

# T01P04 / Mechanisms of Local Policy Experimentation in China

**Topic :** T01 / Policy Process Theories

**Chair :** Xufeng Zhu (Tsinghua University)

## GENERAL OBJECTIVES, RESEARCH QUESTIONS AND SCIENTIFIC RELEVANCE

Decades of literature in study helps understand policy experimentation in western democratic countries. For example, governments with sharing similar social problems and political pressures created by electoral institutions tend to respond by adopting similar welfare and regulatory policies. Likewise, geographical proximity facilitates neighboring governments mutually learn from each other. In terms of vertical intergovernmental relations, central (or federal) governments sometimes design policy experimentations through top-down legislation, or select pilot sites to implement policy experimentations.

However, some distinct features in authoritarian China, such as political loyalty, fiscal resource sharing, administrative centralization, and peer competition, have much complicated our analysis on policy experimentation. Unfortunately, it is still unclear why and how policy experimentation occurs in authoritarian regimes like China. This panel will discuss the dynamics of policy experimentation in the specific circumstance of China.

## CALL FOR PAPERS

Papers that address any aspects of policy experimentation in China are welcome. Topics may include but are not limited to:

- How the experiments are designed and implemented?
- How the government evaluates and interprets the experiment results?
- The role of scientific methods in designing and evaluating the experiment results?
- The role of central and local governments in the experimental approach?
- Debates over the application of a single case to heterogeneous local governments?
- The different responses of policy actors to experimental approach?

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## Session 1 Mechanisms of Local Policy Experimentation in China

Friday, June 30th 13:45 to 15:45 (Block B 2 - 1)

### Discussants

Shamsul Haque (Department of Political Science, National University of Singapore)

JIE GAO (National University of Singapore)

### Local Government's Policy Instrument Choice for Low Carbon Pilot City: A Case Study of Zunyi City

Qijiao Song (North China Electric Power University)

Shihong GUO (Tsinghua University)

max song

China has been working on climate change and has announced that it will reach peak carbon dioxide emissions around 2030. During the "Twelfth Five-Year" period, from 2011 to 2015, China included low carbon development goals into national goals and local goals of development. Since 2010, "low carbon pilot city" policy has been put forward to guide the pilot cities play the leadership role in undertaking low carbon development goals and achieving peak carbon dioxide emissions. Low carbon pilot city policy is an important starting point in the implementation of national low carbon development goals. However, the research shows that low carbon pilot cities did not achieve the desired results. In this paper, we use Zunyi City, a low carbon pilot city of China, as an example to analyze the effect and obstacles of local pilot policy implementation from policy instrument choice perspective. We conclude our research with some corresponding suggestions to support successful implementation. How the low carbon pilot policy was implemented in Zunyi City is a microcosm example of China's low carbon pilot city policy. We find that implementation low carbon development is reflected in the development philosophy of the city. Command-and-control policy tools on the local government are the strongest binding tools, and achieve the best results; economic and incentive policy tools are most favored by local government, but exist as mostly one-off projects, and suffer from a lack of sustainability and stability. Finally, voluntary policy tools show poor results in the implementation of low carbon pilot city policy.

### Local Policy Experimentation of the Extended Producers' Responsibility Scheme for Promoting the Recycling of Waste Lead-Acid Batteries in China

Chao Zhang (Tsinghua University)

Xufeng Zhu (Tsinghua University)

Extended Producers' Responsibility (EPR) is an environmental policy approach in which a producer's responsibility for a product is extended to the post-consumer stage of a product's life cycle. The EPR has played an essential role in EU's environmental policy making, and also diffused into other countries, especially in the field of waste recycling. However, in many developing countries, including China, where current gaps in environmental regulation, high demand for second-hand goods and the social norm of selling waste encourage the growth of a strong informal recycling sector, posing tremendous pollution risk to the environment. How to refer and implement the EPR scheme in the policy making process in China, is a key question not only for the academic research of environmental collaborative governance, but also for facilitating the sustainable development of circular economy. This research takes the pilot policy experimentation of recycling waste Lead Acid Battery (LAB) based on the adaptation of EPR in China as a case study. The authors conduct thorough field researches on LAB in Zhejiang Province, where is the main production area for LAB, and Beijing, where is a pilot city for LAB recycling. The research also comparatively analyzed on the LAB recycling mechanisms of EU, with cooperation of the International Lead Association. Based on the theoretical framework of the policy diffusion, the authors coherently conduct a modified life cycle assessment of LAB material flow. At the same time, the research also conducts a

policy diffusion analysis of EPR-based environmental governance, considering the factors of geographically proximity, vertical intergovernmental relations, legislation gaps and technology transfers, etc. This paper aims to examine and propose an appropriate approach for EPR diffusion in China. It may also provide references and experiences for promoting the environmental sound development of circular economy in China. This research exactly fits the panel of T01P04 - Mechanisms of Local Policy Experimentation in China, with a topic of Policy Process Theories, and will diversify and enhance the discussion of policy experimentation in the specific circumstance of China.

## **Policy design and implementation of emission trading pilots in China**

Lili Li (Auburn University)

Emission trading scheme (ETS) has been used for reducing industrial emissions in developed countries since the 1990s. ETS encourages internalization of negative environmental externalities through market signals, which also resonates well with a more general reform wave of new public governance that emphasizes a large-scope collaboration between actors from governments and markets. Further, in contrast to traditional command-and-control approaches, ETS is expected to be more flexible and effective. Existing studies show that the success of the policy instrument varies with the policy design, the existing policy mix and implementation issues. However, this literature has mainly concentrated on the experience of developed countries, particularly European Union (EU) countries. There is a lack of evidence illustrating the complexity in the design and implementation in relation to the effectiveness of the policy instrument in developing countries where environmental investments and regulatory capacity are low. This study contributes to existing research by focusing on the experience of local policy pilots of ETS that are used for reducing greenhouse gas (GHG) emissions in China, a developing country yet the largest GHG emitter.

This study first examines how the innovative policy instrument—ETS—was adopted in China, with a focus on the similarities and differences in the policy design between China and the EU, including the adaptation of the instrument to existing policy mix. Second, the study investigates how stakeholders and other political-economic factors have influenced the choices on elements of the policy design and implementation of ETS in China, paying more attention to policy makers and implementers at various government level. Third, using time series analysis, it identifies the policy design and implementation factors that drive carbon prices of the ETS and examines whether China's local policy pilots provide the necessary incentives for participating corporates to undertake significant environmental actions. Finally, the essay discusses how to improve the ETS system in China, and explores the policy implications for emission abatement in other developing countries through the adoption of innovative environmental policy instruments such as ETS. Broadly, this research contributes to our understanding of policy design and policy implementation in the context of policy diffusion from developed countries to developing countries.

## **Flowers Blossom and Fade: Themes Change of China's local Policy Innovation 1980-2010**

Ciqi Mei (Tsinghua University)

Local policy innovation has long been cited as a driving force of China's policy change and institutional transformation (Naughton, 1995; Heilmann, 2008, 2013; Heilmann and Perry, 2011). Currently, the most fruitful empirical research has mostly focused on the diffusion mechanism of experiments/innovations across jurisdictions, usually taking one policy program as the case (Zhu, 2013; Wu, Ma and Yang, 2013; Zhu and Zhang, 2015; Ma, 2015, etc.). At the same time, less ink has been spilt to how innovated policy programs, as for its policy areas, policy issues and policy contents, have emerged one after another. (Exception includes He, 2011, Mei et.al. 2015). While it is important to see the diffusion path and pattern of specific policy programs, to illustrate the underlying logic of the shift of innovated policy programs is crucial to understand how policy innovation brings into policy changes and institutional transformation.

Theoretically, shift of innovated policy programs could happen in three ways. First, diffusion of previously policy innovation could solve the pressing issue and divert policy makers' attention to new pressing issues. (Heilmann, 2008). Second, such diffusion could engendered new pressing issues under previous institutional constraints. (Thelen, 2004). Thirdly, shifts of policy paradigm could bring about new policy innovations (Hall, 1993).

In this paper, we aims to map out the shift of innovated policy programs in China from 1980 to 2010. We collect all new reports on People's Daily during this period concerning one specific prefecture's policy innovation. Information about each innovation's policy area, policy issues and policy contents are extracted by hand and also by Natural Language Processing (NLP). This paper first shows the shift of policy areas across time at the macro-level. Taking economic policy area as an example, we'll then show the shift of policy issues. And finally we use SOE reforms as a case to observe the shift of policy contents across time.

## **Multiple Mechanisms of Policy Diffusion in China**

Xufeng Zhu (Tsinghua University)

### Multiple Mechanisms of Policy Diffusion in China

Youlang Zhang, Xufeng Zhu

An increased interest in policy diffusion research on China has emerged in recent years. However, the multiple diffusion mechanisms in China have not been explored adequately. In this research, we employ the directed dyadic event history analysis (EHA), a new approach introduced into recent policy diffusion research, to examine the diffusion of China's provincial-level administrative licensing reforms from 1999 to 2015. Our research provides consistent evidence that instrumental learning, economic imitation, political competition, top-down coercion, and bottom-up diffusion mechanisms can co-exist in China. This research not only provides substantial empirical support for the application of policy diffusion theory in non-western countries, but also offers new insights into the structural dynamics behind the phenomenon of policy diffusion.