Challenges and Opportunities: Reform of China’s Public Administration in the New Era

WU WEN WU, Department of International Exchange and Cooperation
Ministry of Personnel, People’s Republic of China

LOOKING AT THE modernization movement of public administration initiated worldwide in the 1980s, we can find out that its ultimate goal is to improve the service level and quality of government. After entering the 21st century, how to further improve the service level and quality is still an important subject of study for governments of all countries. Developing countries, in particular, need to adapt themselves to the development needs of the knowledge-based economy, to cope with the challenges of the economic globalization, to reform and improve the public administration, and to build up a streamlined government with high efficiency while improving the living standard and quality of people.

Since the reform and opening-up to the outside world in 1978, the Chinese government has attached great importance to public administration reform and made great achievements in building up a dynamic administrative system conforming to the socialist market economic system. It has upgraded the service level and quality of public administration, and improved the quality of the civil service.

This paper briefly discusses the various efforts undertaken by the Chinese government.

Reforms of the Government Structure

Drawing lessons and experiences from the previous administrative reforms, the administrative reform in China began in 1988 to focus on the function adjustment and organizational reform. In the light of our national conditions and in accordance with the principles of streamlining, unification and efficiency, the public administrative departments were gradually adjusted and reformed.

The administrative reform in 1988 enhanced the comprehensive management function of the government and strengthened the policy-making and consulting departments, comprehensive economic control departments, supervision departments, legal construction departments, and social management and service departments, while weakening the micro-management function of the government and merging or reducing the number of special economic management departments.

The administrative reform in 1993 further weakened the micro management and direct management functions; strengthened the functions in macro planning, formation of important policies, laws and regulations; and strengthened the supervision and adjustment functions and the function to serve the grassroots departments, consequently
reinforcing the macro control and supervision departments, and the social affairs management and service departments.

In 1998, the Plan on the Organizational Reform of the State Council adopted in the first conference of the Ninth National People’s Congress clearly pointed out that the functions of the government would be macro adjustment, social management and social service. As to structural reform of the central government beginning in 1998, the setup of the government functions and organizational structure was more reasonable and appropriate. First, the macro control departments have been strengthened. The State Development Planning Commission, the State Economic and Trade Commission, the Ministry of Finance and the People’s Bank of China were transformed from comprehensive economic departments into macro control departments with new functions which were defined as follows: to maintain an equilibrium of the total economic amount, to bring down inflation, to optimize the economic structure to realize the sustainable and fast growth of the economy, to perfect the macro adjustment system, to improve the economic and legal means and to improve the macro control mechanism. As compared with the past, macro control gained great force. Second, special economic departments were adjusted or reduced, and a smaller yet highly efficient special economic management system suitable to the market economic system was set up. Only six ministries (railways, communications, construction, agriculture, water resources and foreign trade) were retained, and the economic departments directly managing enterprises (machine-building, coal, petrochemical, metallurgical, light industry, textile and electricity) were transformed from the components of the State Council into state bureaus under the State Economic and Trade Commission. Furthermore, these bureaus were transitional and were further adjusted a few weeks ago. New departments as the Ministry of Information Industry and the State Commission of Science and Technology for National Defense Industry were created. The main functions and duties of the special economic management departments are to make long-term plans and industrial policies, to direct enterprise reforms and to avoid repetitious or overlapping construction. It is quite obvious that the reform weakened the functions of special economic management departments. Third, the law enforcement and supervision departments were strengthened and the function of law enforcement and supervision was reinforced. For the law enforcement and supervision departments, in line with the principle of clear-cut job responsibility (a separation of “referee and athlete”) their duty was to administer the market, not to run the market so as to ensure the fairness and performance of their functions in supervision and control. As compared with the practice in the past, this was a substantial progress. Fourth, social service departments were appropriately adjusted to increase the adjustment capability of the government over social services. The specific practices are: on the basis of retaining part of the previous departments, such functional departments as the Ministry of Labor and Social Security, Ministry of Land and Resources and the Ministry of Information Industry were established. In the process of setting up and improving the socialist market economic system, the responsibility assumed by the government in the field of public services will increase, and it is natural for the government to appropriately increase its control capability in public services.

Seen from the previous administrative reforms, the administration ability and service level of the Chinese government has improved substantially. The setup of government
functions and organizational structure was gradually transformed from the model conforming with the need of the planned economic system into the model conforming with the needs of the socialist market economic system. The changes in the setup of government functions and organization structure indicate that the government is changing to or has already changed to the track of providing services to enterprises, society and the public from the previous direct control over enterprises and their production.

Reform of the Personnel System

Since the enactment of the Provisional Regulations on State Public Servants in 1993, positive progress has been made in the establishment of a public servant system. The open recruitment, pre-post training, competition for position, resignation and dismissal management systems have been working effectively. The rights of public servants are guaranteed, and a public servant system with Chinese characteristics has been basically set up. At present, in accordance with the needs of socio-economic development, our government is further improving the public servant system, that is: (1) with the opportunity of administrative reform, to best associate the selection of professional human resources with optimization of personnel structure, thus making the profession, education and age structures of public servants more reasonable; (2) to further study and explore different management methods and more appropriate appointment system according to the nature of the work of public servants; (3) to improve the testing and recruitment system, add necessary examination subjects on the basis of the public servant examination and appointment for public servants of the departments of the State Council; (4) to reform the check system, add more contents for checking, analyze the checking results in a scientific way, enhance the justness and authenticity of checking; and (5) to strengthen training in the light of the occupational development and make the training more effective. All these efforts will no doubt provide a guarantee of professional human resource for improving the service level of public administration.

Improved Level and Quality of Public Services

One of the priorities of the administrative reform and modernization movement that swept across the world since 1980, including China, was the reform and innovation of public administration and service technology of the government. In this field, we, in the light of the national conditions and on the basis of drawing experiences in enterprise management and the public administration of other nations, made innovations in terms of technology and methods.

First, on the basis of the transformation of functions, the means of the economic control were changed. To establish and develop the socialist market economic system, the role of the market in resources distribution was brought into full play in order to establish and develop the socialist market economic system. Macro control over economic growth was exercised through such measures as the fiscal, taxation, and financial economic means, the formulation of annual, medium- and long-term development plans, and the publication of economic information, instead of depending solely on administrative methods.
Second, the power of government was decentralized to make the work of public administrative departments more to the point and effective, and to meet the requirements and demands of citizens in a faster and desirable way. It is now a knowledge-based economic era, information is snowballing, the diversity is becoming more and more obvious, and the speed of change is picking up. To meet the needs of citizens faster and better, in the light of the national conditions and in accordance with the principles of consistence of responsibility and rights, China divided the power of governments at all levels without sacrificing the macro control ability of the government, mobilizing the initiatives of governments at all levels. The central government, in terms of economic management, now mainly focuses on formulating comprehensive and strategic development plans for the national economy, and exercises control over the performance of the macro economy through the means of legislation, the formulation of financial and monetary policies as well as industrial policies for important industries. In terms of the social and cultural management, it exercises macro direction by means of legislation, planning and policies. The provincial government is at the secondary level of macro management. Its main functions include the macro management over regional economic development and coordination, the construction of important infrastructure facilities and social development. The base-level city government assumes the responsibility of market management and service, social service and public welfare undertakings, thus creating a sound investment and living environment for enterprises and residents. The county and township governments assume the responsibility of providing services to agricultural production, promoting the coordinated development of rural economy and society and promoting the urbanization process of the countryside. In a word, the relegation of power to the lower levels is noticeable. Furthermore, the powers and functions relegated to the lower levels mainly involve some social service affairs, thus making the local governments gradually assume the principal responsibility in terms of the social public affairs.

Third, in the public administrative departments, particularly the departments directly involving the citizens, service awareness was strengthened and the style of work was changed. Management is meant to provide better services. So, in this regard, bureaucracy is a target of reform of public administration in all countries. In this regard, China is not an exception. To wipe out this malpractice, we have on one hand strengthened professional ethical education with the sole purpose of serving the people wholeheartedly, which is the main content of the spiritual civilization construction of our country. On the other hand, we have also worked out many systematic measures to strengthen the service awareness. For example, the promise system, on the basis of crystallizing the existing service standards, sets necessary specific quotas that are made known to the public as a kind of promise so as to facilitate supervision. Standardized language and services with a time limit are the typical examples. Take the first cognizance responsibility system now widely applied in various departments for another example. The transparency of the administration is increased by adopting the open work system in the departments that are directly involved with the masses. The system enables the citizens to access the process and results of administrative affairs, placing the public administration under public supervision, and particularly, giving greater weight to the comments and assessment on the performance of employees by the media and citizens in the process of checking. With such efforts, the working style of the public administrative departments has greatly improved.
Fourth, competition mechanisms were introduced in social public service sectors (infrastructure construction, telecommunications and public transportation) to improve service quality. In the telecommunications sector, for example, competition was introduced to break the monopoly. Under the preconditions of improving service quality and level, costs of service were also lowered. In the transportation sector, the development of the civil aviation sector means heavy pressure on the highway, waterway and railway transportation sectors. However, under such pressure, the latter still managed to transform the pressure into an impetus for their work, and they have, both in terms of infrastructure facilities (hardware) and services (software), moved to the new and higher level, thus promoting development and expansion.

Fifth, the cost of public administration was assessed to improve the efficiency and benefits of public administrative services. To emphasize input but neglect the result is virtually a global shortcoming in the public administration, and it is also a problem that every government is trying to solve in the process of its administrative reform. In the past few years, our government has paid attention to the service results of public administration. For example, in recent years, our Government has pursued policies on poverty relief, assistance and development of the backward regions and appropriately introduced the win-win mechanism under the rights and interest sharing system, which has achieved a desirable result. Our budgetary management system has been reformed so as to make it, under the preconditions that the budget conforms to necessary expenditure, become a method of encouraging and improving the management mechanism, thus improving the management methods and ultimately realizing the goal of high output. We have also reinforced the information infrastructure of government and enhanced the efficiency of government work.

Sixth, our government promoted grassroots democratic construction and made use of the strengths of citizens to do a better job in social services. For a long time, our governments at all levels, particularly the local grassroots government, have accumulated rich experiences in promoting the role of self-autonomy organizations of citizens. In particular, with the deepening of the reforms of economic and political systems, social democracy has become widely accessible, the scope and rights of the citizens in taking part in the management of state affairs are also expanding, and direct elections for grassroots autonomy organizations are fully implemented. These autonomy organizations are playing an increasing bigger role in maintaining the social order, developing public welfare undertakings and community services.

Seventh, we enacted and improved administrative regulations, and realized the effective combination of administration by law and innovative administration. It is a big shortcoming of the traditional bureaucratic system to emphasize rules but neglect results, in the same way, to emphasize input but neglect results. Many countries, in their administrative reforms, have begun to loosen rules in order to emphasize the results. However, because China has different national conditions, we are paying high attention to the formulation of administrative laws and regulations. On the other hand, we paid attention to solve such specific issues on the feasibility and applicability of the laws and regulations.
The development of the public service by the Chinese Government progresses at the same pace with the reform, and outstanding achievements have been obtained. Judging from the present situation, our public service still faces grave challenges and has many development opportunities as well. In line with the economic system reform and economic development strategy set by our country, we would build a more complete socialist market economic system in the first ten years of the 21st century, that is, before 2010. This means a higher service demand set for the public administration of the Chinese Government. With China’s entry into the World Trade Organization, the Chinese economy will be further integrated into the mainstream development of the world economy, and China will join international competition in a broader scope. This will not only have a significant impact on the industrial circles of China, but also means a series of new subjects for the public service of the Chinese Government. Coupled with the newly-launched west development program, the reform of public administration will encounter some new changes. We believe that, in the face of such challenges and with China’s public administration reform, the quality of public administration of the Chinese Government will be deepened and developed, and the level and quality of public service will be constantly improved.