

Hastening the Reform of Public Administration
based on China's Conditions and Promoting Joint Development to
Keep Abreast with World Trend

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Mr. Chairman, ladies and gentlemen,

The rapid advent of economic globalization poses new challenges not only to international administrative science community but also to public administration of various countries. At the IIAS's London Conference held last year, participants raised the subject of Globalization and Devolution of Power. Under the main theme Public Administration and Globalization at this conference, there are substantial discussions, which would undoubtedly exert far-reaching impacts on public administration.

Economic globalization has become a phenomenon that we can not neglect. For instance, more than 40000 trans-national companies find home in most of the countries in the world. The national boundary in economic activities has been weakened. As a result, many governments in the world have to deal with those trans-national companies. Information technology gives impetus to the rise of virtual economy. According to the estimation of IMF at the end of 1999, the virtual economy accounted 140 trillion US dollars, equivalent approximately to 5 times as much as the world's total GDP, which is 28.2 trillion US dollars. On the one hand, economic globalization strengthens the connection of economic activities of the world and promotes the economic development, on the other hand, countries of the world become more and more dependent of each other. And as result, there are greater international financial and economic risks. All these force the governments of all countries work to strengthen coordination and work for new administrative mechanism. Economic globalization brings unprecedented economic

prosperity and growth to some countries. Economic globalization, due to inequality of economic competition, has also helped to widen the gap between the rich and poor. As pointed out in the report of World Bank, people in the industrialized countries, who account for one-sixth of the world's population, collect nearly 80% of the world's total income. But 60% of the world's population who live in 63 developing countries only get 6% of the world's total income.

Economic globalization, therefore, is a double-bladed sword. It brings benefits as well as new problems. In so far as public administration is concerned, we should make efforts to solve three problems.

1. Problem arises from the facts that the targets of administrative management are more diversified. As a result of globalization, transnational companies increase fast, leading to changes of government administration targets, which include domestic companies as well as foreign business entities. As a result of international flow of talents caused by economic globalization, the government administration will target both domestic and foreign citizens. Public administration will be transferred from merely citizen administration to stressing both citizen and non-citizen administration.

2. Administrative affairs are more complicated. Globalization has internationalized many domestic policies. In formulating the economic, commercial and revenue policies, a government should consider state interest and coordinate with related countries, and develop their policies more compatible with international norms.

3. Administrative information changes faster. The era of economic globalization is an era of information. Information and knowledge have been spreading at an incomparable speed, but not along traditional levels. A nimble and fast-reaction system should be set up for public administration to respond to complex information, changeable market and diversified social life.

All these challenges pose greater demands to public administration. We should break away from the traditional theories of public administration and develop theories of public administration that are suitable to the demands of globalization.

In the face of fundamental impacts that globalization has on public administration, the Chinese government has been working hard to meet the challenges with active attitudes, to speed up the administrative reform, and try to get merged into the process of this trend so that China could benefit and avoid unfavorable impact from globalization. In this connection, the Chinese government has been making efforts to handle three relationships:

Firstly, the relationship between globalization and national condition. Globalization entails unified rules of game. However, the specific national condition must be taken into consideration. Globalization has led to more frequent exchanges and closer links between countries. It is all the more important to advocate accommodation, not prejudice; exchange, not exclusion; coexistence, not conflict, in a bid to serve the purpose to benefit and promote various countries' joint development.

Secondly, the relationship between globalization and different phases of various countries. Globalization is a trend of today's world. But due to different histories and traditions, their different development levels and phases vary. The reform of public administration is also being conducted at different stages in different countries. Economic progress could help realize great-leap development. But public administration, as a part of political and social system, must be reformed in a gradual way. The orientation and pace of the reform should be well handled to avoid excessive measures, which do not adapt to the development stage and national conditions.

Thirdly, the relationship between the reform of public administration and economic development and political stability. Stability is the prerequisite of development. No stability, there could be no development. Public administration reform must be

conducted in a situation where stability and development find balance. Therefore, the reform must take into consideration the vigor and efficiency of public administration and enhance competitiveness while maintaining the relative stability and civil servant system in a bid to promote the social stability.

It is in accordance with the above mentioned principles that China has undertaken the following administrative reform:

Firstly, speed up the government structural reform and public administration system reform and establish macro regulatory systems suitable to market economy. Globalization does not mean to weaken the position of government, rather, it required the government change the role. That is to say, the government should retreat from the role of “rowing the boat “ to the function of as real “helmsman”. In this regard, the Chinese Government has, through administrative reform, downsized the government, transferred the government's function to macro control, social management and public service. It pays more attention to planning, co-ordination, supervision and maintaining order. It has transferred the function of enterprises and intermediary organizations back to the latter. On the basis of reduction by half the public work force and reduction 45% the number of government agencies, the Chinese government decided to implement the restructuring at provincial level government. The central government directed that provincial and city governments should reduce their workforce by half and reduce the number of government agencies by 45%. The reform aimed to build an efficient, well-co-ordinated and standardized government administration system.

Secondly, strengthen the personnel system reform. The key to invigorate government administration is to build a high-quality team of civil servants. As a result of administrative reform in 1998, the team has been improved in terms of professional knowledge, education background and age mix. A competitive promotion and recruitment system, based on individuals' performance, has been set up. At the same time, civil servants' salaries have also been raised. China will also, proceeding from its

own conditions, actively promote an official appointment system to activate the team. It will also organize more professional training, especially regarding the knowledge of international organizations, foreign trade rules, foreign languages and computer.

Thirdly, Establish a transparent legal system, which conforms to international rules and suits national conditions.

1. We shall practice rule of law and manage the country in an open and transparent way according to law. The legislation should meet the demand of the legal system of the socialist market economy while adapting to the principles of international trade. As new laws and regulations are formulated, the original ones shall be reviewed and improved according to international practice so that a legal system of public administration in conformity with globalization is established.
2. The key to rule of law is administration according to law. We shall strictly administer and enforce law under intensified law enforcement supervision. This is the first important move to build a government, which rules according to law.
3. A transparent management system is an inevitable move for China to act according to international rules. The state's laws, administrative regulations, local rules and department rules should all be open and made known to the public so that the government's behaviors are predictable.
4. Administration shall be open. In light of the principle of fairness, justness and openness, the departments, which involve people's immediate interest, should adopt a system of open administration.
5. A government procurement system shall be adopted. Bidding shall be offered for the purchase of stationary goods and services. The government will buy the goods and services with good quality and low prices. This could help lower the costs and plug the loopholes for corruption so that transparency could be improved, and public supervision made easier.

Fourthly, set up an efficient and all-weather public service system catering to the whole society. The government implement the program of "provide satisfactory service to the

people”, “take see if the people are satisfactory or not, people are happy or not, people are willing or not “as the benchmark for government service. The government has started a “government Internet project.” The immediate result of this project is that, instead of slow delivery of documents, information can be distributed at the high speed. It has also led to the change of the way of administrative work. What is more important, it has increased administrative transparency and facilitated the communication between government and public so that the latter could supervise government work. In the meantime, government provides multi-purpose services and all-weather services catering to the whole society,. The government will serve both its citizens and non-citizens, domestic and foreign companies. The government will make public all the service items for people to choose and closely watch the feedback from the public so they could improve their work. By offering all-weather services, the government will serve the public at any time and at any places.

Mr. Chairman, ladies and gentlemen:

For China, a country that has embarked on the road of socialist market economy, globalization presents new challenges and new opportunities. In the spirit of drawing on experiences from each other and to pursue common progress, we are here to strengthen the cooperation among government administrative departments of various countries and IIAS, and learning from each other in order for us to make contribution to the new public administrative system suitable to globalization. And it is precisely in this spirit and with the leadership and support of Mr. President and Mr. Director General of IIAS, we shall be organizing a Seminar on Public Administration Reform in Asian Countries in Beijing on July 14-15. I would like to take this opportunity to invite all of you to the Seminar.

Thank you!