

*Why Do Innovations Succeed or Fail? Local Anti-Corruption Reform in China**

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Abstract

Local innovations have proliferated in China in recent years. The huge universe of local initiatives results from economic and administrative decentralization. Various challenges facing China's unprecedented market-driven reform invite innovative solutions as well. What happens to the innovations after they were launched? Are they institutionalized locally and diffused nationwide? Or do they merely perform the function of window dressing and fail to achieve anything? Drawing on in-depth case studies of local anti-corruption reform, this article attempts to address these questions. It offers a two-dimensional conceptual framework of institutionalization and diffusion to examine what has happened to locally initiated anti-corruption measures. On that

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basis, a fourfold classification of innovation trajectories is identified to help explain why some innovations have succeeded while others failed. The findings indicate that local innovations have different developmental trajectories not so much because of their internal characteristics but because of the contextual constraints they face. Policy innovation is more of a process of political construction than a process of selecting better policy tools. This may be particularly true for anti-corruption reform that, as our cases show, requires strong political will, public embracement, and legal support.

In China, recent years have witnessed a flurry of local innovations covering different policy areas such as finance, public health, transportation, service delivery, and personnel management. The huge universe of local innovations results from economic reform and administrative decentralization, which have provided not only opportunities but also incentives for local agents to pursue novel policy instruments. In the meantime, various challenges facing China's unprecedented market-driven reform have also invited innovative solutions. With the administrative structure increasingly decentralized, national problems cannot be effectively resolved unless powerful agents push for innovative changes at local levels.

The necessity and capacity of the Chinese state for innovation has attracted growing scholarly attention, though interpretations vary. Theories of adaptive authoritarianism and authoritarian resilience, for example, have emerged to explain the increasing responsiveness and flexibility of the central and local governments in China.¹ It has also been posited that the size of China and the relative underdevelopment of its governing institutions require the state to adopt a decentralized and experimentalist strategy such as "feeling the stones while crossing the river."² Scholars believe that local innovations and changes have become possible through both top-down and bottom-up causal pathways.³ A top-down pathway of local innovation brings in line of the central need for experimentation with local interests in policy testing.⁴ The bottom-up pathway, on the other hand, is driven by local needs, either because local authorities attempt to use innovative methods to deal with their governance problems or because they face horizontal competition for better performance and, hence, take innovation as a winning strategy.⁵

However, the increased attention to local innovation does not necessarily lead to a better understanding of the phenomenon itself. Although