

Governance in China: An Analysis of Two Cases in Kunming

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Introduction

“Governance,” a borrowed notion from the western world, has been widely utilized in both academic and practical settings in China during the last two decades. There are a number of ways of defining governance. For example, governance points to the creation of a structure or an order which cannot be externally imposed, but is the result of the interaction of a multiplicity of governing and interdependent actors operating at multiple levels (Kooiman and Van Vliet 1993). Governance signifies a change in the meaning of government, a new process of governing, and a new method by which society is governed (Rhodes 1996). While “governance” represents a variety of meanings and is employed in different ways, a baseline agreement, however, depicts that governance refers to the development of governing styles in which boundaries between and within public and private sectors have become blurred (Stoker 1998). If “government” represents a top-down governing style of state applied to society, then “governance” stresses more on balanced, interdependent relationships between state and society and more space released from the former to the latter in addressing public issues, hence a new governing style. “Good governance” as a consequent ideal that state and society join hands to achieve by “governance,” has eight major characteristics: participatory, consensus-oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive, and following the rule of law.

“Good governance” is considered necessary for effective public administration and delivery of public goods and services in modern China (Wang 2009). However, a question could and should be raised: is the contemporary notion of governance in the first place present in communist China, which has a tradition of centralized governing style for over 2,000 years and a weak society shrouded in

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the autocratic power of rulers? It is hence worthwhile to briefly review the interactive history of the state and society in China.

State and society in China are described as isomorphic (Sun 2002; Li 2008b), where “Strong State, Weak Society” (Zhang 2001) has been the governing model since ancient times. Be it Locke’s natural rights or Rousseau’s collective sovereignty in the name of “the general will,” such thoughts and theories offered by western social contract thinkers advocating for a society separate from state and free from coercion of state power, were not conventionally discovered in Chinese political thoughts, nor in the power hierarchy. Rather, emperors relied heavily on patriarchal systems to rule society. The boundaries between state and society were thus barely defined and a fragmented society could be effortlessly bullied by emperors’ power nominally anywhere at any time. Such a governing style extended to families, where weak members as juniors, sons, and wives must always submit themselves to the will and authorities of their seniors, fathers, and husbands.

Such status quo altered little in contemporary times. Renaissance found no equivalent in the long history of China, but rather humanism and human progress were suffocated in orthodox Confucian doctrines that any individual must abide by the given social and political orders to achieve harmony. The Light of Enlightenment did not appear until the New Culture Movement (or the May Fourth Movement) leading a revolt against Confucianism and advocating democracy and science in the first two decades of the twentieth century, since emperors by the Divine Right of Kings entitled themselves to unlimited and unchecked power—in theory, if not in reality—which left individuals little space for natural rights. Hence, civil society did not exist; a public sphere to discuss societal issues was not legally permitted nor protected for subjects, whose lives, wealth, and freedom could be deprived by their emperors with full legitimacy.

After the founding of the People’s Republic of China in 1949, the former Soviet Union model and a planned economy strengthened the “Strong State, Weak Society” model (Zhang 2001). Society hence remained still hidden behind the state.

Not until China’s economic reform, beginning in 1979, did the opportunity for the emergence of a strong society occur. State powers are no longer monopolized; pressing demands of all kinds from a burgeoning society cannot be simply ignored. A public sphere for citizens to discuss public issues gradually forms, accelerated in the meantime in an Internet era. Use and abuse of the term “governance” in China, embraced and held dear overnight among academics and bureaucrats, presuppose such a context. Nevertheless, can we hence take it for granted and claim that a governing style different from government—namely governance—has taken over in China?

This study intends to address this question and present its readers some snapshots of interactions between the state and society in China. It does so by examining two cases in Kunming, Yunnan Province, both of which involved actors from state and society in two policy sectors. Furthermore, the author summarizes questions for future research that would help a more in-depth understanding of how governance proceeds in China.

Research Methodology

Case-Study Method and Data

This study employs a case-study qualitative method, as the aim is to describe the phenomena of governance in China and explore possible explanatory factors. The case-study method is an appropriate tool to deal with such a complex subject matter, in which there is limited and insufficient empirical research.

Two cases from Kunming, Yunnan Province were selected. One is a Needle and Syringe Exchange Program (thereafter “the NSEP case”) in preventing HIV/AIDS spread; and the other relates to an event in which over 500 organized homeowners blocked a main street to protest against a construction plan proposed by local government (hereafter referred to as “the homeowner case”).

The two cases were selected for the following reasons. First, both HIV/AIDS and property rights are critical and sensitive policy issues in China, and they offer scenarios of a wide spectrum of actors from public, private, and voluntary sectors for analysis. Second, high HIV prevalence in Yunnan has, since the 1990s, attracted attention from the international community. NSEP, as a joint effort of foreign and domestic institutions of government and civil society, has overall been regarded a success, hence standing out as an appropriate case to examine effective governance. Third, the homeowner case represents a critical challenge for Chinese local governments when they cope with city expansion and renovation nowadays. It is, therefore, a suitable lose-lose case to help understand why a policy fails and ends up in bad governance.

Both primary and secondary data are employed in the case study. Primary data in the NSEP case was originally collected by the author in 2006 through interviews; and secondary data of the homeowner case was produced mainly based on media reports from comparatively reliable Chinese media websites and insider information. The data collection method in the second case is not strictly scientific and data appears limited and insufficient, because most coverage was banned or blocked by local government and the homeowners involved were inaccessible for interviews. Despite the defects, the homeowner case provides a delicate perspective of governance in China and the data generated, though unverifiable, as a limitation of this study, is still reasonably adequate for analytical purposes.

A Five-Step Analytical Framework

This chapter applies the notion of governance to examining interactions between strong state and growing society in policy implementation in China; however, despite the abundance of definitions, the problem with governance in public administration is that it lacks a theory (Frederickson 2005). Nonetheless, Gerry Stoker (1998, p. 18) argues that the contribution of the governance perspective to

theory is not at the level of causal analysis, nor does it offer a new normative theory; that its value is as an organizing framework for understanding changing processes of governing. He then proposed five aspects of governance for consideration. Based on his propositions, this study constitutes a structure for analyzing the processes of policy implementation in the two cases in Kunming, because the propositions of governance help to identify important questions to understand interactions between state and society, if not useful answers.

The analytical framework is composed of five questions to be pondered on step by step. First, the governance perspective draws attention to a set of institutions and actors from and beyond government increasingly involved in service delivery and decision-making (Stoker 1998). Using Britain and the Westminster model as an example, Stoker (1998, p. 19) argues that, even in a unitary state, the structure of government is fragmented with a maze of institutions and organizations, and there are many centers of power and diverse links between them, who share responsibilities that were previously exclusive to government for service delivery and decision making. Borrowing this idea, this study begins with who the actors are in the interactions between state and society in policy implementation in Kunming.

Second, the governance perspective notes a shift in responsibilities and blurring the boundaries of the state, the private, and voluntary sectors for tackling social and economic issues (Stoker 1998). As a welfare system stimulating dependence is no longer acceptable politically, a right to welfare support needs to be complemented by a duty on the private and voluntary sectors, and more broadly, the citizens. Such a shift in responsibility finds institutional expression in a blurring of boundaries between state and society (Stoker 1998). The study examines what responsibilities each actor in the policy implementation in Kunming shoulders.

Third, the study inspects whether there is power dependence in the relationships between actors from state and society in their interactions in policy process. Power dependence implies, as Stoker (1998, p. 22) suggests, that organizations committed to collective actions are dependent on other organizations, therefore, in order to achieve goals, organizations have to exchange resources and negotiate common purposes, and that the outcome of the exchange is determined not only by the resources of the participants but also by the rules of the game and the context of the exchange.

Fourth, under governance, the ultimate partnership activity is the formation of self-governing networks (Stoker 1998), where actors and institutions gain a capacity to act by blending their resources, skills, and purposes into a long-term coalition. Despite China's long tradition of a state that strictly controls society, the study scrutinizes whether it is possible that self-governing networks are somewhat gradually being formed in policy implementation in the two cases in Kunming.

Last, the study observes to what extent the power of government necessitates collective action by actors involved in the two policy sectors, since governance recognizes the capacity to get things done which does not rest on the power of government to command or use its authority (Stoker 1998). It would thus be interesting to analyze how actors from society do, or do not, depend on the power of those from state in their interactions to achieve policy goals.

With the five-step structure, this study seeks fresh insights, which may provide a language and frame of reference through which reality can be examined and lead theorists to ask questions that might not otherwise occur. Furthermore, this analytical framework may contribute to future research, in that it identifies what is worthy of further study in order to understand how governance develops in the Chinese context.

Two Cases in Kunming, Yunnan Province

The Needle and Syringe Exchange Program

The needle and syringe exchange program (NSEP) is a public health measure to reduce the spread of blood-borne viral infections among injecting drug users (IDUs), proven effective in changing risk behaviors of IDUs and preventing HIV prevalence worldwide (Bluthenthal et al. 2000). NSEP was first implemented in Kunming from 2004 to 2005 after Yunnan Provincial Government (YPG) promulgated a document *Measures to Prevent HIV Epidemic in Yunnan Province* in March 2004 and implemented a *Six-Project Action Plan*.

The Sino-British Cooperative Project for Preventing and Curing Sexually Transmitted Diseases and HIV/AIDS (SBP) was the sponsor agency, while Yunnan Red Cross (YRC) and Daytop China separately implemented the program by contracts. YRC is a government-owned nongovernmental organization, while Daytop China is an independent NGO adopting the therapeutic community treatment model of Daytop US for drug abusers, approved by the Chinese central government in 1998. Two other actors directly involved were two local government agencies: the Bureau of Public Security (BPS) and the Bureau of Health (BH).

Despite barriers to reaching a unanimous understanding of and support for NSEP and difficulties in implementing the program, local government agencies and NGOs managed to collaborate in the process. YRC reached out to more than 200 drug users and exchanged approximately 11,000 needles from March 2004 to February 2005, while Daytop exchanged more than 16,000 needles and syringes among 1,700 drug users Li (2008a). NSEP was, overall, smoothly implemented and recognized by the sponsor agency and actors involved as a success.

Beichen Street Reconstruction Plan and Protests by the Homeowners

The Beichen residential quarter covers more than 20 hectares in a northern section of the city of Kunming, which, since 2001, has provided apartments of all sizes to over 3,000 middle-class households and considered a pleasing, ideal home to

many. However, in 2008 Bureau of Construction (BC) worked out a street-reconstructing plan, which would take-over and convert 11 streets into the city's public transportation system. One street in Beichen was among them (Anonymous Source 2008). Besides BC, Kunming City Investment Company (KCIC), which was partially owned by Kunming Municipal Government (KMG), was in direct charge of the project's implementation.

After the plan was announced to them through a company managing residential affairs in Beichen, the homeowners were outraged and started complaining since late March, because the right of use of streets within residential quarters, according to the current Chinese Property Law Article 73, belongs collectively to homeowners, even if they do not own the land, per se, since no lands in China are private. After delivering a report on homeowners' feedback, the Beichen Management Company (BMC) made it clear to the Panlong District Government (PDG), under whose jurisdiction Beichen is, that it was not entitled to represent owners of title, therefore they had no rights to decide on the take-over.

In the meantime, a Committee of Homeowner Representatives (CHR) was rapidly formed to advocate aborting the plan. Afterward, actions were taken. Architects, engineers, university professors, IT professionals, retired government cadres etc., among the homeowners, volunteered to investigate the technical infeasibility of the plan to alleviate congested traffic in that area as well as to prove its violation of homeowners' rights by law. Facts and data were posted on websites and letters submitted to government appealing for revocation of the plan.

Both the municipal and district governments tried to hold talks with homeowner representatives; however, they were not able to appease their anger or achieve a common understanding. During those talks, attendance of KCIC was boycotted by the homeowner committee.

Frustrated by slow, the ineffective response of the government, over 500 organized homeowners on April 22, 2008 finally blocked a main street near Beichen for more than 5 hours, resulting in paralyzed public transportation on peak hours. The (BPS) took action and the police drove away protesters. Six key organizers from the CHR were put under arrest, lost their cases in criminal court, were convicted of obstructing public safety, and got 1-year suspended sentences on the condition that they would not appeal¹. Eventually, the street was not taken over by the government to be rebuilt into local public transportation system.

Discussion

Actors Involved

Two figures are drawn to illustrate actors from state and society in each case and their revealed relationships. Figure 1 illustrates the actors in NESP implementation and Fig. 2 illustrates those involved in the reconstruction plan and the later

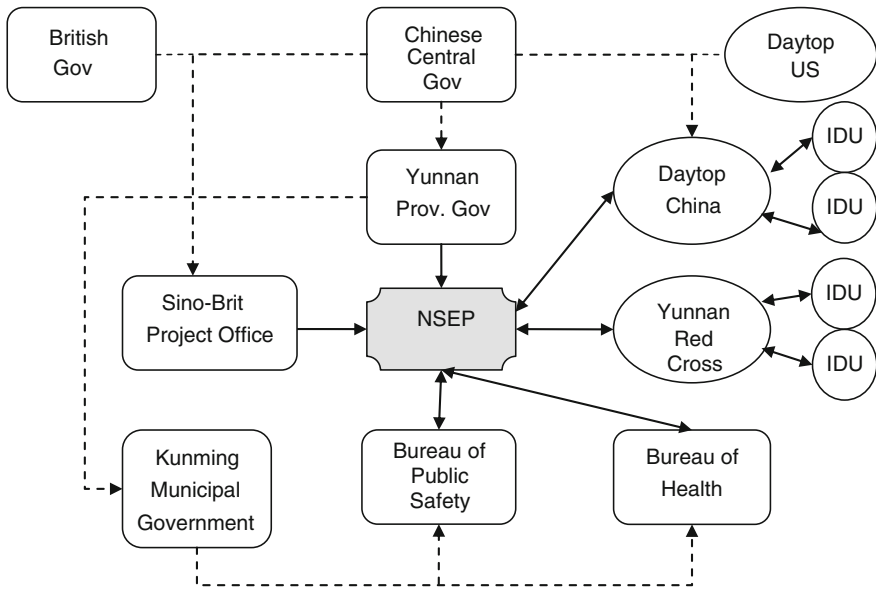


Fig. 1 Actors involved in the NSEP program

protests. In the figures, a square stands for government agencies, a diamond for businesses, an oval for NGOs/grassroots organizations, a circle for individual citizens, and a shaded square for specific policies (or relevant events). A single-arrow-headed dotted line represents superior-subordinate relationships between actors, whereas a single-arrow-headed solid line stands for indirect involvement of actors in policy implementation and a double-arrow-headed line for direct involvement.

Both cases clearly indicate that policies in China nowadays are no longer just a business of government. As much as described by Stoker (1998, p. 19) that the Westminster model fails to capture the complex reality of the British system and that the governance perspective argues for a shift of focus away from formalities and a concern with what should be to a focus on behavior and what is in dealing with social problems, it is also reflected in the two cases in China that government is not, and by no means, capable of the sole center in policy implementation. When government addresses public issues, both private and voluntary sectors are participating, though they might have limited access to certain policy agendas. Government, in some cases such that the NSEP, depends heavily on NGOs in those mission-impossible-for-government service provisions.

Figure 1 shows that the service of NSEP is directly delivered by two NGOs, while two government bureaus, BPS and BH, provide more of a supportive role for the service delivery, even though such support is sometimes the result of the pressure from their superior agencies like municipal and provincial governments who are responsible for international cooperation between two national governments. The homeowner case in Fig. 2 involves more local government agencies

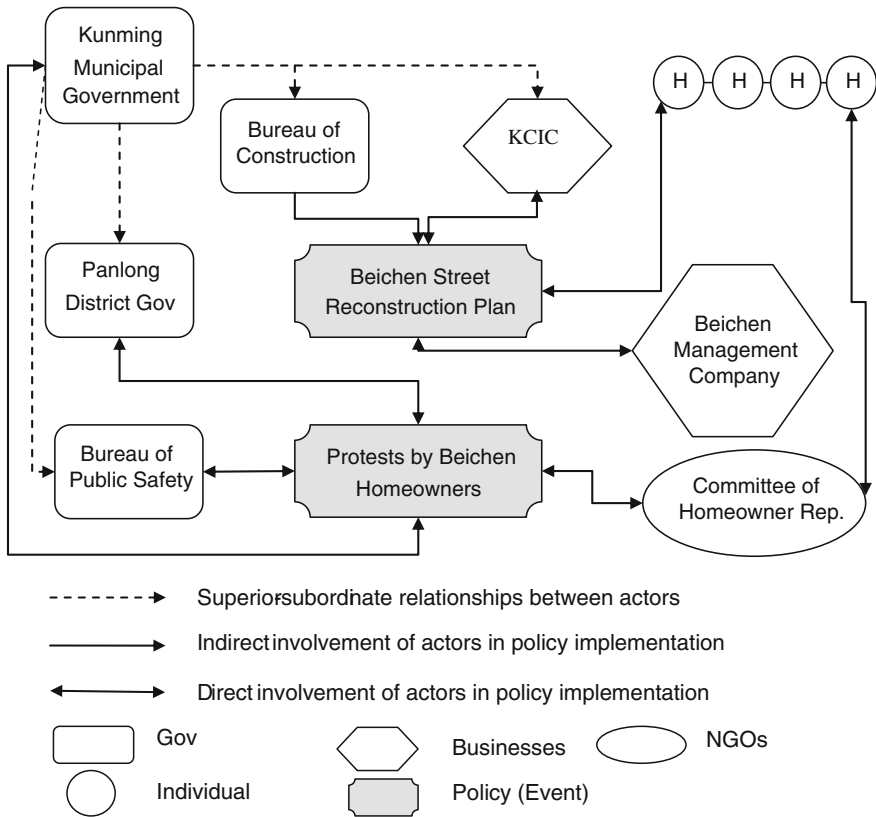


Fig. 2 Actors involved in the homeowner case

that are more directly engaged in policy implementation, than in the NSEP case. Both the municipal and district governments, as well as the two bureaus under the municipality, are major actors. Meanwhile, societal actors are more diverse than the first case. Businesses and grassroots organizations, and even the citizens, take the initiative to participate against the reconstruction plan and the protest later. The two cases reveal a wide range of actors from and beyond the government in addressing policy issues.

As HIV/AIDS is a complicated global issue and draws attention from both home and abroad, more layers and types of government agencies and NGOs are found in the NSEP case; and the homeowner case involves primarily local organizations of different natures, such that government institutions, businesses, citizens, self-organizing grassroots organizations etc., due to the fact that property rights is more a local issue. Be it an international or local issue, both cases echo that “‘what is’ is complex, messy, resistant to central direction...difficult for key policy-makers...to understand” (Stoker 1998), and reveal irresistible force of society into public issues no matter whether state actively or passively steps back.

Table 1 Responsibilities of actors in two policy processes

	Formulating	Implementing	Financing	Mediating
NSEP case	YPG (Gov)	YRC (NGO)	SBP (Gov)	BPS (Gov)
	SBP (Gov)	Daytop (NGO)		BH (Gov)
		IDU (Citizen)		
Homeowner case				
Recon plan	BC (Gov)	KCIC (Business)	BC (Gov)	PDG (Gov)
		HO (Citizen)	KCIC (Business)	BMC (Business)
Protest	CHR (NGO)	CHR (NGO)	CHR (NGO)	KMG (Gov)
	HO (Citizen)	HO (Citizen)		PDG (Gov)
				BPS (Gov)

Facing an ever more complex world today, government, even in China, has to reconsider its role and what it is really capable of doing in public life.

It is, therefore, reasonable to state that China is experiencing a change of governing, from traditional top-down government to bottom-up governance with multiple actors at the supra, national, societal, and grassroots levels. The changing societal conditions necessitate public participation beyond the government in policy implementation, which is a precondition for contemporary governance.

Responsibilities of Actors

Stoker (1998, p. 21) analyzes a shift in responsibility between the state and civil society from the perspective of social contribution without reliance on the formal resources of government; this study cannot, however, follow the approach, as such data is unavailable or inaccessible. Instead, four aspects in the policy process are analyzed as a way of interpreting responsibilities of actors in the two cases in Kunming. They are formulating, implementing, financing, and mediating.

Actors and institutions in the two cases are classified according to the four dimensions of responsibilities in the two policy processes, where the homeowner case is sub-classified to two phases: the reconstruction plan and the protest.

As Table 1 shows, governments in the two cases hold more responsibilities (formulating, financing, and mediating) than other actors and institutions in policy processes. This indicates that the governing style of “Strong State, Weak Society” remains the norm in China. Government is still dominant in public policy, whereas private and voluntary sectors play a limited role.

What matters is that institutions beyond the government begin to deliver public services that used to be monopolized by government—that is, needle and syringes exchange by NGOs in the NSEP case and street reconstruction by businesses in the homeowner case, referred by Stoker (1998, p. 19) as “contracting out and public–private partnerships.” This reflects arguments such that governance is about the New Public Management (Hood 1991), about contracting out responsibilities to non-state actors (Hyden 2011), and about franchising and new forms of regulation (Stoker 1998). To some extent, these arguments are also about how governance is currently understood in practice in the context of China.

Yet bottom-up social force interprets governance in a different manner, and citizens, NGOs and businesses demonstrate that they could shoulder more responsibilities in dealing with social problems and providing public service, instead of passively receiving service or following orders from the government. For example, in the homeowner case, the grassroots organization, CHR, is not established and involved in designing the street reconstruction plan. Yet when it comes into being, it displays voluntary, spontaneous, and bottom-up force from society demanding for the protection of rights. The fact that individual citizens such as homeowners are not only financing, but also participating in protests against the reconstruction plan, reflects a demand from societal actors and institutions for more responsibility in addressing societal issues.

Moreover, the reconstruction plan and the later protests are disconnected, except that there are homeowners who appear as policy objects in both phases, because societal actors are usually detached from government and have no say or responsibility in policy making. That almost represents a traditional null interaction between state and society in the policy process in Chinese history; when they did interact, it usually took the form of uprisings.

Power Dependence in Collective Actions

If there is a *de facto* interaction between state and society in China within the two cases in Kunming, one in which actors from government, private, and voluntary sectors participate in policy process and have different responsibilities, then further analysis will focus on whether there is power dependence between actors. Stoker (1998, p. 22) believes that in a governance relationship, no one organization can easily command, although one organization may dominate a particular process of the exchange. Governing is always an interactive process because no one single actor, public or private, has the knowledge and resource capacity to tackle problems unilaterally (Kooiman 1993).

Despite the “Strong State” tradition in China, the NSEP case does illustrate power dependence and interdependence between the government and NGOs. Daytop China and Yunnan Red Cross rely on the policies of the YPG and funding from the Sino-British Project (SBP) for NSEP. On the other hand, YPG and SBP also depend upon resources of the two NGOs—such as field workers, key insiders,

techniques, etc.—to deliver the service to IDUs, which is mission impossible for government agencies or businesses. Likewise, the NGOs have to seek cooperation and support from the BPS and Bureau of Health so that their field workers have no trouble in routine exchanges of needles and syringes. Both BPS and BH are subordinates of YPG, and they have to follow orders but do not necessarily have to agree on the implementation of NSEP and the values behind it. Therefore, power dependence and interdependence, as well as power conflict between organizations within and beyond government in addressing HIV/AIDS issue, are evident.

The homeowner case nonetheless shows little of such power dependence, except that in the hierarchical superior-subordinate relationships among government agencies, but not between government and grassroots organizations or businesses. The reasons could be that a consensus on the necessity and importance of a collective action toward common goals in devising the reconstruction plan has not reached among actors and institutions. For instance, neither Bureau of Construction nor Kunming City Investment Company include homeowners in policy making, taking for granted that urban planning is a matter of government and that homeowners would abide by government policies anyway, so why bother to ask for their opinions, let alone agreement and collective action? In other words, BC and KCIC hardly perceive their dependence on citizens in implementing a public project. It may occur to some, if not all, government agencies due to the later protest that in today's China public policy without consent of citizens would be more and more difficult to implement. Government has to depend on resources and support of other actors beyond government to get things done.

Autonomous Self-Governing Networks of Actors

One ultimate goal of interaction between state and society may be “the formation of self-governing networks” (Stoker 1998); such networks involve not just influencing government policy, but taking over the business of government. However, Stoker does not provide further criteria on self-governing networks. A growing society in China with actors involved in the traditional business of government is apparent after previous analyses; yet has it gone this far to form its self-governing networks?

As mentioned in the introduction, Chinese society, by tradition, was fragmented, so networking in a public sphere among those with same interests was not the norm or always legitimate. Even though the homeowner case presents one example of a trend of self-organized activities in society—the formation of the Committee of Homeowner Representatives—the network does not perform well in self-governing. It could be fair to say that there is not a real network, because a network needs to have relatively stable groups...that enable it to have a sustainable role in making governing decisions, and its participants are likely to have an institutional base...a domain of command power (Stone 1989). From those descriptions, one could at least generate a few traits of self-governing networks: relative stability, networking, access to resources and decision-making,

information sharing, etc. The CHR and its organization of the homeowner protests do not fit well with the picture of a self-governing network. It hardly seeks for support from other social organizations.

Even in the NSEP case as a successful example of collaboration between government and NGOs, both actors consider it a policy they have to cooperate in implementing, due to the pressure from their respective superior organizations, not because they have formed common goals or values and are therefore willing to share power and resources etc. More interesting, the two NGOs acknowledge lack of communications and connections between them, although both program managers confirm the importance of networking (Li 2008a). That implies a lack of a mechanism that enables smooth flow of information, negotiation, compromise, and collaboration. The awareness of the magnitude of organized collective action remains low. If it is a network, it functions somewhat better than that in the homeowner case; it is at maximum a governing network with heavy bureaucratic influence, yet far from a self-governing network.

Government Power

Stoker (1998, p. 24) holds that, faced with the complexity and autonomy of a system of multi-level governance, there is a strong tendency for political leaderships to seek to impose order and issue directives and that government, in the context of governance, has to learn an appropriate operating code which challenges past hierarchical modes of thinking. The power of government to command its authority is not a must among actors to depend on in order to get things done. This is not what is found in the two cases in Kunming. The traditional governing model of “Strong State, Weak Society” in China has been changing, yet government is still powerful and many social issues have to depend heavily on the authority of government to be effectively tackled, as both the cases reveal.

The NSEP case serves as a good example that the success of NGOs often presupposes government support and power. NSEP service is delivered by NGOs with the support from government in its documents; however, in practice, the police, by law, could put anyone under arrest with drugs and the paraphernalia to take drugs. Facing the dilemma that cannot be solved in short term, the key to the success of daily needle exchange in the field lies in the power and cooperation of Bureau of Public Safety, in addition to technical and professional knowledge of NGOs.

Furthermore, the success of NSEP, compared to the failure of the homeowner case, can be interpreted exactly in the sense that it has gained more support from government and especially the higher level and therefore could utilize more authority of government to achieve the goal. The homeowner case on the contrary proves a lack of support of the government in the collective actions of homeowners. This shows how strong the government power is when it ignores the interests of homeowners in devising the plan, responds slowly and ineffectively to their appeal, and later punishes the key protest organizers severely. The heavy

dependence on interactions between state and society and on government power depicts a long way for China to go toward governance.

Further Analysis

The five-step analytical framework describes the development of governance in China. This study first identifies, from the two selected cases in Kunming, Yunnan Province, actors and institutions from and beyond government in tackling policy issues, their shared responsibilities, and power dependence in the relationships between them. Meanwhile, it recognizes a lack of an autonomous self-governing network of actors and a heavy dependence on government power to get things done in policy implementation.

Based on those analyses, this study summarizes governance in China as follows.

- (1) Governance as a new form of governing is emerging. China has a tradition of strong state, which governs society strictly. The state has receded gradually since the initiation of economic reform in 1979. It is in the market system that the dynamics of society has had a chance to be released, followed by an awakening civil society. Both cases in Kunming reveal such a release, with behaviors of actors from state and society—government, businesses, NGOs, individual citizens, and their families, etc., who are involved in addressing public issues that used to be monopolized by government. Contracting out service for marginalized groups to two NGOs from the government in the NSEP case and forming public–private partnership in urban planning, imply both a more limited role of the state in planning the economy era and a fast growing society that demands more participation in policy process and service delivery.
- (2) “Blurring boundaries” in the governance perspective has a different meaning in China. It means undefined boundaries between state and society. Though it possibly emphasizes on “redefining” roles and responsibilities of state and society besides their original ones—therefore blurring boundaries—to more effectively meet citizens’ demands as in the western world; the term implies “undefined” roles and responsibilities of the state and society—hence blurry boundaries—in the case of China.

That means a double task for China on its journey toward good governance. On the one hand, it needs to clearly define boundaries between state and society so that society could be free from coercion of state power; on the other hand, it calls for actors from state and society to cross the boundaries, hence “redefining” in particular with the trendy New Public Management strategies currently employed in China. “Defining” and “redefining” boundaries of state and society indicate a process of reengineering formal and informal institutional legacies to achieve better governance.

In the homeowner case, the street was not eventually taken over by government or rebuilt into a public street, which reveals China's willingness and efforts toward good governance. It is a positive outcome of interaction between Chinese traditions and Western imports. Other evidences in Chinese public administration to reflect such positive interactions include improved public service delivery, established public hearing system, a law enabling citizens to access government information, continuous administrative reforms advocating transparency, efficiency, equity, etc. Not all of them work or work well. Yet it at least suggests a partially reengineered communist legacy to meet citizens' demands in a changing governing style of governance.

Furthermore, the success of the NSEP case and the failure of the homeowner case prove that defining and redefining blurring boundaries between state and society in China differ on different policy issues. The more opened-up one policy field is, the higher is the chance that better governance can be achieved. The HIV/AIDS issue used to be a very sensitive topic even in the 1990s, so a needle exchange program for drug addicts was unthinkably impossible, let alone a NGOs' active participation. It was not until the recent decade that the Chinese central government changed its attitude and released more space for national and international NGOs to enter into this field. Without that, there would have been no defining and redefining boundaries between state and society. Consequently, local success and better governance on HIV/AIDS issues would remain a daydream.

Property rights as a policy field is not as opened-up as the HIV/AIDS issue. It is more a local issue that affects mainly local people and institutions. When a local government shed its power on taking over the street, society was too weak to defend itself. Government receded little in the urban planning phase, ignorant of the necessity and importance of defining and redefining boundaries between state and society; it only did so until the homeowners occupied the street, when citizens physically blurred the boundaries and made their requests for their rights. Had property rights been opened-up to actors beyond government, bad governance might have been avoided?

(3) Citizens are the true engines to propel governance. As governance is contextual, people of different countries and cultures may understand governance differently and prefer varied governance interventions and agenda. What is favored and considered a must by some may mean little to others. The two selected cases in this study, together with other yet-to-be-examined examples, show the Chinese people's demand for outcomes resulting from good governance, although they might employ alternative terms.

Further, the means citizens prefer to attain the goal may vary as well. They might not favor interventions recently adopted in the Arab world; nor might they set the governance agenda; rather it is the academics and practitioners who are more likely to do so. Yet they make up the core. In practice, they contribute their inputs and ensure their voices heard in one way or another on limited public affairs. Citizens are the foundation of an awakening society for human decency; Chinese citizens are formulating their own version of good governance. Yet they have gained too little

attention from government. Going back to citizens—going back to basics—is hence regarded in this study as a key to improving governance in China. Understanding their needs and preference should be the starting point for good governance.

Conclusion

This paper attempts to analyze the interaction between state and society in China, by empirically analyzing two cases in Kunming, Yunnan Province with the governance perspective. It detects that China is experiencing a transition of governing style from government to governance, both of which intertwine in addressing social and economic issues. Government as a traditional top-down governing style remains strong, while governance as a new form of governing gradually catches up—though varying in different policy fields.

However, as China continues its efforts for sustainable, comprehensive development, good governance is a necessary condition for continuous development. The challenges are apparent, such as how to clearly define and redefine boundaries between state and society and how to integrate the advantages of China's traditions into the governance agenda. The study argues that citizens, as the essential driver, will propel China toward good governance; therefore, they should be listened to more carefully by government in coping with the challenges as well as addressing social issues.

This study concludes that governance will continue to develop in China. It may confront setbacks due to the reengineering of Chinese traditions and western imports, conflicts due to unsuccessful interaction between state and society, and doubts due to possible governance failures. However, Chinese citizens desiring a decent life have shown, as the two cases in this paper analyzed, their determination. They cannot and will not be ignored like their ancestors by the state unless China closes its door to the outside world. Governance is one of the ways, if not the only, for China to go through its current intricacy for sustainable development.

End Notes

1. The information was not officially released to the public; media reports on the final sentence were not found. Data here is based on messages from some insiders, friends of the homeowners, BBS discussions, etc., whose names are not for disclosure. The accuracy of data is therefore not amenable to verification.

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