Performance management has been a salient feature of public-sector reforms around the globe since the 1980s. In the past two decades, the literature on the content, rationale, challenges, and consequences of these reforms as implemented both in the West and in the East has grown rapidly. Studies show that one feature these reforms share is the use of preestablished, often specific and quantified, goals and targets to motivate public officials to achieve intended results. That being the case, one important angle to investigate when studying the so-called “governance-by-targets” regimes (Bevan and Hood, 2006) is how performance targets and goals are established and adjusted over time. In turn, this leads to questions of how the attributes of performance goals, targets, and indicators affect the behavior of public officials.

There is a rich literature on goal setting and its effects on employee behavior in both public and private-sector organizations. Studies of public-sector organizations mainly examine cases in western democracies (Chun and Rainey, 2005; Latham et al., 2008). By comparison, much less is known about how government performance goals and targets are established and fine-tuned in authoritarian states such as China. The issue definitely deserves more scholarly attention as China has used a target-based performance management system as a key policy instrument to govern its localities for over three decades. A study of China’s experience of governance by targets would reveal the dynamics of one of the most important administrative reforms in China and shed important light on issues and challenges that are common to performance management reforms elsewhere.

State Governance by Targets: Bureaucratic Accountability, Performance Gaps, and Government Behaviors, by Liang Ma, provides a timely and valuable discussion on this topic. It enhances our understanding of key factors in the establishment of certain types of performance targets in Chinese local governments. It also provides insightful discussion on the challenges of the reforms, with a focus on the extent to which the evaluation system affects bureaucratic accountability and in what ways it changes government behaviors.

The book has eight chapters. The first explains why the study of performance goals, both as a general global feature and in China in particular, matters. Chapter 2 examines the attributes of China’s nationally set performance goals. It finds that nearly 80 percent of performance targets set by the State Council were not quantified and that realization of these targets required the cooperation of multiple agencies. As can be imagined, these highly demanding but hard-to-measure targets are very challenging to meet. Chapters 3–5 examine performance goal setting at the provincial level from two perspectives: the motivation of provincial leaders and the locality’s perceived performance gaps. These three chapters present interesting findings on how these key factors affect the clarity, difficulty level, and priority of economic targets. Chapters 6–7 examine the implications of the target-based performance management reforms. They find that in the case of environmental protection, the naming-and-shaming mechanism is less useful than conventional wisdom assumes. Under the performance ranking system, although municipal-level governments are in general compelled to release more information about pollutants, those near the bottom of the league table do not show more concern about improving air quality than those with better ranks. The book ends by...
summarizing its main findings and indicating directions for future research.

*State Governance by Targets* shows that in China’s context, government performance goal setting is affected by two key factors. The first is individual-level motivation on the part of public officials, especially the local leaders, which plays a key role in deciding the difficulty level of targets. At the provincial level, leaders’ motivation is influenced by two factors: their level of tenure in their current position, and the geographic area from which they were promoted to their current position. Findings show that officials who are in the early or last stages of their tenure are more likely to set stretch economic goals and targets than their mid-tenure peers. Officials who are promoted from the locality are more likely to set up stretch economic goals and targets compared to officials who are appointed by the upper levels or transferred from other localities. The second is an organization-level factor: performance gaps. Understanding performance gaps is important for analyzing the establishment and adjustment of performance targets. There are two types of performance gaps: the gap between a locality’s historical record of target accomplishment and its accomplishment of current targets, and the gap between a locality’s accomplishment of current targets and the performance of its political or geographical neighbors in accomplishing the same targets. The two types of gaps are fundamental for explaining the variations in economic goal setting across localities and how these goals are fine-tuned over time. When setting up performance goals, local leaders need to “look back” over their own records, “look around” at their political competitors, and “look up” to the expectations of the central authorities.

The book synthesizes the author’s years of work in this area. It provides a comprehensive analysis of performance goal setting and its implications in China. Each of the major chapters is based on a journal article, and each of them combines theoretical discussions and empirical findings on one specific issue. Although the book is written in Chinese, the major findings of the book can be found in the author’s publications in English-language journals (such as *Public Administration*). An advantage of putting the findings from separate articles into one book is that it enables the reader to gain an overview of the whole discussion at a single glance. In the future, a theoretical framework could be developed that integrates the factors and dimensions this study has raised. Such a framework would likely be informative and useful for goal setting beyond China’s context.

There are some issues that, in my view, are not sufficiently addressed and need further explanation. For example, if gaming is widespread, do local officials’ gaming strategies affect goal setting at both local and national levels? If yes, how? In addition to gaming, how do negotiation, bargaining, and collusion, which have been essential features of China’s political patronage system, affect policy goal setting, adjustment, and reporting of progress?

Furthermore, a distinctive feature of China’s goal setting process is that the most important targets are allocated level-by-level down the hierarchy. It means that provincial leaders have greater autonomy than their counterparts at lower administrative levels in establishing targets. Additionally, although local officials generally have a high degree of flexibility in setting targets on GDP and its growth rate, they have less in other types of targets, such as limiting the number of petitioners or work-related fatalities. The book mainly examines the cases of GDP targets that allow a certain degree of flexibility for adjustment—but the overall picture is more complicated. Nevertheless, our knowledge of China’s governance-by-targets regime still only has touched on the “tips of the icebergs,” as the author points out. In that context, this book represents a noteworthy endeavor that moves the discussion forward.

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