

# UNPACKING VARIATIONS IN LOCAL GOVERNANCE POLICY DESIGN: A COMPARATIVE ANALYSIS OF CHINA'S LONG-TERM CARE SERVICE PROVISION

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## Abstract

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Population ageing poses a significant challenge to the redistribution of welfare responsibilities across sectors. Long-term care (LTC) has been widely recognized as an efficient service to improve older adults' quality of life. However, concerns arise regarding the provision and responsibility of LTC services for the diverse ageing population (Fang et al., 2020). As a highly centralized and rapidly ageing nation, China has initiated a local pilot programme, enabling multiple governments to design their own LTC service systems as a foundation for a national programme. This study explores the design of municipal-level LTC policies and aims to investigate local patterns of welfare service provision. This study uses an ideal type of qualitative comparative analysis (QCA) to examine the policy documents of China's LTC social insurance trial programme. The findings reveal that each pilot city complied with the national guidelines. Yet, the overall coverage of LTC services remains limited. A three-layered provision pattern has been identified, showcasing various welfare mix models. This study highlights the growth of inter-regional diversity in LTC service provision, echoing the call for future discussions on welfare localism and policy design in China and beyond (Lei et al., 2022).

**Keywords:** Long-Term Care, Policy Implementation, Local Governance, State-NGO Relation

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## 1. INTRODUCTION

As life expectancy rises, older individuals face an increased risk of chronic illness and functional disability. According to the World Health Organization (WHO, 2022), an estimated 142 million older people worldwide lack the ability to meet their basic needs independently, and two-thirds of older

individuals are likely to require care and support at a late stage in their lives. The population ageing in China is even more pressing, with the ageing population expected to increase from 12% of the total population in 2010 to 33% in 2050 (Zhang et al., 2020). The present older generation has experienced a decline in annual mortality rates; however, there has been an increase in cognitive

impairment and a decrease in objective physical performance capacity. Furthermore, China's older population with disabilities is expected to increase significantly, from over 40 million in 2015 to 66 million in 2050 (Zeng et al., 2017). A significant proportion of this population continues to reside below the average living standard (Zhang et al., 2020).

Long-term care (LTC) is widely recognized as a vital social service provided to individuals who experience a gradual decline in physical capacity and face challenges in maintaining independence in their daily activities. While LTC needs can arise across all age groups, it is the older adults aged 60 years old and above who make up a significant proportion of recipients requiring such care. Compared to their younger counterparts, the older population is more vulnerable and prone to various conditions, including cardiovascular diseases, chronic respiratory diseases, diabetes, kidney diseases, and unintentional injuries (Fang et al., 2020). Consequently, LTC services, which were traditionally considered a part of the health and medical systems, have emerged as an independent policy field in recent years (Feng et al., 2020). This shift reflects the growing recognition of the unique needs and challenges faced by the ageing population, necessitating dedicated attention and resources to meet their LTC requirements.

The primary focus of studies on LTC services has been to ensure and improve the efficiency and outcomes of specific service systems. A plethora of academic research has consistently shown that older adults express a strong preference for ageing within their familiar physical and social environment, surrounded by their family members and friends (Pani-Harremann et al., 2021; Woolrych et al., 2021; Sun et al., 2024). As the growing demand for expanded LTC services significantly affects the allocation of public funding and existing welfare programs, the current discourse surrounding LTC predominantly centres around striking a balance between high-quality care and affordable coverage. Key areas of focus within this debate include the appropriateness of caregivers, the integration of care across institutional and non-institutional settings, as well as the design of various service types (Dostálová et al., 2021; Wang et al., 2022). Although there has been considerable collection and discussion of primary data concerning older individuals, a comprehensive understanding of the corresponding public policies for LTC service provision remains somewhat limited. The uncertainty surrounding local policy innovation in China, as emphasized by Feng et al. (2020), serves as a significant contributing factor to this topic.

This study aims to investigate the diverse policy design approaches at the municipal level concerning LTC services and analyse the instances of local policy innovation in China within the framework of national guidelines. The study addresses the research gap related to the diverse welfare mix and policy innovations within China's welfare system. Two research questions have been proposed to address the research aims.

*RQ1: What patterns can be observed in the provision of long-term care services at the local level in China's pilot practice?*

*RQ2: What factors contribute to the variation in patterns of long-term care service provision at the local level?*

Utilizing the five-dimensional service framework, this study employs an ideal-type fuzzy-

set analysis to scrutinize and characterize local policy practices and variations in service provision. In-depth interviews with policy stakeholders are conducted to elucidate the identified policy patterns derived from the fuzzy-set analysis results.

The structure of this paper is as follows. Section 2 reviews the relevant literature and establishes the theoretical framework for service provision. Section 3 analyses the methodology employed in the empirical research on local LTC service patterns and associated factors. Section 4 presents the comparative findings of China's LTC service provision at the local level and identifies key attributes. Section 5 discusses the connection between empirical findings and the theoretical discourse on welfare provision. Section 6 concludes the study by underscoring its contributions and limitations.

## 2. LITERATURE REVIEW

The concept of LTC has only recently gained recognition within China's policy landscape, as policymakers previously used the broader term "old-age care". Traditionally, in Chinese history and contemporary society, the responsibility for old-age care has been perceived as an internal familial duty deeply rooted in the culture of filial piety. However, following the establishment of the People's Republic of China, the state assumed a significant role in providing care for the elderly. Over time, old-age care systems and policies underwent substantial transformations, transitioning from being perceived as a privilege tied to employment to being recognized as a fundamental civil right (Wu et al., 2021). As a result, the responsibility for delivering old-age care shifted from the state and government departments to diverse welfare entities with multiple attributes (Ringin & Ngok, 2017).

After entering the 21st century, the Chinese central government introduced a comprehensive three-tiered old-age care system, with a strong emphasis on home-based care as its foundation (Du et al., 2021). This model is further supported by community-based services and institutional care. However, the development of home and community-based services in China primarily focuses on providing daycare and temporary services such as housecleaning, primary nursing care, and physical therapy (Hu et al., 2020). These services are still in the early stages of development and are primarily concentrated in urban areas, resulting in limited availability and insufficient financing and service providers (Zhang et al., 2020).

Given these circumstances, the Chinese central government responded by proposing a long-term care insurance (LTCI) pilot program in 2016 as a practical solution to address the escalating challenges of old-age LTC. The introduction of LTCI aims to guarantee that older individuals have affordable access to LTC services and the option to procure services from the commercial sector. The national design of LTCI in China primarily targets individuals who face significant challenges in maintaining independent living within the scope of basic employment health insurance. The emphasis of the service content and delivery design is on integrating institutional, in-home, and community-based LTC provisions. The national policy guidelines propose the development of a separate LTCI fund system, but it acknowledges the need to align with the existing social insurance fund framework.

As outlined in Table 1 below, the financing of LTCI in China is supported by a tax-based social insurance system, which includes the transfer of residual balances from health insurance funds, co-

payments from the public (70%), and private out-of-pocket contributions (30%). Available data indicate that LTCI financing accounted for approximately 2% of personal income in China (Lei et al., 2022).

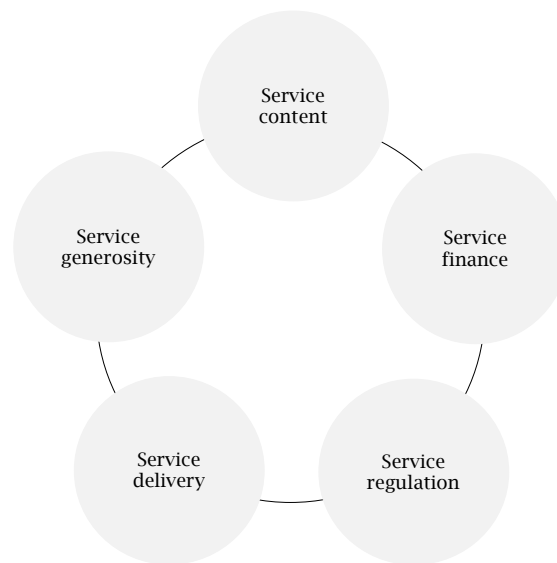
**Table 1.** Service standard of national long-term care insurance guideline

<i>Service demotions</i>	<i>Service standards in the national policy guidelines</i>
Generosity	Urban employees registered for social health insurance Older people who have severe difficulties living independently
Content	Encouraging the expatriation of eldercare institutional services to families and communities
Funding	Payment control at 70% Fundraising from the employee health insurance account
Delivery	Integrated public, market, society, and family in service provision, especially societal entities
Regulation	Establish demand assessment and grading criteria, introducing a third-party supervision system

Finding the right balance between national guidelines and various local welfare actors is a challenge for local cities. Scholars have generally encountered difficulty defining or categorizing China's welfare service typology due to its fragmented "hybridization process" in social services provision (Cai et al., 2022; Maags, 2022). As Esping-Andersen and Standing (1991) noted, it's crucial to understand how interactions between different welfare entities affect social service provision and contribute to welfare localism and regionalism. Building on the actor-centred welfare

mix model, this study introduces a five-dimensional service framework that integrates key insights into service content, generosity, financing, delivery, and regulation (see Figure 1). This study treats welfare service provision as a dynamic process involving the negotiation of interdependencies and the authoritative allocation of resources in program planning, policy-making, and management (Chen, 2024). As emphasized by previous studies (Brandsen et al., 2024), the framework acknowledges the significance of institutional dynamics in shaping welfare service provision.

**Figure 1.** Theoretical framework



In this study, policy design refers not only to the content or substance of the policy but also encompasses the interaction between local stakeholders' incentives that contribute to the local service system of LTC provision (Howlett, 2009). The focus is particularly on the implicit causal logic linking policy instruments, targets, and goals that lead to the performance of certain activities by policy targets, and the resulting outputs or outcomes. Rather than merely conveying policy goals, the emphasis is on how the interplay of local stakeholders' motivations shapes the design and implementation of the LTC service provision system at the city level. The analysis highlights the underlying mechanisms through which policy elements, stakeholder behaviour, and service delivery outcomes are interconnected within the specific local context (Hick, 2022).

### 3. RESEARCH METHODOLOGY

This study employs a qualitative research approach to address the aforementioned research questions. Considering the limited number of pilot cities participating in China's LTCI scheme, along with variations in their statistical calibre, this study utilizes a fuzzy-set qualitative comparative analysis (fsQCA) to investigate the variations in policy innovation at the municipal level. Additionally, in-depth interviews in the case city with multiple policy stakeholders were conducted to further explore the localized variations in policy design.

Previous studies have predominantly employed quantitative methodologies, such as surveys and forecasting models, in examining local governance practices (Lei et al., 2022). However, qualitative interpretive techniques offer the advantage of examining the uncertainties that subjective

experiences may contribute to social phenomena (Saunders et al., 2015). By adopting a comparative perspective, this study aims to delve into the causal complexity underlying the findings derived from qualitative data (Ragin, 2009). The foundation of qualitative comparative analysis (QCA) is set-theoretic case-based comparison and interpretation, which combines the benefits of qualitative case studies and quantitative analytical techniques. Furthermore, comparative social sciences frequently utilize QCA in contexts and populations with a sample size (N) ranging between 10 and 50 cases (Schneider & Wagemann, 2012). In this study, with a sample of 15 pilot cities, the application of QCA is highly appropriate for analysing the data.

In this study, the fuzzy set logic within set-theoretic approaches was employed to categorize the patterns of local LTC service provision based on partial membership. The concept of negation was utilized to determine the rejection of fuzzy membership scores. A truth table was constructed using a six-value fuzzy set approach, where values ranging from zero to one represent the degree to which each case falls into or deviates from the ideal service provision type. Five levels of provision demotion were identified based on national policy guidelines, including service beneficiaries, content, finance, delivery, and regulation.

The data for comparative analysis were collected and coded from policy documents issued by the 15 LTCI pilot cities. These policy documents encompassed measures pertaining to the inclusion

and regulation of designated LTC service providers, as well as the design and implementation guidelines for the pilot LTCI projects within specific municipalities. The policy documents were coded based on the five service dimensions identified from the national policy guidelines proposed by the Chinese central government. The fuzzy-set scores of each pilot city's service provision pattern were derived through a systematic review of both national and local policy content. In-depth interview data were collected from service stakeholders in Tsingtao City during 2020 and 2021 through purposive sampling. The study received ethical approval from the Research Committee of Lingnan University.

#### 4. RESULTS

In 2016, the Chinese central government launched the LTC social insurance trial program, granting 15 local municipal governments the authority to develop their own LTC service systems in alignment with national guidelines. The pilot cities are located across various regions of China, spanning from east to west (see Figure 2). Consequently, municipal governments in China were granted significant autonomy to design and innovate their own local LTC systems. Despite nearly eight years of implementation, the pilot programme has yet to develop into a comprehensive national scheme. This section examines the policy implications across 15 pilot cities and identifies the key attributes of various service patterns.

**Figure 2.** Geographical distribution of long-term care social insurance programme pilot cities



Source: Author's elaboration using ArcGIS mapping software.

##### 4.1. Comparative analysis of China's local long-term care service design

Based on the five-dimensional analytical framework, the author organized the truth table for fuzzy set analysis (see Table 2). The truth table for analysis is

based on both China's national policy guidelines and LTC service provision patterns in other countries and regions globally that have been implemented for centuries, such as the most representative models of Germany and Japan. The largest and smallest sets correspondingly represent the most universalist and

restricted service provision models. The discussion of service generosity considers China's social insurance system, including mild, moderate, and

severe care needs. The central-local hierarchy based on China's administrative structures is also considered in building the regulation indicators.

**Table 2.** The fuzzy-set truth table of long-term care service provision comparison in China's local practise

Indicators	Fully in the set 1.00	Fairly in the set 0.8	More or less in the set 0.6	Fairly out of the set 0.4	Fully out of the set 0.00
Generosity	All residents	All social insurance participants	Urban insurance participants	Urban employee insurance participants	Targeted limited groups
	Addressing LTC-related needs	Mild, moderate and severe dysfunction	Moderate and severe dysfunction	Severe dysfunction	Limited disease
Content	In-home-based personalized care	Institutional, home and community care	Designated institutional care or restricted home/community care	Institutional care	Marketization service system
	Need-based care	Medical, daily, preventive and psychological care	Medical, daily and psychological care	Medical and daily care	Medical care
Funding	Public taxation	Insurance funds, local subsidies and co-payment	Insurance funds and co-payment	Health insurance balance	Self-financing
	100% reimbursement	Over 85% reimbursement	Over 70% reimbursement	Less than 69% reimbursement	Under 30% reimbursement
Delivery	Government-led societal-oriented	Public-market-society-family	Public-private	Government-oriented	Market-oriented
Regulation	Strong multi-level regulation	Strong state regulation	Localized government regulation	Single department regulation	Weak market self-regulation

In terms of generosity, only three of the 15 pilot cities — Shanghai, Qingdao, and Suzhou — extended LTC services to all urban and rural inhabitants based on local residency rather than registered social insurance status. Shihezi also provided coverage for urban and rural residents, but only those enrolled in health insurance programs. Most pilot cities adopted the state's guidance and restricted beneficiaries to participants of the urban employee basic health insurance scheme, limiting participation in the local LTC service system to urban employees and residents.

Notably, Shanghai was the only city to broaden the service criteria to include beneficiaries with mild, moderate, and severe dysfunctions. Consequently, older individuals with moderate to severe dysfunctions could receive LTC services in cities such as Qingdao, Changchun, Nantong, Suzhou, and Guangzhou. In contrast, the other pilot cities strictly adhered to the central government's guidelines and offered LTC services solely to older individuals with severe dysfunctions.

Regarding the content of LTC services, all pilot cities provided daily medical care for beneficiaries. However, only Changchun and Ningbo offered institution-based LTC services among the pilot cities, while the rest aimed to develop an integrated institutional and community service model. Guangzhou and Chengdu offered the most comprehensive service types, including daily care, medical care, preventative care, rehabilitative care, and psychological counselling. Cities such as Qingdao, Jiangmen, Suzhou, and Ningbo did not provide preventative care, while Shanghai offered four primary services besides psychological counselling. Other pilot cities did not exceed the minimum standards and only provided the two essential services of daily care and medical care. Daily care often involved protecting the living environment, assisting with daily tasks, feeding, and pharmaceutical care, while medical care services typically addressed physical discomfort and medication adjustments caused by chronic diseases.

The services funding varies significantly among China's local practices. Following the national guidelines, financing LTC services in the pilot cities is primarily provided through the transfer of local health insurance funds. Pilot cities like Shanghai,

Nantong, and Anqing have included local subsidies and personal payments to finance their LTCI systems. To further finance the LTCI services, Chengdu, Shangrao, and Chengde in particular included enterprise contributions. However, in Ningbo, service funding is restricted to the residual balance of the urban employee health insurance fund.

Prorated and fixed payments are the two primary categories of reimbursement standards, with all pilot cities establishing a maximum limit, although each city's standardisation of financial expenditure and service reimbursement varies. Changchun, Shanghai, Tsingtao, Jiangmen, and Guangzhou had higher payment rates than the other pilot cities. Since some regions of reimbursement are computed on a daily basis while others are determined annually, this study systematically calculates the yearly reimbursement amount of each pilot city and transforms it into the final fuzzy set value for the service funding dimension.

Meanwhile, the large number of pilot cities encouraged non-governmental organisations to get involved in service delivery and regulation, mainly commercial actuarial agencies and private LTC institutions. Due to the lack of detailed information on the numbers and nature of local service providers, this study adopts a broad distinction among local service providers in China's context. These include government institutions, registered for-profit and non-profit organizations, community centres, families and friends, etc. Consequently, the services delivered by local LTC systems can be classified into designated agency care, home care, and special dementia care. Specifically, Tsingtao's LTC service system includes medical institutions, old-age care institutions, and community service centres as delivery agents and specialised institutions offering dementia care services, which are necessary to ensure the system's efficient functioning. The existing evidence also demonstrated that Tsingtao has the highest non-governmental organization (NGO) participation percentage, with over 90% of "socialised care institutions" participating in the delivery of local LTC services (Lu et al., 2017).

As more LTC services are delivered, the more diversified the service providers required by the local service system will be. However, in most pilot cities, only one agency is in charge of service

regulation. While most pilot cities relied on existing social insurance fund centres to regulate LTC services, Chengdu, Shangrao, and Chongqing assigned commercial insurance institutions to do so. However, even though only commercial insurance agencies have been given local authority to regulate services, social policy regulation in China is hardly described as a market-regulation pattern.

The degree of independence of the service regulation pattern determines the value of the fuzzy set. In particular, pilot cities such as Tsingtao and Ningbo leave the regulation of LTC services to local social insurance management centres. In contrast,

cities like Guangzhou rely entirely on the health insurance regulatory system. The regulation of the health insurance fund centre was identified as 0.4 by the fuzzy set value, the social insurance fund centre as multi-level regulation was recognised as 0.6, and both social insurance departments combined with third-party regulation were identified as 0.8. Notably, Nantong founded an independent LTCI fund centre, laying the groundwork for a system of systematically localised service regulation independent of the existing health insurance system. The detailed fuzzy dataset can be viewed in Table 3 below.

**Table 3.** Fuzzy-set score and the ideal type of long-term care service patterns in China's pilot cities

<i>Pilot city</i>	<i>Generosity</i>	<i>Content</i>	<i>Funding</i>	<i>Delivery</i>	<i>Regulation</i>	<i>LTCI model</i>
Tsingtao	0.8*0.6	0.8*0.6	0.6*0.6	0.9	0.8	GCFDR
Changchun	0.6*0.6	0.4*0.4	0.4*0.6	0.6	0.4	GcfDr
Nantong	0.6*0.6	0.6*0.4	0.8*0.4	0.6	0.9	GcfDR
Anqing	0.4*0.4	0.6*0.4	0.8*0.4	0.6	0.8	gcfDR
Jingmen	0.5*0.4	0.8*0.6	0.8*0.6	0.6	0.8	gCFDR
Chengde	0.4*0.4	0.6*0.4	0.8*0.6	0.4	0.8	gcFdr
Shihezi	0.6*0.4	0.6*0.6	0.8*0.6	0.4	0.4	GCFdr
Chengdu	0.4*0.4	0.8*0.8	0.8*0.6	0.8	0.6	Gcfdr
Suzhou	0.8*0.6	0.6*0.6	0.6*0.4	0.6	0.8	GCFDR
Shangrao	0.4*0.4	0.8*0.4	0.8*0.4	0.6	0.6	GCFDR
Shanghai	0.8*0.8	0.6*0.6	0.8*0.8	0.6	0.6	GCFDR
Guangzhou	0.4*0.6	0.6*0.8	0.4*0.6	0.6	0.4	gCfDr
Qiqihaer	0.4*0.4	0.6*0.4	0.6*0.4	0.4	0.6	gcfdr
Chongqing	0.4*0.4	0.6*0.6	0.6*0.4	0.6	0.6	gCFDR
Ningbo	0.4*0.4	0.4*0.6	0.3*0.4	0.4	0.8	gcfdr

Note: "\*" in indicates that the service dimension, which incorporated more than one component, was scored using the logical "AND" with a minimum value.

The outcomes of the fsQCA demonstrate that all of the pilot cities have generally succeeded in meeting the national standard to provide LTC services for urban employee health insurance participants with significant LTC requirements. As the pilot cities update their local policies, the range of services gradually expands, and the number of beneficiaries continually grows. Based on the fuzzy set comparison, this study further summarises the LTCI model among pilot cities, utilising capital letters to indicate a set above 0.6 and lower-case letters to represent a set under 0.4.

However, the financing system and service delivery mechanisms for LTC services vary significantly across local practices. A large number of pilot cities heavily rely on existing health insurance funds and related medical institutions to deliver limited LTC services for beneficiaries. Additionally, compared to other LTCI systems in East Asian countries such as Japan and South Korea, the local LTC service design in China demonstrates a high level of service regulation and government-led development.

Notably, while a large number of pilot cities appeared conservative in terms of service generosity, they were highly advanced in terms of service content, delivery, and regulation. Three typical cities can be identified based on their distinctive local policy designs compared to other cities. Tsingtao and Shanghai were recognized as two typical cities that developed a well-designed LTC service pattern, while Ningbo was identified as a typical city with restricted LTC service provision. Compared to other cities, Tsingtao exhibited a comprehensive and advanced policy design in service delivery and regulation. In contrast, Ningbo adopted a more restrictive stance on service generosity, content, funding, and delivery mechanisms.

In contrast to the prevailing notion of local policy innovation and implementation in China, which emphasizes the determinants of local

economic status and political elites (Mok & Wu, 2013), the fuzzy-set comparative analysis of recent local LTC service design and implementation did not follow this long-lasting discussion. Notably, Tsingtao, which is neither the most economically developed nor the most politically influential among the 15 pilot cities, demonstrated the most well-developed service design and implementation system. The subsequent section of this study will further explore the factors influencing the varied local service implementation and design in China's latest city-level social pilot scheme.

## 4.2. Key attributes for China's local service provision pattern

### 4.2.1. Path dependence on local social service system

As previous studies have indicated, the service provision of the LTC system is still largely dependent on the balance of local health insurance funds (Yang et al., 2016; Yang et al., 2021). As a result, there is a separation of service funding and payment into two divisions for the urban working class and other people. The interviewees in this study also acknowledged the significant influence of path dependency on the characteristics of the LTC service system in Tsingtao. This suggests that the local social insurance system and past policy decisions have shaped the development of the local LTC service provision and continue to influence its current service reform and future direction.

"The LTCI system in Tsingtao is actually the continuation and development of the family hospital bed system rooted in the social health insurance system. As a result of the health insurance reform that began in 2006, certain community health centres in Tsingtao are allowed to undertake chronic disease prescriptions. Qualified institutions were

allowed to expand family hospital bed services" (Local government official, personal communication, December 2021).

Additionally, path dependence has influenced the inclusion of local service providers. Notably, the process of health insurance reform in China in the early 21st century gradually gave rise to both societal service organizations and private market entities (Yang et al., 2016). Due to constraints on public budgets, the development of the local medical service delivery system faced obstacles, which led to the participation of private institutions and corporate affiliates in the provision of medical services. According to the interviewees, local authorities in Tsingtao heavily relied on existing service providers within the local social insurance system during the development of the LTC service system. Moreover, local beneficiaries were accustomed to seeking services from neighbourhood organizations and facilities with which they were familiar.

*"According to the national medical service reform, the local medical department was required to establish a 15-minute community medical service pattern (She Qu Jiu Yi Bu Xing Quan). Tsingtao has less local wealth than metropolises like Beijing and Shanghai, but it is sufficient to support a public community outpatient clinic. As a result, in order to meet the state quantitative benchmarks, the local government in Tsingtao has no choice but to include private institutions, corporate hospitals, and other societal institutions in providing medical services. This institutional arrangement, therefore, provided a positive societal and market environment for the later long-term care service system"* (Local government official, personal communication, December 2021).

#### 4.2.2. Self-motivated local policymakers and social entrepreneurs

The term "policy entrepreneurs" encompasses a diverse group of individuals, including influential members of private corporations, interest groups, think tanks, or social media platforms (He & Ma, 2020). However, in the context of Chinese policy practice, the term primarily refers to government officials. Typically, local political elites are driven by their political future and prioritise economic development and industrial policy over social welfare (Zhu & Xiao, 2015). As numerous researchers have noted, the success of entrepreneurs depends on their access to critical decision-makers and the resources and strategies they employ (Saebi et al., 2019).

In the case city, both local policymakers and social entrepreneurs were identified as positive influencers on the generation of the local LTC service provision pattern. On one hand, political championship and a focus on policy performance motivated local policymakers to develop this newly issued program. Beyond political considerations, the self-motivation of local policymakers and social entrepreneurs was also identified as a crucial driver for the local service system. The majority of service providers and deliverers in the case city did not prioritize economic incentives as the primary objective in developing the local LTC service system. Instead, they were guided by a more humanistic value orientation, stemming from personal experiences with older generations or acquaintances and witnessing their daily living challenges due to poor health conditions. The appointment of a new mayoral

administration and local leadership team, coupled with the active investment of social entrepreneurs, were cited as two pivotal factors by most interviewees in shaping the local LTC service provision.

*"When deciding the financing and payment approaches for long-term care services, our local policymakers' objective is to create an equitable and all-inclusive service provision system while maximising the impact and effectiveness of LTC service system"* (Local government official, personal communication, December 2021). *"Our organisation has an obvious charitable spirit. The organisation's founder shared with our employees that he was investing in the organisation out of a sense of social responsibility, aiming to earn a profit after twenty years of operation"* (Local service institution employee, personal communication, December 2021).

#### 4.2.3. Social-friendly and sustainable policy support

Long-term care service providers, both personal and institutional, in the case city, received substantial government subsidies, not only in the form of cash subsidies but also indirect support in leasing or purchasing real estate for delivering LTC services. Local governments prioritized regularly adjusting payment rates to reflect changes in local pricing and wage levels, as well as providing direct monetary aid to foster and facilitate the provision of LTC services by institutions.

*"After the long-term care social insurance programme was officially formed, our facility was identified as a designated institution for long-term care services. The local government then provided a monthly subsidy of around 250,000 RMB"* (Local service institution manager, personal communication, December 2021).

Moreover, some LTC facilities, such as state-owned sanatoriums, were previously situated on land owned by municipal governments. Historically, only the military and significant state-owned corporations were involved in the construction of these types of state-owned service facilities, primarily to cater to patients with chronic illnesses. With the reform of state-owned enterprises and the growth of the market economy, many state-owned institutions in the region became underutilized and were repurposed to develop social service institutions.

Furthermore, the Tsingtao City government offered extensive support during the approval process for establishing social service organizations. Through the implementation of local policies, Tsingtao City eliminated restrictions on the number and location of social and medical facilities. For instance, health care and old-age care institutions were managed by different local departments, which often posed challenges for community service institutions seeking authorization and permission to provide care services. In response, the municipality revised its regulations to be more flexible, dispensing with the traditional approval procedure and permitting the use of other certificates as a service standard for institutional accreditation.

*"If an organisation is interested in engaging in dementia care but may not meet the standards outlined in the policy statement now, we will nonetheless include them as long-term care service providers"* (Local government official, personal communication, December 2021).



Additionally, a significant number of interviewees from local LTC service institutions noted that a clear policy context and institutional support had a profound impact on their operations and service provision. The sustainable policy support and equal treatment provided a reliable market future and expectations. When assessing the qualifications of LTC agencies, the local government accorded equal consideration to both public and private organizations. Private and societal organizations could also receive the same policy support and financial standards as public institutions. Consequently, public institutions were no longer perceived as a symbol of privilege, which instilled confidence in civil societies and local markets to participate in LTC service provision.

*"In the long-term care services industry, we all have an opportunity for institutional growth and low risk due to government support and a permissive organisational development environment"* (Local service institution manager, personal communication, December 2021).

## 5. DISCUSSION

Previous theories and empirical studies on local policy implementation and innovation have highlighted the economic and political logic underpinning authoritarian state governance (Koski & Siddiki, 2022; Meza, 2022). In this study, we draw insights from agenda-setting research and apply a social service framework to local stakeholders' perceptions of various elements and their relative importance in each service dimension. Several components identified in China's local policy innovation during the pilot stage of a particular program — such as service delivery and content — are documented and analysed. Our findings argue that previously discussed factors such as local economic prosperity, demographic distribution, and political resources alone are no longer sufficient conditions for explaining the most recent local policy practices in China (Yang et al., 2022). The local variations in LTC service provision in China are increasingly influenced by the expansion of societal resources and sociological factors, particularly the involvement of non-governmental and external service providers.

Regarding the second research question on understanding the variation in service patterns at the local level, our findings on attention factors and key attributes demonstrate the potential of the local service stakeholder perspective as a unique resource for local policy design and implementation. Unlike other approaches to the study of local policy, our empirical findings highlight the fact that local governments, like any other organization, are constrained by their limited attention span and limited information-processing ability. While numerous public issues must compete to attract policymakers' attention, and many new ideas and policy alternatives must contest each other for support, only a limited number of policy initiatives receive serious consideration (Liu et al., 2010). It is noteworthy that during the interviews, participants discussed the relationships between service dimensions and the significance of policy windows in shaping the local landscape of LTC service delivery.

The results contribute to the local policy literature by offering insights into the factors that

influence agenda-setting and policy prioritization processes at the local level. Additionally, the identification of key attributes that shape the sustainability and institutionalization of service provision highlights the significance of understanding the interplay between stakeholder interactions and policy outcomes in shaping local service patterns. The qualitative data highlights the growing importance of societal actors and resources in shaping local policy implementation and innovation in China, beyond the traditionally emphasized economic and political factors. The analysis of local elites' perceptions and the identification of key components in service provision underscore the need to incorporate a multi-stakeholder framework and a sustainable policy environment to develop a locally "popular" service provision pattern (Coleman et al., 2023).

## 6. CONCLUSION

This study investigates the variances in local policies, with findings that identify the service patterns based on LTCI practices across 15 pilot cities in China, utilizing a five-dimensional service framework. Three cities — Tsingtao, Shanghai, and Ningbo — stand out for their distinct patterns compared to other cities' practices. Primary data, collected through in-depth interviews, further elucidate the three key attributes of the typical patterns of LTC service provision at the city level. The results contribute to the discourse on welfare localism in less-developed countries and offer insights into the dynamics and processes of local policymaking from an actor-centred perspective. The interaction among local service stakeholders provides a useful and unique lens for understanding which factors facilitate the attraction of policymakers' attention to certain policy problems, and which attributes enhance sustainable policy support, survival, and selection of service provision institutions.

It is important to note that this study has certain limitations. Firstly, the study's sampling strategy was primarily based on a snowball approach rather than a purely random process. Consequently, the analysis provided here might be more representative of a particular group of stakeholders rather than representing the views of all local policy elites. Additionally, the results might be more indicative of the dynamics of policymaking in urban settings than in rural or underdeveloped areas and policy domains.

Moreover, the dynamics of local policymaking may vary across different sectors and socio-political environments, necessitating further empirical investigations to validate and extend the conclusions drawn from this research. Subsequent investigations could focus on the policy change over time within each city, exploring the temporal dynamics and potential path dependencies. Rural areas in China require further attention for discussion and exploration of their policy implementations and innovation. Future research could address these limitations by incorporating rural contexts, employing longitudinal or comparative designs to capture temporal dynamics and path dependencies, and exploring the interplay between different components of service provision within a more integrated analytical framework.



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## APPENDIX. OFFICIAL POLICY DOCUMENTS REVIEWED

<i>Year of issue</i>	<i>China's long-term care social insurance practise policies</i>
2013	Notice of the General Office of Tsingtao Municipal People's Government on the Division of Tasks for Accelerating the Construction of Social Aged Care Service System
2014	Notice on the Issuance of the Administration of Long-term Medical Care Insurance in Tsingtao
2016	Guidance of the General Office of the Ministry of Human Resources and Social Security on the Piloting of Long-Term Care Insurance System
2016	Implementation Opinions of Chengde People's Government on the Establishment of Long-term Care Insurance System for Urban Employees
2016	Notice of the Shanghai Municipal People's Government on the Issuance of the Shanghai Long-Term Care Insurance Pilot Scheme
2016	Notice of the Nantong Municipal People's Government on the Establishment of a Basic Care Insurance System (for Trial Implementation)
2016	Pilot scheme of long-term care insurance system in Suzhou (draft for comments)
2016	Pilot scheme of long-term care insurance system in Ningbo (draft for comments)
2016	Notice of Shangrao City on the Implementation Plan of Long-term Care Insurance Pilot Work
2017	Response of the Ministry of Human Resources and Social Security to Proposal No. 3668 (Social Management No. 344) of the Fifth Session of the 12th National Committee of the Chinese People's Political Consultative Conference
2017	Notice on the issuance of the Jilin Province long-term care insurance system pilot operating procedures (for trial implementation)
2017	Policy Interpretation of the Implementation Opinions on Further Promoting Long-Term Care Insurance Pilot
2017	Opinions of the General Office of Shandong Provincial People's Government on the Trial Implementation of Long-Term Care Insurance System for Employees
2017	Notice on the issuance of "Medical Care Insurance Implementation Measures for Disabled Persons in Changchun City" (for trial implementation)
2017	Notice on the Issuance of the Qiqihar Long-Term Care Insurance Implementation Plan (for trial implementation)
2017	Notice of the Suzhou Municipal Government on the Implementation of Long-term Care Insurance Pilot
2017	Notice on the Issuance of the Rules for the Implementation of Long-term Care Insurance Pilot in Ningbo
2017	Notice on the Issuance of the Rules for the Implementation of Long-term Care Insurance for Employees in Anqing City (for trial implementation)
2017	Guangzhou Human Resources and Social Security Bureau, Guangzhou Finance Bureau Guangzhou, Civil Affairs Bureau, and Guangzhou Health and Family Planning Commission Notice on the Issuance of the Trial Measures for Long-Term Care Insurance in Guangzhou
2017	Notice of Guangzhou Human Resources and Social Security Bureau on Public Consultation on the "Trial Measures for Long-term Care Insurance in Guangzhou" (draft for public comments)
2017	Rules for the Implementation of Long-Term Care Insurance in Chengdu (for trial implementation)
2017	Notice of the Chengdu Municipal People's Government on the Issuance of the Pilot Program of the Long-Term Care Insurance System in Chengdu
2017	Notice on the Issuance of the Implementation Rules for Long-Term Care Insurance in Shihezi City of the Eighth Division (for trial implementation)
2017	Chongqing Human Resources and Social Security Bureau Chongqing Municipal Finance Bureau on the Issuance of the Opinions on the Pilot Long-Term Care Insurance System in Chongqing Municipality
2018	Notice on the Issuance of the Rules for the Implementation of Long-Term Care Insurance in Jingmen City and the Management Measures for Long-term Care Insurance Designated Service Organizations in Jingmen City (for trial implementation)
2018	Tsingtao Pilot project on the inclusion of elderly people with severe dementia in long-term care insurance coverage and the implementation of a "dementia zone"
2018	Provisional Measures for Long-Term Care Insurance in Tsingtao
2018	Notice on the Issuance of the Implementation Measures for the Long-term Care Needs Rating Assessment in Tsingtao
2018	Notice on issues related to the implementation of the Interim Measures on Long-Term Care Insurance in Tsingtao
2018	Tsingtao Human Resources and Social Security Bureau Long-Term Care Insurance Designated Care Service Agency Agreement Management Measures