A REVIEW OF RECENT CHINESE LITERATURE ON
PUBLIC ADMINISTRATION

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The research and publishing activities of Chinese scholars in the field of
public administration have become more accessible abroad with the
appearance of a new monthly journal, ECONOMIC MANAGEMENT (jing ji
guan li), published in Peking by the Institute of Industrial Economics of the
Academy of Social Sciences. The journal contains a wide range of articles of
interest to Western students of public administration, addressing such
concerns as the utility of computer models in social engineering, speciali-
ization in organizations, and the development of long-range planning. The
journal also monitors developments in organization management abroad,
particularly in Japan and the United States.

In the interest of scholarly communication we offer here synopses of
and comment on articles of direct interest to students of public administra-
tion appearing in this new journal. We hope that not only can we foster an
understanding of the development of public administration in China, but
that in time theories developed by Western public administration can be
tested in the Chinese context.

The study of public administration in China has received little attention
in the West. This may be because the scope of public bureaucracy is much
broader in China, including a range of organizations which are studied in the
West as private or business administration, and because China has been more
interested in applied management and administration, and less interested in,
for example, the theory of organization and bureaucracy. These charac-
teristics of public administration in China — its wide scope, and its emphasis
on applied administration — are reflected in the articles published in
ECONOMIC MANAGEMENT (EM). In spite of these different conceptions
of the field, and different emphases and concerns, issues of interest to
western students of public administration are being raised in China.

In this issue we summarize and comment on articles on social
engineering, specialization and co-ordination in organizations, and the
development of American enterprise management.

It is occasionally necessary to provide the romanized equivalent of
some Chinese characters, the English translation of which may be unclear,
and for proper names. Where this is done, the pin yin romanization system is
used.

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59
Social Engineering

In an article, "The Technique of Organizing and Managing Socialist Construction — Social Engineering," (EM No. 1, 1979, pp. 5-9), co-authored by Qian Xue Sen and Wu Jia Pei, a plea is made for the study of the "science and technology of applied organization and management." Previous discussions, they argue, have only addressed micro-systems organization and management, ignoring national systems. Both should be studied, they point out. Emphasis on society-wide and national long-range planning is not only necessary, but is now possible. Computers, planning studies, and theories of control (kong zhi lun) are well developed abroad, and need to be refined and applied in China.

In this regard, developments overseas should be monitored. Rumania and Yugoslavia, for example, have successfully used long-range planning. Of particular interest in capitalist countries is their study of futurology (mo lai xue), and the laws and methods of organization which, the authors imply, could be developed in China. In particular the work of the International Institute for Applied Systems Analysis in Vienna, about which the authors supply some information, should be followed.

Social engineering, here seen as a "category of systems engineering on a macro-societal basis," is the appropriate method for "socialist construction." Data collection and analysis, planning studies, and control theories are all seen as integral to the use of this method. Because the results of social engineering, especially on a society-wide scale, are unknown and can only be imprecisely guessed, the authors conclude that computer experiments using different models simulating real behavior would be the best way to proceed. Models can then be tested, adjusted, and made to fit reality.

The complexities of computer model building and testing, and especially the need for adequate data collection and processing, are only mentioned briefly in the article. The data problem must first be solved, a topic which is no more than acknowledged by the authors. The article simply brings to our attention new possibilities for planning in China.

Specialization in Organizations

Several articles calling for increased specialization in enterprises, re-open an issue which last appeared in China in 1965, only to be silenced by the Cultural Revolution (1966-69). In "How did Canton's No. 2 Light Industry Plant Carry Out Specialization and Co-ordination?" (EM No. 1, 1979, pp. 21-23), Zong Qin Sui emphasizes the economic necessity of increasing the division of labor in this industry. Tracing the enterprise's erratic development toward more functional specialization, he points out the
many advantages of specialization, among them the more efficient use of long-range planning. Specialization must also be accompanied by stable systems of co-ordination, he points out.

This enthusiastic endorsement of increasing specialization is followed in the same issue by an editorial, “Objective Laws Determine Specialization and Co-ordination,” which sounds a more cautionary note. Increasing specialization for its own sake is not desirable, it states. Only if the ‘objective laws’ dictate should specialization be carried out. That is, according to the editorial, conditions are appropriate for increasing specialization if production can be “concentrated”, and output and efficiency increased. Concentrating production as a result of specialization, for example, means that the newest technology can be adopted, raising efficiency and lowering costs. The needs of the product, for machine parts, or of technology and services, all may necessitate increasing specialization.

The implementation of schemes to increase specialization is exceedingly complex, the editorial points out, and changes in existing production and assembly patterns to take advantage of the economies which specialization offers, may bring new problems, in particular, what to do with small factories left out of amalgamation schemes, schemes which are seen as a necessary part of increasing specialization.

This discussion is continued in an article by Zhou Mo Chang, “Specialized and Amalgamated Companies to Develop Enterprise” (EM No. 2, 1979, pp. 14-17), which analyzes the problem in the electronics industry. “To organize specialization and co-ordination on an industry-wide or geographic area basis, and to use specialized and amalgamated companies to decentralize management . . . is a necessary tendency for modern development . . .” In the electronics industry there is an obvious trend toward several types of amalgamated organizational structures he argues: amalgamated companies based on product line (horizontally integrated); amalgamated companies based on processing and assembling a final product (vertically integrated); and amalgamated companies based on geographic area (by province and/or municipality). While the superiority of the trend toward increasing specialization and amalgamation is “obvious” (it leads to greater efficiency), the author points out, it is also “conditional” (for example, spare parts plants are not suited to amalgamation). The autonomy of these organizations must be respected, and, the article concludes, organizational barriers between regions, between centrally and locally managed enterprises, and between industries must be broken down.

These articles on specialization are largely prescriptive, highly rationalistic in their view of organizations, and, at the same time, vague and overly general. In this sense they resemble the arguments advanced by the classical organization school in the West during the 1930's and 1940's, for whom the
division of labor was a central characteristic of efficient organization. The "objective laws" governing the conditions under which specialization is either appropriate or necessary, are, for example, not set out in detail. Although one article attempts to discuss types of specialization (identifying specialization by process and by geographic area in one industry), other types are ignored, and the relationships between types is not adequately investigated.

The discussion of specialization overlooks the possibility that the division of labor in any organization may be influenced by other factors: the environment of the organization; the availability and type of personnel; or political and cultural factors. The relationship of these factors to existing divisions of labor in organization must first be investigated before prescriptions can be made. Finally, the implications of increasing specialization are not discussed in these articles, an important omission. Increasing specialization and amalgamation makes new demands on organizations. In particular, control and communications functions take on added importance, implicitly acknowledged in one article which links specialization with co-ordination. But much more needs to be said about these topics. The increased importance of control and communication will require growth of staff functions, which may increase layers in the organization. What consequences will this have for efficiency? The implications of specialization for organization need to be set out in detail.

American Enterprise Management

In a survey of the development of American enterprise management (EM No. 1, 1979, pp. 55-59), Ye Chung Ling, a member of the Intelligence and Research Section of the Fourth Machine Building Ministry, organizes the discussion into three periods: 1875-1900 (the period of capitalist one-man management, and the growth of trusts); 1900-1920 (the period of centralized power in functional departments of enterprises); and 1920-present (the period when ownership became increasingly divorced from control, and which first saw power distributed to divisions in American enterprises based on principles advanced by Taylor, but which later saw the development of the "sector executive system" and "matrix management").

The article draws on the management experience of several large multinationals — International Business Machines, General Electric, American Telephone and Telegraph, Radio Corporation of America, and Ford Motor Company. It reproduces organization charts of the management systems of some of these enterprises, and then briefly describes the operation of each system, concluding with an evaluation of its strengths and weaknesses.
Of most interest is the author's evaluation of current American management systems. The chief defect of the system of distributing power to divisions of an enterprise, for example, is that the divisions then tend to be pre-occupied with their own short-term, immediate goals, ignoring the long-term, and slipping into "sectarianism." The "sector executive system," adopted by General Electric in 1977, the author says, overcame this problem by establishing "strategic business units," which selected various products for independent management by the divisions. They could no longer ignore over-all planning for their product, but had to consider the long term.

The most recent development in American enterprise organization, according to the author, is "matrix management," which encourages coordination among divisions and staff departments. Lying along the three axes of a matrix (from which the system gets its name) are the enterprise's divisions, staff departments (for example, sales, research), and geographic areas. Decisions are taken by representatives of these three groups, although, the article points out, conflicts may arise, particularly between sales and production managers. But "matrix management greatly encourages the development of the enterprise because it enables policy decisions to be shared, suiting the organization."

Several themes are emphasized in this discussion: enterprise management as a separate discipline has existed in the United States since 1920; the highest levels of management are not involved in the day-to-day running of the enterprise, but are chiefly engaged in long-range planning, research and development, and mapping out overall policy; successful management strategies are those which decentralize decision-making, while at the same time, ensuring adequate co-ordination and control.