

Research on the Appropriateness of Public Choice Theory to Contemporary China

Fuyao Luo

Nanjing Normal University, Nanjing, 210023, China

Abstract

Public choice theory was first put forward by American economist Buchanan. It extends the concept and principle of obtaining economic benefits from market exchange to the field of government decision-making. Its core content is the theory of government failure. Although the theory of public choice is rooted in western political soil, the theories covered by the hypothesis of economic man, political market trading activities and the analysis of government failure are still quite appropriate for Contemporary Chinese political research.

Keywords

Public Choice Theory; Government Failure; Appropriateness.

1. Public Choice Theory and "Government Failure Theory"

Public choice refers to non market collective choice, that is, people determine the demand, supply and output of public goods through the political process of democratic decision-making. It is a process of transforming private individual choice into collective choice. And also, it is the allocation of resources by means of non market decision-making. Public choice theory transfers the concept of "economic man" in the economic field to the political field. Assuming that everyone in the political field faces several different choice opportunities in political activities, he always tends to choose the opportunity that can bring greater economic benefits to himself, that is, he always pursues the greatest interests, so as to explore the "economic man" in the political field. Based on the hypothesis of "economic man", the public choice theory holds that the state and government are not always omnipotent and pursue public interests. They are still a human organization. People in the government will not do better or worse than ordinary people. Just as the market will fail, the government will also fail.

As the core content of public choice theory, the theory of government failure runs through it all the time. The so-called "government failure" means that the individual demand for public goods is not well met in modern democratic politics, the public sector tends to waste and abuse resources when providing public goods, resulting in excessive public expenditure scale or reduced efficiency, deviation in budget, and the activities of the state or government are not as effective as they should be. In Buchanan's view, the role of the government as the spokesman of public interests is to make up for the shortcomings of the market and make more social effect. Otherwise, the existence of the government has no economic significance. However, government decisions often do not meet this goal. On the contrary, some governments weaken rather than improve social welfare. Because the government is composed of people, their behavior rules are made by people, and the government's behavior also needs people to carry out. These people inevitably have the features of "economic people". Therefore, there is no reason to regard the government as an extraordinary and holy super machine, and there is no reason to think that the government is always the representative and response of collective interests. The government will also make mistakes and pursue the self-interests of the group composed of government members regardless of public welfare.

In public choice theory, it is generally believed that government failure includes the following features.

(1) Inefficient decision-making. Inefficient decision-making means that the implemented policies can not achieve the optimal allocation of resources. The policies followed by each government department are usually determined by the superior leaders or the leaders of the department according to their own understanding of the public interest. On the one hand, the public interest is uncertain and there is no strict standard to define it. When leaders make decisions, they have great discretion, and limited rationality will make the decision difficult to be perfect. As a result, there will inevitably be deviations in the maintenance of public interests. Besides, due to the flexibility of departmental politicians' behavior and the strong stimulation of their self-interest motivation, their behavior actually does not tend to serve the maximum promotion of public interests, but makes decisions follow the principle of maximizing their own information and personal utility.

(2) The government is inefficient and bloated. Government departments lack competitive pressure. On the one hand, under the Western regime, a considerable number of civil servants implement lifelong system, do not need to work efficiently, will not be punished accordingly. There is a lack of incentive mechanism. On the other hand, the government provides public services with monopoly, so it does not pay attention to improving the quality and efficiency of services. According to Buchanan and other public choice theorists, because government officials are also maximizers of personal interests, they always hope to continuously expand the scale of institutions, increase their levels and expand their powers, so as to correspondingly improve the level and personal treatment of their institutions, which enable them to formulate more rules and increase their salaries and enjoyment.

(3) Government rent-seeking activities. Rent seeking is that voters, especially interest groups, urge the government to help them establish a monopoly position and obtain high monopoly profits through various legal or illegal efforts, such as lobbying and bribery.

2. Exploration on the Appropriateness of Public Choice Theory to Contemporary China

Public choice theory is rooted in western political soil. Is it appropriate to the contemporary Chinese political environment? Putting aside the limitations and some prejudices of the theory, the public choice theory is appropriate to China's political system in many aspects. Today, China's government reform is changing from the previous omnipotent and highly centralized government to a service-oriented and democratic government. The change of political system provides more space for the application of public choice theory, such as how the government deals with the problem of release and management under the condition of socialist market economy, how to achieve better public interest with the increasing degree of democracy, etc. Especially when the government performs social management and economic development, the factors related to policy errors pointed out in the public choice theory still exist, scientific decision-making and effective implementation of decision-making are still difficult, and rent-seeking activities caused by government intervention still exist. Moreover, because economic development is a continuous function, different modes of government behavior can not be completely separated in time, so it is easy to simply transplant the government's economic management behavior under the planned economy system into the market economy system. Combined with China's actual situation, it is of great significance to explore political development from the perspective of public choice. Specifically, the theory of public choice is very consistent with contemporary Chinese politics in the following aspects.

(1) The hypothesis of "economic man" in public choice theory is the premise of government behavior analysis. This assumption is also applicable to the subject of our government. This is

not to deny that the main body of the government serves the people wholeheartedly. In addition to this noble goal, various personal interests and profit seeking behaviors also exist such as the behavior of competing for power and profit between superior and subordinate governments and departments at the same level, the short-term behavior of government officials in pursuit of political achievements and so on can become an example of "economic man". Applying the hypothesis of "economic man" to the main body of our government and using it to analyze the behavior of the main body of the government, we can also see that the administrative organization and its personnel as the main body of government execution are also rational and selfish to a certain extent. They can measure the cost and interests of each possibility of administrative behavior, and pursue the maximization of benefits in administrative behavior. Therefore, in the process of policy implementation, the administrative organization and its personnel will choose to implement the public policies that are beneficial to themselves, their department and the region, and take corresponding measures such as non implementation, symbolic implementation or neglect of implementation for the public policies that are unfavorable to themselves, their department and the region. At the same time, in order to maximize benefits, the government executive will bargain with the state or superior government to obtain more benefits, and lead to the phenomenon of "policies at the top and countermeasures at the bottom".

At the same time, this can also be used to explain the inaction of our government sometimes. Any behavior of the government subject has costs and benefits. Cost refers to the price paid or likely to be paid by the government body in the process of implementing the public policies formulated by the state or superior administrative body, before and after implementation. According to different entities, it can be divided into administrative personnel cost and administrative organization cost. The cost of administrative personnel includes the time cost, opportunity cost and psychological cost of responsibility, restraint and supervision. In addition to the time cost and opportunity cost of administrative organization, the cost of administrative organization also includes the monetary cost converted from human, financial and material consumed in the process of implementing public policies, as well as the pressure of social supervision and public opinion borne by the implementation of public policies. Administrative income refers to the benefits and satisfaction that the government executive can obtain through the implementation of executive behavior. It is also divided into executive income and administrative organization income, both of which include property income composed of money and material and spiritual income composed of reputation, promotion and spiritual satisfaction. The cost and benefit of behavior are the main basis for the government executive to make behavior choice. When deciding whether to implement a public policy and what attitude to take in the implementation, a rational government subject will fully consider the cost and benefit of the implementation. If the total cost of this behavior is greater than its total income, the government subject will choose not to make efforts to implement or try to avoid implementation, or even engage in favoritism and fraud in implementation, so as to reduce the loss of the government subject.

(2) The excessive concentration of power magnifies the disadvantages of rational economic man. Under the socialist market economy, although our government is committed to simplifying administration and delegating power and has achieved great results, the disadvantages of over concentration of power still exist. Under the chief executive responsibility system, important government decisions are often made by a limited number of people. However, administrative affairs are too complicated, the energy and knowledge level of executive heads are limited, and the conclusions drawn from cost-benefit analysis in decision-making are sometimes contrary to the public interest, but no one can correct them, which greatly increases the possibility of decision-making failure. What's more, highly centralized power will become a hotbed of corruption.

(3) At present, the effect of administrative supervision on our government is very little. In China, the subject of government is generally supervised by the superior government, the public, the supervision department of the government at the same level, the people's Congress and so on. Because it is always difficult for the superior administrative body to supervise and inspect the subordinate administrative body and need to pay a high price, it is difficult for the superior administrative body to obtain the complete information of whether the subordinate administrative body tries its best and works effectively according to the requirements. In addition, the superior government body is often related to the interests of the subordinates. For the sake of interests, the directly subordinate departments generally do not effectively supervise the subordinates. On the other hand, the public has less access to information when supervising the government's implementation, and often encounter problems such as lack of access to policy implementation information or information distortion. In this way, the government executive body knows more information about its performance in specific execution than the superior administrative body, and the "principal-agent" relationship between the public and the government executive body also encounters information asymmetry. Although the people's Congress has the power to supervise government actions, its role is still greatly limited under the current system. This leads to the fact that the government does not have to bear or fully bear the consequences of its bad behavior. In the process of relevant decision-making and policy implementation, when the interests of rational government subjects in themselves, their own departments and regions conflict with the interests of the state or superior administrative subjects, they often deviate from the guidelines and policies of the state or superior administrative subjects and take administrative actions beneficial to themselves, their own departments and regions.

(4) There is a lack of effective incentive in the operation of our government. In the process of government operation, it is necessary to motivate administrative personnel. The incentive means include salary, reward and punishment, promotion, etc. whether the incentive is effective or not directly affects the rational choice of administrative personnel. The so-called effective incentive requires that the benefits of administrative personnel should be directly linked to the performance in the implementation behavior, highlight the gap, and guide administrative personnel to consciously and correctly implement public policies. However, at present, the salary increase of administrative personnel in China is mainly determined by working years and positions; Once the wage grade is determined, there will be little change for a long time, which is the wage "rigidity" . It is difficult to form an effective wage incentive. Moreover, because there is not a perfect and scientific performance evaluation system for administrative personnel in China, the performance of executive behavior has little impact on performance evaluation; Moreover, the relationship between performance evaluation results and incentives such as salary and promotion is not close, and the gap in the treatment of evaluation results is not prominent, so it is difficult to effectively motivate administrative personnel. In addition, due to the small difference in salary structure, lack of flexibility and few opportunities for promotion, the marginal cost of executive behavior is greater than its marginal income, That is, the input of additional unit labor in the execution behavior is greater than the income brought by the input. Therefore, the rational administrator concluded that even if he tried to implement public policy, he could not increase his income accordingly. Therefore, the executive's pursuit of their own interests is reflected in how to obtain more comfort and comfort under the established income and how to obtain improper income in order to improve their marginal income in the implementation of acts. These acts will inevitably be inconsistent with the requirements of the state or higher administrative subjects, resulting in the low efficiency of the government.

3. Enlightenment of Public Choice Theory to China's Government Reform

It can be seen that many disadvantages of today's Chinese government are similar to that shown by "government failure" in public choice theory. Regardless of the factors of regime, it is closely related to human nature. The "selfish" nature shared by people in power is no different in western countries or at home. The disadvantages of the two regimes are similar, and the root causes are the same to some extent. Learning from the solution of the public choice theory and combined with the actual situation of our country, we can put forward some improvement measures to make our regime more perfect through the construction and improvement of the system.

(1) We will further promote the reform of the political system and deepen the pace of decentralization. Decentralization here refers to two aspects. On the one hand, it refers to the appropriate decentralization of power within the government from the superior government to the subordinate government and from the executive head to the subordinate, so as to avoid the concentration of power at one point and effectively avoid one person making mistakes and all employees paying the bill. On the other hand, it means that the government further changes its functions, transfers part of its power to the market and society, and allows more subjects to participate in economic development and social management. In the past, because the supply of public goods was monopolized by the government, the government intervened in the market and society, and the lack of competition mechanism, "one dominant" government greatly increased the possibility of "government failure". Reduce government intervention in the market, discuss and build with society, and lay the right tone for government reform.

(2) Improve the government performance evaluation mechanism and establish a sound government performance evaluation mechanism. Through a sound government performance evaluation mechanism, we can reduce information asymmetry and ensure that the interest objectives of the government's executive subjects are consistent with the implementation purpose of public policies, the interests of the people and the interests of the country. To this end, first, we should clearly stipulate the responsibilities and rights of each administrative organization and administrative personnel, and have clear measurement standards for administrative organizations and administrative personnel to "do or not do" and "how well they do". Second, in terms of the evaluation subject, in addition to the evaluation subject within the government, the government service objects should be gradually included in the evaluation subject, and an external evaluation system should be established, so that the people can more widely and effectively supervise the government departments and improve the implementation efficiency and service quality. Third, in terms of evaluation content, we should change the original practice of focusing on economic performance, formulate comprehensive evaluation standards for government political performance, economic performance, cultural performance and social performance, and comprehensively monitor, evaluate, analyze and evaluate the executive power, implementation results and comprehensive quality of government departments and their staff. Fourth, the evaluation results should be the main basis for administrative organizations to accept rewards and punishments and administrative personnel to obtain salary, training, rewards and punishments, promotion, etc. At the same time, the evaluation results and implementation should be fed back to the administrative organization and its staff in time, so as to continuously improve the implementation means of the administrative organization and its staff, and improve the initiative, creativity and implementation efficiency of the government's implementation subject. Fifth, ensure the fairness and efficiency of the evaluation process, improve the evaluation system, adhere to the evaluation according to law, and enhance the transparency of the evaluation process and results.

(3) Innovate the administrative incentive mechanism. In order to ensure the correct,

comprehensive and efficient implementation of various public policies by the government's executive body and improve the government's executive power, the cost of implementing public policies must be less than the income, and the marginal behavior cost must be less than or equal to the marginal behavior income. To this end, the following incentives should be taken. First, implement the administrative efficiency wage system. The system makes the salary income of administrative personnel higher than that he can get in other industries, which increases the cost of his dismissal, thus encouraging the loyalty and high-quality work of administrative personnel. Second, implement the administrative incentive compensation system. Under this system, the total income of administrative personnel is equal to basic remuneration (administrative efficiency wage) plus incentive remuneration. Among them, incentive remuneration is based on the results of performance evaluation and increases with the increase of the quality and quantity of administrative behavior of administrative personnel. Third, implement other compensatory incentive systems. The system mainly aims to improve the expected benefits such as promotion and recognition of the government executive subject in the future, so as to encourage the government executive subject to work actively according to the requirements of the superior administrative subject. Fourth, implement the responsibility target management system. That is to clarify the executive objectives, responsibilities and tasks of administrative personnel and organizations in each period. If they fail to achieve the expected objectives, they shall be investigated for responsibility, and shall be punished by deducting wages, administrative sanctions and allocated funds, so as to achieve the purpose of rewarding the good and punishing the bad, rewarding diligence and punishing laziness.

(4) To strengthen the administrative restraint mechanism, we should not only restrict the behavior of the government subject, but also restrict the administrative resources (including human, financial, material and time) required in the administrative process, so as to promote the government subject to make rational use of administrative resources in the implementation of public policies. Innovating the government restraint mechanism includes the following aspects: first, strengthen the budget restraint of administrative expenditure. That is to approve and authorize the equipment, housing and other capital of the administrative organization, as well as the resource expenditures such as administrative personnel and management funds in advance. Through budget constraints, ensure the rational allocation of administrative personnel, make full use of funds, and prevent overstaffing, internal friction by administrative organs, extravagance, waste, corruption and other violations of financial discipline by the main body of government implementation. Second, strengthen the constraints on the government process. That is, it is required to build a standardized and effective government execution process, scientifically determine the scope, mode and degree of the role of the government execution subject, and clarify the standards and procedures that the government execution subject should abide by, so as to realize the procedural and standardization of the execution behavior process. Third, strengthen administrative time constraints. In order to ensure the efficiency of public policy implementation and reduce the time cost in the implementation, we must make full use of time resources and restrict the time required to complete an implementation behavior and obtain the expected effect, so as to improve the administrative effect and social benefits in the unit administrative time and prevent the government executive from procrastination and wrangling in the process of implementing public policy.

(5) Improve the administrative supervision mechanism. Establishing a broad and powerful administrative supervision mechanism is the key to improving government efficiency. Through the perfect supervision mechanism, improve the problem of information asymmetry, increase the psychological cost of the bad execution behavior of the government execution subject, and increase the punishment for the bad behavior, so as to make the government subject obey the interests of the state and the people in the execution, and consciously prevent and correct their

own bad behavior. Improve and perfect the supervision mechanism, including self-discipline mechanism and heteronomy mechanism. Self discipline mechanism refers to the self-monitoring mechanism within the government; The heteronomy mechanism refers to the external monitoring mechanism of power organs, judicial organs, public opinion institutions and the people to supervise government behavior. Relatively speaking, in China, the role of heteronomy mechanism is more important and effective. Specifically, on the one hand, we should improve special supervision institutions and establish and improve a series of systems and procedures for policy implementation supervision and control. On the other hand, we should give supervision authority, so that the role of supervision is not only to supervise and control the process of policy implementation, feedback and investigate and deal with the wrong implementation, but also to prevent the occurrence of power dislocation in policy implementation with the authority of the supervision organization itself. Secondly, we should improve the supervision network. We should not only emphasize the mutual supervision between superior and subordinate government departments, but also strengthen the supervision responsibilities of superiors to subordinates and the "top leaders" of departments at all levels to subordinates, and urge them to effectively supervise the implementation. We should also realize the connection and cooperation between the internal and external supervision of the government system. We will establish an internal supervision system in which the higher levels of the government supervise the lower levels and specialized agencies such as supervision, audit, land, food and drug supervision and inspection to supervise the implementation of policies, and an external supervision system in which the National People's Congress, the CPPCC, the people, the news media and other social forces supervise the implementation of policies, and actively explore the establishment of a combination of upper and lower levels Internal and external connected supervision network.

4. Conclusion

Public choice theory and government failure theory are the products of the development of modern western market economy. They are a theoretical reflection on the practice of the relationship between government and market in the development of western market economy. Although it is rooted in Western soil, its use also has considerable commonalities with our government in some aspects. To a certain extent, the theory of public choice can explain some problems existing in our government and bring some enlightenment to government reform. However, as Ding Huang said, we should clearly realize that the public choice theory originated in the United States with relatively developed market economy, and its socio-economic environment is essentially different from our national conditions. Therefore, blindly worship, copy, regardless of national conditions, naturally will not work. What we call "reference" is to absorb what is beneficial to us on the basis of removing the dross of the theory, and is not to copy various viewpoints and Countermeasures of public choice theory.

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