Tucker Van Aken
Albright Stonebridge Group

Actions Speak Louder than Words: A Political Economic Take on Campaign-Style Enforcement

The theoretical framework of the article “Campaign-Style Enforcement and Regulatory Compliance” by Nicole Ning Liu, Carlos Wing-Hang Lo, Xueyong Zhan, and Wei Wang helpfully describes how campaign-style enforcement can change cadre-level behavior in Chinese environmental policy implementation. It is certainly true that increasing the resources available to achieve energy conservation and emissions reduction (ECER) goals and the punishments for failure does change cadres’ “personal risk analysis.”

However, findings from my own research, as well as on-the-ground experience assisting companies and nonprofits affected by such regulations, suggest that the authors overstate the impact of this cognitive change on the actual behavior of cadres (government officials) and business managers. Most critically, the article is reliant on the self-interested reporting of the individuals charged with implementation, whom I have found continue to demonstrate just the sort of “decoupled” behavior the authors assert has changed, namely, that actions do not match words.

The case of Chongqing, a relatively strong performer compared to other provinces, is illustrative. During two years of studies conducted primarily in Chongqing—but also Beijing and Xi’an—I collected public data on industrial and district-level performance in achieving energy conservation goals. I also participated in performance audits with local officials.

In the five-year period that began in 2007, when the Chongqing government began publicizing evaluations of district-level governments’ energy savings performance, no district received an “incomplete” rating (the equivalent of a “failing” grade). However, data released by the municipal government show that on at least 17 occasions over that time period, districts could have been given an incomplete grade. Government officials argue that a number of factors could explain this phenomenon, from improper data collection to “reasonable” ad hoc grading adjustments to account for challenges such as lack of funding, economic hardship, or regional employment concerns. Despite a highly professional, authoritative, and dedicated auditing group, this subjective “negotiated grading” allows for the continued divergence of economic and environmental goals in some districts. While officials and managers in Chongqing exhibit many of the same cognitive behaviors the authors report—namely, they follow Beijing’s lead—a more nuanced picture emerges when one examines audit reports and data more closely.

A major gap in this article is that it does not examine the exact mechanisms by which top-level policy priorities direct local-level behavior, the most important of which are yearly performance targets and cadre evaluations that grade each firm, cadre, and level of government. The central government sets and adjusts highly detailed grading tables, which establish yearly goals and act as a “baton” to direct cadre and firm-level behavior, an important part of the campaign. Success in meeting these targets, graded out of 100, determines bonuses, awards, promotions, and potential punishments. Targets are ranked by priority: at the top are “priority targets with veto power” that must be met, followed by “hard targets” and “ordinary targets.” Performance on hard targets, such as economic development and, very recently, environmental performance, is critical to cadres’ career advancement (Ong 2012). Local officials and managers often cite the importance of performance targets, which have been tightened further in the 12th Five-Year Plan, in shaping behavior and ECER implementation (Van Aken 2013).

The authors’ approach also does not sufficiently explain regional variation in performance, although local “triggers” are a cause in a limited number of cases. Importantly, while ECER policy implementation was remarkably successful across provinces during the 11th Five-Year Plan, there was wide variation in how successful. In a forthcoming article, Orion Lewis and I use regression analysis and provincial case studies to show that regional variation in ECER...
implementation is primarily the result of political economic variation in economic incentives for noncompliance with central dictates (measured as the local economy's reliance on influential large and medium enterprises) and the opportunity (i.e., political autonomy) to carry out noncompliance. While campaign-style enforcement certainly helps rebalance incentives, its relative local effectiveness is subject to political economic realities.

Finally, while the authors rightly point to fragmented authoritarianism as a sometime obstacle to policy implementation, they fail to discuss an important advantage: it allows for what Sebastian Heilmann (2008) calls “experimentation under hierarchy.” Centrally sanctioned, localized experimentation prompts novel regulatory and policy ideas for wider implementation. Fragmentation also allows local actors to adjust policies to reflect local realities. In fact, evaluation procedures are deliberately kept flexible, allowing for localized responsiveness. This grassroots-level experimentation and adjustment provides for bottom-up feedback mechanisms, which are an important source of information and innovation for the central government. Without such feedback, top-down pressure would be static.

I agree with the authors’ assertion that “by theorizing the recoupling model, this article helps further our understanding of the contingent nature of political implementation.” Chinese policy implementation is often driven by the strength of its leaders and the sticks and carrots they employ. Since 2012, President Xi Jinping and Premier Li Keqiang have led a concerted push to strengthen China’s environmental regulations. First, all levels of government are paying attention to the environment, pollution control, and other issues that are critical to the Xi-Li administration’s aim to improve people’s well-being. Second, the government has begun to more aggressively implement China’s 12th Five-Year Plan environmental goals:

1. Reduce energy intensity (energy consumption per unit of gross domestic product) by 16 percent
2. Increase non-fossil-fuel energy to 11.4 percent of total energy use
3. Reduce carbon intensity (carbon emissions per unit of gross domestic product) by 17 percent

In the fall of 2013, China’s National People’s Congress Financial and Economic Affairs Committee conducted a midcycle review on progress on these goals, finding that China will need a big push to meet its 2015 targets. This led to Li Keqiang’s call for a “war on pollution.” This push, and the campaign-style enforcement associated with it, has undeniably changed the calculus for businesses and cadres charged with implementing the measures. However, we would be foolish to ignore the fact that local implementers often continue to put words ahead of actions. In fact, it is widely reported that many coal-fired plants that have installed desulfurization equipment often leave it idle, as it is costly to operate (e.g., Huang 2014; Russell 2014). Campaigns help, but the cognitive changes the authors emphasize must be complemented by quantifiable, rules-based, and focused changes to political economic incentives.

References


