

China's Human Resources Development and Public Sector Reform Facing Economic Globalization

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Abstract

Facing the influences of economic globalization, China timely seizes opportunities, deals with challenges and promotes the development of human resources and public sector reform.

I. Timely seizing opportunities

- 1. Problems resulted from China's human resources development and public sector reform;*
- 2. Positive influences of economic globalization;*
- 3. Timely seize favorable opportunities to make achievements in human resources development and public sector reform.*

II. Properly dealing with challenges of economic globalization

- 1. Negative influences of economic globalization;*
- 2. Solutions;*
- 3. Developing countries should enhance their confidence.*

III. Recent innovations and development of human resources and public sector reform

- 1. Promote the strategy of "Strengthening China with talented people," draw on the experience of new theories, new knowledge and new technologies to enhance the professional capacity of employees in training and education;*
- 2. Formulate and perfect an incentive mechanism for employees;*
- 3. Research corresponding coordinative systems to offer systematic support for the merit*

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system in public service sector;

4. *Research pilot governmental performance and results evaluation in the overall establishment of response mechanism for emergencies.*

China's Human Resources Development and Public Sector Reform Facing Economic Globalization

In the 21st century, all countries and regions recognize that economic globalization does exercise a long-term influence upon human resources development and public sector reform. They all agree that this influence is increasing and will exist for a long time. China, after its entry into the WTO in December 2001, urgently needs to timely seize favorable opportunities, properly deal with severe challenges, and promote human resources development and public sector reform and innovation to maintain the continuous development of the national economy.

I. Timely seizing favorable opportunities

The trend of economic globalization, which was not an obvious one at the very beginning, came into its initial stage by the end of the last century. China's then human resources development and public sector reform, although already in the process of reform and opening up, yet lagged far behind that of the 21st century in terms of the influence of economic globalization upon these two fields. Behind some certain achievements, main problems include: the influence of the planned economy on human resources development and public sector reform still exists during the transitional period from planned economy to market economy, therefore, traditional theories and knowledge still play a very important role; incentive mechanism and security mechanism remain to be further perfected; comparative studies on the personnel management system of different countries have not been conducted well; a new round of government institutional reform is being shifted from the central government to local governments after the central government has first finished it; government performance and results evaluation still remain a new research target, etc. These problems are not only barriers on the way to China's human resources development and the innovation of public sector reform, but also incompatible with the requirement for building a well-off society in an all-round way and employees' gradually-cleared social values and expectations and their pursuit for knowledge and capacity.

Economic globalization brings us a borderless world based on economy and knowledge and a unified market for all countries' economic and knowledge development. Human resources development and public sector reform, which occupy a very important position in economy and knowledge and begin to break down national and regional barriers, are not only a strong impetus for the global economic and knowledge improvement, but also a forceful driving power for the innovation in these two fields. Facing the ever-increasing economic

globalization, the Chinese Government and society pay special attention to the opportunities they can offer for knowledge innovation, idea innovation, and the solving of the problems in human resources development and public sector reform. Internationalization, the requirement of global integrated market, combines actual situations both home and abroad, thus promoting countries' own reform and opening-up. In this context, the Chinese Government, as the first step, timely seizes favorable opportunities to further promote reform and opening-up to seek solutions to some remaining problems. And also, in public management training and education, it draws on the experience of new theories, fresh knowledge and new technologies of developed countries in human resources development, conducts in-depth comparative studies on managerial systems of various countries, gradually promotes incentive mechanism and security mechanism for employees, and conducts evaluation of government performance and results in a new round of institutional reform. The innovation in knowledge and idea results in the innovation in work and research. China's human resources development and public sector reform in recent years have achieved more success.

II. Properly dealing with challenges

Economic globalization produces a lot of negative influences, because the foundation of developing countries' economy, science and technology, and education does not match that of developed countries. Furthermore, it is very difficult to reach the ideal "win-win" strategy in cutthroat competition. Facing severe challenges, China, externally, firmly safeguards the interests of developing countries, properly utilizes the rules of the WTO to foster strengths and circumvent weaknesses. Internally, it greatly strengthens the infrastructure construction in economy, science and technology, and education and gives top priority to economic construction and social development. During the first two decades of the new century, a very important strategic period, China will focus its attention on the improvement of comprehensive national strength to build a well-off society in an all-round way. In the two fields of human resources development and public sector reform, China respects intellectual property rights, draws on experience of new theories, fresh knowledge and new technologies of developed countries to create China's unique intellectual and technology property. Based on China's actual situation, regional reality, and other countries' strong points in personnel management system, the Chinese Government properly handles the complicated relationship among China's fine tradition, economic development, market mechanism and the bearings of the public and improves some relative managerial systems and research the pilot government performance results evaluation. Thanks to its clear recognition of the negative influences of economic globalization, the Chinese Government holds that although the positive and negative influences coexist, and favorable opportunities and severe challenges go hand in hand, yet the positive influences surpass the negative ones, and there are more favorable opportunities than severe challenges. Developing countries, therefore, should enhance their confidence to guarantee the innovative development in human resources development and public sector reform in the context of economic globalization.

III. Recent innovations and development of human resources and public sector reform

1. In all factors of economic and social development, human resources are set as the most important one by the Chinese Government. Therefore, efforts should be made to bring China's personnel management into the new stage of the strategy of strengthening China with talented people to catch up with that of developed countries. At the same time, the training and educational level and employees' professional capacity have been greatly enhanced due to the human capital theory, public administration and talents evaluation skills drawn from developed countries. The most successive representatives in this field are The Outline of the Tenth Five-Year Plan for National Economic and Social Development ratified by the National People's Congress in March, 2001 and the Sino-foreign joint MPA training program. The Outline of the Tenth Five-Year Plan for National Economic and Social Development devotes a whole chapter to the basic component and major tasks of the talents strategy, for the first time, giving top priority to the strategy of strengthening China with talented people in national development. This outline and China's development strategy complement each other so that they can develop abreast. The implementation of the strategy of strengthening China with talented people resulted in the formulation of strengthening provinces and municipalities with talented people. Dazhou City of China's southwest Sichuan Province, for example, is an undeveloped city. The personnel sector of this city holds that the shift from human resources to human capital is the objective requirement of Dazhou's economic construction and rapid social development. In promoting the shift from human resources to human capital, Dazhou City attaches great importance to the accumulation of human capital, increase of investment, and enhancement of education, training, and recruiting foreign talents to improve the quality and capacity of talents. At the same time, Dazhou City manages to stimulate the vigor of the talents and trigger the potentials of the talents in management system, operation system, and environmental conditions. Dazhou City also encourages the talents to do hard pioneering work to incorporate human capital into other productive factors to pursue multiplication efficiency. This case illustrates that training results in the innovation of human resources development concepts and practice. It is therefore easy to imagine the importance of innovation in central areas and places at middle-upper levels.

The MPA training program provides governments and the society with high-level public managerial personnel. In the past, there was only such training program at bachelor level in China, and such courses were also very rare in educational and training institutions. Now, with its integration with international practices, the number of Sino-foreign joint training programs is annually increasing. It has become an actual need now in China to pursue MPA. As a result, MPA program attracted a large amount of civil servants, enterprise employees and university graduates. In this context, high-level talents in public administration have been constantly cultivated.

2. Improve incentive mechanism for employees. Top priority should be given to position-rank combined system and promotion, salary and welfare systems in improving the incentive mechanism for public servants. According to the research on foreign civil servants systems and position-rank system in the past, we find that the new enlightenment is to maintain position function, enhance rank function to establish a new system in which position and rank are well coordinated and at the same time properly independent, and in which public servants'

capacity, contribution, qualification, and morality are fully demonstrated. And also, we need to link people's promotion, salary, and welfare with their positions and ranks. The main purpose is to provide those public servants at county and township levels and junior public servants with broader space for their progress and development to encourage them to set mind to work and improve their capacity. In doing this, we should avoid putting position above all else.

We should encourage to consider factors such as management, technology, capital, and labor force in distribution field and conduct in-depth implementation of the principle of income distribution according to work, clear-cut the income differences of employees, break away from traditional egalitarianism in income distribution, and at the same time properly handle the relationship among market guidance pricing of personnel, people's capacity and contribution, current economic situation of corporations and employees' affordability. Consideration must be given to reform, development, and stability of the society. Efforts should be made to keep current talents and attract and employ more international brains.

3. Research corresponding coordinative systems to offer systematic support for the appointment of personnel in public service sector. China's examination system in recruitment for civil servants has been implemented for ten years. State-owned enterprises had already adopted appointment system. Other public service sectors have also begun to adopt this system. The examination system in recruitment for civil servants follows a principle of transparency, fairness, competition, and selection according to one's qualification. Appointment system, a typical contractive management, cannot do without the support of the society and market. The appointment in public service sector finds nowhere without corresponding coordinative systems. In its research and formulation of corresponding coordinative systems, China drew on experience from foreign qualification recognition system and established a two-way choice system of employers and employees in employment practice. Employees, after obtaining qualification recognition, can freely choose jobs. Thus, employers are guaranteed by this system to obtain qualified personnel. Through hard work of several years, China has already set up post qualification recognition system in 23 industries and 90 job categories. More than 2,000 job markets at all levels have been connected via Internet, covering various industries and areas. In order to enhance international competitiveness, actively participate in personnel competition, China is now making plan for post qualification recognition system and international mutual recognition of professional titles.

4. Research pilot government performance and results evaluation in the overall establishment of response mechanism for emergencies. In the earlier stage of this year's fight against "SARS" epidemic, problems existing in response mechanism for public health hazards revealed some weak points of public administration in response mechanism for emergencies. The response mechanism for public health hazards includes quick response to epidemic, government's financial expenditure, social mobilization, enhancement of law, cooperation with the World Health Organization, integration of Chinese and Western medical sciences, tackling hard-nut problems in science and technology, and developing good habits in health-keeping, etc. Starting from establishing the above-mentioned emergency mechanism, the Chinese Government has established one by one response mechanism for public health hazards, public

culture, and public sports, orienting itself towards the overall establishment of long-term emergency mechanism of public administration and comprehensively improving emergencies and various risks. Thanks to the fact that governments at all levels did arduous work to prevent “SARS” epidemic, and at the same time continued to conduct economic construction, the damage caused by “SARS” epidemic was kept at the minimum level. Success achieved in these two fields won the praise and respect of many both from China and international community. It was due to this that government performance and results evaluation caused broad concern of governments themselves and research sectors. Research sectors, through drawing on experience from foreign countries, formulated evaluation contents, norms, and methods with Chinese characteristics. For example, some local governments such as Fujian Province and Qingdao City of Shandong Province conducted pilot evaluation which highlighted government’s functions and service results, and the scientific formulation of each norm and its importance. Aside from transparent governance and internal evaluation, external evaluation was also adopted. As a result, the initiative of the general public, beneficiaries of the governments in particular, to participate in and discuss public affairs was unprecedentedly stimulated.

Through research and pilot performance, pilot government performance and results problem become more clear-cut and solutions are well targeted. Undoubtedly, these work and research will be continued and further deepened so as to foster the modernization of public administration and service of the Chinese governments at all levels.

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