented by the development of joint course material.
• The development of joint modules within the EPAN network is particularly interesting in this respect.
• Other activities to be developed in the future are case material. Some institutions consider building a PA case catalogue, which could be extremely useful for comparative EMPA courses.
• It is considered by the EMPA consortium to inaugurate an annual series of papers by faculty members of the partner institutions.
• The network is interested in the experience of other institutions with the drafting and exchange of case material for teaching.

► Joint evaluation standards:
• The EMPA program has developed dissertation guidelines that will be used by students and faculty, for the redaction of dissertations and their evaluation, the latter of which is a joint enterprise. These guidelines specify quality standards on the content and analytical maturity of EMPA dissertations. They were drafted along the model used at the Department of Government, London School of Economics.
• The EMPA Consortium plans to update the EMPA Handbook, which contains all information of the program at the partner institutions, relevant for both students and faculty.
• The EMPA consortium plans to collect other evaluation standards at different partner institutions, and at other institution, to further joint evaluation practices. It is particularly interested in comparing its dissertation guidelines with those used at other European Universities involved in PA teaching.

In sum, the European integration has impacted upon the Public Administration program throughout Europe. The further the European integration, the more important it becomes to generate a meaningful comparative understanding on varieties of the Public Administration and the PA education. Public Administration programs need to respond to the proliferation of European integration and to the forging of closer relations with the network of European administrations and PA institutions. There is no consensus in the literature on the extent of convergence on a common European model on teaching Public Administration (Olsen, 2002). Divergence of MPA education is likely to continue for quite some time with a variety of administrative models, but a gradual convergence of MPA internationalization process is under way. What is of utmost importance is not to assess the extent of the convergence or divergence, but to coordinate all possibilities nationally and on a European scale and make the most effective use of them to benefit the Public Administration and Public Administration education in Europe.

Notes
1. In 2003, the program’s name changed from EMPA to MEPP (Master in European Politics and Policies); the content, however, has only changed marginally.
2. In fact, in recent years, the TNPA network meets under the name of EPAN.
3. Most of this section refers to the article written by Brans and Pelgrims (2002) although without special indication of the references.

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