

A Research of Methodology and Its Application on the Performance Assessments of the Local Governments in China

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Part One. Exordium (Introduction)

(1) Background and Significance of the Research

Ever since the initiation of economic reform and opening-up, and along with China's national economic system undergoing a transition from the planned economy to market economy, the "omnipotence-type" government with the traditional model has becoming more and more incompatible with the needs of the development of the principal part of the market in its ever-changing situations, thereupon, problems such as lack of functionality, displacements, and offside frequently bubble up in government performances. Besides, flaws due to the guiding line of "sole economic development-centered principle" can also be found in the old, outmoded government system of performance assessments, which has seriously affected and restricted the nation's social harmony and sustainable economic development. Along with the emergence of scientific and correct views on economic development and government performances, the establishment of a highly-efficient, uncorrupted and clean, just and fair, transparent government with a strong sense of responsibility and responsiveness has become the much pursued orientation for reform and development in our national administration system. Under such a grand backdrop of administrative management, the reestablishment of the correct concept of government performance assessments and building up a scientific assessment system for government performances has

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become an important means of transforming the local governments' administrative patterns, and of enhancing their administrative management skills, as well as the scientificity of government performance assessments.

The so-named "performance assessments" can be interpreted as a process of periodic defining, monitoring, and utilizing objective indicators relating to organizations and work projects. The performance assessments can be subdivided into individual performance assessment, departmental assessment and organizational assessment. At present, there are numerous treatises on individual performance assessments at both home and abroad, whereas very few monographs tailored towards departmental or organizational assessments are readily available. Still more scarcely found are works meant for governmental and public organizational performance assessments on macrocosmic levels. Theoretical researches and assessment practices made by actual branches, departments, sectors and regions in both China and other countries have testified to the fact that how to carry out effective assessments on government performances and scientifically design assessment system indicators, as well as establishing assessment methods and making use of the thus acquired performance indicators to conduct analytic appraisals and assessments is a major and massive subject in the domain of public management.

(2) Consideration and Innovation of the Research

In the early period of the New Public Administration Campaign that emerged in some advanced countries in Europe and the United States in the 1970s, the concept and methodology of corporate (enterprise) performance management were first introduced into the government public management aspect, and performance assessments aimed at the government and public work sectors were carried out. After 30 odd years of practices and development, those Western countries have accumulated tremendous experiences and a great wealth of fruitful results from theoretical research of the assessments of the public branches' performances, which, amongst other valuable elements, included "4Es"(namely, "economy, efficiency, profitability, and equality"), forming up a system of quality standards set for "client satisfaction degrees". Also accomplished by those research efforts are a logical mode for regular projects and a set of key indicators for critical performance, etc-all of the above

progresses have contributed to the accumulation of positive guidance and references for building up a local government performance assessment system in China.

In 2003, initial practices of local government performance assessment work began on district and county levels in Beijing area. During this process, the issues concerning how to design, select, evaluate and utilize the performance indicators in a scientific manner, and how to wisely avoid contradictions and conflicts between the complexity of government behaviors with multi-dimensional demands in meeting the expected goals and the much desired simplicity and effectiveness of the assessment system, and how to deal with the relationship between the indicators that reflect the governmental administration performances on a macrocosmic level and the indicators of certain individual's needs or results on a microcosmic level are the most prominent bottlenecks confronting the local governments in their performance assessment work.

This research, giving specific considerations to the multiple functionality of the government featured with "economic adjustment, market oversight, social administration and public services", has initially put forward a government performance assessment system framework, where scientific development is regarded as its benchmark and the transformation of government functionality as its goal. This performance assessment system framework is characterized by a 3-layer model structure, namely, "dimensions-basic indicators-indicator factors". In addition, items of investigation concerning satisfaction degrees felt by the general public, marked with the "people-oriented" principle, have been added to the performance assessment system, thus further expanding the government's thinking and field of vision and resulting in a greater positive impact on the whole society and hence drawing greater attention from among the general public. Even more significantly, a theoretical study has been conducted upon the basis of practices under this research subject, which, in turn, facilitates the application of the fruitful results as guidance in practical work. Such a research methodology has created a valuable path of "from practice to theory, and from theory back to more fruitful practices"(practice-theory-practice). Through six years' unceasing explorations and exploitations, the performance assessment system has been keeping on gradual perfection with a much mature and relatively well-established methodology with constantly deepened theoretical studies. As a

result, a long-term mechanism of government performance assessment system has been established.

Part Two. Construction of Performance Assessment System for the Local Governments in China.

(1) Theoretical Research and References & Utilizations of Government Performance Assessments at Home and Abroad

The earliest research on government performance assessment conducted by the international academic community was first started during the Second World War. The earliest practices of government performance assessment, known as “New Campaign of Public Administration”, which employed performance assessment as its principal means, were initiated by some advanced Western countries such as U.K. and the United States.

Along with the economic globalization trend, informatization, and the development of government reforms, the current government performance assessment system in the Western countries, which is based upon the theory of “New Campaign of Public Administration”, the ideology of sustainable social and economic developments, and the system theory; etc, has become all the more matured. The system has been formed into the following several common and regular patterns: namely, item one, a logic mode for general work projects, which is aimed at carrying out designs and analyses of the specific programs or projects implemented by the public and non-profit organizations and keeping follow-up tracks of the performances of some specific action plans, as well as tracing the output and results most closely related to performance goals; item two, a bunch of critical performance assessment indicators, which is a systematic performance assessment system tailored at the work output results for increment effect in the strategic goals of the organizations. This system has borrowed and utilized the mechanism originally employed in corporate management performances, and it can be quantified or “behaviorized”; Item three, a balance scorecard tool initially designed for company management, which covers four dimensions such as client considerations, internal administration of the enterprise,

matters relating to learning and development, and financial affairs, is an effective framework with its emphasis laid upon the links or relationships between strategic goals and performance assessments.

In China, the government and academic community have now taken correct views on scientific development and performances as the foundation in their explorative methods and skills of designing assessment system to evaluate the local governments' performances. Their thinking and concepts about performance assessment work have undergone a tremendous transformation with more scientific methods and practical and feasible means. In fact, a great variety of government performance assessments have been conducted in some provinces and cities, such as synthetic and ad hoc performance assessments, or assessments through public opinion polls and assessments by borrowing or utilizing management methods originally adopted by enterprises.

Through its 30 odd years of development, the government or its public branches in China have formed up a complete theoretical system for performance assessment, which is an integrated system that encompasses different stages such as design, collection, analyses, assessment and practical utilization of the fruitful results. This theoretical system is an effective means for the improvement of administration mode of the government branches, and for upgrading scientificity and effectiveness in decision making and consultancies, and for the enhancement of work performance and sense of responsibility, and it is also conducive to the establishment of a government with high responsibility and responsiveness.

In order to build up a framework for the indicator system of performance assessment for the local governments in China, not only must we do a good job in learning how to use the above-listed theoretical tools and fruitful research results, but also we should use them in combination with practical experiences gained and gathered from both home and abroad. If we are able to frame out a trinity mode for government performance assessment which integrates management conditions, comments and opinions gathered from relevant stakeholders or interested parties, and which can provide real resolutions towards critical issues and problems, we will not only better facilitate the realization of our multiple goals, but also promote the

consistency of local government performance assessment work and the management of their strategic goals.

(2) Reforms and Performance Assessments of the Government Management System in China

From 1980s onwards, the Chinese government has made gradual adjustments in its governmental organs and structures and transformed the government's functionality with improved administration and services through reforms of its management system. It is believed that, in implementing performance assessments on the local governments, requirements for the transformation of governmental functionality must be represented; and scientific and effective inspections on fulfilling the duties and responsibilities by the local governments must be carried out on the basis of functionality-positioning, and objective and synthetic analyses must be made so as to provide proposals or solutions to the existing problems in administrative management of the government, and ultimately so as to push forward reforms in administrative management patterns of the government. Therefore, when faced with multiple appeals and demands in the transformation of government functions in the process of reform of government management system, we must build up a performance assessment system particularly suitable to the specific national condition of China, and we should also carry out active explorations and practices, for, doing so is not only for the present requirements craved by the current reforms of our economic society, but also for the objective needs to be met on our way towards constructing a service-oriented government with a strong sense of responsibility and reliability.

In order to meet the requirements laid out in the government management system reforms, during the transitional period of government administrations on district and county levels in 2003, the Beijing Municipality government conducted performance assessments on the local governments' work performances with a brand new perspective, and the real assessment results were used as important references to evaluate the performances of local governments (and/or the Party committees).

(3) Framework and Methodology of Designing the Performance Assessment System for the Local Governments in China

Establishing a complete set of systematic, scientific, and objective performance

assessment system is the ultimate foundation of a comprehensive embodiment of theoretical research and evaluation of our thinking on the performance assessment work. This research, acting on the mode and framework of “dimension-basic indicator-indicator factors”, has put forward the “framework of performance assessment for the local governments in China”, and with four aspects (namely, economic development, social development, resource and environmental concerns, administration and its effects) as its supporting points and with four dimensions fabricated within the framework of the government performance assessment system.

It is found in our research that there is a prominent cause-effect route in the efforts made by the government organizations in the whole process of acquiring resources and providing the outputs, with each of the key node corresponding to some multiple relevant dimensions such as economic development, social development, resources and environmental concerns, administrative effects and performances, and involving also various aspects such as economicality, efficiency and profitability, fairness, etc-all these elements can possibly turn into indicators in the assessment work. This research, conducted through a demonstration and real effect-based perspective with local governments within the 18 districts and counties of the Beijing Municipality being involved and regarded as the representation for the whole body of local governments in China, and on a “dimension-basic indicators” layer characterized with some common features, has made some further selections of “indicator factors” and has carried out some actual assessment practices (for detailed information, please refer yourself to Table 1 attached to the article).

The surveys on the social condition and public opinion polls in the assessment system serve as important means as well as an important foundation for the assessment work. Hence, this research has included investigation questionnaires, investigation methods and data evaluation methods as important items under the studied subject. Tailored at the local government’s functions and responsibilities, and the contents of the framework of the assessment system, and based upon deepened analyses of the current main social contradictions and major social problems facing enterprises and the general public, deepened discussions regarding the contents, methodology for laying out the questions for the questionnaires, information

gathering and assortment methods for the assessments, etc were carried out. A wide solicitation of opinions from relevant experts and professionals were also combined into this monumental research work. According to the concept for designing the dimensionality for performance assessment indicator system, we have selected and adopted a three-dimension pattern and a two-dimension pattern respectively in designing the investigation questionnaires, drawing upon satisfaction degree investigations from both enterprises and the general public respectively. The questionnaire regarding satisfaction degrees by the general public mainly reflects the three dimensions, namely, political cultivation, economic development and social management, among which questionnaires on satisfaction degrees gathered from the general public (urban residents) emphasizes on living environments, reemployment for the laid-off employees, education for the children, etc. As for questionnaire on satisfaction degrees collected from the general public (farmers), it mainly reflects questions on publicizing village affairs, transition or reshuffle of village committees, matters concerning the lands of the farmers, etc. With regard to investigation on satisfaction degrees by the enterprises, the questionnaire basically relates to the other two dimensions which mainly reflect issues and problems concerning environments for enterprise development and governmental service quality, etc.

Part three: Application of the Performance Assessment System for the Local Governments in China

(1) Data Collection and Assessment Methodology

Amongst the 30 indicator factors, such factors as “ public safety felt by the broad masses”, “satisfaction degrees by the general public towards the local governments’ work, as well as satisfaction degrees by the enterprises toward the local governments’ work can be properly obtained through independent work conducted by social investigation organizations, and the remaining indicators can be acquired by making inquiries through statistical materials from government organs for data collection.

Regarding the assessment methodology, this research has adopted a

comprehensive indicator evaluation method which has integrated the data according to the goals and features of performance assessment system of the local governments in China, namely, through a standardization process which can transform the indicator values with the same dimensionality into addible and standardized values, and ascertain the weight coefficients on each different layer, upon which, total indicators can thus be obtained through a step-by-step weight coefficients addition.

The following formula shows the assessment mode:

$$y = \sum_{i=1}^n w_i \cdot x_i \quad i = 1, 2, \dots, n$$

Note that, amongst the factors in the formula, y is the comprehensive indicator, w_i is the weight coefficient, and x_i is the standardized value of the indicators.

In conducting the work on satisfaction degrees felt by the general publics and enterprises, we have taken notice of the fact that it is a process where assessment by nature is transformed to assessment by quantity, and hence, whether the surveyed and measured data and values are reliable and accurate with suitability for practical applications calls for verification on the reliability and validity of those assessment tables.

On top of the above considerations, it is worth-noting that results gained from performance assessments can vary according to different aims for assessment and different goals set for performances. Therefore, the differences in selecting and adopting assessment indicator systems and the choosing of different methods for assessments, as well as influences from external environment factors may lead to discrepancies and inconsistencies from the realities. For this reason, the important tache should well be a correct understanding of the assessment process, fair treatment and evaluation of the assessment results and accurate interpretation of the indicator data.

(2) Practical Applications of Performance Assessments of the Local Governments in China

The implementation of performance assessments on the local governments in

China came into existence under the grand backdrop of transformation of the government functions, the scientific view on developments, and correct view towards government performances. This assessment project has been constantly supplemented and perfected with fresh and new contents in compliance with the characteristics of the current stage of economic social development in China.

In 2003, the Beijing Municipal Government put forward the request that, according to requirements for reforms in personnel management system, featured by “scientific, democratic, and institutional” concept and approach, and based upon synthesis of the relevant data information, a comprehensive analysis was carried out on the actual situations of coordinated economic and social developments in various districts and counties. It is also requested that the assessment results be made use of as references and basis for the examination of government administrations on district and county levels. To this end, a special inspection group in charge of the assessment work on the local governments’ efforts in coordinated social and economic developments was set up, which marked the first-ever endeavor by the Chinese government in putting forward and applying the concept of “performance assessments” on a macrocosmic level aimed to scrutinize the local governments management of the cadres.

From 2003 up till 2008, under the direct leadership of the Beijing Municipal Government, the performance assessment work on district and county levels has been carried out for six consecutive years. Facts have proven that, the assessment work on the coordinated economic and social development conducted in districts and counties of Beijing has played a positive role in such aspects as: providing helpful guidance to the local governments in establishing scientific attitude towards developments and correct views on performance assessments, actually fulfilling their assigned duties and responsibilities, promoting the mode of leadership and the pattern of governance, enhancing capabilities in governance and leadership, pushing forward performance management to develop towards the direction of institutionalization, etc.

Part Four: Conclusion and Vista

The subject of this research has taken the “New Public Management Theory” and sustainable development theory as its foundation combined with the scientific and correct views towards developments and on government performances, organically incorporated with the well-established theories acquired from the Western countries. The main contents and assessment methods on local governments’ performances are clearly sorted out by each and every tache, while multiple performances goals are cleared up, and the framework that follows a “dimension-basic indicators-indicator factors” pattern as the structure and model for implementing performance assessments on the local governments in China is thus ascertained and established.

While conducting theoretical research, empirical studies on the local governments in Beijing have also been taken as subjected aspects for research in the expectation that the research outcomes can be reviewed and examined through practical performance assessment activities. The conclusion based upon the empirical research has testified to the fact that, the performance assessment system for the local Chinese governments, established according to multi-dimensional performance goals has achieved good effects in its practical applications, thus playing an important role in transforming the assessment results into practical administrative patterns and means and thus also greatly enhancing the performance management level.

Along with the ever-deepening theoretical researches on public administration and its relevant aspects, as well as the constantly changing external environments of the economy and society, people will have further understandings about performance assessments and come up with more scientific means and methods in this regard.

Therefore, in the final analysis, the performance assessment system for the local governments in China, on the whole, should be a very challenging realm, which is truly worth our explorations and exploitations. This research, however, has merely conducted some initial studies from the perspective of assessment methodology and its applications. Accordingly, it is our expectation that, in the future, work and researches from the perspectives of the principal body of the local governments; the differences of development levels in different regions; various feasibility studies; matters relating to institutionalization, and so forth can be conducted so that more deepened explorations and exploitations can be better accomplished.

Table 1: Performance Assessment Indicator System for the Local Governments in Beijing Municipality Area

Dimension	Basic indicators	Indicator factors
One: Economic developments	1 Scale. and pace of economic development	① Aggregated values of regional production
		② Increase rate of aggregated values of regional production
	2. Structure and quality of economic development	① Economic proportion in non-public sector
		② Proportion of social investment
		③ Proportion of added values in the second and tertiary industries
	3. Ultimate effects of economic development	① Per capita income and increase rate of the urban residents
② Per capita income and increase rate of the urban residents		
Two: Social developments	4. Social security	① Control rate of death toll per ten thousand people in productions facilitated with safety measures

Two: Social developments		② Incidence rate and clear-up rate of criminal cases per ten thousand people
		③ Sense of safety felt by the general public
	5.Social welfare	① Employment rate of registered urban laid-off people
		② Actual completion rate of social insurance funds
		③ Actual completion rate of beds provided in institutions for the aged people
	6. Basic education	① Proportion of educational expenditure in general fiscal budgetary expenditures
		② Drop-out and drainage(loss) rate of middle school pupils presently studying at schools
	7. Public health and medical care	① Proportion of expenditure on public health and medical care in general fiscal budget expenditures
		② Incidence rate of Type A and B communicable diseases

	8.Cultural entertainment & recreations	① Service expenditure proportion in cultural entertainment & recreations of urban residents ② Service expenditure proportion in cultural entertainments & recreations of rural residents
	9. Grouped masses making appeals	①Number of batches of grouped masses making appeals at or above city level per ten thousand people
Three: Resources and environmental concerns	10. Energy consumptions	①Water resource consumption for GDP per ten thousand yuan(10,000RMB) ② Energy consumption for industrial production value per then thousand yuan(10,000RMB)
	11.Living environments	①Average values of noise in regional environments
		②Proportion of the number of days with air quality at or above 2nd grade
		③Separate collection rate of wastes in the urban areas
	④Proportion of farming households with toilet drainer	
12. Eco-environmental	①Urban greenbelt coverage rate	

	conditions	②Forestation coverage rate
Four: Administration effects	13.Comments by the general public	①Satisfaction degrees felt by the general public towards the local government work
	14. Comments by the enterprises	① Satisfaction degrees felt by the enterprises towards the local government work

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