Analysis of Chinese Local Governments´ Policy Tools in Response to the COVID–19 Pandemic: Taking Provincial Capitals as Examples

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Introduction and Purpose

When the whole country faces the outbreak of COVID-19, Chinese local governments have issued a policy response, making an effort from two aspects: plague prevention and work resumption. This research collects 427 policy text, using text analysis research method, according to the theory of policy tools, describing selection and application of policy tools in Chinese provincial capitals, and analyse the advantages and disadvantages in the implementation process. The research found that the subsidy measures among the hybrid policy tools are used most frequently, mostly for resuming work and production. While voluntary and mandatory policy tools are mostly used for plague prevention. Regulations measures are the most widely used. All kinds of policy tools have their own advantages and disadvantages. Based on this, this article puts forward three suggestions, which are improving the system of policy tools, comprehensively using multiple policy tools, and giving full play to the role of the market.

Results and Analysis

The proportion of provincial capital cities using voluntary policy tools accounted for 48.4%, of which market-type measures were the most used, 53.3%; provincial capital cities using mandatory policy tools accounted for 83.9%, of which all cities used regulatory-type measures; all provincial capital cities have used hybrid policy tools.

Voluntary policy tools have significant advantages in terms of autonomy, cost saving, and spiritual support, but they also have some drawbacks. More effective and practical support still need to rely on government stand by.

The mandatory policy tool is the most commonly used measure by the government during the pandemic. But it also has rigid drawbacks, prone to "one size fits all" situation due to incomplete information collection. Therefore, when mandatory policy tools are used in specific applications, more and more complete preliminary research should be conducted.

Information and admonitions are often used in combination with mandatory policy tools. The most prominent advantage of subsidies is that they effectively reduce operating costs, allowing more funds to be invested in production, in order to achieve the goal of economic recovery and development as soon as possible. However, a large number of subsidies will inevitably increase government expenditures. The formulation of subsidy standards also requires a large amount of preliminary information collection.

At the same time, as subsidy measure plays an indirect role, for the special situation of China's pandemic, it not only needs the pre-pandemic situation relatively stable as a prerequisite, but will take a certain amount of time to wait for the distance subsidy policy to truly plays a role.

Research Method and Main Process

1. Selection and application of policy tools in Chinese provincial capitals

The classification of policy tools referred to in this research is the three categories proposed by Howlett in "Public Policy Research: Policy Cycle and Policy Subsystem", namely, voluntary policy tools, mandatory policy tools, and hybrid policy tools. Under various policy tools, there is a secondary classification of specific measures.

1.1. Selection and application of voluntary policy tools

Voluntary policy tools are divided into three categories: families and communities, voluntary organizations, and markets. The typical representative of families and communities is the Harbin government's "Harbin City Response to COVID-19 Pandemic Work Headquarters on the Needs of Residents During the Plague Prevention in Harbin." As mentioned in the supplementary notice of the sales and distribution work plan, a special person should be arranged to manage the temporary pickup points, and guide residents to pick up items at peak shifts and maintain spacing. In actual application, voluntary policy tools are often used in combination with many other policy tools. For example, when encouraging consumption, Beijing adopts a way of issuing consumer vouchers as a subsidy.

1.2. Selection and application of mandatory policy tools

Mandatory policy tools include three types of specific measures: regulation, public enterprises, and direct provision. During the pandemic, the most commonly used measure in provincial capitals was regulate measure.

In terms of public enterprise measures, a typical example is the Wuhan municipal government funding the establishment of Wuhan Financing Guarantee Co., Ltd. to provide quasi-public products and services for small, medium and micro enterprises.

As a representative measure of direct provision of government procurement, the Beijing municipal bureau of finance has issued a series of policies that require purchasers to increase the amount and proportion of procurement for such enterprises. At the same time, when signing a procurement contract, the payment period, method and other aspects are required giving appropriate support. This can effectively help small and medium micro enterprises.

1.3. Selection and application of hybrid policy tool

Hybrid policy tools are divided into four categories: information and admonitions, subsidies, auctions of property rights, taxes, and user fees. The first two categories of measures are adopted by China's provincial capitals.

Information and admonition are a relatively mild measure, which has played a very important role in the observation period and key period of the pandemic response. The government uses social media to report the daily increase and decrease of the number of cases, which helps increase public understanding and awareness of plague prevention. The government's provision of employment information and vocational training also help people continuously improve their abilities, find new jobs, and promote the harmonious and stable development of society.

Subsidies are the most widely used type of measure in provincial capitals. For enterprises, the government directly grants large amounts of financial subsidies to enterprises, or through tax reduction or exemption, these measures can effectively reduce the pressure on enterprises; For individuals, the Urumqi municipal government have set subsidy standards for low-income households, disabled people, the elderly and other disadvantaged groups. It also implemented subsidies for meat and vegetables, which are not only effective for special groups, but also more universal, helping to improve the quality of life of residents and achieve social stability.

CONCLUSIONS

In conclusion, hybrid policy tools are the most widely used in the policies that have been issued, and the most frequently used subsidy-type measures are mainly used in the work resumption. Voluntary and mandatory policy tools are mainly used in plague prevention, of which regulation-type is the most used measure. At the same time, these three policy tools have their own advantages and disadvantages in actual application. Therefore, in order to maximize the effect of policies, various policy tools are often used in combination in the process of policy implementation.

This article proposes the following three suggestions for improvement: 1. Improve policy instrument system, to achieve a variety of policy tools of the pros and cons complementary; 2. Comprehensive use various policy tools, enhance synergistic effect of a combination of policy tools; 3.Fully play the role of the market, to enhance interoperability between policy tools and elements of the enterprise.