Editorial: Governance reforms to address environmental and urbanization issues in China

BINGQIN LI

I. INTRODUCTION

Environmental and urbanization issues pose serious challenges to the governing system of China. Causes of the social problems concerning environmental degradation and urbanization are closely related to the pro-growth economic strategy, which for many years aimed to achieve growth through an increase in inputs including materials, labour and land. The extensive growth model depleted large amounts of resources, led to high levels of pollution and emissions, and displaced many farmers from their land, resulting in significant migration.

As discussed by the Minister of Environmental Protection, Jining Chen:

“Today’s environmental problems in China can be summarized in three phrases: severe environmental pollution, high environmental risks, and massive ecological losses. Everyone is concerned about the high concentrations of small particle (PM2.5) air pollution. In 2015 265 out of 338 prefectures or larger cities could not meet the environmental standard. The average number of days below the standard exceeded 23.3%. The number of water bodies in Class V[3] is decreasing, but problems like cities’ black and odorous water and lake eutrophication are still serious.”[4]

A report by the Ministry of Land and Resources shows that more than 10 per cent of the cultivated land area suffers from heavy metal pollution, of which 30 million mu (4.94 million acres) of arable land have been contaminated by the mining industry, 75 million mu (12.35 million acres) affected by oil pollution, and 750 thousand mu (12.35 thousand acres) occupied by solid waste. Industrial waste has polluted nearly 150 million mu (24.71 million acres), and approximately 50 million mu (8.24 million acres) of arable land have been contaminated by sewage water, resulting in lowered soil productivity.[5] Land pollution directly affects farmers. Gong and Zhang estimated that by 2013, over 300 villages would be empty because villagers either suffered from cancer caused by poisonous land or water, or were wary of that possibility.[6]

Urbanization also resulted from China’s fast growth, which demands cheap labour supply[7] and later urban expansion.[8] In 1949, 10.6 per cent of the total population was urban. As the Chinese labour market became gradually liberalized, the population flowed from rural areas to urban areas on a large scale. The number of residents in the countryside has been continuously shrinking since 1996. In 2012, the non-agricultural population exceeded the rural population for the first time in China.[9] The urban proportion of China’s population grew from 17.9 per cent in 1978 to 56.10 per cent in 2015, an annual growth of 1.02 per cent. At the end of 2015, the number of long-term residents in cities reached 771.16 million, an increase of 22 million from the end of 2014. The 603.46 million rural long-term residents had decreased by 15.2 million. China has 653 cities, more than 140 of which have an urban population of more than 1 million. The Chinese government estimates that by 2020, 60 per cent of China’s population, or 870 million people, will be living permanently in cities and 580 million in rural areas.[10] Urbanization itself further impacts the environment,[11] such as by increasing energy consumption[12] and changing ecosystems.[13]

The problems associated with the environment and urbanization challenges the Communist Party of China (CCP) and the
government in multiple and related ways. Environmental constraints put a cap on the resources that the government can take advantage of to achieve economic growth, which has proved to be crucial for the legitimacy of the CCP.\textsuperscript{14} Urbanization, involving the massive relocation of the population to different places, causes structural shocks to the established practice of resource redistribution,\textsuperscript{15} service and infrastructure provision,\textsuperscript{16} and more fundamentally to the governing structure that assumes little labour mobility.\textsuperscript{17} Lin, de Meulder and Wang (2012) in this special issue produce an in-depth example of how urbanization has affected the agricultural activities in peri-urban areas, resulting in deteriorating water quality.

Social science research on China in the 1980s, 1990s and early 2000s had several lines:

1) Analyses of unsatisfied social needs, such as rural poverty, new poverty associated with the economic reform, multi-dimensional deprivation or inequality \textsuperscript{18}

2) Policy analyses that identify the weakness or loopholes in the policies that leave the problems unaddressed \textsuperscript{19}

3) Evaluation of policy outcomes and policy-led vulnerability and deprivation, such as the literature on social exclusion or wellbeing of vulnerable groups \textsuperscript{20} and the impact and efficiency of particular social policy interventions \textsuperscript{21}

Solinger (2006) in this special issue discusses the plight of laid-off workers, underpaid and underprivileged migrant labourers from the countryside, and others who have fallen into poverty as a result of the government’s “economic reforms”.

More recently, because the government has started to emphasize evidence-based policymaking, policy evaluation and impact assessment have become increasingly popular in policy research in China. Various indicators have been introduced in all policy fields to measure performance.\textsuperscript{22} These studies produce “evidence” for policymakers, which greatly enhances the power of the central government to monitor local performances. When policies are evaluated as unsatisfactory, they are withdrawn, and a new set of policies are introduced.

A direct response taken by policy evaluators to the challenges is to use the input approach, which incorporates analysis of resources, the local social context, and local human capital, such as government officials’ capacity and labour skills. In the Chinese context, it points to poverty and inequality between rich and poor provinces.\textsuperscript{23}

Solinger (2006) in this special issue also discusses the efforts made by the state to reduce the new forms of poverty. As a result, we can observe that policies are getting more refined at quite a fast pace. However, people cannot help asking why there seem to be more problems despite the endless reforms. Migration and environmental damage are attempts by people trapped in poverty to escape poverty and pursue a better life.\textsuperscript{24} The decision to redistribute more aggressively to develop the western regions and the central regions since the 2000s and the establishment of social protection system in urban and rural areas have been part of the effort to halt growing inequality and prevent people from being trapped in poverty.\textsuperscript{25} The impact is that poorer parts of the country, first the west and now the central provinces, are now growing even faster than the coastal areas.\textsuperscript{26}

However, people increasingly become aware that policies have become more refined on paper, but problems often remain. At the local level, there are growing complaints about frequent policy changes, which make it difficult for local authorities to cope;\textsuperscript{27} see Cabannes and Ming (2013) and Li, Huikuri, Zhang and Chen (2015) in this special issue. At the same time, social tensions are not subdued by policy improvements.\textsuperscript{28} This is a sign that policy revision and redistribution are not sufficient. Therefore, there should be more regard to the “input” perspective. Researchers have started to pay more attention to governance and institutional issues.
These questions call for more research to look at the governance of the policy system. This editorial focuses on the changing governance system in China concerning the policy areas of urbanization and environmental protection, drawing on several of the research papers in this special issue.

II. HOW HAS THE GOVERNING SYSTEM IN CHINA BEEN REFORMED?

The reform of the governing system has been multi-dimensional, involving a shift from a unitary system in which the Communist Party dominates decision making at all levels on all political and administrative issues, as well as on social and economic affairs, to a system in which multiple stakeholders jointly make decisions. The unitary system was used in the pre-reform period (1949–1978). The Party Committee was present at all levels of the government, except during the Cultural Revolution (1966–1976), in which this sole authority was named the Revolutionary Committee. At any given time, one may observe forward and backward movement of different parts of the system.

In this section, I focus on mapping out the overall possibilities and trend of changes. The paper will discuss the ideological debates and the practical constraints that have resulted in the variation of outcomes at given times, in different sectors or in different places.

a. Decentralization and dispersion of power

Reforms around the dispersion of power include three main separations (fenkai). They are:

1) Separation of “party politics” from the daily operation of the government (dangzheng fenkai), by which the Party stops intervening in the government’s day-to-day operation. The Party is mainly responsible for political leadership, and the government for administrative responsibilities.

2) Separation of both the Party and the government from directly managing enterprises (zhengqi fenkai). Except for some large-scale state enterprises, businesses are now privatized. Even the daily operation of the state enterprises became the responsibility of their CEOs.

3) Separation of the Party/governments and society (zhengshe fenkai). This has three elements.

a) In the 1980s, some villages started to experiment with local elections. By 1998, all villages in the country were part of the village governing system in which they elected a village committee to decide on local affairs.

b) In the 2010s, urban communities were encouraged to experiment with self-governance, with resident councils set up to take action on the issues of the communities. These experiments are still underway and not all urban communities have this system yet.

c) Cultivation of civil society. In the 1990s, non-governmental organizations (NGOs) emerged in China and were endorsed by the government. Even though advocacy groups and international NGOs are under tighter control these days, service NGOs and NGOs for community development have become more important at the grassroots level.

b. Growing importance of the rule of law

The rule of law was endorsed by the CCP and the government in 1978, in the 3rd Plenary Session of the 11th Central Committee. The idea is that the Communist Party should act within the framework of the law, and the Party and its leaders should not be privileged above ordinary people. In 1997, at the 15th CCP National Congress, the Party for the first time put forward the goal of “building a socialist country ruled by law”. This goal was later included in the Constitution and refined
further.\(^{30}\) The reform to strengthen the rule of law was championed by Xi Jinping as he entered office with a slogan of “law-based governance”.\(^{31}\) In theory, this policy is in line with the roadmap towards a governing system with increasingly decentralized and dispersed power. It is, however, increasingly viewed as a means to concentrate power in the CCP and the central government, as stressing the “rule of law” may help to break down the fortresses of local local protections through an anti-corruption campaign.\(^{32}\)

c. Government shifting from a social controller, to a service provider and facilitator

There were various social services during the central planning era as well. However, the provision of social services in those days was developed to facilitate labour control. After the reforms, increasingly, the service function of the government has become more important, and labour control is now much relaxed. In 1998, the State Council decided to list public services as an essential function of the government. In 2005, the government set the goal of becoming a “service state”.\(^{33}\) Further reforms were introduced after this to improve livelihoods and optimize resource allocation. Rural areas and less well-developed areas also received resources to enhance their service coverage. Since 2008, the reforms have focused on improving accountability, service quality, and equalization of essential services.\(^{34}\) After 2010, social service provision has increasingly been contracted out to social organizations and social enterprises. The government started to be less involved in the direct provision of services and has been playing a greater role as a fund holder, which contracts, regulates and facilitates social organizations and private enterprises to provide social services.

With these reforms, we should in principle see the Party, governments, enterprises and civil society all playing a part in a pluralistic decision-making structure. In practice, the Party organizations and government agencies are still the most important actors or play a dominant role in many circumstances.\(^{35}\) Since Xi came into power, separation of the state and society has been under dispute. The role of the Party has been strengthened. In a recent regulation, the Ministry of Civil Affairs demanded that NGOs to set up Party Organizations,\(^{36}\) showing the determination of the Party to strengthen its power over the entire governing system. At the same time, to resist the pressure imposed by the economic recession, the government has become more directly involved in activities to boost the economy. These include substantial investment in infrastructure domestically and internationally. As will be discussed in the next section, the environment and urbanization-related outcomes have benefitted from the investment.

III. ADAPTING THE GOVERNMENTAL SYSTEM TO GENERATE POLICY OUTCOMES

Many studies have tried to capture the nature of the Chinese governing system. The initial efforts produced the oversimplified concept of the “authoritarian regime”, which could be quickly held up to its counterpart of Western “democracy” to construct a binary variable that was used to explain almost any phenomenon that looked somewhat different from what was happening in the West. Given that China is an authoritarian regime with a unitary bureaucratic system and the local governments mimic the governing structure of the centre, if the local governments just obey the central commands, there should be similar development outcomes. However, this is clearly not the case. Therefore, it is important to look deeper into the issues inside the governing system.

a. Local discretion

Another theory that explains local variations argues that local governments exercise discretion to decide how selectively to implement a policy, or whether to implement it at all.\(^{37}\) This theory assumes the simplified authoritarian regime as a consistent governing approach throughout the country. The central government does not want to see variation in policy implementation, but local governments
make deliberate choices on this front. As explained by Ma:(38)

“Laws often embody noble intentions. On 1 January 2015, China’s new Environmental Protection Law came into force amid high expectations. From the text of the law, observers both within and outside China could clearly sense the urgency with which the country was taking environmental issues..... But like other measures in the new law that are meant to strengthen the teeth of local law enforcement, they are valuable when local authorities intend to use them.”

A further question is: Why do local governments not want to implement the policies? The principal–agent theory points to the difference between national priorities and local interests. The central government does not have the ability to monitor local governments’ behaviour, and local governments prioritize local interests.(39) The policy suggestions based on these studies would be to align central and local interests. There are three approaches.

**Targets and performance rewards**

Targets and incentives such as promotion and punishment have been one of the most basic tools to align central and local objectives. Targets have been actively used in delivering relatively simple tasks that can be more or less achieved by one government department, such as social security coverage, or opening up certain services such as schools to previously excluded populations. Despite the fact that local governments might not want to do this for migrant workers, if the higher authorities reward good performance with promotion opportunities, local government officials may have the incentives to comply.(40) Targets may also be used in more complicated policy areas. These targets may be criticized by academic researchers for being oversimplified or measuring the wrong indicators. However, from the perspective of managers in either the public or private sector, a target helps to establish incentives. In the Chinese government, the term *zhuashou* (grip) is frequently used to describe an obvious target or a subset of a bigger policy agenda (e.g. green energy as the *zhuashou* to achieve green revolution) being used by the government. The idea is that the *zhuashou* would be a good indicator of the total, which will give the managers the “grip” to move a whole project or agenda.(41)

**Competition and awards to shift priorities**

To a certain extent, competition is similar to targets in that targets are fixed benchmarks for people to compete against. The goal is to meet or beat the targets. Competition, however, means competing against competitors whose performance is not fixed. In this special issue, Zhang and Li’s (2011) article discusses how the central government in China tries to use competition and awards to motivate local governments to invest in public health and environmental services that they would otherwise not take up. The authors argue that by making local authorities compete against each other, and rewarding the winner with career promotion, funding or titles, the Chinese central government has been able to make local authorities more actively engaged with policies not so oriented towards growth.

**Central–local bargaining**

This practice is used widely in the field of environmental protection. The logic behind such practice is that when local governments are reluctant to commit to a course initiated by the central government, it is often the case that they are willing to deliver part of it. The central–local bargaining exercise is thus a way to encourage local government to come up with a commitment they are willing to make.(42) This practice allows local governments to take into account the local circumstances, and based on that, to be more engaged in delivering part of or even more than what the state has asked for.

**b. Fragmentation**
In many cases, however, it is hard to assume that local governments have deliberately decided not to implement the policies. The fragmented authoritarianism theory argues that local governments face different policy targets from various central government ministries or local government departments. China has multiple layered government systems, with four, sometimes five, layers of government. The relationship between the central and local governments thus becomes incredibly complicated. The system operates like a matrix system, which makes it very difficult for complex social projects to be delivered. Economic performance, including GDP growth, has been given the top priority at all levels, overruling other departmental priorities. In this context, the local government officials from one department, e.g. environmental protection or rural development, may not be able to secure the funding to implement a policy or prevent damage, because the competing priorities are not working in their favour.

The handling of the seemingly unstoppable smog in Beijing is such an issue. On the one hand, all polluting factories can be stopped, turning the sky clear and blue overnight when there are mega events such as the Olympic Games or Asia-Pacific Economic Cooperation (APEC) summits. On the other hand, closing down polluting factories straight away would create massive unemployment. In the case of mega events, national pride overrules the economic concerns. When national pride coincides with good air quality, it becomes a top priority during these mega events. But on a daily basis, economic growth and social stability are still the top priorities, overruling concerns over public health. Government officials are apologetic whenever the public complaints about the pollution get very serious. However, pollution can only be dealt with slowly, as economic restructuring takes time.

A similar example in the context of urbanization can be found in this special issue: Shin and Li (2013) study the impact of the informal settlement clearance during the Beijing Olympic Games. Peri-urban settlements had been tolerated as they provided cheaper accommodations for low-paid labourers to be hired by employers in Beijing. However, when the Olympic Games were held up as a show of China’s progress, the informal settlements became an eyesore. As a result, many were demolished, not only to give way to the Games but also to avoid being seen easily by the international visitors.

In this special issue, several articles comment on the same subject. Fang and Pal (2016) examine the driving forces of urban sprawl and argue that aggressive land acquisition practices are the result of an institutional principle: “the more land is developed, the more land lease revenue for the local government, the more profit for developers, and the more opportunities for compensation for farmers.” As a result, even if planners want to apply long-term planning principles and care about the environmental impacts of land conversion, they are powerless. Unless the incentive structure of other growth-hungry actors is changed, it remains very difficult for planners to stop this process. This is also the case in the rural–urban relationship.

There have been various attempts to address the problems of fragmentation. The principle is to generate incentives for different local government departments to work together to tackle complex policy projects that require the coordination of multiple departments and stakeholders.

**Competition and awards to stimulate collaboration**

Competition and awards have also been used as a way to incentivize interdepartmental collaboration. Li et al. (2015) in this special issue examine how place-based competition has been used to motivate local government departments to work with each other, and the private sector and civil society to achieve multiple targets that would otherwise be very difficult to meet in a fragmented system. The idea is that through competition, local stakeholders, who would normally not work with each other or even compete for resources, become team members. The unified identity helps them to turn multiple targets into a
common goal: to win. The result is that local stakeholders would be able to work out the territorial advantage and make compromises or support each other to outperform other “teams”. The authors argue that this type of governing strategy in the past, though with many provisos, was able to deliver transformative outcomes in the context of public and environmental health.

These days, the same governing strategies are also used to achieve other policy goals such as Healthy City, Liveable City, Longevity Towns, Green Cities, Forest Cities and Garden Cities. Li et al. (2015) highlight that the momentum of these intensive campaigns could not last without continued investment and collaboration. So far, what has helped to maintain the level of commitment is encouraging cities, towns or villages to move on to the next competition, generally similar to the ones they had won in the past, which would help them to maintain the service delivery system and governing structure established in the previous campaigns.

Converging social and environmental goals with local GDP goals

In principle, in the context of GDP growth as the priority, it is difficult for local areas not contributing to GDP growth to bargain for more support or even to be taken seriously. This has been the case for environmental protection and social policies that may facilitate urban social integration for many years. The only exception is if the general public becomes so unhappy with a problem that it decides to protest or appeal seriously, and if the higher authorities consider that it is necessary to deal with the problems in order to maintain social stability. In these cases there would be policy responses. The responses however have often come with repeated delays and with high social costs.

In recent years, the “weaker players” in the system, such as the Ministry/Bureaux of Environment Protection or the Ministry/Bureaux of Civil Affairs, have learned to internalize the institutional constraints and actively engage with the growth discourse to enhance their bargaining power. One of the successful cases involves the changing attitudes towards environmental protection and green technology. The past reluctance locally to embrace environmental goals has been turned around because the national economic planners have identified environmental technology as a source of new economic growth: green growth. Similarly, urbanization was perceived to be a possible new engine for growth, especially during the economic recession. A properly urbanized rural population would be able to settle down and spend money in cities. Their potential consumption power was recognized to be a possible saviour for manufacturing. Li (2013) and Li, Chen and Hu (2016), in this special issue, discuss this phenomenon in the context of climate change adaptation and urbanization.

Readjusting the government system to change the incentive structure

Measures such as targets, rewards, competitions and awards are means to work with the existing governing structure. In other circumstances, adjusting the governing structure itself can also change the way local officials work. This approach is used most frequently to deal with issues caused by boundary-breaking changes. For example, to overcome the tendency of urban government officials to be biased towards cities, as discussed by Yang and Wu (2015), there have been attempts from the central government to correct the urban-biased development agenda and achieve integrated development. The city-managing-county system was introduced to produce a more balanced rural–urban relationship in the 1980s, when rural township industries emerged. Cities could potentially offer guidance and markets for township enterprises based in rural villages. However, in the early 1990s, urban bureaucrats found that increasing investment in urban areas and industrial activities, and taking advantage of the cheaper land for real estate development or building of industrial parks in the countryside, was more efficient than investing in rural development to boost economic growth. To overcome this problem, a province-managing-county model was introduced to let
rural counties receive funding and other support from higher authorities, without having to rely on the mercy of cities for redistribution. In theory, this structural change will be able to change the urban bias. Nevertheless, as Yang and Cai have argued, without fundamentally addressing the incentive system that focuses on GDP, the reform may not be able to deliver balanced growth.\(^{[49]}\)

c. Reconstructing the state–society relationship for good governance

Despite the fast economic growth, the CCP dominates the governing system. However, as people become more aware of their rights as citizens, there are petitions, protests and collective actions to complain about decisions by policymakers that are perceived as unfair. To maintain social stability, reforms are introduced to give voice to people through multiple channels.

**Appeals by letter and by visit (xinfang)**

This practice encourages individuals who are not satisfied with their local governments’ decisions to file their complaints with the higher authorities. This is a very controversial practice. Some people consider it to be a case of administration power overruling litigation power,\(^{[50]}\) as the higher government authorities rather than the courts decide how conflicts can be resolved. Other researchers view this as the “most important mode of political participation in state-society interaction in China”\(^{[51]}\), as Chinese local officials are held accountable to higher authorities in the public administration system in China. Local officials have little incentive to be responsive to public complaints, but are more responsive to pressure from higher authorities. The appeal system allows people to complain directly to the higher authorities to generate such pressure.\(^{[52]}\) This system has been actively used, in the context of urbanization, by farmers who have lost their land to urban expansion and who felt that they were not fairly treated,\(^{[53]}\) or who were affected by pollution.\(^{[54]}\) From the perspective of the higher authorities, it is a convenient system for collecting information about misconduct at the local level. However, as local government officials can be punished as a result, some local authorities decide to make efforts to prevent people from appealing. Researchers also argue that this is not a very efficient way to handle complaints. Projects can be seriously delayed and officials can be penalized for not handling the cases properly.\(^{[55]}\) While the appeal system may not be an effective means for conveying people’s voices, the hierarchical public administration system clearly needs some extra system for this.\(^{[56]}\)

**Consultative institutions**

The two formally established consultative institutions are the National People’s Congress (NPC) and the Chinese People’s Political Consultative Conference (CPPCC). The NPC, China’s primary legislative body, has around 3,000 members. It is meant for public participation, to channel people’s voices, investigate problems and legislate. The CPPCC includes delegates from the CCP and the eight minority parties, as well as members of the general public. Representation is determined by established convention and negotiation. The CCP usually gets about one-third of the seats. The CPPCC functions as a legislative advisory body, providing comments on government policy initiatives to the NPC, which will approve the actions. Compared to the NPC, the CPPCC is more elite, with members who are mostly experts in their own fields. Therefore it could be considered an “upper house” arrangement.

In the NPC and CPPCC system, there is a dedicated Environmental Protection and Resource Conservation Committee (EPRCC). Originally established as the Environmental Protection Committee in 1993, it got its current name in 1994. There is also a corresponding committee called the Population, Environment and Resource Committee (PERC) in the CPPCC system. Both the NPC and CPPCC have their local branches, which echo the structure at the central level. Issues related to urbanization are discussed in the general committee. However,
urbanization is often about rural affairs, such as rural-urban integrated development; transferability of rural-urban social welfare entitlements are also discussed in the Agriculture and Rural Committees.

Tsang coined the term “consultative Leninism” to establish the relationship between the state and society in China. Consultative Leninism has five characteristics: “an obsessive focus on staying in power; continuous governance reform designed to pre-empt public demands for democratization; sustained efforts to enhance the Party’s capacity to elicit, respond to and direct changing public opinion; pragmatism in economic and financial management; and the promotion of nationalism in place of Communism”. These features fit the past image of the role of the NPC and CPPCC in China. These NPC used to be called the “Rubber Stamp” committees and the CPPCC was criticized for only approving everything the government and the Party put forward. However, in recent years, the two committees have played much bigger roles in terms of raising problems, making policy suggestions or even vetoing legislation. Despite their larger role of consultation, these consultative organizations are criticized for their lack of consistency. Manion argues that this system has become an authoritarian parochialism with three features:

“First, popularly elected local congresses that once only mechanically stood in for the Chinese mass public, through demographically descriptive and politically symbolic representation, now work as substantively representative institutions. Chinese local congressmen and women view themselves and act as “delegates,” not Burkean trustees or Leninist party agents. Second, this congressional representation is not commonly expressed in the quintessentially legislative activities familiar in other regime types. Rather, it is an extra-legislative variant of pork-barrel politics: parochial activity by delegates to deliver targeted public goods to the geographic constituency. Third, this authoritarian parochialism is due to institutional arrangements and regime priorities, some common to single-party dictatorships and some distinct to Chinese authoritarianism.”

Almén uses the experience of a county in Zhejiang to show that the Party has actually become more dominant over the years. This view echoes the growing calls for legally establishing the consultative role of the two committee systems. Without institutionalizing this role, it would be difficult to expect consistency across the board and during different regimes.

Public participation

Participatory governance is perceived as potentially reinforcing the legitimacy of the government’s decision making and, further, producing more legitimate policies. Grassroots-level democracy has been a topic in the Communist Party Report every year since the 17th People’s Congress in 2007. It is perceived to be a type of democracy that directly affects people’s lives and immediate interests. At the same time, it is a capacity-building exercise to get people better prepared to push democratic practices to a higher level. In the Report of the Seventeenth National Congress of the Communist Party of China, grassroots democracy was presented as a “basic project of developing the socialist democratic politics” and was promoted as a priority. Since 2010, the Chinese government has been committed to actively promoting good governance at the community level by freeing up the registration of social organizations that provide social services and encouraging social innovations at local levels. Since Xi Jinping came to power in 2012, the focus of the reform has shifted to some extent. There are continued efforts to improve communities and public participation at the grassroots level. At the same time, there is a stronger emphasis on the leadership of the CCP. CCP members are encouraged to engage with the masses.
Why does the central government stress the importance and urgency of participatory governance so much more than in the past? One answer is that people are harder to serve and are ready to express their dissatisfaction,[62] which is often perceived to be threatening the power of the CCP. This is unlike the early days of the reform, when even minor deviations from the central planning system could result in visible changes. Also, because the starting point in the post-reform period was poverty in both rural and urban areas, the benefits of economic reforms were more visible and appreciated by the public. However, as the baseline was raised over a long period, it became harder to maintain the same pace of improvement.

Forms of public participation include direct elections of community leaders for self-governance and participatory decision making. Democratic elections have been the accepted practice in rural areas. However, there are still problems associated with rural village governance. Some of these challenges resulted from urbanization, which affects the representativeness of rural elections. For example, in villages that many working-age people have left to work and live in cities, although they continue to vote locally, elections may not reflect the interests of non-migrants, even though they are the ones who actually live in the villages.[63] Another important aspect is the role of the elected leaders in the context of land acquisition. As local governments prefer to deal with a small number of village leaders rather than having to persuade a much larger number of farmers to give up their land, a large proportion of the compensation money has ended up going to a small number of village committee members who then persuade the farmers themselves. The problem is that when the village leaders are corrupt, they may leave the majority of farmers poorly compensated.[64]

Deliberative democracy or participatory decision making has been used more often since the early 2000s. This is a somewhat cynical but practical governance strategy through which local governments can pursue conflict resolution and at the same time win the trust of the local people. In this special issue, Cabannes and Ming (2013) examine one of the earliest pilots of participatory budgeting exercises in Chengdu, in rural China. As described in this paper, participatory budgeting allows farmers to use the government-provided funding more efficiently. When Cabannes and Ming’s paper was written, participatory budgeting was only happening in rural areas. When these rural communities were urbanized, as the urban governing system did not have self-governance, the farmers would lose the benefit of this mechanism. In 2015, urban self-governance was also ignited. The urban neighbourhoods are now in the middle of reforms to introduce participatory decision making and participatory budgeting. These changes, if continued, may in the future help to erase the institutional barriers to further urbanization. In this special issue, Fang, Zhang and Hong (2006) showcase an example of participatory decision making concerning environmental planning in an urban setting. This type of decision making turns out to be helpful indeed regarding the generation of environmentally friendly planning that may not initially be acceptable to local communities.

Private enterprises and NGOs are increasingly involved in the delivery of the previously defined public goods to rural and urban residents. This is partly a market response to unsatisfied social needs, and partly a deliberate reform by the government to split its public administration role from its service provider role. People with higher incomes demand varied and personalized services, which are hard to provide through standardized services. Urbanization contributes to the challenges as more people move into cities, a process that requires basic services and competent public administration. However, urban middle-class and rural–urban migrant populations need different public goods and services. Iossifova (2015), in this special issue, produces a vivid illustration of the demand for the most basic services, such as toilets and sanitation, by the urban poor and rural–urban migrants, against the backdrop of the increasingly modern and international megacity, Shanghai. It is getting more difficult for urban governments to provide
standardized services. In a similar vein, also in this special issue, Li et al. (2016) discuss the different types of rural to urban migration and the challenges to urban service provision. Lin et al. (2012) consider the interaction of the state, the market and the family clan in urban villages and how they adapt to the inflow of migrant populations in Guangzhou.

The responses of the Chinese government to these challenges are not necessarily ideologically driven but rather practical. It is cautious about getting involved in satisfying new social needs. In this special issue, Li and Duda (2010) show the active role of employers in providing accommodations for rural to urban migrant workers. They argue that despite problems faced in these dormitory regimes, migrant workers do not necessarily favour the state-provided accommodations. As a result, employer provision should be included as part of the social housing system, rather than attacked, to make it easier for migrants to settle down in cities. In this context, the state can play a role as a facilitator and quality regulator, rather than suppressing such practices. A similar debate also happens with regard to schooling for migrant workers' children. So far the state schools have not always been able to satisfy the needs of migrant children. Yet private schools are labelled as “informal” and are closed down.65 The stress on formalized and budget-based social service provision often turns out to be incompatible with rapidly changing social needs in the context of the radical changes introduced by urbanization. There is a growing appreciation of the potential of a mixed welfare or social service system.

Within the communities, NGOs and private actors are often deliberately introduced into the social service system by the state, starting from 2010. These social organizations come from three sources: previously state-run social services that were all turned into NGOs, existing NGOs and newly established NGOs, including social enterprises. These organizations often operate in the form of partnership, which means the state could be a primary funding source, and members of the community work together with other stakeholders to deliver the public goods concerned. This practice has been increasingly used in community infrastructure improvement, public space management and environmental protection. Medilanski, Chuan, Mosler, Schertenleib and Larsen (2006) in this special issue examine how wastewater management has been carried out with the involvement of multiple stakeholders at the grassroots level.

With all its merits, the highly localized and participatory approach to governance and service delivery still depends on the state to secure lasting results. Three papers in this special issue point this out: one on participatory budgeting (Cabannes and Ming, 2013), one on housing provision (Li and Duda, 2010), and one on wastewater management (Medilanski et al., 2006). The state should continue to function as a coordinator and regulator to guarantee quality, and as an educator to enhance awareness.

IV. INTERNATIONAL COMPARISON

Researchers in China often raise the question “Is China unique?” For too long, the belief in Chinese uniqueness has prevented investigators in China and further afield from carrying out comparative studies between China and other parts of the world. However, as China’s development experience is studied elsewhere, it is not difficult to see that what makes China “unique” are the sets of constraints it is facing. The logic of overcoming these constraints on a daily basis is pretty much the same as what the international governance literature would offer. After all, one often-forgotten fact is that the inspiration for Chinese reforms may come from other countries, through the advisory roles of international scholars, training by international organizations and NGOs, and knowledge spread by millions of returning students and officials who have carried out site visits internationally. Therefore, it is incredibly difficult to isolate China’s reform from the rest of the world. Breaking through this discourse of “uniqueness”, vast opportunities are available for carrying out comparative studies of the practices in China and the world.
Two articles in this special issue put China in the context of international comparison. They show the relationships and the circumstances of China’s experience. Tran and Schlyter (2010) examine how people of different genders and social backgrounds move around in urban settings using different transport vehicles. They compare the experience in China and Vietnam and find similar patterns of usages and raised similar questions that need to be addressed in both countries. Cabannes (2015) examines China’s participatory budgeting in the context of international experiences.

V. CONCLUSIONS

Urbanization and environmental constraints pose serious challenges to how a governing system operates. To any established government system, urbanization means structural change. Population mobility breaks the geographic boundaries of local planning and budgeting practices based on population distribution. Environmental concerns challenge existing governing systems by putting a natural resource constraint on what the officials can do at a given time. Such constraints may also have local variability.

Urbanization and environmental concerns are also the most active contributors to the reshaping of China’s governing system in recent years. By putting serious pressure on the existing system, urbanization and environmental concerns have managed to become national policy priorities as, in failing to address these issues, the legitimacy of the CCP is challenged.

Our review of the literature shows that there have been multiple changes at different levels to make the governing system more inclusive, flexible and responsive. These changes can operate together in hybrid form. For example, competitions and awards may include localized commitment, participatory decision making and consultative activities at the same time. These hybrid practices highlight the pragmatic approach adopted in China.

With all its merits, the pragmatic approach poses challenges to “the rule of law”, as the formulation of new hybrid governing policies often means that local authorities get special permission from the centre to carry out experiments that may not be acceptable under the existing regulations. The regulations often only come after a trial is considered to be successful.

Another challenge is how to integrate top-down and bottom-up systems. The current Chinese government stresses bottom-up governance mainly at the grassroots level, but within the government system, it is still top down. At the intersections of the top-down and bottom-up systems, officials unavoidably face the dilemma of who should they listen to. To not risk their careers, they find it safer to follow the commands of higher authorities rather than the requests of the people. This problem has been studied in numerous contexts (Green et al. on climate policies, Smith on peri-urban transformation, Lei et al. on disaster prevention). But so far, there is no effective solution to these issues. In Xi’s government, the CPC seems to be more worried about the loss of the pro-government ideological underpinnings in NGOs, which may have challenged the CCP’s authority. To gain more political control of the NGOs, the government demanded a greater presence of CPC members and organizations in all parts of the governing structure. Does this mean that the Chinese governance system will return to the situation in the pre-reform period, when the CPC was the sole commander in all aspects of life? The direction of the governance reform is less clear, as it does not follow the direction taken by earlier reforms. However, what is clear is that if the state decides to stop NGOs from advocating for the interests of the less disadvantaged, people higher up in the system will not be able to address the dissatisfaction or challenges as easily as in the past. It will also mean that problems can only be heard when they are getting truly serious, unless an alternative and equally effective voice channel has been established. Community self-governance and user or independent evaluation of services might be able to take up some of the issues; however, it is still too early to tell whether they can be equally effective.
BIOGRAPHY

Bingqin Li is Associate Professor and Director of the Chinese Social Policy Program, Social Policy Research Centre, University of New South Wales, Australia.

Address: University of New South Wales, J.G. Crawford Building, #132, Lennox Crossing, Canberra 0200, Australia; e-mail: bingqin.li@unsw.edu.au

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LIST OF ENVIRONMENT AND URBANIZATION ARTICLES IN THIS SPECIAL ISSUE:

Issues related to urbanization and environmental concerns in China


Governance responses to the challenges


**International comparisons**


**END REFERENCES**


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3 Class V water is the poorest-quality water according to the five-category water quality scale set in the Surface Water Environmental Quality Standard (Dìbiǎo shuǐ huánjìng zhí liàng biāozhǔn) by the State Oceanic Administration of China.


institutional transition and the creation of new urban poverty in China”, *Social Policy & Administration* Vol 40, No 2, pages 121–137.


52 See reference 51.


