

Red alert

The Internet and government affairs service centres in Chengdu

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Abstract

This paper analyses the role of the Internet in a case of public service provision reform in Chengdu, China. Whereas previous research has mainly described the technology and management aspects of similar programmes and provided a summary of some of the first effects, this paper critically addresses a broader range of questions related to the political consequences in terms of regime legitimacy. The case documents the creation of government affairs service centres with new Internet based management systems. It illustrates the mechanisms of how “running around” between government offices to acquire business licences and paying tax has been reduced through a one-stop model. Important is the inclusion of a virtual panopticon which allows real time monitoring of government employees and produces a “red alert” if a time commitment for case processing is exceeded. The centres at the same time function as “linkage institutions” keeping clients at arms length from the core bureaucracy. Considering these findings, the paper finally discusses how the Internet plays a role in creating regime legitimacy.

Keywords

China; public administration; ICT; Internet; urban management; government service centres

Introduction

This study assesses the consequences for regime legitimacy of the creation of government affairs service centres (*zhengwu fuwu zhongxin*) in Chengdu, China. The centres, which deal with business permits and tax issues, are equipped with a new Internet based information system. This has provided the technological backbone for increases in efficiency and corruption reduction by creating a virtual panopticon where higher level monitoring can take place in real time, and an automated “red alert” is produced if a given time commitment for case processing is exceeded.

Information flows *to, within, from, and about* government are changing as new information and communication technologies (ICTs) are adopted by government and in society. So, what does the Internet do for the administration? What is the relation between the new technologies and ongoing administrative reforms aimed at creating efficiency, reducing corruption, and ultimately in legitimating the political regime? An overall research question relating the empirical phenomenon of service centres in Chengdu with the Internet and administrative reform would be:

What are the outcomes of the adoption of Internet mediated government affairs service centres in Chengdu in terms of regime legitimacy?

To answer this question this study moves through several steps:

1) It is discussed how one particular form of corruption, the kind that takes place “over-the-counter” during administrative approval processes is reduced, and how the Internet is an important tool to enable the necessary organisational changes.

2) Then the study proposes and empirically demonstrates that “linkage institutions” is a helpful conceptualisation of a recurring

phenomenon of the core state apparatus shielding itself from the unavoidable contact with the “masses”. This means that reforms do not need to touch the core apparatus of the state.

3) It finally delivers an empirical account of how the state creates what previous research has revealed as important factors for legitimation through good governance and discusses the role of the Internet in this respect thereby answering the overall question.

The findings are that “over the counter corruption” has been reduced, administrative efficiency has increased, and more transparency about procedures has been attained. On the other hand, the “masses” are kept at even larger distance from the core (local) state apparatus, incentives for other types of administrative corruption have not changed, and core bureaucracies have only been marginally reformed. In all, the Internet mediated reforms have succeeded in creating better governance and above all a more conducive “soft environment” for investment, strengthening supervisory capacity within the government, but without vesting final supervisory power with the people. As such it follows the path of the core government apparatus using ICT as a “battering ram” to reinforce its power, at the same time as providing more efficient administration to the benefit of a better business environment (Qiu and Hachigian 2005; Schlæger 2010).

This article is organised as follows. First, it examines the existing literature to give an idea of what we know about e-government in China, and then explain the basics of the analytical strategy used to address the questions that are most pressing in the case of service centres in Chengdu. To answer the questions a fieldwork was conducted, and the data are analysed leading to a discussion of the implications for rationalisation of bureaucracy and legitimation of the political system. The findings are drawn up in the conclusion.

The Internet and Chinese public administration

This paper takes its point of departure in discussing what we currently know about political consequences of changes in information flows accompanying application of ICT in the Chinese public administration. Use of ICT in the public administration can also be called e-government.

Comparative e-government to a large extent lacks the case of ICT deployment in the world's largest public administration. The Chinese administration is, apart from being large, characterised by the frequent reforms taking place to adapt it to market economy. Contrary to common sense, as we are talking about a one-party party state, there is a large diversity of local e-government programs. To mention but one example, within the districts of Chengdu, decisions to outsource range from complete outsourcing to complete in-house provision of the e-government solutions. A burgeoning Chinese language literature exists, yet for comparative research this is of limited value as it does not address the ongoing academic debates (Kluver and Yang 2005; Qiu and Chan 2004). Although the field has attracted a few Western scholars research on the topic is still scarce.

For analytical purposes the research areas can be perceived as split into studies on information flows *to*, *within*, *from*, and *about* government. Information *to* government denotes how government receives information about support and demands. The mechanisms through which the state can gauge public interest, quite similar to what has been called "receptors" in the tools approach (Hood and Margetts 2007). Phenomena under study have been mayor's mailboxes and official responses to comments on bulletin boards such as e.g. Strong Country Forum (*Qiangguo Luntan*). Through the Internet people have channels to contact government through e-mail, blogs, or bulletin

board comments and vent their grievances (Damm 2006; Hartford 2005; Lagerkvist 2006).

Information *from* government is the client or business (outward) directed information and propaganda, media spin, content control, etc., which has also gained research interest (Seifert and Chung 2009). The idea of business focus in service provision is particularly visible in the case documented in this study.

Information *about* government are the public discourses on government both in the media and among people. Only part of this is visible to government as government receptors are not perfect. Furthermore, it could easily lead to information overload. (it has lead to finding out corruption scandals, which can be of benefit to central government in order to control the local level. On the other hand, limits on discussion are maintained on topics such as Tibet, Tian'anmen, and Falungong. Government is arguably trying to create a "contained public sphere" (Lagerkvist 2006). In a recent study of the impact of the internet in the Chinese political system, an important finding is that: "The Internet has been used by social groups to expose rampant corruption in the public sector, which often causes crises of legitimacy on the part of the government" (Zheng 2007: 38) and the central government is wary of legitimating their policies as something good for the people (Shue 2010).

The above information flows have all been described in previous research, information flows *within* government, although described in technical literature, are less well documented as far as the political and administrative consequences are concerned. So far, research on e-government in China has mainly focused on infrastructural projects such as the Government Online Programme and Golden programmes aiming at laying out cables, buying hardware, and making standards for software, so that system

compatibility reaches a certain minimum level (Ma, Chung, and Thorson 2005; Qiu and Hachigian 2005; Seifert and Chung 2009).

Related to the information exchange between government units, these flows are part of the “black box” of the conversion of policy into administrative practices. These programmes are important as enablers of further e-government development and as such important research objects (Holliday and Yep 2005). Even so, inquiry into them does not tell much about how the infrastructure is used at the local level, where citizens meet the state, which is now equally important (Damm and Thomas 2006; Hartford 2005). “E-government” refers to the use of ICT in the public administration. E-government research thus concerns not only programmes designated to develop ICT infrastructure such as the Golden Programs, but all programmes of public administration reform that include an ICT component.

The information flows within government can be further split in two dimensions related to the interface of communication. Government internal work processes are referred to as back-office, and conversely the government-society interface is called front-office. Back-office functions concern the running of the government unit and its production processes, administrative approval. The front-office is a part of the organisation that interacts on a normal basis with clients.

As the adoption of service centres is part of a larger reform findings from the literature on public administration in China merit further attention. Considering findings from previous literature a number of important factors can be used to formulate specific research questions. They concern corruption issues, “linkage institutions” and regime legitimacy.

1) An increased degree of institutionalisation on all levels of the polity has been observed. This is normally assessed as a positive trend towards better governance through administrative transparency and accountability (Zhang 2005). Nonetheless, institutions may also be of

the type “*linkage institutions*” which “have been structured as intervening institutions so that the core will not be contaminated by the outside world” (Oksenberg 2001: 26) instead they allow government to manipulate, control, isolate and exploit the outside world or in this case the masses. *Are the service centres becoming what could be seen as “linkage institutions”?*

2) *Corruption* is a key issue in Chinese government reforms (Gong 2002). E-government has been shown to improve effectiveness in application procedures and increased openness about the procedures involved (Qiu and Hachigian 2005). Even so, the research mainly concerns information to and from government but not so much what goes on within government. In particular the connection between oversight, incentive structures - the “sticks, carrots, and sermons” applied - and corruption are unclear. Concerning corruption three questions emerge: *How is administrative corruption reduced in the service centres? Which incentive structures work and how?*

3) Finally, what do political practices related to service centres imply for regime *legitimacy*? The combination of rationalisation and institutionalisation of the administration combined with reduced levels of corruption leads in direction of the state “delivering the goods”, which is the main focus of good governance. This leads to questions about to which extent the bureaucracy is getting closer to a Weberian bureaucracy treating all clients according to a set of clear rules. In turn, this is seen as strengthening the regime’s output legitimacy. The assumption that legitimacy is created will not be tested, instead the empirical existence of preconditions for legitimacy in the form of good governance will be investigated adding a fieldwork based empirical dimension to previous studies (Zhang 2001, 2002, 2005). Particular focus will be on discussing the role of the Internet and the political implications. This is the answer to the overall question: *What*

are the outcomes of the adoption of Internet mediated government affairs service centres in Chengdu in terms of regime legitimacy?

Strategy of analysis

Choosing to concentrate the analysis to service centres implies analysing a unique case. The findings from this study are not meant to be generalised to the entire public administration. In particular concerning the use of ICT this case demonstrates a very close connection between organisational restructuring and incorporation of a new Internet based software platform. Other units' informatisation efforts are more superficial in the sense that the work processes are not restructured but instead the system is built to suit existing procedures. The point of this case is thus to find out how changed information flows matter, and it should be more clearly visible from a case where changes have been large.

The case examined here allows comparison with similar efforts in other developing countries, and in countries with authoritarian or semi-authoritarian political regimes.

Analysing a successful programme is a way of gaining access to an administration which is known to be very closed to outsiders, in particular academics and journalists, and even more so, foreigners. The findings are expected to be biased towards a positive assessment of the programme, but the knowledge about the way the administration works combined with a critical analysis will allow pinpointing mechanisms of institutional change and importantly the role of the Internet in such changes.

Analysing even one programme in detail through all political levels is beyond the scope of this study. Consequently, the centres analysed in this paper are district level centres. Data have been collected through a fieldwork in three districts in Chengdu. This study has provided a comprehensive data material consisting of qualitative

in-depth elite interviews (Berry 2002) with the leaders of the service centres of three districts, the leaders of informatisation offices, and in one of the districts the leaders from lower level service centres as well. These were the most senior officials overseeing and managing the everyday operations of the service centres, and as such the only employees with a general view of both the daily routines at the centres as well as knowledgeable about the interagency information flows. Furthermore, nine users (among them three intermediaries) were interviewed in one district. Non-participant observations were made following users during their application process in a service centre. Notes were taken during observations, and all but one interview were recorded and transcribed. Interviews were conducted in Chinese, and all interviews were followed by a university appointed assistant - a standard requirement in China (see Heimer and Thøgersen 2006). Apart from these sources, online as well as off-line documentary material, including internal evaluations, provides the empirical basis.

Background: From shopping mall to supermarket

In 2001 one-stop service centres started to proliferate in China after the State Council had issued an “Administrative Application Reform Act”. This was perceived as an important step to establish a conducive “soft environment” (*ruan huanjing*) for investment at the time of Chinese accession to the World Trade Organisation. As such, the centres are the organisational result of creating a “service oriented government” (*fuwuxing zhengfu*). It also came as a response to a large scale administrative reform initiated from central level in 1998 with the purpose of reducing the burgeoning administration. The reforms were undoubtedly inspired by many OECD countries where one-stop government service centres had been introduced during the late 1990s.

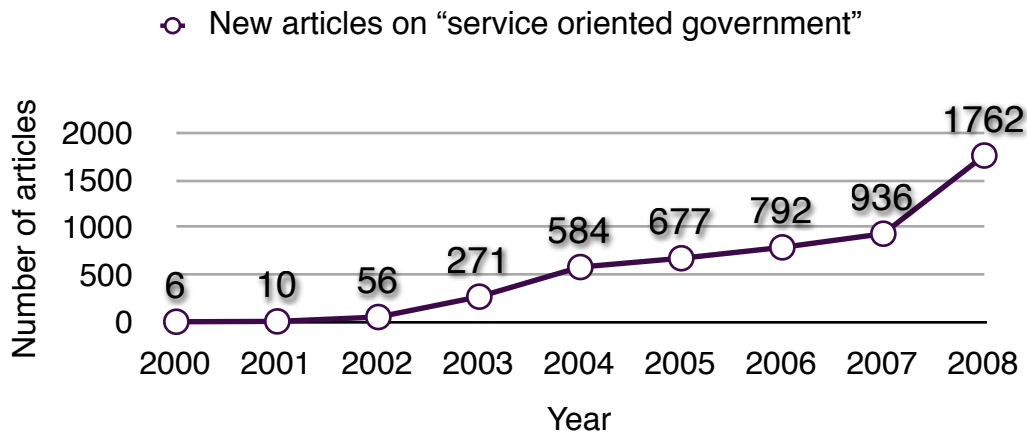
The idea of one-stop service centres is not a particular Chinese phenomenon and as such not home-grown in Chengdu. There are two

versions of the one-stop idea. One simply refers to administrative units being collected in one place like a shopping mall (or marketplace *shichang*) with independent shops. In the case this is reflected through the different bureaux who have a window in the centre which becomes the new front-office of the organisation. The service centres did not have an integrated software platform from the beginning. Instead, they were a clustering of service windows in a single place to facilitate business related approval procedures.

Another type known in Chengdu as “supermarket” (*chaoshi*) includes coproduction or co-ordination of the units. Coproduction is visible in this case in parallel case processing. In this kind of government agency, processes of administrative application are changed through a system which is to a large extent based on the Internet. The organisational structures provide a mix of incentives to ensure compliance from the employees. This new organisation establishes contact to the clients through multiple channels to provide one-stop service.

The overall background is the “service oriented government” - an idea espoused by the central government (see e.g. Foster 2006). To get an impression of the spread of this new concept, the number of academic articles mentioning it in the topic is illustrated in the graph below (Figure 1). Clearly after the first use in 2000 there has been a marked increase in interest peaking with 1762 new articles in 2008. A sharp increase in interest can be seen after 2002.

Figure 1. Number of new articles on “service oriented government” in China Academic Journals



Looking at the graph (Figure 1), it is obvious that Chengdu by launching its reform in 2004 is riding the early wave of service oriented government, but not inventing the concept as such. The idea as it “hit the ground” in Chengdu can be illustrated by the following quote from an office manager explaining the reason behind the reform:

Office manager: In the beginning, you may already know, there was a company which during [JS: the administrative approval process] had to get more than a hundred official seals. They took this case to the mayor at that time - it was still Li Chuncheng - took it to him, and he was very shocked. The mayor thought that if opening one company implied running around to go through so many procedures it really was a very troublesome thing.... (Interview 2009.07)

Opening a new company was a very tedious procedure, and political leaders (who are rewarded for promoting economic growth) saw the impeding consequences in form of high startup costs for local companies. Under such conditions it would take months to generate profits and tax. Furthermore, it is an important factor in international competitiveness benchmarking research, and negative assessments of

the investment climate could have an impact on companies' decisions to locate in the city or not (Dollar et al. 2003).

The main point of the reform was to be achieved through reorganising the public administration:

Office manager: First, by concentrating the offices. That is, all departments with relation to administrative permits or approval should have a window of sorts in one place. (Interview 2009.07)

One-stop-shops are perceived to be the solution. The service centres on district level in Chengdu were established around 2004-5. The ones at district level employ around 100 people and incorporate between 26 and 30 different bureaux in their provision of more than 200 service items primarily related to business permits and tax.

Government affairs service centres in Chengdu represent a deeply integrated use of the Internet in administrative procedures. It was the first adoption of such a programme in Western China, and aspects of the system used in the service centres, the parallel administrative approval procedure (*binglian shenpi*), added in 2007, was even the first of its kind in China.

It is apparent from several interviews, that administrative inefficiency was a problem long before, and, as was documented by the table above, the ideas of the service oriented government started to surface in academic circles around 2000, as well as the offline service centres had been adopted from 2001. On the other hand, it can be asserted that the programmes once initiated were implemented fast and systematically all over the city, and that the combination of creating one-stop centres and reducing the amount of rules has reduced "running around". In this sense the present study replicates the findings of Qiu and Hachigian (2005) based on data from Coastal China.

An obvious way of reducing running around would have been to move the application process online. Several limitations make such efforts impracticable in the short term, though. A number of applications can be performed online, but it is difficult for people to fill in the forms, and when they make mistakes online the following happens:

Office manager: If someone has not been able to report even such simple important document accurately...there is an online application, when we have a look, oh, yet another invalid application, the supporting documents are not complete, return the file and ask him to re-report. Normally, no one has returned to correct it (Interview 2009.11).

Full-fledged adoption of the new media in case processing will require some time to happen, yet in the mean time it can be useful for pre-processing:

Office manager: Actually, online declarations, online declarations in the real sense, will surely develop first after many years. What can be done online now is only one thing, a pre-application (Interview 2009.11).

Even though people do not to any larger extent use the Internet to gather information or interact with government, it serves a purpose of consultation with government in preparation for an application. Pre-processing can reduce running around:

Office manager:...pre-examine, that is, see your requirements, eh, almost complete, or are there still some shortcomings. I will ask you to supplement. In the end, after having mended it, and you have prepared fully, almost, but you still have to bring the originals down here (Interview 2009.11).

So, the online channel does not in itself solve the problems of administrative approval. Instead, physical centres have become the main scene of encounters between clients and the state. The centres address the issues of inefficiency in two ways. First, all the relevant bureaux have a window so the centre it serves as a “one-stop-shop” (*yizhanshi*). Second, through a new system it is possible to do parallel case processing instead of serially processing a case. There are guaranteed time limits for processing, and publicly available information about the process. This last point is of large importance in constraining bureaucrats from making up rules as they go along, which is a core issue in the discussion of corruption reduction.

Even though more than 200 of the types of cases that the masses need to handle most frequently such as business permits and tax issues have been moved to the new centres, the system is not without flaws. Not all administrative applications can be processed in the service centre. Furthermore, changing the flow of information and moving it through the Internet is only possible to a certain extent. There is still a legal requirement to keep a paper copy in the archives, so all documents must be printed. This obviously reduces the benefits of digitalisation.

1) A linkage institution?

The organisation has changed considerably by the establishment of a new government unit. Consequently, also work processes have changed. They are altered not only because of new organisation but also in terms of parallel communication between approving agencies. Previously, case processing was handled in a serial fashion but now it takes place in different places simultaneously which requires more information exchange of basic data and of decisions.

Another change is, in public administration terms, that the number of “decision-points” (Pressman and Wildavsky 1973) has been

reduced considerably through the parallel case processing. A single bureaucrat cannot as previously stall the entire process to the detriment of a user. Instead, it would get the bureaucrat in trouble for stalling the work of her peers in the other bureaux.

Interestingly, what changes because of the new system is not a reduction in number of decision points, and not merely a parallelisation of the points. Instead, it is a parallelisation with Internet mediated checks with the service centre as a protruding bastion. The different bureaux in a sense surveil each other, as any delay interferes not only with the work of one unit but of all the involved organisations.

In Chinese reforms it has been a common practice to develop “linkage institutions”, that can mediate between government and the outside world, e.g. in the shape of special economic zones that restrains foreign influence in specially designated areas (Oksenberg 2001). In a sense the service centres can be seen as a new kind of “linkage institutions” keeping the “masses” at arms’ length from the “core apparatus” of the state. An observation which speaks to that claim is that change in the core bureaucracies has been limited.

Behind the idea that the core apparatus is shielding itself there is an underlying assumption, that the people employed in the core bureaucracies are following their personal and organisational rational interests such as retaining their job, increasing salary, and getting promotion, as well as maximising the bureau budget, personnel allocation (known as *bianzhi*), retaining interesting job tasks and getting rid of boring ones. There is also an assumption that the agents in the bureaucracies have an information advantage over their higher level principals in being the only ones who know how administration is done on an everyday basis in the bureau which they can use to pursue the above mentioned benefits (Dunleavy 1991; Niskanen 1971).

Empirically, it would probably be possible to find many exceptions to this, but that would demand a close study of these bureaucracies. Such study is not necessary to point to the occurrence of the linkage institution of the service centre itself and hence beyond the scope of this study. It implies a limitation, however, on the conclusions that will be biased towards a cautious and sceptical assessment of the reforms as far as the core apparatus is concerned.

Such an approach has been chosen, because a cautious assessment may provide more useful guidance for further reform because problems are enhanced and brought out more clearly. Furthermore, the methods of regulating employees' behaviour is importantly incentive systems based on performance indicators. Apparently, the Chinese government itself supports the assumption that incentives for personal performance can control agent behaviour.

Processes have been reshaped by the new system, and software creates pressure on organisational forms both in the service centres and in the bureaux represented there. Thereby the new media work as a kind of "battering ram" for institutional reform.

"Going outside bureaucracy" by establishing a new organisation (Pressman and Wildavsky 1973: 128) seems to be an effective strategy for the political level. The implication would be that to reform the administration, a useful strategy would simply be to build a new one.

Even so, if the new organisation is understood, as this study suggests, through the concept of linkage institution it becomes clear that it is a strategy with limitations. Although a significant amount of the service centre employees have been drawn from the "mother agencies", the administration has been expanded by one unit. This reform consequently does not provide a recipe for reducing or cutting back government.

There are arguably changes in the mother organisations. This has is obvious from the fact that they have particular employees responsible for the new application process, they have to live up to time commitments, and they face the same kind of administrative punishment if they exceed limits as the service centre. On the other hand, these functions are encapsulated in a part of the organisation earmarked to co-ordinate the contact through the new system.

Behind the scenes core functions of the existing bureaux show limited change. The case processing still takes place in the agency in most cases. All the units have specialised departments that takes care of the coordination with the service centre (Interview 2009.11).

Establishing a system with time commitments stresses the administration. At certain times of the year, particular agencies can be very hard to get in touch with because of immense work burdens. This raises a question for the administration in Chengdu: What if the cases cannot be finished in the promised time because there are not enough hands to do the job? According to an official this was handled in the following way:

Office manager: The chief of our administrative applications section is only responsible for this...be able to guarantee that we have sufficient hands and energy to complete this kind of work --/-- If we encounter special circumstances, well, these people are a contingency team, in a sense, when there are not enough hands, and normally speaking, we require that their unit has one to two people on hold to do this--/--the Bureau of Quality Control, even though they right now only have one employee here, we have two spare desks for them, and two computers. This guarantees that at the time of annual inspection, there will surely be enough hands and enough equipment to finish the matters (Interview 2009.11).

So, not only the personnel (provided by the individual bureaux) but also the access to computer systems is crucial, and this is provided by the service centre. In a Western bureaucracy this may be termed

“overstaffing” but in Chengdu the labour costs are low and there is currently plenty of workers skilled enough to work as street-level bureaucrats. On top of that, the stability of government work is a sought after opportunity, so for the short and medium term the strategy of maintaining an ample staffing is viable.

However, ensuring there are enough people in the service centre office does not guarantee that the tasks will be solved, or that they will be solved in the right way. As previous studies (e.g. Burns 2007) point out the creation of control systems constrains government employees’ opportunities for corruption thereby increasing the likelihood of fair implementation of government policy. There are different means to ensure compliance from public servants in this process.

2) Corruption

Whereas the organisational changes reflect a reinforcement of existing power structures beneath the apparent large organisational changes the Internet based system nevertheless provides important new methods of supervision and transparency. The next section deals with the questions related to how the Internet mediated information flows can conveniently be channeled to higher government levels for supervisory purposes, and how information availability on- and offline can provide at least some checks on the bureaucracy. It does so by examining the broader context of the incentive structure mix of “sticks”, “carrots”, and “sermons” applied to manage the public servants (Vedung 1998). First, the sticks in terms of surveillance and regulatory punishment are examined, then the focus moves to financial carrots awarded for good work and finally to the internalisation of sermons of service orientation.

Sticks

Previously, the administration to some extent lived its own life. Public servants served themselves by making their own rules as they went

along, and routinely extracting bribes or grease money from clients to process their applications for, most importantly, business permits. These practices were in complete contrast to policies promising a non-corrupt and efficient government “governing in the sunshine”. Even though no systematic baseline studies have been made, not even internally in government (Interview 2009.02), the shared and uncontested view among both government and user respondents of local administration before current reforms is one of secrecy, inefficiency and corruption.

Even so, the efficiency and service improvement of the service centres was by far the only change. Equally important were elements of “government openness” (*xinxi gongkai*) which means that clients - by the local government called the “masses” - are entitled to know the rules applied in their case.

Surprising as it may seem from a liberal democratic perspective the rules governing administrative applications were until the reforms considered a state secret. There was thus no way of knowing exactly which rules would apply to a particular type of application. This created the obvious problem of unfettered administrative power. The bureaucrats could make up rules as they went along.

Instead, new rules (e.g. the Government Information Openness Act from 2007) stipulate that information about procedures and requirements should be publicly available and implemented on an equal basis (Council 2007). Clients are empowered by the rules in the sense that they know what their rights are; how long time an application processing should take at the longest; and how and to whom they can complain if the time commitment is exceeded.

An important finding in previous research is that anti-corruption measures of the new systems work: “The main outcomes include the enhancement of efficiency, transparency and accountability, which all contribute to China’s anti-corruption endeavors” (Qiu and Hachigian

2005: 25). As the authors are talking about e-government in a general sense they are not very specific about the mechanisms. Considering the service centres, it was well known that corruption existed; it thus becomes relevant to assess whether it is actually reduced through the new centres and how.

In this study, the term “over-the-counter corruption” is applied to distinguish a particular type of corruption potentially taking place in the service centres. It refers to abuse of public power for illegal gain performed in relation to administrative approval. It has two levels, one is an often used strategy in developing countries to finance the public administration. Corruption is a sort of unofficial service fee, even in some cases quite standardised (Burns 2007). Another is when the corruption is used for personal gain, a hidden bonus. Empirically, the two types overlap, and the informal character of corruption makes it difficult to separate. Even so, they could lead to different outcomes in terms of legitimacy. It would be more provocative if the money goes into a private pocket than if the money is used for the general running of the office in charge of the approval procedure.

The challenge is how to control public servants when they exert discretion. In this case, control over the public servants is achieved importantly through the Internet based system which provides real time information about the working process, and the opportunity to monitor the process and data from a higher level at all points. Furthermore, there is an automated “red alert” (*liang hongdeng*) warning if case processing time commitments are exceeded. Naturally, this creates a pressure on the service centre employees to finish in time.

Service centre manager: No one dares to violate [the time limits] (laughs loudly), this is called “red alert”... it is not allowed to trigger a red alert.

...from provincial and city levels to district level, they will ask: “Why did you trigger a red alert?” Because, you know, now everything is on

one electronic service platform. All application cases can be watched from the provincial level; at this level there is an Administrative Efficiency Complaints Unit which can search your every work record... (Interview 2009.07)

The system even comprises a visual control element. Apart from the control of the case processing through the Internet based system there is also a video-surveillance system in place in the service centres:

Office manager: Electronic surveillance comprises this closed-circuit television system... the provincial Bureau of Supervision, city Bureau of Supervision, county Bureau of Supervision can all see all of our hall's employees' state of work... (Interview 2009.01).

This Administrative Efficiency Complaints Unit, which is part of the Bureau of Supervision (*Jiancha Ju*) is taken very seriously by the three service centre managers interviewed in different districts (Interviews 2009.01; 2009.07; 2009.11). Through the "red alert" a panopticon in some sense is created, but a qualification is important regarding the subjects of this surveillance.

Previous research discussing Chinese Internet based state surveillance primarily considers surveillance of citizens such as censorship of the Internet or Internet police (Abbott 2001; Deibert et al. 2008; Mulvenon 2005). In this study another type of surveillance can be observed namely government internal control. Here the Bureau of Supervision is controlling the individual workers in the public administration.

The Bureau of Supervision is a significant, yet under researched, actor in the implementation process. It is a core unit for monitoring of administrative agencies, but for that exact reason also very hard to gain research access to. The important role as such is easy to assert, but the mechanisms of control remain underspecified and

therefore it is hard to say anything definitive about the capacity of this unit.

In spite of this apparently complete control, backdoors exist. The system has an override function which would need the office manager to intervene and acknowledge that “additional material is needed”. Such an action would then stop the countdown (Interview 2009.07).

Furthermore, the importance of the red alert for single cases should not be exaggerated, as the incentive to go into a lengthy argument with e.g. a service centre over some (for the Bureau of Supervision) minor event, may be limited. The point still remains, that the Bureau of Supervision signals the government’s intention to monitor their agents in the implementation process, which ICT is facilitating to a large extent.

Carrots

The users are met by public servants who are rewarded through internal evaluations for being service minded (Int. Ev. 2009.04). Nevertheless, working under these constraints puts additional pressure on the employee, in particular as people who come to apply (the clients) are not always easy to serve.

Office manager: I believe it is in eight out of ten it is because the applicant’s own reasons that he is in a bad mood, he just vents his bad mood on the employee (Interview 2009.11).

Office manager: The person also appeared to have been drinking a little on that day. Then he slammed the desk: “What are you up to, you absolutely have to do it!” ...there were also some insults. “You are this and that”, that kind of language. Then, the employee didn’t engage in discussion with him but asked us to come over, and we came out and coordinated by explaining him about the related laws and regulations. But he was still very dissatisfied... in the end... we asked a person from exactly the production brigade responsible for his area to come

over and explain the rules. This almost solved the problem and he went off, but still very dissatisfied (Interview 2009.11).

To motivate the employees in spite of such verbal abuse, a “grievance award” has been institutionalised:

Office manager: Usually, we don’t have violent situations. But there are a lot of situations of verbal abuse. Consequently, we have made a special grievance award for these situations. If the customer gets angry with you without reason even if you are right but you haven’t started arguing with him //...we will give a grievance award (Interview 2009.11).

This grievance award is coded as two points on an individual assessment scale. In comparison, two points will be subtracted if an employee is late for work. The part of financial incentives relative to the fixed salary accounts for up to 20 per cent of the monthly wage. Usually a score will be around 100 points in total for the average employee. Among other possible points that can be earned are the ones related to positive user evaluations, and conversely negative user assessments means less carrots (Int.Ev. 2009.04).

Sermons

Yet, red alert is not solely an automated surveillance mechanism, it is also importantly an internalised norm for the employees who “serve the people” and hence should self-evidently not violate the time limits. It is brought to the employees through sermons, which can be defined: “...attempts at influencing people through the transfer of knowledge, the communication of reasoned argument, and persuasion” (Vedung 1998: 33). In other words, this means that a logic of appropriateness is instilled within the employees leading to a degree of self-enforcement of the rules. It is not possible, based on the available data, to say how

deeply the norms and the financial incentives relatively influence the employees' behaviour.

The crux of the matter is that the people working at the counter are facing a fundamentally different reality than previously. Less flexibility in how cases are handled and the constant threat of “red alert” combined with incentive structures to greet users with a smile signal a departure from past practices (Interview 2009.07). Some have difficulties adapting, and there have been cases of letting people go or changing them to back-office functions for this reason (Interview 2009.07).

Incentive structures have been expanded from the individual level to collective responsibility for case processing:

Office manager: If my window employees are not working well, maybe tens to hundred, ah, all our work in this respect is pooled, we will all lose points. Well, everybody will make less money. In other words, one point less means maybe 100 yuan less for each employee. So, it has effects for me, and it also has effects for other colleagues. This way incites him to do better by his own account, thinking of the problem of his own wallet: “Ah, I will make efforts to work well”. At the same time thinking about the other colleagues' situation: “If I don't do well, my colleagues will also be affected” (Interview 2009.11).

In the previous section, it is evident how ideas of service orientation have been institutionalised through the creation of a government unit where employees work within incentive structures that motivate something quite similar to customer service. If clients are rude or abuse them verbally, constraint is awarded with money through a “grievance award”. On the other hand they are also limited by the fact that collective responsibility systems exist. The service orientation has thus been institutionalised in a complex system of interwoven positive and negative incentives. On top of this, the norms of service provision

have been sedimented in the organisation and in the information system underpinning it.

Internet and other channels

In the back office the Internet based information system is very important in the institutional changes that have taken place. When it comes to the front office, the situation is somewhat different. Surprisingly, the Internet as an information channel is not used for information gathering to any larger extent. Even though phone hotlines have reached some popularity, going to the office still seems to be the preferred way. It makes it more likely that the rules which the users are presented with, will actually be the ones applied in their case (Interview 2009.U.04). So, here the situation is more of multichannel information flows rather than simply one.

Instead of going themselves a number of people use intermediaries (*zhongjie*) who help them for a fee. This reduces pressure on government, as the intermediary knows the rules for certain cases, and will save the government the trouble of explaining procedures and rules.

There has been a general trend in Chinese administration to try to engage civil society in the provision of public services. In this particular case the intermediary-government relations are becoming formalised to a degree where the service centres in one district had started to make rules concerning the use of intermediaries and giving a number of intermediaries a “window” in a corner of the service centre.

In other words, government is outsourcing the provision of information to intermediaries and letting the clients pay for the service. This can be understood as another “linkage institution” this time pushing the client contact away from the service centre to be handled instead by the intermediaries.

The organisational changes could arguably have happened without the new system, but it would have included many phone calls and running around with case files. The system is closely integrated into the organisational setup, and organisational changes without would most likely have looked differently. What would importantly have missed is the oversight capacity attained through the systems.

The pressure of “red alert” creates incentives to provide efficient service. Opportunities for individual corruption have been reduced and tools of audit have become more efficient. On the individual level red alert and the oversight option built into the system creates opportunity for close monitoring of individuals leading to a larger degree of self-monitoring as well.

Yet, these affordances do not imply that increased administrative accountability is automatically the outcome. The systems themselves, even with their focus on topdown control, have loopholes that can be used by public servants to stall the work process, although this would entice a great deal of effort and collusion between workers at the centre.

Increased control capabilities through an Internet based system allow government to surveil administrative approval procedures and reduce “over-the-counter corruption”. At the same time efficiency has increased considerably among other things reducing the “running around” between offices. The changes can be tentatively distilled into a simple matrix (see Figure 2 below). On the one axis, there are instances of high and low degree of change and on the other axis a differentiation between front and back office functions.

Figure 2. Degrees of change in front and back office processes

Process / Change	High	Low
Back office	<ul style="list-style-type: none"> - organisation - work process - real-time monitoring - “red alert” 	<ul style="list-style-type: none"> - old bureaus’ core functions - paper archives
Front office	<ul style="list-style-type: none"> - less “running around” - larger amount of public information 	<ul style="list-style-type: none"> - information channel use - use of intermediaries

3) Good governance and legitimacy?

The analysis above should give a clear picture of context, mechanisms, and outcomes of both front and back office reorganisation. Next, we can investigate the outcome in shape of bureaucratisation. This is crucial insofar as fair and equal policy enactment is concerned. China sometimes claims not only the world’s largest but also its oldest bureaucracy. Nonetheless, in Weber’s sense, China does not have a functioning bureaucracy as it lacks the predictability which comes from applying standardised rules in a neutral manner. However, a bureaucracy closer to Weber’s ideal type is according to e.g. Burns (2007) a precondition for good governance in China. An adapted list of measures to attain an “effective public personnel system in a developing country” should include the following (Burns 2007: 58):

- Legal regime with rule of law
- Institutionalisation for predictability
- Merit based personnel selection
- Performance management
- Discipline system

As already shown above a discipline system is in place, and performance management also takes place through the Internet based system through the diverse tools of financial incentives and punishment. Cadre selection is partly based on internal evaluations which are closely related to work performance measured by clear criteria. Information about administrative processes and requirements are online, and the procedures are institutionalised. The legal regime has been simplified, and is now open to public access, and even though there are differences in how easily intermediaries and ordinary clients can complete their application the general direction of reform is a more rule-based process. A matrix summarising the findings is presented (see figure 3).

Figure 3. Bureaucracy: Criteria and goal attainment

Criteria	Goal attainment
Legal regime with rule of law	Partly, through government openness. Yet, still “flexible” interpretations based on personal contacts.
Institutionalisation for predictability	Yes, online information, but people do not trust it.
Merit based cadre selection	Yes, selection incentive and evaluation structures.
Performance management	Yes, Incentive structures for good service through supervision in real time.
Discipline system	Yes, internal control attained through “red alert”. Not a bullet-proof system but close to the desired effect.

Lining up the achievements of the programme in terms of creating a bureaucracy it is clearly an overall success measured by the

above criteria as well as the original programme goals set out by government. There are important caveats, e.g. rule of law in the sense that the Party is governed by law is not imminent, also no systematic baseline evaluation has been undertaken which increases the risk of overestimating the scope and depth of change.

Even so, the collected sources, written as well as interviews with both government and users, were unanimous in their appraisal of the service centres as an improvement over previous conditions on the above mentioned criteria. They agreed that as long as business could be handled at the centre it was fine, but the moment you were referred to go to one of the “old” bureaux, trouble was foreseeable, as they have adopted neither the bureaucratic organisational structures nor the values of “service oriented government” to the same extent.

Legitimacy

So, what are the outcomes of the adoption of Internet mediated government affairs service centres in Chengdu in terms of regime legitimacy?

Legitimacy has been described as a “reservoir” preserving the long run stability of the system if it is filled to a certain degree (Dahl 1971). Such legitimacy needs to be established in relation to something. Following the logic of a political system model (Easton 1953) apparently legitimacy can be attained on the input side, through free and equal participation in the political processes, as well as on the output side (Scharpf 1999). Legitimation on the output side means that “delivering the goods” becomes the main focus for the state. This appears to be quite true of China, where economic development is the overall guideline combined with creating a service oriented and open government and improving living conditions in cities as well as rural areas.

A common observation is that central government in Beijing “claim a kind of credit only for their excellent and enlightened policies” (Shue 2010: 46) whereas the local government in Chengdu are responsible for maintaining economic growth and providing public service. Local government is perceived as corrupt and unjust, an image which the central state may use to maintain legitimacy by blaming problems of policy implementation on the local level.

The findings from the local level in Chengdu support such an observation, but it also expands it in an important way. A finding is that the local government is shielding itself behind the “linkage institution” of the service centre. This allows the government core apparatus to distance itself from the administration, so that potential policy implementation problems can be blamed on the linkage institution.

The findings of this study indicate that for clients the creation of service centres that actually deliver may also provide an important source of support for the system. A potential specific support stress will arise if the administration does not deliver the services expected by users. This occurs if the expectations are too high because of either unrealistic policies or implementation problems, a demand input overload in other words (see also Pei 2006). On the other hand, when demand and output are in balance (i.e. time commitments are adhered to and applications processed according to clear rules) support will be generated. Yet, in this case support stems mainly from improving implementation. In the long run, however, increased demands for rational policy formulation could prove to be an unintended consequence of the reform.

Central government has been blaming local government for implementation slack caused by corruption. Now, we are witnessing how, on the one hand, local government is detaching itself from the administrative practice by creating the service centre as a “linkage

institution”. Government and party can take credit for service improvements but on the other hand remains shielded from critique of particular cases, because they can claim that the administration is corrupt and inefficient.

However, when the administration is suddenly more efficient or working like a real bureaucracy with minimal corruption it suddenly becomes hard to defend unclear or distorting policies. The reform returns with a vengeance. This is in the interest of central government which can use it to pressure local government to produce more realistic and workable policies. If local government is up to this task it could be a “win-win” for central and local government, for employees in the new centres who all gain increased legitimacy but of course a loss for the corrupt street-level bureaucrats, whose opportunities for illegal practices during case processing are reduced considerably.

The local government could succeed in gaining legitimacy based on the reforms. Reductions in the number of rules the local administration has to process was an important part of the initial reform. This rationalisation of the policy combined with the affordances of the Internet to make application processes more effective has so far balanced demand and output. In this context the establishment of government affairs service centres will potentially lead to an increase in legitimacy. In other words, the legitimacy reservoir for the CCP is filled up through the perceived efficiency improvements and structural constraints on administration attained through the service centres.

This is all based on the assumption that an improvement in public service delivery, over-the-counter corruption reduction actually leads to changed attitude towards government. My interviews provide a partial warrant for this, but as findings are based on a very limited number of interviews in one particular city it cannot be generalised.

Even so, as a minimum, the findings do not contradict this hypothesised mechanism.

Conclusion

In this conclusion the questions posed at the outset are answered and topics for further research are raised.

1) *Are the service centres becoming what could be seen as “linkage institutions”?* Seeing the service centres through the lenses of “linkage institution” provides a sobering view of the success of the centres. A key to their success is that they have not directly challenged the vested interests of the core bureaucracies. On the contrary, the core government apparatus has even become more “protected” from the “masses” by the new institution as most direct contact take place in the centres. In that sense they are “linkage institutions”. Interestingly, the centres themselves are to an increasing extent relying on intermediaries which can be interpreted as another layer of linkage. This pushes citizen contact away from the government administration out to private actors in a kind of user paid service outsourcing.

2) *How is administrative corruption reduced in the service centres? Which incentive structures work and how?* Clients are empowered by the availability of information concerning case processing requirements and the reduction of serial decision-points to their applications. The large scale administrative restructuring they are part of has led to more effective handling of application procedures. The “running around” for official seals is reduced, more information is available, less time is spent waiting for decisions, and there is less “over-the-counter corruption”. This is achieved importantly through a complex system of performance management, collegial responsibility, and a surveillance system creating a virtual panopticon with options for real time monitoring. Furthermore, it includes an automated “red alert” if time commitments are exceeded. This is all combined with an

internalisation among the employees of the values of “service oriented government” which makes triggering the “red alert” considered inappropriate.

3) *What are the outcomes of the adoption of Internet mediated government affairs service centres in Chengdu in terms of regime legitimacy?* The Internet mediated organisational form has led to a rationalisation of bureaucracy and thereby to a public administration better able to deliver good governance through constraining the public servants by automated procedures. This has been identified as one of the ways the current political regime can gain legitimacy. The service centres exemplify a successful reform in a confined areas that is very important as it concerns the interface where citizens (as clients) meet the administration eye to eye.

The reform will put a large pressure on local government to produce higher quality policies in the areas covered by the service centres because it gets increasingly hard to blame the administration for inefficiency and corruption. And the employees who have previously benefited from “over-the-counter corruption” have already seen their opportunities significantly reduced.

Dynamics of legitimation on the output side of the politico-administrative system are important for local governance. They are potential sources of support for the administration and for the political regime. No matter if the government is pursuing legitimacy through good governance for an elite who benefits from economic growth either through taking part in it or being granted promotions based on growth performance indicators; for the “masses” who are provided with a better government service; or for citizens whose rights in relation to the administration are strengthened through transparency and time commitments; this paper has demonstrated how the Internet plays an important role in providing a “battering ram” for the administrative reforms leading there.

Interesting areas of further inquiry would be how the core bureaucracies are affected by the reforms. Concerning the service centres it would be of relevance how other types of corruption e.g. related to candidate selection for employment or promotions are tackled. Here the Internet also plays a potential role, as recent cases of complaints online over unfair candidate selection after public office exams show. This would be an example of how information flows *about* government can affect the working processes and possibly lead to better governance.

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¹ Interviews and Internal Evaluations (Int. Ev.) refer to the author's interview transcripts and internal documents which for reasons of anonymity can not be referred to in more specific detail. The identity of all respondents are known to the author.

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