



REFLECTIONS ON RESEARCH

Alfred M. Wu

LKYSPP Faculty Spotlight

25 Nov 2022

Outline

- A snapshot of my main research contributions and their impacts
- My early career research: civil service pay and public finance in China
- Fiscal decentralization research
- Research on public perceptions of government spending
- Impacts



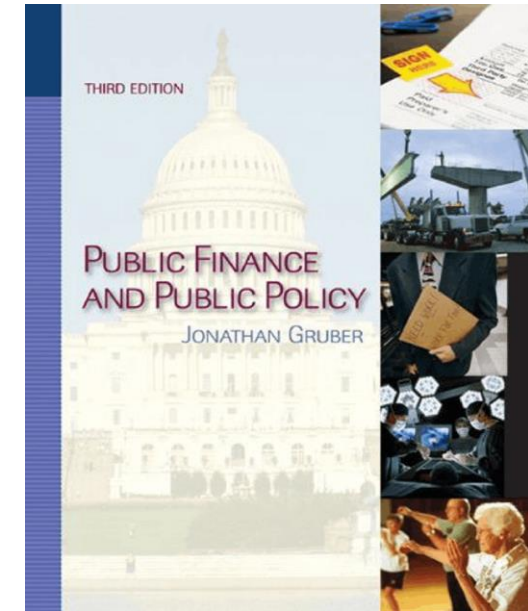
+



- My research is about money (public money)!
- Objective evaluation of public finance
- Subjective evaluation of public finance

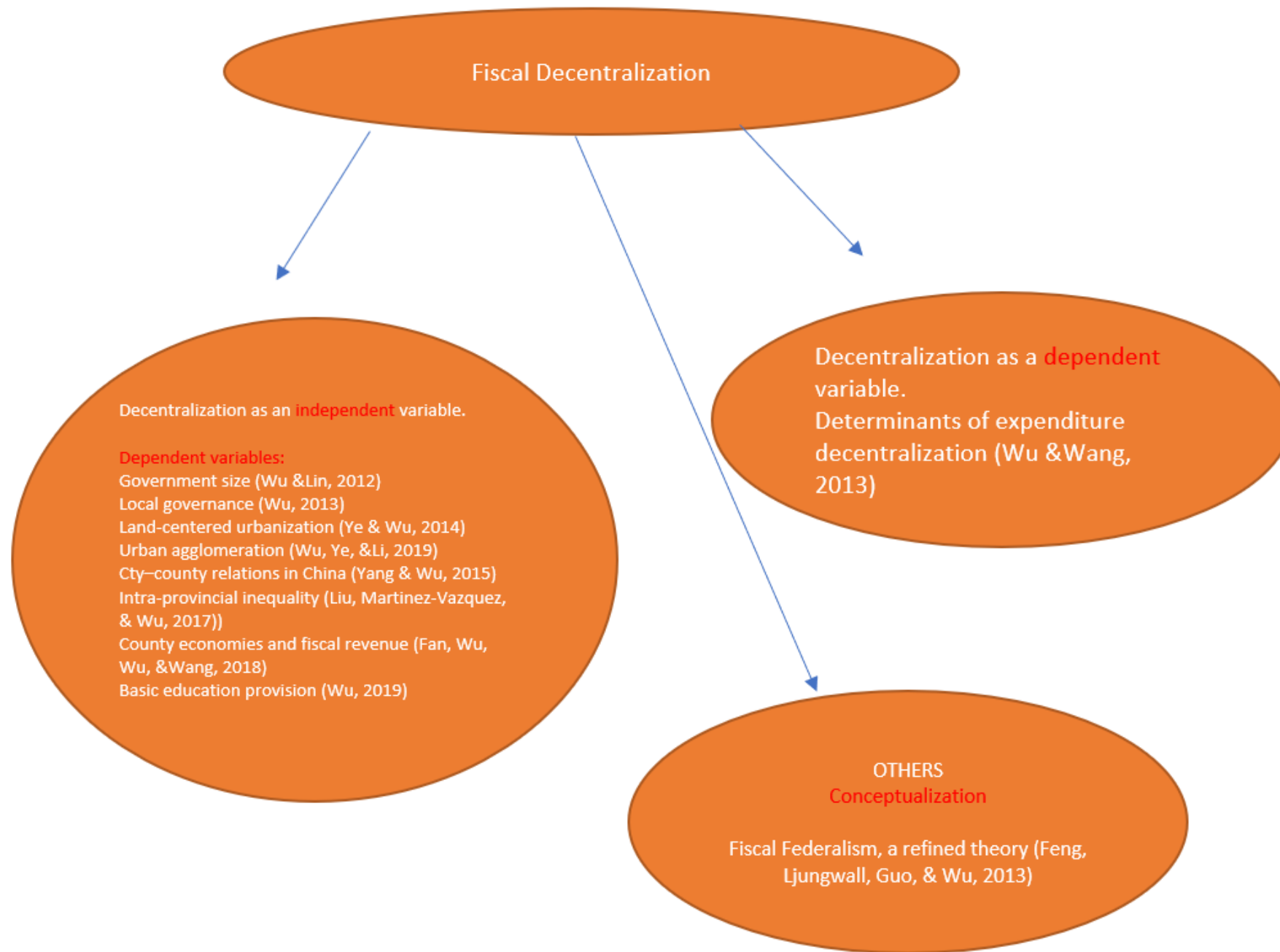


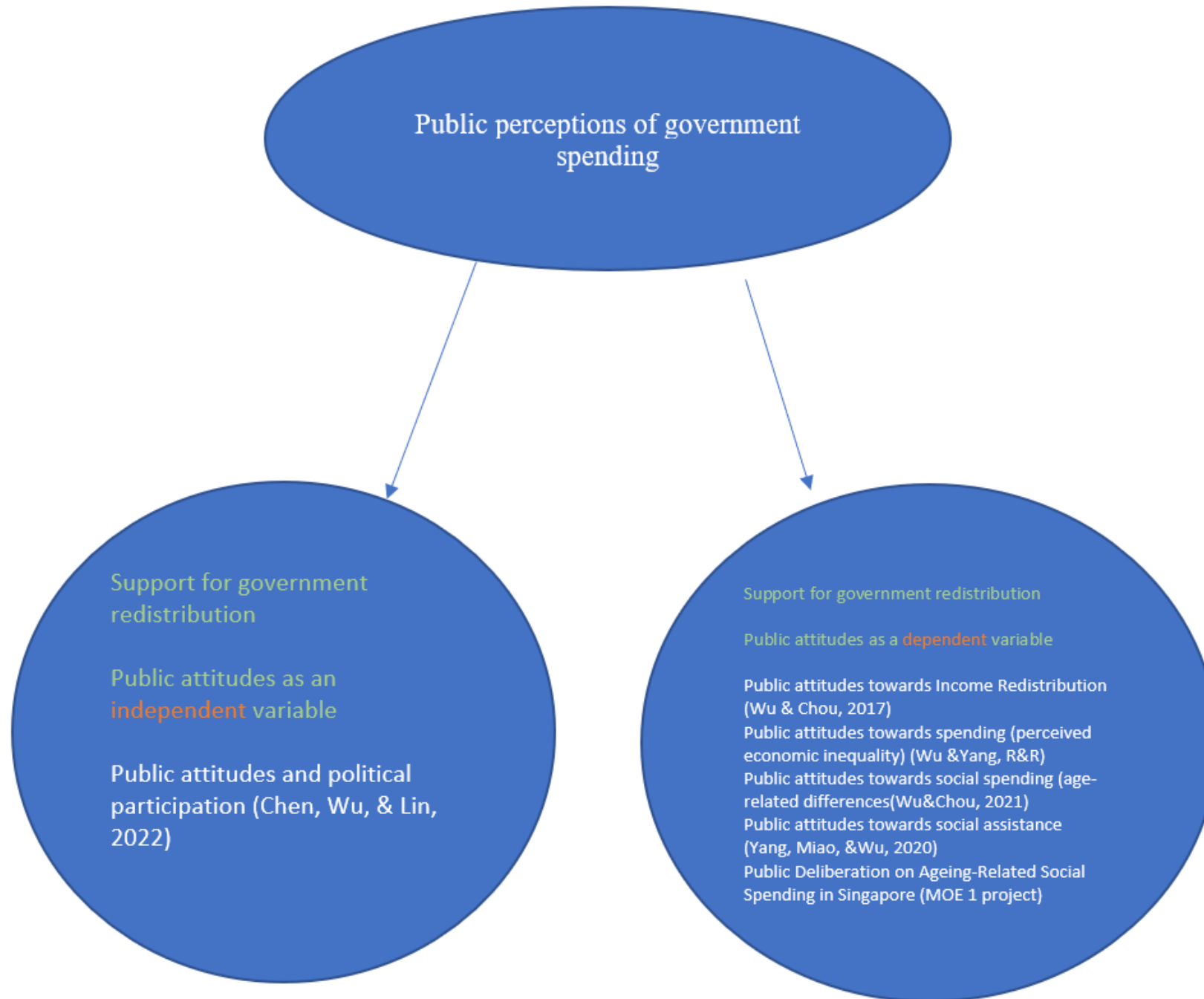
- <https://www.tni.org/en/publicfinance>



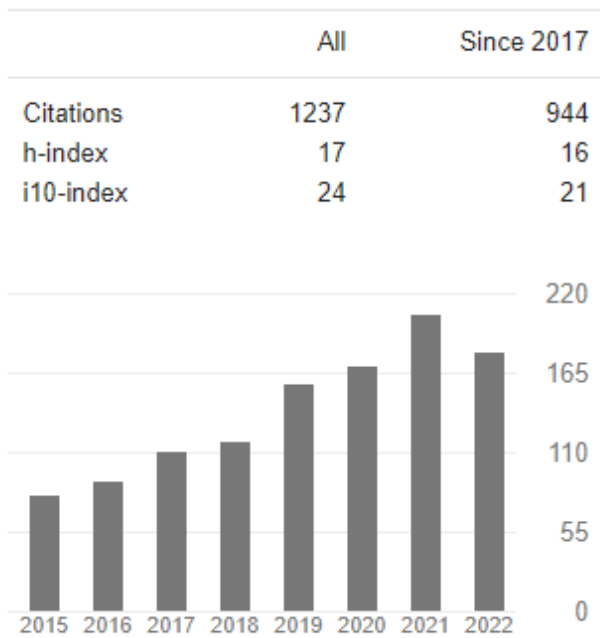
PUBLIC FINANCE

Public Finance is the study of the income and expenditure of the State. It deals only with the finances of the Government. Scope of Public Finance consists in the study of the collection of funds and their allocation between various branches of state activities which are regarded as essential duties or functions of the State.

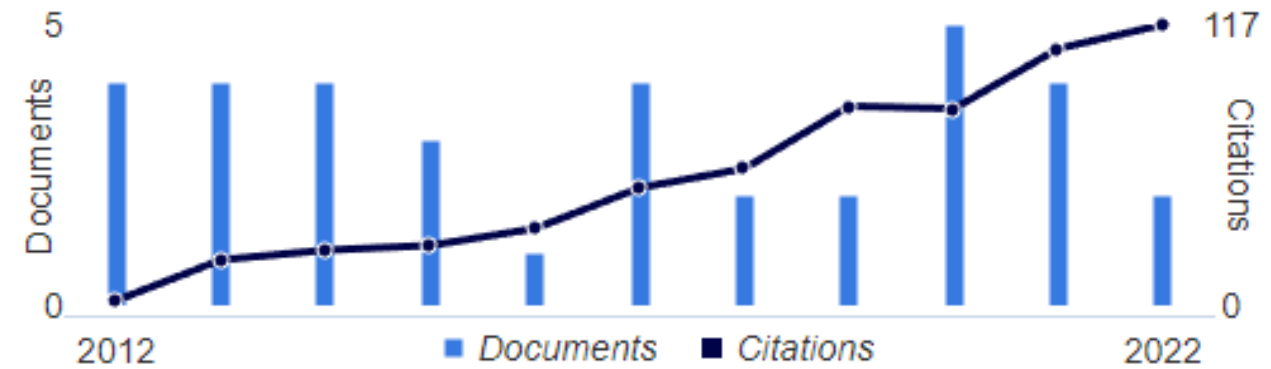




Google/Scopus Citations: On the Rise



Document & citation trends



[Analyze author output](#)

[Citation overview](#)

Scopus: Fiscal decentralization; federalism; China

Topic T.9013 | part of Topic Cluster TC.920 - Taxes; Tax Evasion; Tax Compliance

Fiscal Decentralization; Federalism; China ☆

2012 to 2021 ▾

Summary Institutions Countries & Regions **Authors** Scopus Sources Keyphrases Related Topics

Top authors

Worldwide ▾



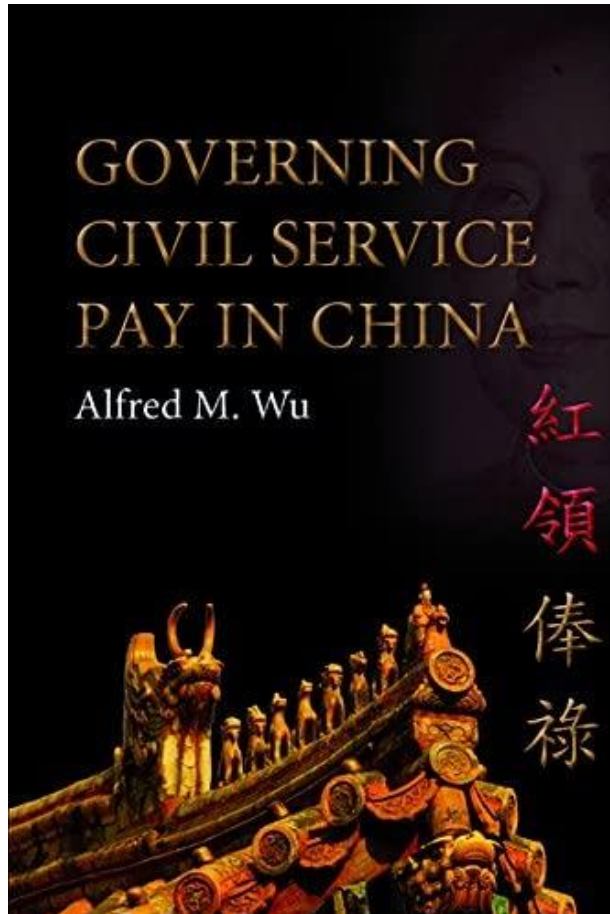
Fiscal Decentralization; Federalism; China

2012 to 2021



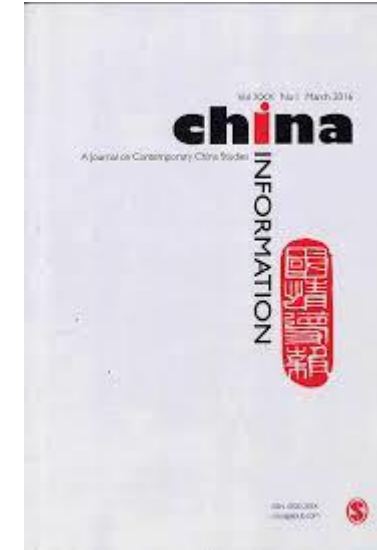
1.		Martínez-Vázquez, Jorge	Georgia State University	26	799	2.14	375
2.		Yusriadi, Yusriadi	Sekolah Tinggi Ilmu Administrasi Puangrimaggalatung	24	657	1.74	170
3.		Ahmad, Ehtisham	The London School of Economics and Political Science	18	157	0.48	45
4.		Brosio, Giorgio	University of Turin	13	146	0.64	42
5.		Sacchi, Agnese	University of Urbino	13	626	1.84	347
6.		Maličká, Lenka	Technical University of Kosice	11	293	0.29	18
7.		Bin-Tahir, Saidna Zulfiqar	Universitas Iqra Buru	10	244	1.13	54
8.		Faguet, Jean Paul	The London School of Economics and Political Science	9	598	3.06	450
9.		Rodríguez-Pose, Andrés	The London School of Economics and Political Science	9	504	2.17	210
10.		Lewis, Blane David	Australian National University	8	457	3.14	133
11.		Wu, Alfred Muluan	National University of Singapore	8	496	1.67	184
12.		Bird, Richard M.	University of Toronto	7	93	0.85	30
13.		Kyriacou, Andreas P.	University of Girona	7	272	1.50	148
14.		Liu, Yongzheng	Renmin University of China	7	344	2.81	141
15.		Misnawati, Misnawati	State University of Makassar	7	179	1.22	37

Civil service pay and public finance (an early career as a China studies expert)

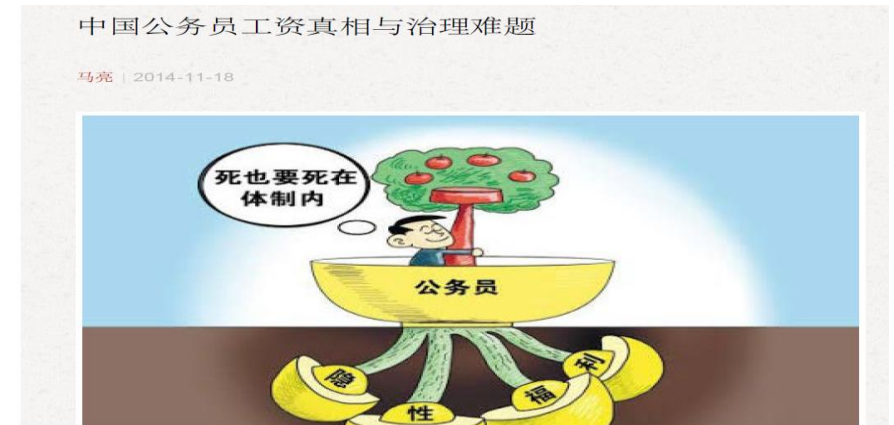


- As agents of the state, civil servants are central to public governance and socioeconomic development. In developing countries, it has been seen that an effective civil service pay system may provide strong incentives for better public service and rein in corruption whereas poor remuneration can fuel corruption and discontent among civil servants. Grappling with a well-functioning pay regime has challenged the PRC since its birth. Over the past decade, reforms have been implemented in the civil service pay system that are closely associated with legitimacy change (from an economy-based approach to welfare-based one), income distribution and central - local relations. However, these have led to a heated debate over the legitimacy, effectiveness and direction of these reforms. By examining this situation and the tug-of-war over remuneration among different players, this pioneering study deepens our understanding of China's reform process and its actors.

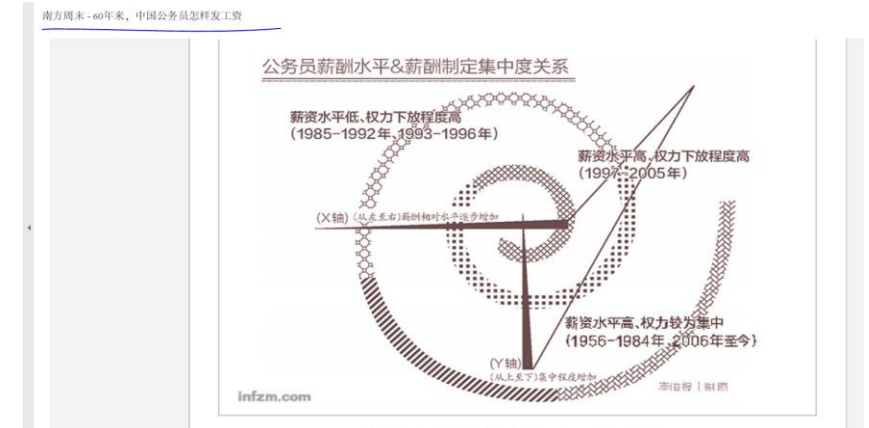
Book reviews from the following journals...



- "While there are an increasing number of studies on the Chinese civil service system, important aspects of this system have not yet been subject to close investigation. This includes civil servants' salaries and non-monetary compensation. Alfred Wu remedies this lacuna by providing an overview of civil service pay in the People's Republic of China past and present. ... I do not hesitate to recommend Alfred Wu's much needed study. The book contains a wealth of factual information on the various civil service pay regimes in China and is very useful for anyone interested in how the civil servants, the backbone of Chinese government, are managed and remunerated." - Kjeld Erik Brodsgaard, Copenhagen Business School, in The China Journal.



- "Wu's research not only explores human resources management in the Chinese government, but also the politics of contemporary China. ... this should be an interesting book for scholars working on public administration in China because civil service pay is a neglected subject area and the author's fieldwork offers valuable data." - Joseph Yu-Shek Cheng, City University of Hong Kong, in Journal of Comparative Asian Development.



Main Contributions No. 1

Fiscal decentralization in the Chinese context

- I attempt to contribute to the measurement and conceptualization of fiscal decentralization in the Chinese context. Such measurement and conceptualization were predominantly derived in the context of Western countries.
- I use **sub-provincial level data to capture** the dynamics of fiscal decentralization in China and advance the measurement of fiscal decentralization. This has been cited as a pioneering work in public finance in a developing country context.

- Particularly, the article entitled “Determinants of expenditure decentralization: Evidence from China” (World Development, 2013) introduces a new measurement of fiscal decentralization in the Chinese context.

Previous measurement of fiscal decentralization in the Chinese context.

- Due to the influence from cross-national research on decentralization, fiscal decentralization in China has **usually been measured by the share of regional expenditure or revenue to the national aggregate**. As the value of the denominator is constant in a given year within the country, the local share of total expenditure or revenue actually reflects the **absolute value** of expenditure or revenue in a given province (cross-national data suffers less).
- Oates (1985) cautions against this measurement despite applying it.

An example of common practice in the past

and the key independent variable *DEC* is provincial government expenditure as a share of total government expenditure, which serves as a measure of the degree of decentralization. There are several alternative measures of fiscal decentralization, such as the ratio of consolidated provincial spending to consolidated central spending, expressed in per capita terms; the ratio of provincial budgetary spending to central budgetary spending, expressed in per capita terms; the ratio of provincial extra-budgetary spending to central extra-budgetary spending, expressed relative to income (Zhang and Zou, 1998), and the marginal retention rate (Lin and Liu, 2000); however, *DEC* has been widely used as a proxy for the extent of decentralization (Oates, 1972, 1985; Grossman, 1989; Joulfaian and Marlow, 1990; Grossman and West, 1994).

- Chen, 2004, p.702.

- I use **the ratio of sub-provincial expenditure/revenue to provincial expenditure/revenue** as the measure of expenditure and revenue decentralization.
- Sub-provincial expenditure/revenue refers to public expenditure or revenue of prefectural, county, and township governments. Provincial expenditure/revenue sums up all finance activities at four tiers of government in China's local state. (there are **five tiers of government in China**: central, provincial, municipal, county, and township).

Main Contributions No. 2

Subjective evaluation of public finance

For social scientists, a fundamental ontological question might be:

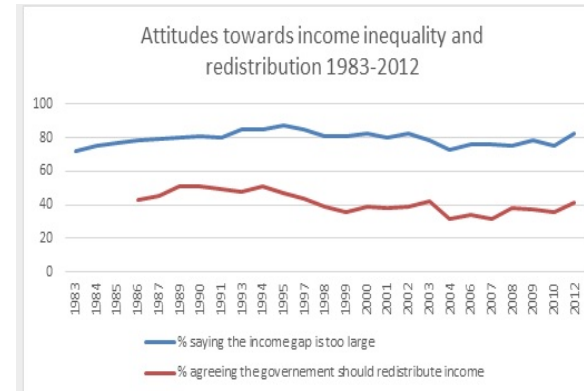
Are people essentially selfish?
(self-interest assumption
vs social values assumption).

Subjective evaluation of public finance (cont'd)

- Public perceptions of government spending are fluid and counterintuitive in many contexts. Common sense suggests that both actual and potential recipients of government spending support government programs benefiting them. In reality, many beneficiaries of public subsidy via income redistribution hold negative attitudes toward government spending; **this puzzle cannot be explained by the self-interest hypothesis.**
- Drawing on Hong Kong and Singapore contexts—seldom investigated in the context of public finance—I aim to advance the nuanced understanding of the perceptual evaluation of public finance in two developed economies and shed light on the theoretical development of public attitudes towards government spending.

Research background

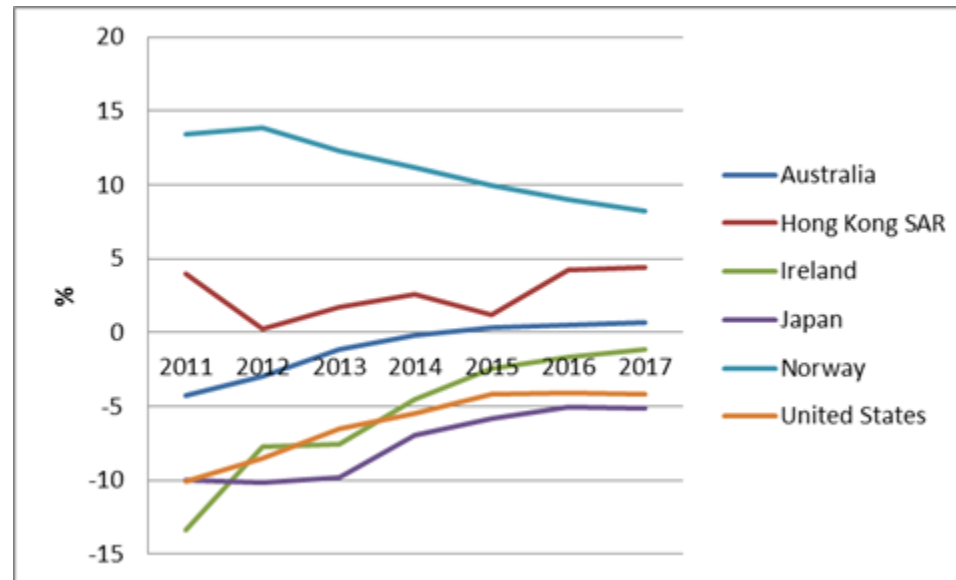
- A global issue
- (attitudes towards income inequality and redistribution in the UK
<http://www.equalitytrust.org.uk/what-do-people-think-about-government-action>)
- In some countries, public support for welfare redistribution has declined over time (Dorey, 2010). Some may support a certain type of redistribution, such as education spending, but not others (McCall & Kenworthy, 2009).
- Public support is vital to the formation and implementation of a good redistributive program.



Hong Kong's situation

- Background:
- **Rapidly aging society**
- **Substantial income inequality**
- According to the United Nations Development Program (UNDP) (2010) report, among 32 “very high human development countries,” Hong Kong was ranked first in terms of income inequality (see also Saunders, Wong, & Wong, 2013).
- **Huge budget surpluses**

Government surplus or deficit as a share of GDP (%), 2011-2018



- Source: World Economic Outlook Database, April 2013

My contribution

- The project scrutinizes the **micro-foundation** of public preferences on redistribution.
- Most previous work examines the institutional factors affecting public attitudes. Some of the literature uses Esping-Andersen's (1990) categorization framework to compare welfare preferences across countries (see Busemeyer, Goerres, & Weschle, 2009; Jakobsen, 2011).
- We argue that using micro-based survey data can reveal economic, political, societal intricacies underpinning a society that are vital to the formation and implementation of government policy.
- **A micro level, individual level public opinion study** on redistribution may generate greater insights and shed light on policymaking in Asia and also in other countries around the world.

My contribution (cont'd)

- On the Hong Kong case:
- Drawing on a transitional society against a turbulent political and economic environment, the Hong Kong case, in a single context compared with cross-country studies in most of the similar studies, can inspire the research in many different contexts.
- a laissez-faire economy? Is the government passive?
- In the meantime, the interaction between the government policy and popular demand has latterly intensified.

Theorizing public attitudes toward redistribution

- Hypotheses
- Self-interest or social values matter?
- The self-interest hypothesis emphasizes the impact of actual or perceived vulnerability on public support for redistribution.
- The social values hypothesis argues that attitudes towards redistribution are not formed by one's own situation but instead by values or ideologies held by people.
- My research suggests very mixed results.

Xinhua Commentary:
Hong Kong and the
motherland -- reunited
forever, thriving together

Full text of speech by
President Xi Jinping at
welcome dinner in HK

President Xi attends gala
show for HK's 20th return
anniversary

HK's IPO fundraising
reaches world's highest in
2015

2017 HK leader election
plan

HK public attitudes towards income redistribution

CNC

Added On June 29, 2017

A new survey shows nearly 70% of Hong Kong citizens are in support of higher taxes on the wealthy.

It also showed younger people are more in favour of redistribution.

The survey, conducted by the Education University of Hong Kong involved over 1,000 randomly selected Hong Kong adults.

They were asked to express their attitudes towards income redistribution and social policy in Hong Kong.

It showed that the younger generation is more conscious than their elders of fairness and were more open to redistributing wealth in society.

The young also have higher expectations of the government eradicating inequality and bridging the wealth gap.

Dr Alfred Wu Muluan who led the study, warns that he sees the wealth gap in Hong Kong further widening due to an aging population.

He recommends that the government should review the tax system as soon as possible, and look to introduce measures to redistribute from the wealthy.

He suggests: increasing the corporate profit tax rate, reintroduction of the estate duty, and the introduction of a capital gains tax.







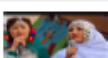
Share this video

CNC WORLD for iPad

ANIMAL SETTLEMENTS, INC. started its business in San Jose in February 1999 with the fundamental goal of providing better support services for the world. ANIMAL stands for the "learning zone" in various business. Assisted for about 25 months including well experience on web, design, programming, and server operations.




Next up

-  **NOW PLAYING...**
HK public attitudes towards income
-  **Macron, Trump mark france's bastille day**
-  **Trump JR.Probe Russian-American lobbyist Joined meeting**
-  **2 Germans killed in egypt resort**
-  **Winter chills down under**
-  **Bookstore-Themed hotel in Tokyo**
-  **Afghans play for peace**

Other influential papers

1. Civil service pay and anti-corruption (quoted by a number of government websites)

27  **Does Increased Civil Service Pay Deter Corruption? Evidence from China**

by Gong, Ting; Wu, Alfred M.

Review of public personnel administration, 06/2012, Volume 32, Issue 2

The temporal persistence and geographical prevalence of corruption in the world have provoked a vast amount of research into its causes. Low civil service...

[Quick Look](#)


View Now [PDF](#)

Journal Article [Full Text Online](#)

View in Context [Browse Journal](#)

[Cites / Cited by](#)
[Related Articles](#)

[Open Access](#)



OECD Development Policy Papers

Cited by Organisation for Economic Co-operation and Development (OECD) on 26 Nov 2020

an intergovernmental economic organisation with 38 member countries, founded in 1961 to stimulate economic progress and world trade



Why corruption matters: understanding causes, effects and how to address them

Cited by UK Government (GOV.UK) on 16 Feb 2015

GOV.UK is a central website that covers all UK government departments, as well as many other agencies and public bodies. All policy papers and research publications by the UK government are listed on GOV.UK.



Tax Administration Reforms: Lessons from Georgia and Uganda

Cited by International Centre for Tax and Development on 11 Apr 2019

The International Centre for Tax and Development (ICTD) is a global policy research network, devoted to improving the quality of tax policy and administration in developing countries, with a special focus on sub-Saharan Africa. The centre was established in November 2010, and is based at the Institute of Development Studies (IDS), in Brighton.



Research & Policy Briefs
From the World Bank Malaysia Hub

No. 27, January 2020

The Fight against Corruption: Taming Tigers and Swatting Flies
Lay Lian Chuah, Norman V. Loayza, and Bernard Myers

Public Disclosure Authorized



Department
for International
Development



Why corruption matters: understanding causes, effects and how to address them

Evidence paper on corruption
January 2015

Civil service reform

Gong and Wu (2012 [P; OBS, case study]) analyse Chinese civil service salary data and compare them with the number of cases of corruption as reported by the office of the public prosecutor. They find that, between 1999 and 2008, corruption increased sharply despite salary increases. In their analysis, **contextual factors play a key role in explaining why salary increases do not curb corruption**. Such factors include proliferation of opportunities for corruption linked to economic growth; lack of focus on integrity in recruiting, training, appraising and promoting civil servants; failure to establish a merit-based civil service; and macro-level factors such as general accountability and transparency in the public service. These findings are consistent with those in Johnsen et al. (2012, [S; OR]), who find little evidence to support the argument



Indonesian police officers gather for a Christmas deployment ceremony in Jakarta on 21 December, 2018. (Azwar Ipank / AFP Photo)

Indonesia's National Police recently announced that it would increase the allowances of police officers by 70 percent. According to police chief General Tito Karnavian, the allowances would apply retroactively and would be paid out this month.

Another study conducted by Alfred M Wu from the National University of Singapore and Ting Gong from the City University of Hong Kong tells of another insightful story.

According to their research which looked at the civil service in China, the effect of civil service pay raises on deterring corruption was tenuous and, hence, relying on salary increases as an anti-corruption strategy is "far from adequate".

They did, however, note that low civil service remuneration, especially in less developed nations, is often believed to be an important contributing factor to corruption as it erodes employee incentives, whereas higher salaries raise the stakes of engaging in corruption, as corrupt officials risk losing more if caught.



"We argue that the relationship between civil service pay and corruption should be treated with caution. As our findings indicate, civil service pay in China has steadily and substantially increased in the past decade. The scope and magnitude of each increment were large and significant enough to indicate a fundamental change to the long-existing 'low wage and low consumption' policy that had dominated pre-reform China," they wrote.


"Salary rates of government employees have increased not only in absolute terms but also in relation to other social groups. At the same time, however, corruption in the country remains uncontrolled."

2. Land Financing and urbanization



More citations due to the land financing topic.

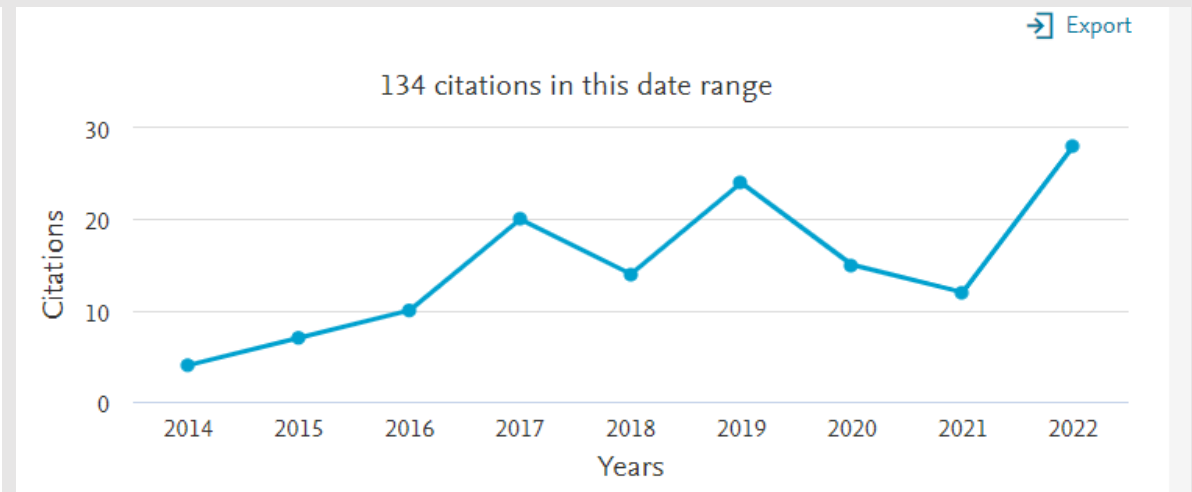
Urbanization, land development, and land financing: Evidence from chinese cities

Ye, Lin^a  ; Wu, Alfred M.^b 

 Save all to author list

^a Sun Yat-sen University, China
^b The Hong Kong Institute of Education, Hong Kong

134 98th percentile Citations in Scopus	8.28 FWCI 	136 Views count 	View all metrics >
--	---	--	---------------------------------------



Impact (cont'd)

- Co-Editor-in-Chief: Public Administration and Development (SSCI/SCOPUS Indexed).
- 2022-24, Chair, Section on Chinese Public Administration (SCPA), American Society for Public Administration (ASPA).
- Co-Principal Investigator: World Values Survey (Singapore, 2019).

•Thanks!

