THE ESSENCE OF GOVERNANCE:
THE DEVELOPMENT OF PUBLIC ADMINISTRATION IN CHINA

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ABSTRACT

Dr. D. S. Chauhan, Advisor

The government of China has made concerted efforts to modernize the society by undertaking major administrative reforms and by professionalizing public service education since 1999. In addition to various administrative reform programs initiated by Deng Xiaoping and implemented by Jiang Zemin and Hu Jintao, the inauguration of Master of Public Administration degree programs has provided the real meaning to those administrative reforms in enhancing the management capacity of government employees. All these efforts are directed toward establishing public administration as a discipline. This study provides (1) the historic overview of the development of public administration in China; (2) examines the administrative structures and reforms undertaken by the Chinese government to modernize administrative systems; (3) analyzes the establishment of MPA degree programs to develop professional public service; and (4) assesses the impact of globalization on political, administrative, and economic institutions in Chinese society. Throughout the study, a special attention has been paid to the examination of the impact of Chinese culture, values, tradition, and socialist ideology on the governance process.
To Dr. Chauhan and My Parents
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CHAPTER I

DEVELOPMENT OF PUBLIC ADMINISTRATION IN CHINA:
A HISTORICAL OVERVIEW

The Chinese society has deeply rooted concepts, ideas and traditions that have historically influenced the development of social, political, and economic institutions. The system of governance has been greatly impacted by the well-established traditions and ideas forming the bases of the Chinese culture that has endured throughout history. Chinese archaeologists, historians, and scholars have made enormous contributions in developing, interpreting, and reinterpreting these ideas to assess the efficacy of the administrative and governing institutions. The analysis presented by these scholars has become a guiding force in advancing the Chinese society through the prehistoric, monarchical, nationalistic movement, and the economic revolution guided by the Communist Party of China (CPC). The analysis of various events and episodes during these periods is provided blow:

PUBLIC ADMINISTRATION IN THE PREHISTORIC ERA (21\textsuperscript{ST} CENTURY-221 B.C.)

The prehistoric period lasted for more than two thousand years in Chinese history with three dynasties, the Xia (2100-1600 B.C.), the Shang (1600-1122 B.C.) and the Zhou (1122-221 B.C.), subrogating one another (Seeger, 1934). During this time, the leaders in the royal kingdom created the early style of governance through the formation of the Feudal system, the enhancement of the centralized rule, and the evolution of the intellectual foundations of the government process under the feudal system (Huters, Wong, & Yu, 1997).

The first nationhood of the \textit{Xia} Dynasty was transformed from the immemorial clannish system (Wei, 1998). In late clannish era, the strongest man or the leader in the clan conquered
the lands and properties of other tribes. Gradually, the conqueror emerged as the king and his young followers were considered to be the original part of the military, whereas those people who were defeated became the slaves and the personal property of the rulers. In order to appease his supporters in his clan and consolidate his control, the king had to distribute the fruits of conquest to his relatives and confer titles of nobility unto them according to the closeness of the relationship between himself and the relatives (Seeger, 1934). Therefore, the feudalism system was established in the Chinese society during the early period of its history.

The major contribution to the practice of public administration during that time was the formation of the centralized kingship governmental structure, which included executive, defense, prison, and judicial systems (Jian, Shao, & Hu, 1956). The early form of the kingship government in China consisted of three hierarchical systems: the central or the interior government, called Nei Fu, the vassal states or exterior government, Wai Fu, and the rural Xiang and Sui administrative system (Wei, 1998).

The interior officials were classified in a hierarchy of executives, ministers, educators and clergies, and agricultural and business officials (Jian, Shao, & Hu, 1956). The positions of executive officials were occupied by the direct relatives of the king, such as the king’s uncles. They served as regents to assist the young ruler in consolidating his power in the royal family. Ministers were responsible for the royal family’s internal affairs, such as food service, construction, hunting, reception, and religious ceremonies (Wiethoff, 1975). Evidence from the inscriptions on bones or tortoise shells of the Shang Dynasty showed that educators were usually senior officials or some experienced members of the class of clergies (Jian, Shao, & Hu, 1956). Only the young persons from ruling families became the students. The subjects of education ranged from rituals and musical arts to astrology, which served the purpose of enhancing the king’s mental control (Chang, 1975). Also, agriculture, stockbreeding, and bronze manufacture

The exterior government normally referred to the heads of affiliated states, which can be considered the earliest form of local government in China. The vassal states submitted to the military control in lieu of direct hegemony via the central government and were forced to pay tribute to the central empire regularly (Jian, Shao, & Hu, 1956). Sometimes, the king would call meetings of all the vassal states leaders in order to secure his direct control. A story in the book "*Han Feizi,*" written by Han Feizi (280-233 B.C.), depicted that one day *Yu*, the first King of *Xia* Dynasty, called for a meeting of all the vassal states leaders. The leader of tribe *Fang Feng* was executed in the meeting simply because he came in late (Yu, 2000). However, once the central government lost its military power and support, the strongest vassal state leader such as *Tang*, the leader of the *Shang* tribe and the first king of *Shang* Dynasty, and *Ji Chang*, the Marquis of *Xi Bo* and the first king of the *Zhou* Dynasty, would rebel and overthrow the unpopular rulers (Wei, 2002). Therefore, in prehistoric ages, maintaining the military power was the first priority for the central empire to consolidate the rule over vassal states.

Regionalism had also been developed fully in the *Zhou* Dynasty (Jian, Shao, & Hu, 1956). According to the *Zhou Li*, a book which was thought to be written in the Warring States Period (475-221 B.C.), there were three levels of administrative districts: state capital *Guo*, which was the king’s royal seat; city *Du*, which was the headquarters for the vassal states, and rural township *Yi*, which was made up of several small communities(Yang, 1954). The county administrative hierarchy operating in the *Xiang* and *Sui* system consisted of seven ranks from the smallest family, *Jia*, to *Bi*, *Lv*, *Zu*, *Dang*, *Zhou*, to the township level *Xiang* (Zhou Li, n.d.). Each
level of hierarchy had its own administrator who appeared to be someone from the well-respected older generation in that level (Wiethoff, 1975).

Historians divided the Zhou Dynasty rule into two parts: the West Zhou and East Zhou Dynasties (770 B.C.-221 B.C.). The later dynasty was further divided into the Spring and Autumn Period (770-476 B.C.) and the Warring States Period. During these periods, several vassal states became very powerful and the central government could not control them any longer (Wright, 1975). In order to survive and strengthen the state, the state leaders started looking into various types of public administration theories. The development of these theories was nurtured and set the intellectual foundation for two thousand years of monarchical domination. The monarchical system thrived because of the support of the most famous thinkers of this time, including Confucius, Mencius, Sun Tzu, Han Feizi, and Lao Tzu (Wright, 1975).

Also at this time, significant political, economic, and social changes had occurred in three areas: the decline of hereditary aristocracy in government, the establishment of county as basic unit of local administration, and the maturation of the legal system.

During the Spring and Autumn and Warring States periods, vassal states were constantly engaged in battles (Jian, Shao, & Hu, 1956). Scholars noted the reasons for the political turmoil as “the king who is not with good morals; the eupatrids who are inappropriately rewarded; and the officials who are not capable in their positions” (Song, 1980). Consequently, state leaders realized that kindred relations could no longer be the sole criterion for appointing public officials (Huters, Wong, Yu, 1997). Under this circumstance, a group of elites from the lower noble class, Shi, were able to receive sufficient education and became high ranking officials. Supportive recommendations, education, and self-promotion were three major methods for the Shi class elites to be appointed as officials (Wei, 1998). With the aim of attracting qualified intellectuals,
the leaders of the states presented lands and properties to the elites (Huters, Wong, & Yu, 1997). The old clannish hereditary aristocracy was abolished gradually.

In 536 B.C. in the State of Zheng, the first criminal law was cast in a bronze cooking vessel. More laws were promulgated in other states, such as Fa Jing (The Classic of Law) and Qin Lv (The Law of the State of Qin) (Wei, 1998). Although those laws merely aimed to strike down civil criminals, they efficiently protected the ruler class’s rights and enhanced their control over the civilians. Accordingly, state governments constituted judicial offices that took charge of the criminal justice, whereas at the local level, the head of the local government was responsible for enforcing the laws. Consequently, prisons were also created as a ramification of these established criminal laws (Huters, Wong, & Yu, 1997).

As a result of the improvement of personnel management, executive control, and criminal justice, the king of the State of Qin became more powerful than other major states. Finally in 221 B.C., Emperor Qin Shi Huang conquered six other major states and united the entire country of China (Wei, 1998). The formation of the Qin Dynasty marked the beginning of a centralized monarchy system in China (Appendix I).

PUBLIC ADMINISTRATION IN THE MONARCHICAL SYSTEM (221 B.C.-1911 A.D.)

During the two thousand years of monarchical system, nearly twenty dynasties replaced one another. Once the old kingdom failed to sustain its governance, a new interest group would supersede it by force. This trend of replacement represented the political, social, and economic development, which consummated China’s centralized monarchical public administration. During most of this time, the imperial government was divided into three linear administrative levels: the king, the royal court, and the local government. Moreover, the examination and the inspectorate systems were also constituted at this time. These two systems had great influence on
the development of the civil service based on merit and the supervision of government
performance in modern public administration.

The King

The king was the core or the head of the centralized monarchical system (Wei, 1998). Thus, how to maintain the king’s supremacy and prolong the duration of the kingship became the primary objective of its public administration. After the military uprising to usurp the throne, kings in each dynasty focused more on spiritual domination and thought control.

Since Qin Shi Huang, all the kings believed that they were the sons of heaven and were designated by the God in heaven to control the kingdom (Jian, Shao, & Hu, 1956). This belief became a powerful tool for the kings’ spiritual control to common people and assisted the kings’ supreme monarchical governance. Besides spiritual domination, thought control was another efficient tool for imperial rule (Hucker, 1975a). Right after Qin Shi Huang united the country, one of his policies was to burn all the books and bury the scholars alive (Wright, 1975). In the West Han Dynasty (206 B.C.-9 A.D.), the third king Han Wu Di (156 B.C.-87 B.C.) followed Dong Zhongshu’s advice to “dismiss all other philosophies but Confucianism” (Liu, 2002. p. 56). Since then, Confucian doctrines such as the Three Cardinal Guides (San Gang) and the Five Constant Virtues (Wu Chang) were established as a primary social norm throughout imperial society (Huters, Wong, & Yu, 1997).

The king in China’s monarchical system had unlimited power in ruling the government, military, and common people. The king’s autocracy was vividly depicted by Guan Zi, a prominent legalist in the Warring States Period, as “six major powers are manipulated by the bright kings: survive them (the officials) or kill them, grant them fortune or make them poor, and award them as noble or demote them as slaves” (Li, 2004. p.101). Moreover, the king had a systematic chain of command to enhance his hegemony. Memorial to the throne, discussion in
the court, and supervise local government officials were the three major means for the king to obtain the political and social information (Jian, Shao, & Hu, 1956).

**The Central Government (the Royal Court Administrative System)**

A comprehensive structure of monarchical central government had evolved throughout imperial society. In most of the two thousand years of the monarchical system, the central government was mainly comprised of two simple hierarchical levels: ministry level and departmental level (Huters, Wong, & Yu, 1997). However, due to the specified division of work, the number of central government officials could be as many as several hundreds (Wei, 1998). The development of central public administration had undergone three stages: the three ministers and nine officials (San Gong and Jiu Qing), the three ministries and six departments (San Sheng and Liu Bu), and the interior cabinet and military-political-affair agency (Nei Ge and Jun Ji Chu) (Wei, 1998). Although the central government was created to assist the king’s supreme rule, the outcome was contradictory. The king was skeptical and afraid of his ministers who might possess superabundant power that would endanger the king’s sovereignty (Jian, Shao, & Hu, 1956). Therefore, the central government in the monarchical system emerged during a course of fighting for the controlling power between the king and his subordinates.

The three ministers and nine officials (San Gong and Jiu Qing²) administrative system separated executive power into three main branches: the executive affairs, the military affairs, and the inspectorate, and nine subdivisions of these three branches (Daubier, 1974). Although the three ministers were politically in a higher rank than the nine officials, there were no superior and subordinate administrative relationships between them because they were all under the direct control of the king. The purpose of the separation of the executive power to many departments was to prevent any single minister seizing greater power than other officials and to enhance the
king’s monarchy (Daubier, 1974). Han Wu Di further developed the administrative structures to control their behaviors by separating the central government into two parts: the central offices (Zhong Chao) and exterior offices (Wai Chao) and creating the position of the interior chancellor (Shang Shu), whose job was to help the king to issue decrees (Wei, 1998). Since the kings’ decrees were the supreme laws and orders in monarchical China, the interior chancellor was more powerful than any other officials by taking the power of legislation. With the assistance from the interior chancellor, the king efficiently enhanced his control over the central government (Daubier, 1974).

In the Sui (581-618 A.D.) and Tang (619-907 A.D.) Dynasties, the kings realized the importance of enforcing his legislative power, so that they created a new three ministries and six offices (San Sheng and Liu Bu) administrative system (Wei, 1998). The responsibilities of three ministries were drafting (Zhong Shu Sheng), checking (Men Xia Sheng), and implementing (Shang Shu Sheng) the king’s decrees (Wei, 1998). The minister of the Shang Shu Sheng controlled the six executive offices. Similarly, being afraid of one superior power minister, the king in the Tang Dynasty created the Imperial Academy (Han Lin Xue Shi Yuan), which was located inside the king’s royal palace (Figure 1). The scholars in the Imperial Academy assisted the king to initiate and check the decrees before delivering them to the ministries (Huters, Wong, Yu, 1997).

Although this structure had been abandoned and readopted several time, it was further developed by the Ming Dynasty (1368-1644 A.D.). The third king in the Ming Dynasty Zhu Li hired several young intellectuals from the Imperial Academy to the royal court to consult about national affairs and formed the Executive Cabinet (Nei Ge) (Wei, 1998). At his time, those scholars in the Cabinet, called Nei Ge Da Xue Shi, were all in very low administrative rankings (Huters, Wong, Yu, 1997). Therefore, the administrative processes appeared to be in a grotesque
circumstance, where the king discussed major national affairs with lower ranking scholars, who were also responsible for giving executive orders and decrees to the higher ranking ministers. However, this situation did not last long. In the Qing Dynasty (1644-1911 A.D.), the last monarchical government in China, the king created the even closer Military-Political-Affair Agency in the royal court to determine important national affairs and to restrict the power of the Cabinet, which dealt with mainly routinised civic affairs (Daubier, 1974).

Figure 1: The Central Government System in the Tang Dynasty

Sources: Information of this figure was drawn from the book *History of China's Political System (2nd ed.)* written by Wei, Q. Y. (1998).

**Local Government**

Although the central government structure had been changing throughout ancient Chinese history, local government arrangements had not experienced major alterations until its
formalization during the Qin Dynasty. Most dynasties practiced a three level local administrative system, consisting of provinces, counties, and townships (Wei, 1998). Although many smaller territorial units were set up as part of the township level, such as Xiang, Li, Cun (villages or communities level), they were under the authority of township government and did not have any administrative power (Huters, Wong, & Yu, 1997).

**The Examination System**

The Comparative Examination System for selecting public officials in China was developed during the Qin and Han Dynasties about 2,000 years ago (Jian, Shao, & Hu, 1956). The early procedures of this system consisted of recommendation and examination approaches and four steps: (1) the king notified the public of the positions that were open; (2) the current government officials or vassal states leaders reviewed and recommended qualified intellectuals to take the examination; (3) the king or one of the three ministers set the time and proctored the examinations; and (4) persons who received the highest grades on the examination were appointed to appropriate positions in any levels of governments (Wei, 1998). The subjects of the examinations were obviously Confucius doctrines such as filial piety, honesty and cleanliness, and the writing skills (Daubier, 1974).

In the Tang and Song (960-1279 A.D.) period, the format of the Imperial Examination system was restructured (Twitchett, 1992). The king decided to eliminate the recommendation approach and open the examinations to the general public (Hucker, 1975a). This new system, called the Ke Ju, further specified subjects in the exams to select qualified officials. There were two levels of examinations in the Ke Ju system: one was proctored by the central government officials (Gong Ju); and the other was the personal interview conducted by the king (Zhi Ju). The Imperial Examination System in the Song Dynasty was divided into three steps including the county level exam (Jie Shi), the provincial level exam (Sheng Shi), and an interview conducted
by the king (*Dian Shi*) (Wei, 1998). The top three test takers from the provincial level exam went on to see the king, who would ask them questions in the royal court. Once they passed the interview, the king appointed the winners to higher ranking positions in the central government (Daubier, 1974). Obviously, this examination system largely helped the king select scholars from the broader public and efficiently prevented nepotism in the central government. Therefore, this policy continued to develop and improve for the rest of the monarchical rule.

The *Ke Ju* system remained the same after the *Song* Dynasty (Hucker, 1975a). In the *Ming* dynasty, the scholars created a special style of writing called the eight-part essay (*Ba Gu Wen*). This type of writing became the main theme of writing in all three levels of the *Ke Ju* examinations. Although the *Ke Ju* system and the selection of scholars from common people had its progressive characteristics in monarchical society, the examination itself had limitations in terms of choosing scholars instead of administrators. However, it was not until the end of the *Qing* Dynasty in the early twentieth century that the *Ke Ju* system no longer functioned and became useless because of the intrusion of western science and knowledge (Hucker, 1975a).

**The Inspectorate System**

It is not common for an inspectorate system to exist in a centralized monarchical society. However, in China when the first king *Qin Shi Huang* established a central government structure, one of the three ministers, called *Yu Shi Da Fu*, was responsible for inspecting other ministers’ and officials’ performances, as well as admonishing to the King (Wei, 1998). Since the king was considered to be the super power in the monarchy system and being the Son of the Heaven, admonitions normally could not work. The worst thing was that some loyal officials who dared give advice to the king were imprisoned or executed by the monarch (Daubier, 1974). Therefore, this inspectorate function was essentially nominal at best.
The inspectorate system gained more attention and was fully developed during the Sui and Tang Dynasties (Twitchett, 1992). At that time, the formal inspectorate agency was called Yu Shi Tai, which was directed by the Assistant Prime Minister (Wei, 1998). Under Yu Shi Tai, there were three subdivisions: the office, responsible for checking the behavior and performance of all officials, was called Tai Yuan; the office, responsible for teaching the manners and behaviors to officials who went to court and met with the king, was called Dian Yuan; the office, responsible for supervising the local level officials, was called Cha Yuan. This structure was kept until the Ming Dynasty. The king during the Ming Dynasty established an auditing office (Du Cha Yuan), to take charge of the inspectorate position (Wei, 1998).

The earliest form of the merit system appeared also in the Qin Dynasty (Jian, Shao, & Hu, 1956). The merit system at that time, called the Ke Kao, was implemented through annual examinations to the ministers and officials (Daubier, 1974). If officials failed to pass the exam, they would face very serious consequences such as warnings, fines, floggings, demotions, dismissal, imprisonment, or death (Jiang, 1997). However, this examination was also a good opportunity for lower ranking officials to get promoted, if they did a good job on the exams. The content of the exam varied according to the different positions. For central government ministers, the examination focused on the ministers respective duties. For local government officials, each level had its respective concentrations in order to check their capabilities. Although the original intent of the Kao Ke system was to keep government officials aware of their duties and to give rewards and punishment according to their performance, it was hard to implement thoroughly due to the monarchical system’s intrinsic disadvantages (Daubier, 1974). Under the monarchical system, the highly centralized administrative structure determined the highly uncertain political arena. The efficiency and effectiveness of an imperial government merely relied on the talent and personality of the head of that kingdom.
China’s public administration in the monarchical system was fully developed. It had such a profound influence that it not only firmly controlled people’s minds for thousands of years, but also impacted on the modern style of governance. However, the western capitalist empires’ intrusion changed the fundamental ideology of public administration in China. Facing the weak-kneed and dilapidated Qing Dynasty, the reformers, who were educated by the modern democratic ideology, finally ended China’s old monarchy system. China, therefore, entered into a new, but not pleasant, republican era (Appendix II).

PUBLIC ADMINISTRATION DURING THE NATIONALISTS MOVEMENT (1912-1949)

The Xin Hai Revolution overthrew the old monarchical system in 1911. A chaotic situation continued until the establishment of the People’s Republic of China (PRC) in 1949. The Chinese people suffered through a period of constant turmoil and wars (Adshead, 2000, Bailey, 2001, Bastid-Bruguiere, 1994, & Ch’ien, 1950). This period started with the conflicts among regional warlords, expended to include the civil wars between the Nationalist (Guomingdang) and Communist Parties, and ended with wars against foreign invaders (Bastid-Bruguiere, 1994). By the end of this time, China’s social, political, and economic situation was extremely miserable. However, this was also the time that China’s democratic political development improved tremendously. This improvement led to an epochal alteration that China went from a monarchy to a republic (Li, 1987). The two most prominent progresses in reforming China’s public administration systems established by the Nationalists during that time were the evolution of the republican constitution and the formation of the Nationalist government with the concept of the separation of powers (Nathan, 1976).
A week after the victory of the Wuchang Uprising in 1911, a military ordinance with constitutional characteristics known as the “Military Government Provisional Ordinance,” was passed by the reformists (Fincher, 1981). This ordinance was considered to be the rudiment of the republican constitution (Nathan, 1976). Sparks from the Wuchang Uprising soon ignited the entire country. One month later, most of the provinces declared independence. On November 30, 1911, all of the independent provincial representatives met in Hankou, a neighboring city to Wuchang in the Hubei Province, to discuss the formation of a new central government (Thornton, 1973). Two days later, the provisional government promulgated the “Provisional Government Organizational Synopsis of the Republic of China (ROC)” (hereinafter “Synopsis”) which was considered to be the initial form of the ROC Constitution (Nathan, 1976). The Synopsis legalized the form of provisional government, which had a provisional president, senate and five departments. It also specified the rights and obligations of the president and senate. Before long, the forerunner of Chinese republican reform and the founder of the largest reformist organization—Tong Meng Hui—Sun Yat-sen came back from abroad (Li, 1987). Due to his world-wide reputation and his dedication to the reform, he was nominated and elected to be the first Provisional President of the ROC. On January 1, 1912, Sun Yat-sen arrived in Nanjing and inaugurated a new era (Fincher, 1981).

Sun Yat-sen further amended the Synopsis after his accession (Li, 1987). The new Synopsis followed the American separation of power political structure, but endowed the President with even more power including issuing executive orders, utilizing veto power, commanding military forces, declaring war, making peace, and signing treaties (Shen, 1966). Moreover, the Synopsis stated that “with the consent of the Provisional Senate, the Provisional President shall have the authority to establish the Provisional Court” (Wei, 1998. p.440). This Synopsis allowed the Provisional President to take charge of the judiciary system (Thornton,
1973). The structure of the provisional government basically attributed the more Americanized western administrative format, which contained two functional offices: Presidential Office and Secretariat, and nine executive departments: the Army, the Navy, Foreign Affairs, Justice, Finance, Interior, Education, Industry, and Transportation. According to the Synopsis, the Provisional Senate had legislative, budgeting, official appointment and dismissal, foreign affairs, and advisory powers (Thornton, 1973). The legalization of a provisional government and senate system formally marked the end of the thousands-year-old monarchical system and the establishment of a new republican administration (Fincher, 1981).

The Synopsis, according to its organizational format, was more like a law defining the format of a government. It could not fulfill the reformists’ desire of creating a republican Constitution. After nearly two months of preparation, on March 11, 1912 the Nanjing Provisional Senate passed the first constitutional law—Provisional Constitution of the ROC (hereinafter “the Provisional Constitution”) (Bailey, 2001). Concluded by Zhu (1993), the Provisional Constitution was more comprehensive and closer to a formal constitution than the Synopsis in the following aspects:

1. According to the Provisional Constitution, the provisional government formally established the separation-of-power system with three branches: provisional senate, provisional president, and the court.

2. It was the first time throughout Chinese history that Chinese citizens’ basic human rights had been guaranteed by a law. Some articles of the Provisional Constitution, expressing these rights were: “the sovereignty of the ROC shall reside in the whole body of citizens,” “the people shall have freedom of speech, teaching, writing, and publication,” and “the right to live, the right to work, and the right to own property
shall be guaranteed to the people.” These passages indicated establishment of a capitalist society or government that guaranteed the protection of private properties.

3. The Provisional Constitution defined the territory of China, which included twenty-two provinces, plus Inner and Outer Mongolia, Tibet, and Qinghai.

4. The Provisional Constitution also altered the governmental structure described by the Synopsis and created the position of the Prime Minister (p. 103).

Although the Provisional Constitution represented the interests of a group of Chinese capitalists at that time, the complicated social and political environment obstructed the progress of the Nationalists movement toward the democracy. For the next sixteen years, China experienced twice restoration of the monarchy system, replaced four Presidents and twenty-eight Prime Ministers, and experienced several wars among warlords (Wei, 1998). However, in July 1928, the Manchurian warlord Zhang Xueliang pledged allegiance to the National Government, which symbolized the end of the period of warlords’ turmoil and marked the first unified republican rule in China (Thornton, 1973). The National Government at that time was under the control of Chiang Kai-shek (also known as Jiang Jieshi), Sun Yat-sen’s successor and the leader of the Nationalist Party (Gregory, 1982). In October 1928, the Nationalist Party’s Central Political Council promulgated the National Government Organic Law (hereinafter “the Organic Law”) initiating a five-branch government (Five-Yuan) system (Xiao, 1994). The theoretical base of the Five-Yuan System was derived from Sun Yat-sen’s political thoughts, the Three Principles of the People, and referred to the Executive Yuan, the Legislative Yuan, the Judicial Yuan, the Examination Yuan, and the Control Yuan (Xiao, 1994). The purpose of separating government powers into five branches was to maintain the checks and balances in all of the Yuans. According to the Organic Law, the National Government had one President and twelve to sixteen commissioners (Wells, 2001). The President was also the Chief Commander of the Army,
Navy, and Air Force. The laws passed by the Legislative Yuan should be endorsed and approved by all other Yuans. Each Yuan should have a President and a Vice President and should be independent from each other. The detailed duties and obligations are also explained in the Organic Law (Figure 2) (Xiao, 1994).

The Constitution of the ROC was formally adopted by the National Constituent Assembly on December 25, 1946 and promulgated by the National Government on January 1, 1947 (Wells, 2001). It reflected Sun Yat-sen’s goodwill of republican democracy. However, the real political democracy was a pure dream at that time because although the Five-Yuan system clearly limited the power of each Yuan and all of them were supposed to be independent, the President of National Government Chiang Kai-shek was a de facto autocrat in the Nationalists’ regime (Gregory, 1982). Chiang’s military and political powers were so strong that nobody could remove him from the President’s seat. He was the President of the ROC even after he retreated to Taiwan after losing the Civil War with the Communist military in 1949 and had remained politically influential until his death in 1975 (Gregory, 1982).

Besides the establishment of a central government structure, the Nationalist Government also issued the Provincial Organic Law, County Organic Law, and City Organic Law that clarified the local hierarchical structure and instituted the tri-level administrative system (Thornton, 1973). The Provincial Organic Law ordained that the provincial government consist of a Provincial Affairs Council, Secretariat, Departments, Offices directly under Provincial Government, and Judiciary Court. The Provincial Affairs Council was the central administrative agency in a province. It had one chairperson and several council members. Major departments in the provincial government were the Department of Civil Administration, Department of Finance, Department of Education, and Department of Construction. The offices directly under Provincial Government were Public Security, Police, Statistics, Social Affairs, Public Health, Accounting,
Public Personnel, and Food. Provincial government also maintained a High Court. Some provinces with broader territories could have two High Courts (Thornton, 1973).

**Figure 2: The Structure of Nationalist Government of the ROC**

- President of Nationalist Government
- National Government Commissioner
- Office of Civil Official
- Office of General Staff
- Office of Statistics
- Legislative Yuan
- Executive Yuan
- Judicial Yuan
- Examination Yuan
- Control Yuan

- Commission of Law
- Commission of Foreign Affairs
- Commission of Finance
- Commission of Economy
- Military Commission
- Supreme Court
- Administrative Court
- Civilian Reprimand Commission
- Department of Audit
- Ministry of Justice Administration
- Ministry of Special Affairs
- Ministry of Food
- Ministry of Mongolia and Tibet
- Commission of Inspectorate
- Commission of Examinations

**Sources:** The information for drawing this chart is from the book: *History of China’s Political System (2nd ed.*) written by Wei, Q. Y. in 1998.
Under Provincial control, there were smaller administrative units such as county, district, township, village, and city (Wei, 1998). County government was responsible for local public security, finance, construction, education, public health, and agrarian affairs (Wei, 1998). According to the County Organic Law, Xiang (villages) was the subordinate administrative unit to County, and ten villages could form a Xiang. City government was an administrative unit under the direct control of either the Executive Yuan or Province. Since the National Government’s organic laws were created in the 1920s, a systematic modern government structure was established (Shen, 1966). However, due to the Communist control in Northwest China and the Sino-Japanese War in 1937, this form of government was not efficiently implemented and functioned (Thornton, 1973). In 1949 after the Communist Party of China defeated the Nationalist Party in the Second Civil War, Chiang Kai-shek had to escape to Taiwan. Since then, Sun Yat-sen’s Three Principles of People have been carried out in the island, whereas mainland China is implementing the socialism system (Wells, 2001).


Since the establishment of the PRC in 1949, China’s socio-political structure has been fundamentally shaped and reshaped several times. The transformation of political systems requires support of the relevant economic bases. Therefore, changes of the economic systems have been the major political theme during the development of modern public administration. For the past 56 years, Chinese government has gone through the reconstruction, revolution, and reform stages with respect to the establishment of economic bases. The government has actually sought to transform China from a pure agrarian economy controlled by the landlord to a socialist economy characterized by public ownership, and to establish the market economy in socialist
society (CPAS, 2002). It is essential to understand the evolving path of Chinese economic policies before further exploring the current structures and processes of the Chinese government.

After the Chairman of the Communist Party of China (CPC) Mao Zedong announced the founding of the PRC in 1949, the first task for the new leaders was how to revive the war-torn economy to realize their dream of actualizing Socialism (Trager, & Henderson, 1970, CPAS, 2002, & Bailey, 2001). At that time, there were three major obstructions that undermined the Socialist movement: landlordism in agricultural industry, capitalism in urban economy, and private-ownership in industrial area (Shen, 2000). In 1950, the People’s Government promulgated the Land Reform Law, which articulated its mission as “abolishing the feudalist exploitation from the landlords, liberalizing the agrarian productivity, promoting the agricultural industry, and paving the way for the new China’s industrialization” (People’s Daily, 1950.). This law, the first ever in China, legalized the farmers’ equal rights in owning certain areas of land and abolished the old land private-ownership system that existed. Although there were brutal crackdowns against the feudal landlords, the Land Reform Law produced progressive thinking in terms of consolidating the CPC’s rule by uniting the broader peasantry class (Trager, & Henderson, 1970). After the promulgation of this law for two years, approximately 250 million peasants were given two or three $mu$ (Chinese unit of area equals 1/15 of a hectare) each (Saich, 2004). The reconstruction of the agrarian economic structure effectively prepared for the impending industrial socialization. Starting in the early 1950s and expending throughout the First Five-Year-Plan (1953-1957) period, the Socialist reconstruction goal had been carried out and achieved in the area of agriculture, manufacturing, and privately-owned industry and business (Shen, 2000). By the end of 1956, 96.3 per cent of China’s peasantry population joined the agricultural cooperatives; 91.7 per cent of the manufacturing workers participated in the manufacturing production cooperatives; and 99 per cent of the privately-owned industries and
82.2 per cent small businesses had also been converted to the public cooperative system (CPAS, 2002). Therefore, the goal of Socialist reconstruction had been accomplished by the end of 1957. After the First Five-Year-Plan, China’s gross value of industrial output was 78.39 billion yuan (about US$9.44 billion under the exchange rate in 2005), gross value of agriculture output was 60.4 billion yuan (about US$7.28 billion) (CPAS, 2002). The advantages of the Socialist economy became extraordinarily noticeable at that time.

The initial success achieved by the Chinese leaders during the First Five-Year-Plan made the jubilance and led to the creation of “leftist” movements that embarked upon most ambitious agenda of the Great Leap Forward, the People’s Commune, and the Great Proletarian Cultural Revolution (Daubier, 1974). Starting during May of 1958, the Second Session of the Eighth CPC National Congress framed a new policy of “go all out, aim high, and achieve greater, faster, better and more economical results,” which marked the beginning of the “Great Leap Forward” (Bailey, 2001, p.167). The original goal of the Great Leap Forward movement aimed at stimulating people’s mental incentives to realize more vigorous economic achievement (Trager, & Henderson, 1970). However, the consequences of this unrealistic hope were merely the formation of the proneness to boasting and exaggeration and the Utopian style the People’s Commune. The institution of the commune was intended to create as an agrarian economic organizational system, which was used to replace the village cooperatives (Chesneaux, 1979). According to Mao’s concept, the People’s Commune was intent upon achieving Communist public ownership (Trager, & Henderson, 1970). All properties of each member belonged to the entire commune. Public eateries was built, so that people could get free food. The method of payment to people was merely in-kind, which was the so-called the Supply System (Deng 2004). However, the Communist experiment of the People’s Commune failed to fulfill its great economic and political aim and also damaged the common people’s motivation to work and their
trust in the government. *Xinhua* News Agency reporters published an article in a journal circulated only among the central government officials in January 1959, which vividly described the side effect caused by the commune system. The writer observed a phenomenon that “[there are] more people eating in the eateries, but less going out for work; more people malingering, but less using medicine; more people becoming lazy, but less hardworking; and more people are reading books, but less working in the fields” (CPAS, 2002). Unfortunately, Mao not only ignored his mistakes, but also enforced his “leftist” movement by calling for the “class struggle against the reactionary and revisionists” (Bailey, 2001, p.178). On May 16, 1966, Chairman Mao’s ordinance “the Circular from the Central Committee of the Communist Party of China” (also called as “May 16 Circular”) marked the beginning of the ten-year Cultural Revolution (Domes, 1970). The Cultural Revolution severely demolished the socio-political order and destroyed the juggernaut image of the CPC created by Mao’s charisma (Saich, 2004). Moreover, the economic growth rate during this period slowed down from 17.8 per cent in 1963 to 1965 to 10 per cent from 1965 to 1980 (Lin, Cai, & Li, 2001).

After the dream of the Communism vanished, the pragmatic post-Mao leadership, headed by Deng Xiaoping, realized the importance of restoring the national goal to the economic development. In the Twelfth CPC National Congress, the CPC Secretary Hu Yaobang remarked in his report that China’s economic policy shifted from the Socialist economy to “carry on the planned economy, but assisted with the market adjustment” (CPAS, 2002). The CPC also intended to alleviate people’s distress from the mental atrocities imposed by the Cultural Revolution to the modernization of people’s life. Deng Xiaoping, the great architect of the economic reform publicly declared that “socialism means eliminating the poverty. Pauperism is not socialism, still less communism. The superiority of the socialist system lies above all in its ability to improve the people’s material and culture life” (Deng, 1985, p. 37). Under the
economic development guidelines, a series of reforms were undertaken in both rural and urban areas. In the realm of agriculture, the most significant change was to initiate the “household responsibility” policy, in which the publicly-owned land was contracted to individual household instead of being controlled by the commune (Chesneaux, 1979). Once the household leased the land, the peasants could decide whatever production and investment they wanted to make, as long as they met their obligations to the state (Bailey, 2001). The urban industrial policy and government reforms had also followed that developmental goal. The major policies that were undertaken as part of the industrial reform have been successful as evidenced by the statement made by Hamer (1999), Mok (2000), and Bailey (2001):

1. the opening-up policy allows foreign investment ventures to establish joint ventures, cooperative ventures, or the wholly foreign owned ventures;
2. the self-determination policy for state-owned enterprises enhances the incentives and creativity of the managers and employees in those enterprises;
3. the reform of the financial system creates and separates the central and local taxation system in lieu of the original direct profits-collection system;
4. the reform of the price system looses the state control over the commodities and raw materials; and
5. the establishment of the five Special Economic Zones and fourteen Costal Economic Development Zones\(^5\) stimulates the development in the East China.

Besides these five major economic policies, more specific government ordinances and regulations were issued to enforce the economic development goal.

From the late 1970s to the early 1990s, the open investment policy and economic reforms set a solid foundation for further social, political, and economic structural change, notably the reform to the Socialist-market economy (Shen, 2000). These reform efforts initiated by Deng...
Xiaoping resulted in his visiting south China’s coastal development regions and the Special Economic Zones in 1992 (Bailey, 2001). The assessment of Deng’s contributions to the process of economic modernization in China is described by Saich (2004) as follows:

By 1992, senior leader Deng Xiaoping saw that any attempt to return to a more traditional, centrally planned economy was doomed to failure and would undermine the party’s remaining legitimacy. He recognized that the only way forwarded was for the CPC [sic] to deliver economic benefits to China’s citizens and he set in motion [sic] an economic free-for-all that ignited growth rates of 12-14 percent and encouraged huge numbers of citizens and party, state and military officials to get involved in business (p.xiv).

![Chart 1: Real Annual GDP Growth Rate in China (%)](chart)

Sources: The data of this chart is drawn from the statistics provided by the Year Book of Chinese Statistics (2004), published by the National Bureau of Statistics of China, China Statistics Press, Beijing, China.

Statistics⁶ reveal that the real annual GDP growth rate of China’s economy since 1978 has kept a stable and progressive pace with an average GDP growth rate at 9.5 per cent ranging between 14.2 and 3.8 per cent (Chart 1). However, the economic institutional transformation also bred social and political problems such as corruption, inflation, and a growing gap between the poor and the rich (Shen, 2000). Deng’s successors Jiang Zemin and Hu Jintao, assisting by their
respective Premiers Zhu Rongji and Wen Jiabao, persisted in continuing the economic reform
effort, but laid more emphasis on the political and structural transformation in order to furnish a
much cleaner and more transparent political environment for the developmental needs, as well as
to further enhance the CPC regime (Chossudovsky, 1986). The reforms tremendously impacted
the structure and processes in all levels of Chinese government, which will be described in the
second chapter.
CHAPTER II

ADMINISTRATIVE ORGANIZATION: STRUCTURES AND FUNCTIONS

Since the founding of the People’s Republic of China, the government has undertaken several major structural and organizational changes in order to realize its strategic mission and the changing economic policy goals (CPAS, 2002). During the period of 50 years of transformation, the current governmental structure represents a more pragmatic approach toward achieving its economic development goals (Shen, 2000). Among various policy changes, streamlining the central government, the separation of the Party and the policies, and the city government controlling the county government reflect the vision of Deng Xiaoping who believed that the economic modernization of China would require constant structural and organic changes in the political as well as the administrative organization of the Chinese society (Deng, 1985). Therefore, the purpose of this chapter is to examine the current institutional development and administrative reforms focusing on structures, processes, and interactive relationships.

THE ADMINISTRATIVE ORGANIZATION OF PUBLIC ADMINISTRATION IN CHINA

The Central Government

The structure of governance in China at the central level is characterized by a 6+1+2 system (CPAS, 2002). The six refers to the following decision-making organs: the Central Committee of the Communist Party of China (CCCPC), the Central Discipline Inspection Commission (CDIC), the National People’s Congress (NPC), the State Council (SC), the Central Military Commission (CMC), and the Chinese People’s Political Consultative Conference (CPPCC). The one stands for the President and the two for the judicial organs, such as the Supreme People Court (SPC), and the Supreme People’s Procuratorate (SPP). All these nine
administrative components can be grouped into five branches according to their political functions: the party, legislature, executives, judiciary, and military (Zhu, 2002).

The Communist Party of China

The impact of the Bolshevistic Revolution in the Soviet Union influenced the Chinese intellectuals, such as Li Dazhao and Chen Duxiu, about the theory of Marxism, which led to the founding of the CPC in 1921 (Thoroton, 1973). However, in the 1920s, with the influence of the nations’ founding father Sun Yat-sen, the Nationalist Party was still the leading group in China’s political arena. It was not until the Civil Wars and the Anti-Japanese War of the 1930s and 1940s helped the CPC to gain much broader support among the peasantry and so-called proletarian classes (Thornton, 1973). In 1949, the Liberation Army of the CPC defeated the Nationalist government forces after three major battles and took over the political power in mainland China (Chesneaux, 1979). Since then, the CPC has been the only ruling party in China.

Currently, the CPC is the largest political party in the world developing at a very fast pace. In 1978, the CPC had 35 million members, but the number increased to 64 million in 2000 and reached 70 million in 2005 (Xinhua News Agency, n.d.). Although the number of the CPC members only counts for five per cent of China’s 1.3 billion population, one tenth of the urban citizens are CPC members (Zhu, 2002). From central to local, every level of government has one CPC committee, which is in charge of the CPC administration at its respective level and directs government policy-making on major issues. The grassroots organ of the CPC committee is the CPC branch (Zhi Bu) or the CPC group (Zu), with the mission of recruiting and evaluating new CPC members, organizing Communism theory learning activities, and collecting membership fees (Xinhua News Agency, n.d.). There were more than three million CPC branches and groups in China in 2000 (Zhu, 2002).
In the central level, the CPC has two executive organs: the CPCCC and the CDIC (Figure 3). The members of the two committees are elected by the members of the National Congress of the CPC (Xinhua News Agency, n.d.). Because the National Congress of the CPC holds its meeting once every five years, the CPCCC is the *de facto* CPC chief administrative organ, which is chaired by the secretary general. The CPCCC members meet every year to serve the major issues dealing with major national affairs and policies. Three functioning offices under the CPCCC are the Political Bureau of the CPCCC, the Standing Committee of the Political Bureau (SCPB), and the Secretariat of the CPCCC. These three offices form the inner cabinet of the CPCCC, that are responsible for handling the major Party and national issues during the adjournment of the CPCCC (Xinhua News Agency, n.d.). The 16th Central Committee of the Communist Party of China, elected in 2002, is headed by the Secretary General Hu Jingtao and consists of nine members of the SCPB, seven members of the Secretariat, 24 members of Political Bureau, and 356 CPCCC members (Xinhua News Agency, n.d.).

**Figure 3: The Structure of the CPC Central Organization**

National Congress of the Communist Party of China

Communist Party of China Central Committee

Central Discipline Inspection Commission

General Secretary of the CPC Central Committee

Standing Committee of the Political Bureau

Political Bureau of the CPC Central Committee

Secretariat of the CPC Central Committee

**Sources:** The information utilized in this figure is obtained from the *Xinhua News Agency* Document.
The data incorporated in Table 1 show that for the past 25 years, the personal size of the CPC central organizations remained stable in spite of the constant changing government structures. Under the CPCCC, there are several executive branches including the Organization Department, the Propaganda Department, the United Front Work Department, the International Department, the General Office, the Party School of the CPCCC, *People’s Daily*, the Policy Research Office, etc. (Zhu, 2002).

Table 1: Membership of the CPC Central Organizations

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<td>Members of CPCCC</td>
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<td>210</td>
<td>175</td>
<td>188</td>
<td>193</td>
<td>198</td>
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<tr>
<td>Alternate Members of CPCCC</td>
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<td>133-138</td>
<td>110</td>
<td>129</td>
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<td>158</td>
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<td>Members of the PB</td>
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<td>Alternate Members of the PB</td>
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<td>Secretariat</td>
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As one of the executive branches of the CPCCC, the CDIC is responsible for supervising the CPC members’ performances (*Xinhua* News Agency, n.d.). For those who act against CPC’s Constitution, it is the CIDC’s responsibility to prosecute them and bring them to justice. The CDIC has its own complete organizational structure with subordinate offices in the local CPC committees. The local CDIC offices are responsible to both the central CDID and the local CPC committee. As the CPC’s internal judicial agency, the CDIC plays an important role in maintaining the function, performance, and justice of the CPC (*Xinhua* News Agency, n.d.).

The latest statistics show that from 1997 to 2002, the offices of the CDIC had received 861,917 corruption cases of the CPC members and settled 842,760 cases; 137,733 CPC members were expelled from the CPC and 37,790 members were indicted for corruption (CDIC,
November 9, 2002). Among all executed CPC members, there are 98 minister and provincial governor level officials, 2,422 provincial government level officials, and 28,966 county and local level officials (CDIC, November 9, 2002). The actions taken by the CDIC demonstrate that CPC has made tremendous effort in fighting against the corruption. However, since the CPC’s supervision system is not independent, the reliability and credibility of the CDIC itself still need to be improved.

The National People’s Congress and the President of the PRC

Article 57 and 58 of the Constitution of the PRC articulated the NPC’s political and legislative status in China by stating that “the National People’s Congress of the People’s Republic of China is the highest organ of state power. Its permanent body is the Standing Committee of the National People’s Congress” and “the National People’s Congress and its Standing Committee exercises the legislative power of the state” (People’s Daily Online. March 22, 2004). Literally, the NPC is more powerful than the parliament or the congress in western countries because it is the top organ in the nation with the highest legislative, executive, and supervisory power. In addition, it is also the NPC representatives’ rights to elect or impeach the President of the PRC. In reality, due to the fact that the CPC is the only ruling party in China, the NPC is basically the legislative organ for the policies and decisions approved by the leaders of the CPC. For example, in the NPC session in 2005, 71 per cent of the NPC representatives were the CPC members (Zhou & Zhang, 2005).

The representatives of the NPC are elected by indirect vote. Electing a NPC representative normally requires three steps: (1) Chinese citizens directly vote for the county and city district level congress members in their respective electorates; (2) the elected local congress votes to elect the members in the provincial, municipal or autonomous region’s congress; (3) the provincial congress members finally vote for their NPC representatives. In recent years, the
number of representatives in all levels of People’s Congress is around 3.5 million (Zhu, 2002). The NPC members are elected for a five year term and meet once every year. According to the Electoral Law of the NPC, 880 thousand constituencies have one representative in rural or suburban electorates, whereas the number is only 220 thousand in cities or municipalities (NPC, 1995). Therefore, the total NPC representatives number near 3,000 each year. Currently, the population of China’s 55 ethnic minority groups, such as Mongolia, Hui, Zang, Tibetan, etc., is around eight per cent among the nation’s population. However, in order to protect the minority citizens’ congressional rights, the proportion of minority representatives are over 13 per cent each year (Zhou & Zhang, 2005). The composition of the NPC representatives suits the China’s national situation.

In the last decade, the two-week long NPC sessions are usually held in March in Beijing. The representatives of the NPC consist of 34 provincial delegations and one military delegation (Npc.gov.cn, n.d.). The delegation is the basic legislative unit to bring forward bills for discussion during the NPC session. Three delegations together can file a non-confidence bill to impeach the president, the vice president, the State Council officials, or the Supreme Court judges (Npc.gov.cn, n.d.). Four types of sessions normally hold during the NPC meetings: the preliminary session, the presidium session, the plenary session, and the delegation session (Zhu, 2002). The preliminary session elects the presidium and the secretary-general of the NPC and frames the agenda for the meeting. The presidium session is the caucus in the NPC session, which determines the processes and major issues that are going to be voted in the plenary session. The plenary session is set for the representatives to vote for the bills. All laws and important policy decisions are made after more than half of the representatives pass them in the plenary sessions. However, delegates usually do not discuss or debate issues in the plenary meeting, due to the large size of the NPC. Thus, the delegation session is the place where major issues are
discussed before the plenary session. The delegations communicate with each other through meeting minutes circulated during the NPC sessions (Zhu, 2002).

The Standing Committee of the National People’s Congress (SCNPC) represents the NPC and practice as the top legislative body during the adjournment of the NPC. Since it is impractical to have 3,000 representatives to discuss national issues everyday, the NPC delegations elect their representatives to establish the SCNPC. During the adjournment of the NPC, the SCNPC carries out the overall functions and responsibilities of the NPC. In 2003, the First Plenary Session of the Tenth NPC elected the 160-member SCNPC (Xinhua News Agency, n.d.). Members of the SCNPC are the professional congresspersons who, abiding by the Constitution, are not allowed to take any administrative, judicial, or procuratorial position in government (People’s Daily Online, March 22, 2004). The current Presidium of SCNPC consists of one chairman, 15 vice chairmen, and one secretary-general. Under the presidium, there are three subordinate branches: specialized committees, work committees, and SCNPC Representatives Qualification Censorship Committee. (Figure 4) (Npc.gov.cn, n.d.).

The president and the vice president of the PRC are elected by the NPC. The president is the nation’s top civil official who represents the nation by signing laws, appointing government officials, awarding national honor titles or medals, declaring the state of war, and ordering martial law (Zhu, 2002). However, the position of the president in China is not the same as it is in the U.S. because the Chinese president does not control the military power. Therefore, the symbolic authority of the president in China is much greater than its real executive power. However, the last two Presidents, Jiang Zemin and Hu Jintao, have been holding all powers as the CPC’s Secretary-General, nation’s President, and the military Commander-in-Chief. China’s political structure is leaning toward a more centralized direction (Zhu, 2002).
The State Council

The SC is China’s central government and the executive branch of the NPC and SCNPC. Although constant reforms and structural changes have been made to reorganize the central government since the founding of the nation, the political and constitutional status of the SC remains the same. The premier is the head of the SC. However, major national policies are determined by the joint efforts of the premier, the vice premiers and the state councilors.

Ministers, commissioners, the central bank governor, and the auditor-general are responsible for the affairs in their respective Ministries (Zhu, 2002).

There are two kinds of caucus meetings in the SC: the Plenary Meetings (PMSC) and the Executive Meetings of the SC (EMSC) (Xinhua News Agency, n.d.). The PMSC is summoned and presided by the premier, and attended by the premier, the vice premiers, and all ministers,
commissioners, the central bank governor, the auditor-general, and the secretary-general. According to the Work Regulation of the SC, the major task of the PMSC is to discuss important national and international issues, which usually involve several ministries or commissions (The SC, 2004). Normally, the PMSC is held once every six-month or for special occasions. The premier, vice premiers, state councilors, and the secretary-general are the ones who participated in the EMSC. The major duties of the EMSC are discussing the more detailed national and international policies, drafting administrative ordinances, and communicating national and international issues (The SC, 2004). The EMSC meets much more frequently than the PMSC, usually three times every month.

The Constitution empowers the SC with 18 specific functions and responsibilities. These powers can be summarized and categorized into the following five major aspects (Zhu, 2002, p. 43):

1. Executive powers. The SC is the highest executive organ to direct the work of all subordinate ministries and offices, including both the central and local governments.

2. Legislative powers. The SC is responsible for drafting and issuing the administrative regulations, ordinances, rules, and measures. Sometimes, the NPC or the SCNPC may mandate the SC to draft bills for them to discuss.

3. Managerial powers for economic policies. The SC is in charge of making the national economic and social development plan, initiating annual budgets, coordinating the economic relationships among all industries, placing major national projects on the agenda, and making policies regarding national finances, taxation, and social security.

4. Administrative powers for social affairs. The SC is controlling and guiding the development of national defense, education, scientific research, culture, and public
health affairs. Other social affairs such as civil service, public security, justice administration, ethnic minority affairs, special administrative regions, and Taiwan issues are all administered by the SC. When serious crisis occurs in local areas, the SC has the authority to enforce the martial law.

5. **Directorial powers for foreign affairs.** The SC represents the Chinese government when dealing with foreign affairs. The SC is also the legitimate government organ to negotiate and conclude treaties and agreements with foreign countries.

The current SC, elected in 2002, consists of one premier, four vice premiers, five state councilors, 26 ministers and commissioners, one central bank governor, one auditor-general, and one secretary-general. There are altogether 28 ministries, one special commission, 18 organizations, 14 working organs, and 10 administrations and bureaus under the ministries and commissions (Figure 5) (*Xinhua* News Agency, n.d.).

**The Chinese People’s Political Consultative Commission**

Although the CPPCC is not formally defined by the Constitution, it plays an important role in terms of uniting all other democratic parties, and non-affiliated personages. An article published in *China Daily* on February 27, 2004 clarifies the functions and the responsibilities of the CPPCC, as follows:

- a Chinese people’s patriotic united front organization, a key institution of multi-party cooperation and political consultations under the leadership of the Communist Party of China (CPC), and a major channel for promoting socialist democracy. At present, the CPPCC consists of representatives of the CPC and non-Communist parties, personages without party affiliation, people's organizations, and representatives from ethnic minorities and from all social strata. In addition, it also has the representation of compatriots of the Hong Kong Special Administrative Region (SAR), the Macao Special Administrative Region (SAR) and Taiwan, returned overseas Chinese, and specially invited people.
The CPPCC was established in September, 1949, even before the founding of the PRC. At that time the CPPCC was the national congress. The CPPCC’s first Plenary Session adopted the provisional constitution Common Program of the Chinese People’s Political Consultative Conference and the Organic Law of the Central People’s Government of the People’s Republic of China (General Office of CPPCC, n.d.). However, after the first Constitution enacted in 1954,
the congressional and legislative powers were, then, transferred to the NPC. Due to the
uniqueness of its political position, some western scholars consider the CPPCC as “the advisory
legislative upper house” in China (Wikipedia, n.d.).

Currently, the CPPCC has two major political responsibilities: political consultation and
democratic supervision (Zhu, 2002). During the annual session of the CPPCC meeting, the
CPPCC members discuss current national and local policies. Normally, before the NPC
representatives vote for any bill, they should consult the CPPCC for suggestions and advice.
After a law or a national policy has been passed by the NPC, the CPPCC members are also
responsible for supervision and inspection of implementation of the laws and policies. The
CPPCC is organized by a system of the national committee, which consists of one chairperson,
several vice chairpersons, one secretary general, and around 2,000 committee members9 (Zhu,
2002). The CPPCC responsibilities are carried out by several specific committees10 (Xinhua
News Agency, n.d.).

The Central Military Commission

The CMC in China has dual identities because it belongs to both the CPC and the
Chinese People (Xinhua News Agency, n.d.). It seems paradoxical because two different political
organs, the National Congress of the CPC and the NPC, need to elect the same military leaders.
However, this paradox is not a problem in China because of its single ruling party system. There
is no term limitation on CMC Chairman, although the CMC has a five-year term the same as the
NPC representatives. The CMC Chairman is the military commander-in-chief. Although he is
accountable to both the CPCCC and the NPC, he had the final decisive power in issuing the
military command (Zhu, 2002).
In China, the military acts as an independent system associated with the government. It is controlled neither by the NPC nor by the government, but by the CPC Central Committee Military Commission (CCMC). The military power is the foundation of the CPC reign. Usually, one of the vice chairmen of the CMC is also the minister of the Ministry of Defense (MOD) in the SC (Xinhua News Agency, n.d.). Therefore, the main function of the MOD is carried out by the Departments of the People’s Liberation Army (PLA). Under the command of the CMC, China’s armed forces consist of the PLA, the Chinese People’s Armed Police Force, and the People’s Militia. The PLA administrative structure has three systems, four general departments, four services, and seven military area commands\(^{11}\) (Xinhua News Agency, n.d.).

The People’s Court System and the People’s Procuratorate System

The judicial system in China consists of the people’s court system and the people’s procuratorate system (CPAS, 2002). The people’s court system is China’s national justice and trial organ, which consists of the central Supreme People’s Court (SPC), the local courts, and special courts. The responsibilities of the SPC are: (1) to supervise lower courts and special courts; (2) to try special or appealing cases brought by the SPP; (3) to approve death penalty cases; (4) to issue judiciary explanations on laws and orders; and (5) to order local courts to retry cases (China.org.cn, n.d.). The local court system consists of 30 Higher People’s Courts, more than 300 Intermediate People’s Courts, and over 2,700 grassroots-level People’s Courts. The Higher People’s Court is established in provinces, autonomous regions, and municipalities; the Intermediate People’s Courts are set up in cities; and the grassroots-level People’s Courts consist of tribunals in counties or autonomous counties, cities without administrative districts, or administrative districts of cities. There are also three kinds of special courts: the People’s Military Courts, the Maritime Courts, and the Railway Transportation Courts (Figure 6) (Zhu, 2002).
The people’s procuratorate is the national procuratorial and supervisory organ (Spp.gov.cn, n.d.). Similarly, the people’s procuratorate system also has four levels: the Supreme People’s Procurate (SPP), provincial procuratorates, city procuratorates, and the grassroots level procuratorates. Moreover, in the military and railway system, special procuratorates are also established (Xinhua News Agency, n.d.). The functions and duties of the SPP include: directing the work of local and special procuratorates, initiating a prosecution process to corruption, bribery, and misconduct cases, supervising court trial process, investigating criminal cases, appealing or protesting to the SPC on wrong rulings made by local courts, and supervising the performance and maintenance in prisons and reform-through-labor institutions (Spp.gov.cn, n.d.). Local procuratorates are under the control of both upper level procuratorates and local People’s Congress.

Figure 6: The Structure of the People’s Courts System in the PRC

Sources: The information for this chart is obtained from the China.org.cn.

Local Levels of Authority

Due to the highly centralized organizational structure, China’s local government structure practices a linear hierarchical system with subordinate administrative unit responsible to its hierarchical superior. Currently, there are three local administrative levels: provincial level government, which consists of 23 provinces (including Taiwan Province), four municipalities
under direct control of the SC, five autonomous regions, and two special administrative regions; urban administration, which includes fifteen semi-provincial level cities, 259 local level cities, and 400 county level cities; and rural administration, comprises 1,671 counties, 24,043 xiangs (rural administrative unit between county and village), 19,692 zhens (township), and 734,715 villages (NSB, 2003).

The Provincial Level

The provincial government is the top administrative unit in the Chinese local governmental structure, which was originated in the Yuan Dynasty about 500 years ago (Wei, 2002). Presently, the provincial government consists of five administrative branches, the CPC committee, the people’s congress, the CPPCC, the people’s government, and the provincial judicial organs, such as the higher people’s court and the people’s procuratorate (Zhu, 2002).

The CPC committee is responsible for overall public administrative activities in the provincial government. The CPC committee has 20 to 40 committee members, among whom there are usually one secretary-general, four to six vice secretary, and four to eight standing committee members. Similar to the CPCCC, the provincial CPC committee also contains work offices, such as the General Office, the Organization Office, the Propaganda Office, the United Front Work Office, and the Policy Research Office (Zhu, 2002).

The provincial people’s congress and its standing committee are the local legislative and policy consultative organs. They also have the power of appointing and dismissing the people’s government officials (Npc.gov.cn, n.d.). The number of representatives in the provincial people’s congress varies in accordance with the population in the respective provinces. For example, the most populous Sichuan Province has 1500 representatives, whereas the least populous Qinghai Province has only 500 provincial congressmen (NSB, 2003). The Standing Committee of the provincial congress consists of 35 to 85 members, among whom there is one chairman, two to
ten vice chairpersons, and one secretary. The provincial congress also has special committees in the areas of economics and finance, politics and law, education and science, and culture and public health. The local level CPPCC has a similar function as the central CPPCC, which is responsible for supervision or policy consultation (China.org.cn, n.d.).

The people’s government is the executive organ of the provincial people’s congress, which has three key functions: to implement the executive orders and directives given by both the provincial congress and the SC; to issue local executive plans, policies, and regulations; and to manage the political, social, and economic affairs in its own region (Zhu, 2002). The people’s government is under the lead of the governor with the assistance from several vice governors, one secretary-general, and officials in administrative offices and departments. The governor and the vice governors are elected by the local congress, whereas other departmental officials are nominated by the governor and approved by the congress. The administrative organization in the provincial government is similar to that in the SC with two executive sessions. The governor, the vice governors, and the secretary-general hold the governor’s session, which is the organ for provincial officials to discuss local policies and issues. The government plenary session consists of the members in the governor’s session and the departmental heads. Expect for the foreign affairs and the national defense, the provincial government implements all other administrative functions of the SC (Xinhua News Agency, n.d.).

Due to the fact that China has 55 ethnic minority groups, the Chinese government has created a self-governed autonomous region administrative system. Current law prescribes a three level self-government system: provincial autonomous region, autonomous prefecture and autonomous county, and autonomous xiang12 (NSB, 2003). According to the Organic Law of the Autonomous Regions, those regions enjoy the following five administrative privileges: (1) autonomous regions’ government can request to suspend inappropriate laws and regulations
promulgated by the NPC, and they can also enact laws according to the characteristics of their own ethnicities; (2) the local people’s congress chairperson, the autonomous regions governors, and major government officials should be chosen from local ethnic minority groups; (3) the self-government has more power in dealing with local economic development policies, infrastructure construction, and education; (4) the ethnic minority groups can have their own armed police to safeguard local public security; and (5) it is required to use both mandarin and local language as official languages (Xinhua News Agency, n.d.). However, the autonomous regions’ CPC committee, people’s congress, government and judicial organs do not have significant difference from other provinces (Appendix III).

The municipalities under direct control of the SC are also provincial level administration units. Currently, there are four municipalities: Beijing, Shanghai, Tianjin, and Chongqing. The organizational structure of the municipalities is similar to the provinces (NSB, 2003).

The Urban Administration

Obviously, the urban administration in China refers to the city governments, which are responsible for taking care of local industrial and business development (Xinhua News Agency, n.d.). The 15 semi-provincial level cities are major cities in China, which have less administrative power than the municipalities, but are directly under the control of the SC. Most of these cities are capitals of provinces with a population more than one million and have prosperous businesses and industries. These 15 cities have greater authority in economic and financial management, though their political and CPC structures are under the provincial level (Zhu, 2002).

Provincial capitals in China have more local legislative power than normal cities. Since they are the seats of the provincial governments, some key officials in the capital cities’ government also take positions in their provincial governments (China.org.cn. n.d.). Other than
the semi-provincial level cities and capital cities, there are 227 prefecture-level cities in China with a population more than 250 thousand and a gross industrial product of more than 250 million dollars (NSB, 2003). Those prefecture-level cities have become politically more essential after China adopted a policy called “the city government controls the county government” in the early 1980s. The smallest unit of the urban level government is the county level city, the size of which is in between the prefecture-level city and the county. Its economic function lies also in the middle of urban industrial and rural agrarian (China.org.cn. n.d.).

The Rural Administration

The majority of the rural administration constituencies are farmers. This level of administration is in charge of developing China’s agrarian economy. County is a very old administrative unit in China, which can be dated back to the *Qin* Dynasty about 2,000 years ago (Wei, 1998). However, due to the economic structural change, the development of county structure has experienced a time from expanding to shrinking (Yu, 2002). Before the founding of the PRC, there were more than 2,000 counties in China (Zhu, 2002). The development of the county system reached its peak in between the 1920s and the 1940s (Yu, 2002). However, after the 1980s, influenced by the trend of urbanization, many counties have been upgraded to city level. The size and political significance have been reduced greatly. Although more Chinese citizens are moving from rural areas to cities, China still remains the largest agrarian country due to its 935 million peasant population (NSB, 2003). Therefore, the rural administration still plays a significant role in China’s social, political, and economic areas.

The county governmental structure is similar to the provincial government. The county government also consists of the CPC committee, the people’s congress, the people’s government, and the grassroots judicial offices (Yu, 2002). Their basic functions and processes are also close to the provincial government. However, since the focus of its administrative objective is to
develop the agrarian economy, the county government usually contains several special
government offices, such as agricultural technology, forestry, livestock industry, and some other
agriculture related research offices (Zhu, 2002). Although the county administrative level is the
same as the county level city, they have more authoritative powers with regard to the economic
development and policy-making. Differed from its western counterpart, the county government
in China is not the lowest administrative unit. Due to large sizes in both population and
geographic territory, subordinate administrative units, such as the xiang and the zhen have been
established in China (Xinhua News Agency, n.d.).

The xiang, the combination of villages, is the basic administrative unit in China’s
organizational structure (Zhu, 2002). The zhen is at the same level as the xiang, but consists of
more non-farm industries as well as residents. It is the smallest administrative unit for non-farm
regions or industrial hamlets/commune. The xiang and the zhen have a similar administrative
structure to the CPC committee, the people’s congress, and the people’s government (Xinhua
News Agency, n.d.).

The provincial-urban-rural structure system has evolved together with the development of
Chinese modern public administration. However, it is still in constant changing through
organizational restructuring. The Chinese central government leaders have been putting
tremendous effort into the government reforms. The following section describes the major
central governmental structural changes and local administrative reforms, illustrating the process
of organizational change in China.

THE REORGANIZATION EFFORTS IN CHINA

Since the establishment of the PRC, the Chinese central government has undertaken
major reforms periodically. The reasons for frequent administrative structural change are (1) the
economic structural rearrangements led to governmental changes; (2) political turmoil also affects government stability; (3) ideological reform inevitably determined the transformation of political structure; and (4) the financial situation was the decisive factor for the adjustment of the size of the government (Xia 2004). The basic structures of the Chinese central and local governments have evolved by following a course of construction, revolution, and reformation.

**The Interim Constitutional Structure of the Chinese Government**

In September, 1949, 662 CPPCC representatives gathered in Beijing and passed the Collective Guiding Principles of the Political Consultative Conference of China (hereinafter referred to as the guiding principles) and the Organic Law of the Central Government of the People’s Republic of China (hereinafter referred to as the organic law of PRC), which created the initial form of government structure under Communist control (Chesneaux, 1979).

The guiding principles prescribed that the Council of Central People’s Government (CCPG) was the top administrative organ during the adjournment of the CPPCC. The CCPG possesses the military, legislative, executive, judicial, and inspectional powers (Thornton, 1973). At that time, the CCPG was chaired by Mao Zedong and consisted of six vice chairmen, and 56 councilors (Zhu, 2002). There were four branches in the CCPG: (1) the People’s Revolutionary Military Control Commission, which was responsible for establishing unified national military troops, such as the People’s Liberation Army and the Armed Police; (2) the Supreme People’s Court, responsible for the control and supervision of subordinate levels of courts; (3) the Supreme People’s Procuratorate, responsible for supervising the performance of government officials; and (4) the Government Administration Council (GAC), which was the executive body of the CCPG (Zhu, 2002). The GAC had one premier, four vice premiers, 15 councilor, and one secretary-general. There were 35 ministries under its reign (Chesneaux, 1979).
In the early 1950s, the General Administrative Region (GAR) was the first level of local government (Zhu, 2002). The Chinese leaders divided the country into six larger GARs, each of which consisted of several provinces. The GAR administrative organization was relatively simple because it consisted of only two components: the people’s government and the military control committee. The GAR was directly under the control of the GAC and took charge of local legislative, executive, judicial, and military powers. Provinces, autonomous regions, and the municipal administrative offices were the second level of administrative systems under the control of the GAR (Zhu, 2002). The provincial government had several executive offices, such as the General Office, the Office of Civil Service, and the Office of Public Security. In 1949, the government of Beijing, Shanghai, Tianjin, and ten other cities were kept under the direct control of the central government. The municipal government was a special administrative unit designed for cities with a more dense population and with more economic importance (Bailey, 2001). In late 1949, there were 55 provinces, autonomous regions, and municipalities (Chesneaux, 1979). The smaller local administrative units included counties, districts, and townships that mostly followed the ROC’s local government system (Bailey, 2001).

It was not until the first Constitution of the PRC was promulgated in 1954, that the NPC was formalized as the top legislative government organ in China. According to this Constitution, the representatives of the NPC were elected publicly. The executive, judicial, and procuratorate branches were created by the NPC (CPAS, 2002). This Constitution also established the position of the president to be the head of the national government. The president and vice president were elected by the members of the NPC. However, no term limitation was put on the reign of the president. At that time, the president also served as the chair of the National Military and Defense Committee, serving as the central military command organ. The SC was the central executive body and the top administrative organ. The premier was appointed by the president
and approved by the NPC members, whereas the vice premier and the members of the SC were nominated by the premier-elected and approved by the NPC. The early form of the SC contained 35 ministries, 20 offices, eight institutions, and one secretariat (Figure 7) (CPAS, 2002).

Figure 7: The Central Government Structure of the PRC in 1954

National People’s Congress (NPC)

The President and Vice President

Supreme People’s Procuratorate

Supreme People’s Court

State Council

State Council Offices


National Military and Defense Committee

SC Secretariat

Sources: The information utilized to design this organizational chart is drawn from the book Zhong Guo Zheng Fu Guan Li Yu Gai Ge by Song in 2001.

The local administrative authority consisted of the local congress and local people’s council (Zhu, 2002). The head of the people’s council was elected by and responsible to the local congress. The executive offices of the provincial level people’s council were controlled by both the related ministries in the SC and the people’s council itself. The provincial officials’ term was
four years, whereas municipalities, counties, cities, districts, and townships officials’ term was two years (CPAS, 2002). The Constitution eliminated the administrative unit of GAR; therefore, province, autonomous regions, and municipalities became the top local administrative organs directly under the SC’s governance. The Constitution clarified the criteria for the size of a city and its administrative system, and those criteria have been kept until today (Bailey, 2001).

The Revolutionary Efforts

From 1956 to 1978, China’s administration had experienced a vicious circle of reduction-expansion-reduction (Xia, 2004). In late 1956 due to the influence of the dominant centralized-planning ideology, the SC intended to control all executive power and planned to limit local administrative functions. Thus, the SC expanded from 64 offices to 81 (CPAS, 2002). However, the oversized-government structure became a huge burden for the government expenditures (Xia, 2004). Then, the SC had to reduce and simplify its offices. By the end of 1959, more than 20 redundant offices in the SC had been cut (CPAS, 2002). The scenario of the structural expansion-reduction of both the central and local government lasted until the beginning of the Cultural Revolution.

During the Cultural Revolution period, the systematic process of public administration was destroyed by the so-called “class struggle” (Bailey, 2001). On one hand, the extremist Red Guards destroyed all levels of governments and seized administrative powers by establishing the military authority—Revolutionary Committee. On the other hand, the whole nation was immersed in a de facto anarchical state, in which the Revolutionaries and the Red Guards willfully overrode human and legal rights (Daubier, 1974). Although the Premier Zhou Enlai and Deng Xiaoping endeavored to alter the disordered social and political situation, it was hard to make a huge difference because the Red Guards controlled almost all of the central and local governments. At that time, the Revolutionary Committee (RC) was the top CPC and military
administrative body. Followed by Mao’s “Three Combination Theory,” the RC was formed by combining leaders from the working classes with local military commanders and the revolutionary leaders (CPAS, 2002).

The RC administrative system destroyed the original government organizational structure at both the central and local levels. As the only local administrative organ, the RC consisted of several groups or offices (Zu), such as the Political Group, the Production Group, the Public Security Group, and the Civil Affairs Group (Xia, 2002). Most of the original public employees were labeled as the “capitalist roaders” and were sent to the countryside to reform as prisoners and laborers. Many government officials were persecuted by the Red Guards (Bailey, 2001). The paralysis of local administrative and economic order made the central government a mere figurehead. Although the revolutionaries failed to remove Premier Zhou Enlai from power in the SC, the managerial function of the SC ministries and offices was controlled by the RC. In 1970, the SC ministries and offices were cut down from 79 to 32 (Xia, 2002).

The inception of the RC did not follow any legal procedures, and therefore could not represent the people’s interests. Furthermore, the major task for the RC was to supervise “class struggle,” instead of economic development (Daubier, 1974). Thus, the Communists revolutionary effort during the Cultural Revolution period was doomed to failure in terms of social, political, and economic system transformation. It lasted until the CPC Central Political Bureau ordered the resumption of local people’s congress and reelected officials in the local people’s government in early 1978 (CPAS, 2002).

After the Third Plenum of the CPC Eleventh Congress was held in December, 1978, Deng Xiaoping and his supporters overthrew the Maoist socialist policies and established the new socio-political goals of economic development (Bailey, 2001). The new central leadership consisted of many economic practitioners and technocrats whose goal was to map out a
three-year economic recuperation plan and reestablish the Party’s authority and image (Chang, 1990). Since then, the Chinese central government has been restructured five times and local governments have also experienced three major structural changes (Xia, 2004).

After the Cultural Revolution, the SC regained its administrative authority. In order to fulfill the requirement of the economic development goal, the SC began to expand by adding more ministries and offices. The number of ministries in the SC was increased from 52 in 1978 to 100 in 1982 (CPAS, 2002). Although more people were dedicated to the development goal, the government efficiency and effectiveness was affected by the voluminous organizational structure. In January 1982, Deng Xiaoping pointed out the flaws of the oversized government structure by stating that:

“to simplify and condense the governmental structural requires a revolution, which is a huge issue for the government. If we do not carry out this revolution and continue to indulge the overstaffed and overlapped state governmental organization, we will never win support from our people. This situation is intolerant and unbearable, not only for the general people, but also for the Party itself” (Deng, 1984. p.396).

Under his support, the governmental structural reforms were carried out by taking four steps: (1) reduce the numbers of vice premiers and add the position of the SC who had the same rank as vice premier, but specialized in certain administrative areas, such as foreign affairs, economic development, and social affairs; (2) decrease the number of ministries and offices to sixty; (3) restrict the member of leaders in each ministry; and (4) lay off more than 25 per cent central government staff (Xia, 2004).

The local government organizational structure in the early 1980s returned to its pre-Cultural Revolution format and was also changed in the following four aspects: (1) The governor, mayor, or chairman replaced the commissioners in the RC as leaders in the provincial level governments. The number of vice governors was restricted between three and five. The
number of offices or departments was no more than 40. Consequently, the number of public employees should have been around 3,000 to 5,000 in accordance with the size of respective provinces. Many young officials with higher educational backgrounds were promoted and the elder and senior officials retired from their positions. (2) Besides the political officials, the number of civil servants was also reduced during the reform. By the end of 1982, more than one and a half million staff members had been cut. (3) Some cities and regional governments were merged together and the county government was put under the authority of city administration. This structural change marked the end of the county-city parallel administrative level system and established a new provincial-city-county-township-village hierarchical system. (4) The xiang government was re-instituted to replace the People’s Commune system (Xia, 2004). The 1982 local structural reform consolidated the centralized control and clarified the hierarchical structure. Since then, the basic formation of local government has been established.

The economic institutional change in the late 1980s led to the government structural reform in 1988 (Chossudovsky, 1986). In the reform, more ministries in the SC were combined or dropped to facilitate the development of the socialist market economy and boost the efficiency of the central government. After this reform, there were 41 ministries and commissions directly under the State Council, 19 bureaus and administrations, and five offices. More than 7,900 public employees were laid off (CPAS, 2002). Due to the 1989 Students’ Democratic Movement, the local structural reform was not implemented at this time (Schoppa, 2002).

The governmental structural reforms in 1993 and 1998 further streamlined the central and local government organizations. Central government reforms brought the number of the SC offices down from 65 in 1988 to 59 1993 and the number of ministries and commissions has been cut to 29 in 1998 (Xia, 2004). These reforms concentrated more on economic development, which served the purpose of promoting market economy. At that time local government reforms
had also accomplished four major tasks: (1) changing government function from specific management to general administration and alleviating the political administration on the state-owned enterprises; (2) clarifying the intergovernmental relations and the hierarchical structure by further strengthening the policy of city government control over county government; (3) simplifying the governmental organization and reducing overlapping administrative agencies; and (4) reducing local government personnel (CPAS, 2002).

The most recent reforms were carried out in 2003 (Xia, 2004). These reforms do not focus on comprehensive structural changes. Their main goal was to enhance the politico-economic institutional transformation in the new century (Lin, & Hu, 2003). According to the Blue Print for the Organizational Structure Reform in State Council passed by the First Session of the Tenth National People’s Congress, there are five tasks of this reform: (1) creating a State Assets Regulatory and Management Commission as a special institution directly under the SC so as to supervise and manage the state-owned enterprises reform; (2) recomposing the structure of National Development and Planning Commission to the National Development and Reform Commission in order to further enhance the macro level adjustment of national structural reform; (3) installing the China Banking Regulatory Commission to strengthen the financial system supervision; (4) combining several ministries’ and subordinate offices’ functions to form the Ministry of Commerce which is in charge of internal and foreign trade while boosting global economic cooperation; and (5) reinforcing the administrative function in public health, food, and drug control and expending the State Food and Drug Administration’s authority to safeguard people’s health and safety (Xia 2004).

After these five reforms, the Chinese central government became more efficient in terms of facilitating the economic development and actualizing the industrial modernization goal. Therefore, the government structural reform becomes one of the most effective methods to serve
national development goals. Moreover, the processes of the intergovernmental relationships in China are also designed and implemented for the purpose of developing the national economy (Appendices IV-IX).

THE INTERGOVERNMENTAL RELATIONSHIPS

The intergovernmental relationships in China have unique characteristics. Because China has the single dominant party in power, the interactions between the CPC and all levels of governments become one of the most important features. The interactions include the relations between the CPC and the central governmental branches and the relations between the superior and subordinate CPC committees. Comparatively speaking, the relationships among different levels of governments are simple because of the highly centralized local hierarchical structure.

The CPC and Governments

As a ruling party, the political position of the CPC is significantly different as compared to any other ruling parties in a bipartisan or a multi-partisan system in western countries. The control of the CPC is ubiquitous in China’s social, economic, and political spheres (Bailey, 2001). Its policies and activities are considered to be the voice of the people of China. Although the relationships between the CPC and the government are complicated, the analysis of these relationships can be simplified through two directions: horizontal and vertical organizational relations. The horizontal organizational relations refer to integrative relationships between the CPC and the same level governmental branches, whereas the vertical organizational relations stand for the linear hierarchical relations between the CPC and its subordinate committees throughout the system (Figure 8).
Horizontal Organizational Relations

The NPC is the “highest organ of state power,” which has the power of amending the Constitution to define the CPC’s role (People’s Daily Online, 2004). However, the NPC operates under the direction and control of the CPC. The leading role of the CPC to the NPC is significant as demonstrated by the following: (1) the NPC itself is created by the CPC and historically has been reorganized by the CPC several times; (2) the majority of the NPC representatives are CPC members; and (3) all key positions in the SCNPC, such as the chairman, vice chairpersons, and commissioners in the NPC committees are all taken by the CPC members. Consequently, the NPC is regulated to be the primary legislative organ of the CPC to legitimize its political, economic, and social policies.

Figure 8: The Relationships between the CPC and the Government

The relationship between the CPC and the SC is always quoted by the CPC official media as having “close working relations” (Xinhua News Agency, n.d.). It is important to note that in the early ages of the CPC’s rule, the SC premier, vice premiers, and ministers are normally the
officials in the CPCCC (Zhu, 2002). However, since the CPC enacted the policy of the separation of the Party and administration in the 1980s, the relations between the CPC and the SC are changed to general guidance and executive management. The CPC is no longer issue specific executive order to the SC. Instead, the CPC legalizes the national development goals through the NPC’s legislative power and it is the SC’s responsibility to initiate policies and courses to achieve these goals (CPAS, 2002). Moreover, before the premier delivers the annual government work report to the NPC Plenary Session, he must submit the report to the CPCCC first and ask the CPCCC leaders for advice and suggestions (Npc.gov.cn, n.d.). The CPC also determines the appointment and dismissal of the SC officials by enforcing the orders through the NPC or the SCNPC (Xinhua News Agency, n.d.). Therefore, the SC is the executive organ of the CPC. By utilizing the similar methods, the CPC practices its overall political powers by dominating the judiciary and military besides its control over the legislative and executive branches. The judiciary and military are two essential mechanisms for the CPC to guarantee its unilateral rule.

### Vertical Organizational Relations

The vertical organizational relations refer to the CPC’s control over all levels of local governments. In each level of local government, the CPC consolidates its rule by establishing the CPC committees (CPAS, 2002). Therefore, the hierarchical structure is the CPCCC to provincial, city, and county levels of CPC committees. In each level of the CPC committee, there are more CPC groups (Zū), which are the grassroots unit of the CPC. The relationships between the CPC committee and the same ranking local people’s congress, government, and judiciary are also the guidance and management (Xia, 2004). However, the higher ranking officials in local congress, government, and judiciary are usually the same group of people in the local CPC committee. For example, in most provinces, the CPC committee chairperson is also the chair in the local
people’s congress. Furthermore, the governor, municipality mayor, and autonomous region government chair play a dual role in their positions as members in the CPC committee and serve as its assistant vice chairpersons (CPAS, 2002).

The policy of the separation of the Party and administration was first adopted in the Thirteenth CPC National Congress in 1987 (Zhu, 2002). This policy covers four points, which have substantially changed the institutional relationships between the CPC and governments. The four points are: (1) the objective of this policy is the separation of the administrative and executive functions between the CPC and government; (2) the CPC should not interfere with government administrative and executive powers; (3) the personnel management of the CPC and government has also been separated; and (4) the CDIC focuses its responsibilities only on supervising the performances and behaviors of CPC members, and can not interfere with the judicial process (Xia, 2004). Literally, these four points limit the CPC’s control over the executive branch in the government. However, it is hard to clearly distinguish the politics and executive positions in the single party system in China. The CPC has to protect and enhance its reign through other methods. In reality, due to the fact that most leading government officials are the CPC members, the CPC and governments still remain the relationships of commanding and seeking compliance.

**The Intergovernmental Relationships**

The nature of the intergovernmental relationships in China can be divided into three types: the central-local government relationships, the inter-provincial government relationships, and the city-county relationships (CPAS, 2002). Although to some extent there are economic interactions among the same level cities’ or counties’ governments, those relations are mostly limited to the economic and financial sectors and under the guidance of the provincial governments.
The relationship between the central government and the local governments are the direct superior and subordinate. The central government, namely the SC, has the decisive power over all major political issues and economic policies (Xia, 2004). The provincial governments also have their authority in terms of handling local public affairs, but it is the provincial governors, municipal mayors, and the chairs of the autonomous regions who undertake the responsibility to report their work and local social, political, and economic policies to the SC (CPAS, 2002). Their policies must be in accordance with the SC’s development plan. The ministries in the SC direct and supervise the activities and performances of local corresponding departments and offices. Therefore, the central government establishes its firm control and absolute administration over the local governments by a task to task and office to office guidance and supervision system (Xia, 2004). Besides the administrative control in the area of policy implementation, financial management, and administrative legislation, the central government is also entitled to supervise local government performances through inspection and audit means. Although the power of appointment or dismissal of the public personnel is managed by the CPC, the SC officials have sufficient influence in the CPC’s personnel decision-making.

Since China has a highly centralized governmental structure, the central government has the ultimate power of planning the major inter-provincial economic projects. The central government exercises macro-level instructive control (Xia, 2004). The specific interactions in dealing with inter-provincial policies are done by all provincial governments involved. Before the 1990s, because of the central-planning policy, the central government was responsible for almost all specific working relations among provincial governments. The situation has changed after the economic institutional transformation from the planned-economy to the market-economy in 1992 (Shen, 2000). Instead of the central government orders, the market balances the cooperation and competition relations among provincial governments. The
relationships among provincial governments become more active and progressive due to the larger autonomous authorities released from the central government. The closer interactions and relationships among provincial governments occur in these areas: more dynamic communication and learning activities among provinces, quicker responses to intergovernmental problems and affairs, and greater assistance and aids from the rich province to the poor (Shen, 2000).

In the early 1980s, due to the expansion of urban population, the central government initiated a policy called the city government controls county governments (Zhu, 2002). Since then, more than four hundred counties have been either upgraded to county-level cities, or merged with prefecture-level cities. Consequently, until 2003 only very few counties were still under the provincial control, whereas most of the county governments were administered directly by the adjacent city governments. Researchers suggested that under this policy and with the situation of steadily reducing numbers of counties, the county as the direct rural administrative unit would eventually vanish and the city government would take charge of both urban and rural administration in China (Table 2) (Yu, 2002 & Zhu, 2002). The reduction in county administration, on one hand, boosts the developing pace of urbanization and local economic development. On the other hand, the goals of developing China’s agrarian economy and alleviating the poverty-stricken situations in rural China are jointly taken care of by both the richer urban government and the more experienced rural administration.

Table 2: Number of Units of the Change in County, Xiang, and Zhen in China

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</tr>
</thead>
<tbody>
<tr>
<td>Number of County</td>
<td>2,189</td>
<td>1,936</td>
<td>1,903</td>
<td>1,848</td>
<td>1,718</td>
<td>1,690</td>
<td>1,672</td>
<td>1,489</td>
<td>1,478</td>
</tr>
<tr>
<td>Number of Xiang</td>
<td>--</td>
<td>45,393</td>
<td>44,446</td>
<td>34,115</td>
<td>31,642</td>
<td>26,402</td>
<td>24,043</td>
<td>19,341</td>
<td>18,639</td>
</tr>
<tr>
<td>Number of Zhen</td>
<td>--</td>
<td>10,609</td>
<td>11,392</td>
<td>14,235</td>
<td>16,433</td>
<td>19,060</td>
<td>29,692</td>
<td>20,374</td>
<td>20,601</td>
</tr>
</tbody>
</table>

A closer examination of the institutional structure and processes affecting the functioning of the CPC reveals:

1. The CPC serves as the vanguard in articulating and implementing policy goals through a built-in intergovernmental interaction process to guide the nation to achieve its economic development and other policy goals;

2. The preeminence of the CPC creates a highly centralized system reflecting conformity, compliance, organic unity, and the planned economic growth of the Chinese society aimed at promoting a balanced political economic growth during the formative period to allocate national values;

3. The close supervision by the CPC is able to fight against corruption at various levels in government;

4. Both the CPC as well as the government as the instrument of the Chinese society are able to assume the role of developing, changing, and reforming the structures and policies of the government to promote more evolutionary change in the system to respond to the changing social, economic, political, and technological forces;

5. Although the system gives an appearance of highly centralized, the provincial, city, county, and other units of government have ample opportunities for developing, innovative, and creative public policies in their respective jurisdictions.

The system of governance in any society cannot be improved or sustained unless it has a continued supply of trained and skilled human resources to design and carry out the policies of the government in the future. The process of the designing and implementing will require an educational effort that can provide for the professional development of individuals to shoulder the responsibility of governance in China and make public service a rewarding career.
CHAPTER III
PROFESSIONALIZATION OF PUBLIC SERVICE EDUCATION

INTELLECTUAL FOUNDATIONS OF PUBLIC ADMINISTRATION

The systematic efforts to organize public service education in China were initiated by the establishment of the Chinese Public Administration Society (CPAS) in 1988 (Guo, 2000).

However, the analysis of public affairs is not completely new to Chinese scholarship and socio-political leadership. The ideas and codes provided by Confucius, Lao-tzu, Han Feizi, and Sun Yat-sen have provided the intellectual bases of not only the governance in China, but also the organization of public service education throughout history. The views of these philosophers, scholars, and elite ruling class in ancient China have continuously made valuable contributions to the restructuring of the administrative systems, the allocation of public values, and the modification of individual and social behavior throughout the periods of governance under the monarchical systems, republican administration, and the restructuring of the Chinese polity and economic systems under the socialist regime led by the Communist Party of China (CPC).

As the Chinese proverb goes, it takes more than one cold day for the river to freeze solidly. This proverb applies to the evolution of thinking on the nature and scope of the role of government in managing public affairs in China. Historically, there are three transitional periods popularly known as: the “Confucian era,” the “Nationalist Movement,” and the “Socialist Regime” (Wright, 1975; Huters, Wong, & Yu, 1997; Xiao, 1994; & Saich, 2004). During the Confucian era, scholars and philosophers debated on how the Chinese society should govern itself (Wright, 1975). Also during this time period, a variety of principles were enunciated with regard to the duty of the kings, the role of the bureaucracy, and the public obedience. Confucian scholars and philosophers also discussed the belief that a good government is also one that
agrees with natural course of action based on the idea of simplicity or the state of non-intervention (Ch’ien, 1950. p. 21). The most important among the Confucian contributions, though, are the ideas of the Legalist School that emphasize severe punishment and strict adherence to laws to maintain social order and strengthen economic and military aspects of administration in order to protect the king’s authority and at the same time extending equal protection by law to all citizens regardless of social status and personal beliefs (Li, 2004). Therefore, the founding of modern state and administration in China took place mainly during the reign of the Han Dynasty kings (Wei, 1998).

The Confucius emphasized the importance of a moral value based on benevolence and virtue governing the fundamental values of the king as well as the social conduct of the people (Wright, 1975). He further maintained that the primary responsibility of the king was to improve the quality of life and living standards of the people through moral values and eradication of poverty in any egalitarian society (Ch’ien, 1950). Therefore, Confucius believed that the king was not above the law and must follow the laws as the ordinary people were expected to do.

Another important contribution to the governance process was made by the Han Dynasty kings in promoting the Confucian idea of the “Great Unification” based on rejection of any other ideologies or concepts having no affinity with Confucianism (Wei, 1998). The essence of governance under the Han Dynasty was to declare the “Confucian Code” to be the universal code of conduct (Seeger 1934) (Appendix X). As part of their reforms, Han Dynasty kings also established the merit examination process to select the civil servant for the imperial bureaucracy (Hucker, 1975b). The content of the merit entrance exams were drawn from the doctrines and the ideas of the Confucian theory. The Song Dynasty added a new dimension to the Confucian norms by placing greater emphasis on rationalism as the basis for the existence of everything that
existed in the world (Wright, 1975). This rationalistic thought constrained the supreme governing powers of the kings.

The next important phase in the development of public administration in China occurred during the Nationalist Movement period dominated by the contributions of Sun Yat-sen, whose ideas represented a combination of Chinese and western democratic principles (Zhu, 1993). The three principles enunciated by Sun Yat-sen were known as the “Three Principles of the People,” which included the “Principle of Nationalism,” the “Principle of the People’s Power,” and the “Principle of the Livelihood” (Wells, 2001). These principles focused on the spirit of Nationalism, democratic control, and economic well-being. Because of Sun Yat-sen’s western education, he placed great emphasis on the application of democratic principles in the management of public affairs and divided the authority of the government into five different branches. Instead, he went well beyond the western division of governmental authority into legislative, executive, and judicial branches (Sun, 1966). In his opinion, he expended the western concept to five different spheres of governmental authority, including legislature, executive, judiciary, examination, and supervision (Wells, 2001). This classification created interactive relationship between political and administrative powers of the government in managing public affairs.

Ideologically dominated considerations were introduced in the Chinese public administration by the CPC when it took political control under the leadership of Mao Zedong in 1949 (Trager, & Henderson, 1970). The control of the CPC created a new set of ideology, expectations, and economic policies that were considered desirable to guide the new government on the path of industrialization and economic modernization. Although the country experienced some drawback during the Cultural Revolution, the efforts of Deng Xiaoping provided a new direction and a new set of ideas to facilitate economic development in China (Guo, 2000). He
believed that in order to achieve industrialization and economic modernization of China, the
government must embark upon administrative and economic reforms (Deng, 1985). To achieve
this goal, economic modernization of China would require both western technology and capital
to accomplish the goals of the modern Chinese society (Chi, 2004). As the Chinese society
continued to move forward and made significant gains in economic development, the need for
administrative reforms and the development of professional education in public administration
became essential. The CPAS undertook the responsibility to create its own charter as a national
professional organization to promote the development of public service education, the
establishment of administrative reforms, and the enhancement of theoretical research leading to
the development of the science of administration.

The phenomenon of globalization has set in motion the processes that require
corresponding changes in the academic curriculum of public service education based on the
combination of western and traditional Chinese ideas as reflected in the curricula of Master of
Public Administration (MPA) degree programs currently offered by 47 universities (Appendix
XI) (Yinxin, June 15, 2005).

PUBLIC SERVICE EDUCATION

Academic Curriculum: MPA

After the CPC established political control, it was faced with the issue of nation building
to promote the development in effectuation of new political institutions (Guo, 2000). In order to
accomplish this task, the Chinese leadership realized that political development could not be
achieved without corresponding administrative development to carry out the political and
economic policies. The task of rebuilding the Chinese bureaucracy required that the political and
administrative cadres must have appropriate political values, administrative skills, and attitudes
and behaviors conducive to accelerate the process of economic modernization in China. Consequently, the Ministry of Education authorized three universities to establish public administration doctoral programs in 1998 (NMPAEAC, 2004). Subsequently, in 1999 the Academic Committee of the State Council officially approved the establishment of an MPA degree. The first examination to recruit new MPA students was initiated in 2001 with a formal offering of courses in the fall of 2001 (Yang, 2005). Since then, the MPA degree has become an important part of the public service education in China. Initially, the government allowed 2,400 students to be admitted to various MPA programs (NMPAEAC, 2004). As an educational tool for the training of public students, the MPA degree has become a core component of educational policy for public service education and a subject of debate in terms of its educational orientation, academic content, administrative theory building, student qualifications for admission, and public administration research (NMPAEAC, 2004). Therefore, it is important to analyze the various aspects of MPA programs with regards to educational goals, academic requirements pertaining to core courses, fields of specialization, program electives, and experiential learning.

In the formative period, the academic curriculum was dominated by socialist ideology preoccupied by the development of socialist market economy with Chinese characteristics. The impact of this ideological thinking is reflected in all administrative reforms, development of MPA curriculum, regime capacity building, and legitimization of the CPC. As for the MPA degree program, it is also influenced by the prevailing politico-administrative values practiced in western democracies. These values are closely associated with the concepts of “efficiency,” “accountability,” and “legitimacy” (CPAS, n.d.). This duel impact of Chinese as well as western countries on academic curriculum is emphasized by Yang (2005). However, he further stated that the tendency among Chinese political and administrative leaders is to adhere mainly to the Chinese characteristics, which include:
(1) civil servants should adhere to the Four Cardinal Principles, referring to adherence to the party leadership, the dictatorship of the proletariat, the guidance of Marxism-Leninism and Mao Zedong Thought, and the socialist road; (2) the Party governs cadres; and (3) it emphasizes both moral and merit principles, but more on moral and political standing (p.110).

As the counterpart of the National Association of Schools for Public Administration/Affairs (NASPAA), the National MPA Education Advisory Committee (NMPAEAC) operates under the direction of the Academic Degrees Committee of the State Council, the Ministry of Education, and the Ministry of Personnel. The NMPAEAC is a professional organization responsible for “directing and coordinating the academic activities of MPA programs, enhancing communication and cooperation between universities and government agencies, facilitating the academic collaboration with international institutions, and overseeing the development of Chinese MPA programs” (NMPAEAC, 2004). Three major responsibilities of the NMPAEAC are: to select appropriate universities/colleges and approve their program designs, to prepare entrance examinations for prospective MPA student, and to establish the MPA program curriculum (NMPAEAC, 2004). Since its inception, the NMPAEAC has played a vital role in the professionalization of public service education by identifying the most desirable values, knowledge, skills, attitudes and behaviors as part of the establishment of professional expectations and standards. Since all MPA programs are governed by the universal national norms, the curricular structure includes four major components: core courses, program electives, fields of specialization, and experiential learning.

Core Curriculum

The curricular structure utilized by various universities and colleges includes ten courses to select with four universally required core courses and six general core courses (NMPAEAC, 2004). The universally required core courses include: Socialist Theory and Practice, Applied
English for MPA, Public Management, and Public Economics. The general core courses are: Public Policy Analysis, Political Science, Public Finance, Administrative Law, Quantitative Analysis, and Application of Information Technology (Yinxin, 2005). Figure 9 provides more detailed information on core courses. Although the curriculum is nationally defined, there is some degree of flexibility applicable to some institutions. For example, Harbin Institute of Technology is known for its strengths in science and technology programs and therefore offers such courses as Application of SPSS, Applied Statistics, and Principles of Economics as part of the core curriculum (Hit.edu.cn, n.d.). Compared to its western counterpart, Chinese MPA programs emphasize the importance of national and local educational needs by establishing certain essential requirements for the completion of the degree, such as socialist theory, applied English, quantitative research skills, and information technology.

Figure 9: The Core Courses Setup in Fifteen major Universities in China

Sources: All data are retrieved from the sample universities’ website. The sampling universities are selected randomly from the 47 MPA programs.
Fields of Specialization

The second major component of the academic curriculum is fields of specialization. For the purpose of discussion, the number of fields of specialization may be grouped into 25 areas (Wang, Guo, & Ma, 1998). The titles and subject matter characterizing these fields of specialization are described in the Matrix 1. When compared to the U.S. curricula, the Chinese fields of specialization reflect the training needs of the state and its employees based on political and administrative considerations associated with the role of political leadership, public policy analysis, human resources management, financial management, social security and welfare, and their impact on the governance process.

<table>
<thead>
<tr>
<th>American MPA Specializations</th>
<th>Chinese MPA Specializations</th>
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<tbody>
<tr>
<td>Public Management Administration</td>
<td>Governance and Leadership of Government</td>
</tr>
<tr>
<td></td>
<td>Organization and Human Resources Management (Personnel)</td>
</tr>
<tr>
<td></td>
<td>Electronic Government</td>
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<tr>
<td></td>
<td>Government Reform</td>
</tr>
<tr>
<td></td>
<td>Organizational Theory and Behavior</td>
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<tr>
<td></td>
<td>Management Science and Quantitative Analysis</td>
</tr>
<tr>
<td>Public Finance &amp; Budgeting</td>
<td>Public Finance and Taxation Management (Budgeting)</td>
</tr>
<tr>
<td></td>
<td>National Economic Management</td>
</tr>
<tr>
<td></td>
<td>Financial Management and Regulation</td>
</tr>
<tr>
<td>Public Policy Analysis</td>
<td>Public Policy Analysis</td>
</tr>
<tr>
<td>City Management &amp; Urban Policy</td>
<td>Land Administration</td>
</tr>
<tr>
<td></td>
<td>Urban Construction and Real Estate Management</td>
</tr>
<tr>
<td></td>
<td>Urban and Regional Management</td>
</tr>
<tr>
<td>Nonprofit Management</td>
<td>Management of Nonprofit Organization</td>
</tr>
<tr>
<td>Social Policy</td>
<td>Social Security and Welfare</td>
</tr>
<tr>
<td></td>
<td>Regional Development and Ethnicities</td>
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<tr>
<td></td>
<td>Administration of Culture, Education, Science and Technology</td>
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<tr>
<td></td>
<td>Population Development and Management</td>
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<tr>
<td></td>
<td>Public Media Management</td>
</tr>
<tr>
<td>Environmental Policy &amp; Management</td>
<td>Environmental protection and natural resources management</td>
</tr>
</tbody>
</table>

Matrix 1: Comparison of American and Chinese MPA Specializations Structure
Matrix 1 Continued…

<table>
<thead>
<tr>
<th>Health Policy &amp; Management</th>
<th>Public Health Management</th>
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<tbody>
<tr>
<td>Information &amp; Technology</td>
<td>Management of High-Tech and Scientific Research</td>
</tr>
<tr>
<td>Management</td>
<td></td>
</tr>
<tr>
<td>International Affairs</td>
<td>Foreign Policy-Making and Foreign Affairs Administration</td>
</tr>
<tr>
<td></td>
<td>Global Governance and Public Administration</td>
</tr>
<tr>
<td>Criminal Justice Policy &amp; Management</td>
<td>National Public Security Administration</td>
</tr>
</tbody>
</table>

Sources: The American MPA specialization structure is drawn from the US News and World Report University Programs Ranking 2005. Chinese MPA specialization is concluded from 15 universities that are randomly selected from 47 universities with MPA programs.

Program Electives

The choice of electives is greatly diversified, and the students can choose the required electives from a list of over 60 program electives that may be grouped into six major categories: Public and Government Administration, Economic Development, Social Policies, Comparative Public Administration, Laws, and Practical Skills (Chart 2). These program electives are basically influenced by the individual institutional strengths. For instance, both Sun Yat-sen University and Xi’an Jiaotong University have top medical schools, allowing the MPA students to have greater opportunities to take courses in the area of public health and other applied issues (SYS University, n.d. & Xjtu.edu.cn, n.d.).

Chart 2: Elective Courses Arrangements in MPA Programs

Sources: All data are retrieved from the sample universities’ website. The sampling universities are selected randomly from the 47 MPA programs.
Research and Experiential Learning

All MPA students enrolled in various academic institutions throughout the country are required to write a thesis to cultivate their research skills and understand how to examine public policy issues by utilizing scientific research procedures (NMPAEAC, 2004). With regard to internship/experiential learning, each MPA program is required to admit mostly those students who have at least three years of practical experience as employees in the public and non-profit organizations, which limits the participation of only in-service or in-career people. Unfortunately, this process of restricting the entry of only the in-career people does not allow the transfusion of new blood in the Chinese public bureaucracy.

In terms of advancement of administrative and professional values, the examination of curricular structure reveals the promotion of certain values, knowledge, skills, and level of integrity. There are a variety of courses that are offered by the MPA programs to enhance these values as projected in Matrix 2 (NMPAEAC, 2004). Academically, the curricular structure designed by the Chinese schools for the MPA degree shows a great deal of structural similarity. However, the learning outcomes may vary in a variety of ways in terms of flexibility, innovation, patterns of the career development, quality of instruction, human capacity building, and integration of cosmopolitan view in the increasingly globalized world.
Matrix 2: Programmatic Requirements Matrix for Selected MPA Programs

<table>
<thead>
<tr>
<th>Curricular Structure</th>
<th>Educational Goals Articulation</th>
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*Source*: The information to formulate the above matrix is complied from the curricular structure of the selected MPA programs in China.
EMPLOYEE TRAINING AND CAREER MANAGEMENT PROGRAMS

Employee training and career development are essential for the purposes of maintaining employee morale, improving managerial skills, changing employee outlook, and enhancing career advancement opportunities. In June 1996, the Ministry of Personnel of the PRC issued the Provisional Regulations for National Public Servant Training (PRNPST), which formalized the objectives, classifications, subjects, institutions, and management of public servants training programs (MOP, 1996). The national training and employee development policy is classified into three categories: pre-service, in-service, leadership development trainings.

Pre-service Training Programs

Conceptually, the process of pre-service training in China is somewhat different than the type of pre-service training programs being used in the United States. In the U.S., pre-service training of public employees consists of formal education that occurs in the university or college setting where students generally pursue some formal educational program (e.g., MPA, MS, MPH) in order to prepare themselves for a professional career in government. The formal education may also take place in case of those employees who are already in service and have the opportunity to go for a study leave to pursue a formal degree in some academic institutions in the U.S. In the case of Chinese situation, about 80 per cent of the MPA/MS students are drawn from the in-service cadres in government (Yixin, June 17, 2005). The other 20 per cent of the candidates who are enrolled formally in these degree programs are expected to acquire their formal education before entering into public service positions. However, for the purpose of discussion and because of the unique situation in China, the efforts in the area of pre-service training are considered differently because the MPA degree can be considered as part of both the pre-service and in-service educational training. The second part of the pre-service training is normally designated as an orientation training that is given to candidates selected prior to their
placement of various jobs. The pre-service training programs undertook by the Chinese government may be classified into formal education, internship training and special studies.

The internship training refers to a learning process in which new employees are trained by a supervisor in the office. Since the internship training takes place in government agencies and employees are learning while working, it is economical and practical in terms of the investment of time and resources. Therefore, this method becomes the basic training program in most government offices. Sometimes in some large governments, such as Shanghai or Beijing Municipal governments, special studies are also provided to improve theoretical understanding of administrative science (*Eastday*, 2004). As part of special studies, the new employees may be advised to take such courses as Public Administration Theory, Administrative Law, Social Science Research Methods, and Technical Writing.

According to the PRNPST, the pre-service training requires all newly appointed employees to serve at least one year as an intern in a probationary position. Upon the completion of this probationary training, each employee is required to be evaluated by one’s administrative supervisors to determine whether or not the employee should be hired, removed, or retained in terms of extension of one’s probationary period. If the outcome of the employee’s evaluation of employee is satisfactory, all employees are required to serve in the local government to assist the rural communities and enhance their own experiential learning (MOP, 2003). The purpose of these pre-service training programs is to help new employees to better understand the governmental structures, processes, and responsibilities, and to advance the knowledge of the administrative affairs through observation and inquiry.

**In-Service Training Programs**

In-service training in the Chinese context requires in-service employees to have formal education in public administration, on-the-job training, continuing education/refresh training, and
inter-agency personnel exchange programs. During on-the-job training, the employees are given some orientation training about their duties and responsibilities, employee expectations, career development opportunities, and other employment policies. In-career employees are also occasionally required to take special training programs, seminars, or workshops, or to participate in special projects in state-owned enterprises to give them some inter-organizational experiences and enhance their sensitivity to socio-economic and political goals.

Inter-agency exchange training programs are career enhancement programs used for promoting career development opportunities for public servants. Regulated by the PRNPST, the public servant can be exchanged to upper or lower level government agencies to serve in a certain position. The exchanged official’s title and status remains the same as in one’s original office (MOP, 2003). For instance, one Chinese official described the goals of this type of exchange training programs to a Chinese Times journalist stating that these goals are designed to benefit the agencies and employees involved in exchange programs for self-improvement (Chen, 2002). Normally, after participating in this program, the employee will be placed in a higher position. However, the goals of these exchange programs can be undermined by the short-term period of exchange programs and improper use of this opportunity by the individual who has participated in such programs (Chen, 2002). For example, a university professor was placed in a local government agency to manage various construction and capital improvement programs. The individual misused this opportunity to grant contracts to his cronies and thereby engaged in malpractice (Sun, 2005).

**Role of the National and Party Schools**

When the local government intends to promote an employee for a higher position, the person normally will be sent to the National School of Administration (NSA) System to receive formal education in the field of public administration. The NSA was established by Chinese
central government in Beijing in 1994 as a think tank and public policy research center (NSA, n.d.). Its educational and research efforts concentrate only on offering graduate level courses to higher ranking officials and analyzing public policies for the State Council. Currently, the NSA offers both master’s and doctoral degree programs. Within the NSA system, there are more than 30 local Schools of Administration (NSA, n.d.). In 2003, the NSA developed a program in collaboration with the Beijing University to offer a joint MPA degree to in-career public servants. So far, more than 100 MPA students have graduated from this program (NSA, n.d.). The students who go through the programs under the NSA system are essentially administrative personnel from various government agencies at various levels of the government. As the training institution, the primary purpose of NSA is to develop highly educated and trained personnel to improve management efficiency as well as to enhance employee administrative skills. Similarly, the training of political leadership is supervised and conducted by the Chinese Communist Party School (CCPS) system.

The CCPS is the highest level of training school for the national, provincial, and local political leaders. The primary mission of the CCPS is to educate and train the political cadres on the role of the Communist Party, the ideology of Marxism, the thoughts of Mao Zedong, the theories of Deng Xiaoping, and the ideals of Jiang Zemin. The CCPS consists of three departments: advance training, continuing education, and graduate studies (CCPS, n.d.). Advanced training and continuing education are short-term theoretical training programs designed for those individuals who are encouraged to seek promotions. The graduate school in the CCPS offers both master’s and doctoral degrees with the concentration in Communist theory studies and history (CCPS, n.d.). Because China is a single party ruling system and the CPC leads the government, the training programs in the CCPS weight even more than those in other non-party schools. The presidency of the CCPS is normally taken by the CPC vice chairman.
Similarly, there are local Communist party schools at all levels of the government to offer and supervise training programs to the employees of other public enterprises (CCPS, n.d.).

The NSA and CCPS systems are different from universities and colleges that offer MPA degree programs. Although the NSA, CCPA, and the university systems all offer master’s degrees and serve as potential competitors, there is an emerging consensus that the NSA and CCPS systems are considered less rigorous, less effective, and less comprehensive in their academic strengths and curricular structures. Consequently, the NSA and CCPA systems undermine the quality of public service education and training. Despite the shortcomings, the public officials are supportive of these training programs organized by the NSA and CCPA systems, but the emerging concern is illustrated by the following observation offered by one of the participants at the Second Sino-U.S. International Conference for the Public Administration held in Beijing, China in May 2004:

First of all, local government intended to appropriate funds to the NSA or CCPS because those schools do not have comprehensive academic structures and need less money. Therefore, local universities are now facing the situation of a shortage in funds and they are lacking support from the local government. The second reason that local governmental officials are in favor of the NSA and CCPS is because those schools are stepping stones to the higher political and executive positions, whereas their academic requirements are not that severe. It is much easier to receive a Master’s degree at the NSA and CPPS than any other regular university (interview, May 2004).

Based on the above observation, it seems this unfair competition may be counterproductive to promote uniform educational and professional development of all Chinese public employees. More systematic and consistent efforts are needed on the part of the policy-makers to uniformly facilitate the intellectual and professional development of employees.
The Chinese government developed several international cooperation programs to establish MPA programs and other educational exchange programs involving collaboration with the J. F. Kennedy School of Government at Harvard University, the Maxwell School of Citizenship and Public Affairs at Syracuse University, the School of Public and International Affairs at the University of Georgia, Arizona State University, the University of Maryland, and the Liverpool University in England (Yang, 2005). The American Society for Public Administration and Rutgers University at Newark in New Jersey, in collaboration with the Renmin University of China, helped to strengthen the development of the Chinese Public Administration Society and to promote international cooperation among Chinese and other foreign institutions (Yang, 2005). The purpose of these international cooperative efforts and educational exchange programs was to organize public service education and improve the quality of public service leadership in China. These leadership enhancement programs organized by different institutions focused on developing executive talent, building administrative skills, and broadening the mental horizon of in-career civil servants as well as political leaders.

The international cooperation between the Chinese government and the J. F. Kennedy School of Government began in the late 1990s and resulted in the establishment of the China Public Policy Program (CPPP), with a $2.3 million annual budget. The mission of this program was:

- to support the training of Chinese officials in an effort to enhance their capacity to manage policy in rapidly changing domestic and international public environments; engage in capacity building in China to further the teaching and analysis of public administration and public policy issues; and promote superior research and policy dialogues on current developments in China and those issues central to US-China relations (Asia Programs, n.d.).
Specific initiatives taken under the CPPP for the last few years include: Strategic Policy Dialogue Initiatives and Research Program, Degree and Executive Program, Targeted Executive and Capacity Strengthening Program, and China’s Leaders in Development Program (Asia Programs, n.d.). The latest initiative undertaken in 2002 was the China’s Leaders in Development Program, which was co-founded by the Development Research Center of the State Council of the PRC, J. F. Kennedy School of Government, and the School of Public Management and Policy at Tsinghua University (Asia Programs, n.d.). The participants in the program are high ranking officials from the central or local government (Wu, 2003). The program will remain active for five terms until the end of 2007, with the duration of each term extending over a period of three months, including the enrollment of 60 Chinese officials per year. The CPPP program has two sections: the first section lasts for three weeks and is held at Tsinghua University in Beijing, China, and the second section is held at Harvard University in Cambridge, Massachusetts (Wu, 2003). This program is carried out in the format of seminars in which Chinese officials choose specific topics or projects as their concentration. By the end of the program, Chinese officials are expected to acquire practical skills in public administration and policy analysis (Asia Programs, n.d.). Similarly, cooperative agreements have been concluded by the Chinese government with the Maxwell School and other institutions located in the United Kingdom and Australia.

All of these training efforts are directed at enhancing the management capacity of Chinese public officials. Each year more than 10,000 public employees attend various kinds of training programs, and the overall standard of public personnel is improving gradually (Song, 2005). However, Chinese government employees’ educational levels remain very low. In fact, by the end of 2001, only 64 per cent of 17,000 public servants in the State Council were college graduates (Song, 2005). Among all 5.41 million public servants, only 10 per cent hold a
bachelor’s degree (Ran, June 9, 2004.). In the processes of governmental reform, Chinese officials realize that the enhancement of public administration education, the democratization of recruitment system, and the effective manpower utilization of highly educated personnel are essential to improve the quality of public service.

While training efforts do help the government personnel to improve skills, there is still a great deal of work to be done in the area of manpower utilization, retention of public employees, employee moral building, and career management. As the Chinese society continues to move forward on the path of industrial growth and economic modernization, it will require the dedication, commitment, and service of millions of public servants to promote sustaining economic development and technological progress. As the process of globalization unfolds, the emerging political and public policy issues will require the Chinese government to make strategic decisions to overcome the uncertainties caused by rapid social, economic, and technological changes and the dynamics of international political system.
CHAPTER IV
THE FUTURE OF PUBLIC ADMINISTRATION IN CHINA

The future of public administration and the development of the Chinese society will largely depend on the degree of cooperation, support, and collaboration among the three most important institutions of the society: the Communist Party of China (CPC), the State Council (SC), and the Chinese Public Administration Society (CPAS). The CPC will provide ideologically oriented authoritative guidance and the cooperation in understanding between the SC and the CPAS. However, the intellectual contributions for administrative reforms and the development of public administration education and research will fall on the shoulders of the CPAS. The system will operate as a guided “socialist system” that will constantly change in the evolving process of globalization to transform the Chinese political system into a modern society. The CPAS will also play a very crucial role in improving public administration education, promoting research and theory building as a discipline, enhancing the capacity of state enterprises, and making strategic decisions to cope with increasing globalization and interdependence of countries.

ROLE OF CPAS IN THE DEVELOPMENT OF PUBLIC ADMINISTRATION

In pursuing the essential role, the CPSA will serve as a think tank as well as the clearing house of information on public service education, administrative reforms, development of research studies and projects, and building the management capacity of the national, provincial, and local governments. The following discussion examines the role of CPAS as the guiding force as a consulting think tank, theory builder, innovator, connecting agent with international public administration institutions, developer of academic infrastructure at provincial and local levels,
and facilitator of building the data base on academic research, local consulting services, and public service institutions.

**CPAS as a Consulting Group**

In order to be effective in providing consultative research advice to the government, the major task of the CPAS will be to prepare a research agenda outlining the priorities and essentiality of future research studies, consultative services, and dissemination of public service information to improve the efficiency, effectiveness, and professional development. The CPAS must undertake the responsibility of enhancing the management capacity of the government focusing on innovative reforms, e-governance, public ethics, democratic decision-making processes, the development of legal system, and social control on the management of public programs and government accountability. In addition, the SC claims the CPAS must help the SC on various administrative management issues by rendering technical advice on policy issues management problems and creating the environment of information exchange and mutual consultation.

**CPAS as a Theory Builder**

The CPAS can play an important role as an intermediary between the CPC and the public administration community in interpreting Marxist ideology, its application and impact on the system of governance as well as the people in the Chinese society. The CPAS can also assume the role of explaining the goals of the “socialist market economy with the Chinese characteristics,” reflecting possible conflict between social ideology and marketization (Yang, 2005). Since this will not be a very easy task for the CPAS to accomplish, it may require some adjustment with socialist principles. The dilemma the CPAS faces is two fold: on the one hand, it has to remain within the boundary of the socialist principles; and on the other hand, it must inject elements of democratic government in Chinese public administration. However, these
ideological constrains should not deter from finding ways to incorporate democratic principles into the governance process by undertaking (1) research on various policy issues by providing rational analysis of those policy problems confronted by the government at various levels; (2) develop empirical evidence on the analysis of governmental programs’ economic policies and control mechanisms; (3) emphasize the importance of increasing international competition and adaptation to overcome the uncertainties accentuated by increasing globalization; and (4) integrate and disseminate the research findings in the area of theory building with the CPC, the SC, and other local governments. The policy innovation in Chinese political environment is constrained because of the pervasive role of the CPC in public affairs. However, the public administration professional community must use its opportunity to interpret, research, and communicate the findings of research on effectuating organizational change in Chinese society.

**CPAS as an Innovator**

The CPAS can also play a significant role in introducing innovative ideas to make efficient use of academic resources. It can establish a network of communication working with academic institutions throughout the country to identify new research areas, develop research designs, become a facilitator in building research capacity, and create interfacing relationships between academic institutions and government. Additionally, the CPAS can serve as a clearing house by developing its own in-house capacity to sponsor scholarly research projects in areas of leadership development, human resources management, public budgeting, policy analysis, financial management practices, regulatory policy, international business, economic development, health policy, non-profit management, urban planning, and law enforcement. As the CPAS continues to develop, it should focus more attention on scientists, engineers, computer scientists, medical specialists, public administration educators, statisticians, and other allied technicians. In order to develop these resources, a great deal of emphasis has to be placed on
strategic human resource planning, recruitment policies, employment training development, employ performance evaluation systems, career management efforts, connecting pay with performance, and human resource utilization and monitoring.

**CPAS as a Change Agent**

Another important role the CPAS plays is to serve as the change agent transforming the national public administration community and other international institutions dealing with public service education. In performing this role, the CPAS can sponsor academic exchange programs, conduct international seminars, and exchange personnel from government and non-profit organizations for sharing of technical know-how. However, it is very important that China expends these academic programs not only with the western countries, but also with other regional countries, such as Singapore, South Korea, Russia, India, Malaysia, and Japan. For instance, the governments of India and China have agreed to set up the India-China Institute to hold a yearly conference of scholars and specialists from India, China, and the U.S. to exchange views on various aspects of the emerging economies of India and China. It will also be of strategic interest to the People’s Republic of China to have connections with countries in other regions of the world, including Central Asia and Latin America.

**CPAS as a Developer**

The CPAS plays a positive role in creating infrastructure of various chapters and branches located in provinces and local areas. It has already initiated this process and established 28 branches of CPAS at the provincial and six at the municipal levels. In 2003, the CPAS also had 150 group members and more than 10,000 as associate individual members (Guo, 2003). The CPAS can promote its mission even further by enlarging the group as well as the individual membership to facilitate organizational communication and the exchange of ideas. The efforts of
enlarging the membership will result in improving cognitive awareness and management
capacity of local government officials.

**CPAS as a Facilitator**

The *Chinese Public Administration Review* (CPAR) is the national journal published by
the CPAS. CPAS has improved its offerings over the years, but a great deal has yet to be done in
order to improve the quality of its contributions in terms of coverage of various public policy and
personnel issues; efficacy of government reforms; and development of public service education,
management developing skills, analytical aspects of public policies, budgetary reforms, and
organizational communication procedures. The CPAR should be used to provide a common
forum of discussion through which information on international management ideas and practices
is made available to Chinese government, state local officials, and the general public.

**PROFESSIONALIZATION OF PUBLIC ADMINISTRATION IN CHINA**

In order to develop the public administration as a professional discipline and as a field of
intellectual inquiry, the support of collective leadership of the State Council, the National MPA
Education Advisory Committee (NMPAEAC), and the CPAS is needed to professionalize public
service education, develop academic curriculum, promote inter-disciplinary offerings, create
national standards for designing new programs, introduce more flexibility and curricular
innovations, increase interface between theory and practice of public administration, and
enhance relevance of public service education by placing emphasis on both the local and
international aspects. There are a number of areas and topics that may be considered as part of
the curriculum innovation, including emergency and disaster management, major public health
issues, government-business relations, development of community based small business,
decisional science, management of information technology, and scientific methods of quantitative analysis.

Development of public administration is needed as a consciously created discipline with defined boundaries, subject matter, educational goals, and professional status. As compared to the western world, China currently is in a state where the U.S. and the Europe stood during the 1920s and 1930s. In Europe, it was the Cameralist movement that made the concerted effort to distinguish public administration from the classical Greek school of thought that considered public administration as a political process and thereby as part of political science. Meanwhile, the U.S. during this time period borrowed a lot of ideas in its quest for developing the study of public administration followed the legacy of the administration-politics dichotomy emerge from Woodrow Wilson’s writing (Wilson, 1886). The U.S. efforts in achieving the goal of advancing the “science, art, and process of public administration” materialized in 1939 (ASPA, 2005). China has to make a choice whether or not it wants to move forward to become a modern and industrialized nation by either maintaining the status quo characterized by central government control or decentralizing its bureaucratic system and decision-making processes by undertaking adequate reform measures without relinquishing the ideological control of the CPC.

In order to increase its domain of public administration, additional areas of specialization must be added to address the emerging administrative problems and public policy concerns of the Chinese government. Development and diversification of China’s economy will require a variety of new services in the area of public health, non-profit management, financial management practices, regulatory policies aimed at regulating international business, and adjudication of industrial disputes involving foreign companies and individual entrepreneurs.

Currently, 47 universities in China offer MPA degree programs that are generically influenced by the American curriculum offered by Maxwell School, J. F. Kennedy School of
Government, Rutgers University at Newark, and the University of Georgia (Yang, 2005). Mostly, Chinese MPA programs at this point are located in Northern, Eastern, and Central China, which are the economically developed regions of the country, serve as centers higher education, and are more industrially advanced and populous areas (Figure 10) (Yang, 2005). The case of Guangdong province is somewhat unusual because it is more economically developed and has a large number of academic institutions, but it has only two MPA programs. This number may seem to be too small, but Sun Yat-sen University is considered to offer the most prestigious MPA program in the country, along with Renmin University of China in Beijing and Fudan University in Shanghai.

Figure 10: Number and Percentage of MPA Programs Located in Different Regions in China
Territorially, almost about half of the territory of the PRC comprising Xinjiang, Inner Mongolia, Gansu, Qinghai, Ningxia, Sichuan, Yunnan, Guizhou, Guangxi, and Tibet presently does not have a significant number of MPA programs. These regions should be given greater attention in the future in order to promote more balanced development of public administration programs throughout the country.

ROLE OF PUBLIC ADMINISTRATION IN IMPROVING THE MANAGEMENT OF STATE-OWNED ENTERPRISES

State-owned enterprises (SOEs) are an integral part of China’s economic development process. Although they are controlled by Chinese government, SOEs do have some degree of autonomy in terms of their day-to-day operations. The selection, training, placement, evaluation, and advancement of the managerial leadership in SOEs is directed and controlled by the national government. Because of the government control and ownership of these enterprises, they are quite different from privately-owned and managed cooperated entities in the western countries.

The functioning of these SOEs initially suffered from lack of efficiency, waste of resources, and absence of motivation, productive attitudes, and profitability. Consequently, the productivity in these organizations is undermined by the attitude that employees do not have anything at stake of their own. The government has pushed for some reforms to make SOEs more productive and efficient, but still there is a great deal yet to be done to increase the efficiency. In July of 1992, the State Council initiated a variety of reforms to correct the problems of poor performance and lack of motivation. Among others, the government promulgated the Regulation for SOEs and Industries to Change the Current Managerial Procedures to introduce a modern market system to replace old-fashioned centralized planned management (CPAS, 2001). All these regulations retained the ownership and control of the
SOEs in the hands of the government, but the power to manage and direct day-to-day operations was transferred to the managers. This process of granting the operational autonomy gave managers of SOEs some degree of autonomy and incentives to manufacture effectively.

There are MBA programs that provide management education to manage various economic enterprises. The purpose of MPA programs is not to interfere or overlap with the curriculum of MBA programs, but to identify the special role MPA programs can play in conducting research on understanding the effectiveness of governmental reform. More specifically, the CPAS can help in designing a component of the MPA program focusing on the development of managerial leadership, bureaucratic attitudes, operational efficiency, quality control, procurement management, organizational communication, production processes, innovative thinking, and employee training. The CPAS can also become a facilitator in bringing together the joint participation of local public administrators and international scholars or managers to exchange their ideas about assessing the management capacity of these state enterprises. The CPAS could also be instrumental in proposing ideas and concepts on how to develop market based economy supported by entrepreneurial behavior.

**IMPACT OF GLOBALIZATION ON PUBLIC ADMINISTRATIVE REFORMS**

The process of globalization impacts different societies in different ways depending on the state of the economic, political, and social development. It is a process of change that releases the forces of change characterized by “economic” issues associated with “interdependence, open development and governance” (Zhang, 2002, p. 187). The global exchange of resources and uncertainty caused by rapid development of new technologies requires constant adjustment in both strategic and short-term politico-economic goals. Increased interdependencies and emergence of bargaining relationships among different countries will set
in motion the process of transformation requiring continual change in the structures and functions of the governance and policy-making institutions, placing any nation in the state of metamorphosis.

Another aspect of globalization produces a greater degree of complexity, contradiction, and ambiguity in the role of various political, social, and economic institutions, thus giving rise to increased conflicts, ideological predispositions, and consensus building on governmental policy and decision-making processes. If there are no adequate solutions found, it may undermine the cause of “international peace and stability,” depending on international economic status and military power of that particular nation (Farazmand, 1999. p. 509). Additionally, the transnational cooperation, networking, and free movement of information, technology, goods, and people across national boundaries opens up the interaction process among all nations of the world.

The impact of globalization on the emerging economy of the PRC will be either positive or negative depending on the attitudes of Chinese leadership, the bureaucracy, the intellectual community, and the people in general. Some of the positive effects are expected to be associated with the general attitudes of the people, political leadership, and the bureaucracy that the nation has to move forward and it cannot retreat at this stage of political and economic development in China. Globalization offers the government an opportunity to optimize the economic gains and restructure its economy through administrative reforms and policy changes. Overall, globalization has also introduced social changes that are of benefit to the society at large.

However, there is no consensus among various sections of the society with regard to the uniform impact of globalization. Some government officials, members of the intellectual community, and people in general believe that globalization may have adverse effects on Chinese society with regard to a widening gap between the rich and the poor, regional growth
and development, public employment in underdeveloped areas, integration of governmental functions, dispersal of manufacturing technology and production, distribution of income and work, current status of environmental ecology, and historic Chinese culture and socialist ideology. There is also a growing concern that globalization and intervention by multinational or international institutions may undermine the sovereignty of the nation by undue outside influence or interference.

In order to cope with the impact of globalization in China, the government has to move cautiously and carefully without losing sight of the progress the society has achieved. Whatever the approaches government takes, it must be based on pragmatism, gradual adaptation, and the international political and economic environment. Any restructuring of administrative and political institutions of the government must take into account the strategic aspects of proposed policy changes. Supporters of globalization believe that the rapid change may help China to become a stronger nation by undertaking administrative and economic reforms to transform the society without losing its confidence and commitment to socialist ideology. They also believe that people want prosperity and retain the economic benefits achieved under the governance of the socialist regime. Psychologically, the supporters are not prepared to sacrifice these achievements just for the sake of change. However, the “hardliners,” “ultraleftists,” or political ideologues argue that the introduction of “marketization” may lead to the destruction of the socialist ideology and institutions (Garrett, 2001. p. 415). They prefer a slower pace of change that moves forward toward achieving economic modernization only through socialist control and planned economy.

Regardless of this internal debate within the Chinese society regarding the positive and negative effects of globalization, the forces of change released by globalization create an inevitable choice for the society to transform itself through a myriad of institutional and policy
reforms. In the process of transformation, the CPAS can play a very vital role by globalizing public service education, initiating administrative reforms, studying economic infrastructure, conducting empirical research on the functional of governmental as well as economic institutions, and proposing managerial reforms among SOEs. The CPAS can also suggest legal reforms and democratic changes in the governance process to establish the rule of law. Because the current progress in these areas is not adequate, the government has to focus its efforts not only on policy changes but also on institution building. Institution building will require the creation of a well-designed legal system to meet the needs of the Chinese society in adjudicating social, economic, political, and technological issues. The CPAS has the intellectual capital to analyze the impact of Chinese administrative and economic reform policies and suggest a research agenda for investigation in the future. Economic prosperity alone does not improve the quality of life without looking at its impact on the environment. Thus, the CPAS can identify the major environment issues that have direct impact on the quality of life.

Information management is another area of concern where the Chinese government has to develop policies, procedures, and regulations by managing the usage and dissemination of information. International communication has also been influenced by the globalization process through the internet system, satellite communication, wireless communication, and telecommunication. The fundamental issue for the government is: how to deal with the information management to preserve the integrity of information inputs and wide distribution of information to educate the citizenry regarding government policies, programs, and procedures.

Public administration is the primary instrument of the state to manage the provision of the goods and services to the people in a manner that is economical and effective. It also expresses the will of the government to allocate public values defining policy goals and maintaining social
and political stability. In any advanced society or the society that is going to achieve that status, it must strive to restructure, retool, and redesign the basic institutions of governance.

In the future, the government should make the decision to broaden the base of MPA programs to permit the entrance of not only the in-career personnel, but also non-in-service persons interested in seeking public service careers. An effort should be made to address the need for leadership development by organizing the Executive MPA Program, which will provide education and training for those individuals who are occupying leadership and policy determining positions in government. These efforts will produce a three-dimensional educational strategy focusing on open recruiting of non-service people, in-career personnel, and middle managers, in turn facilitating: (1) transfusion of new blood into the public bureaucracy; (2) enhancement of administrative skills of in-career personnel; and (3) improvement of managerial capacity of middle managers. The curricular design for the educational training of middle managers must focus on such capacity building processes as planning, organizing, staffing, directing, coordinating, evaluating, reporting, and budgeting. Pedagogically, the instruction materials for the executive management programs should incorporate case studies, practicums, inter-agency experiences, and quantitative research procedures.

In order to manage effectively, any society needs a core of highly trained and skilled employees who can provide leadership and manage public affairs as part of the permanent civil service system. The members of the civil service can be recruited at a younger age on the basis of a comparative entrance examination. A career system should be developed to allow the selected individuals to stay and advance on the career ladder assuming their performance is satisfactory. The reward systems should be able to link the pay with performance. The public servants should be rewarded, advanced, and given increased responsibilities and benefits on the basis of their meritorious contributions. The merit based personnel system will be mutually
beneficial to both the employer in terms of enhancing productivity and the employee in terms of reward and motivation.

The establishment of a merit based civil service career system will promote executive development and provide continuing administrative leadership in the execution of development programs and the management of general public affairs in the future. They will become important assets for the nation to guide, lead, and manage its future policies and programs.
CHAPTER V
CONCLUSION

As compared to the United States and other western countries, the development of public administration in China is relatively new. The current efforts to organize the systematic study of public administration as a discipline with a defined body of knowledge are undergoing a formative period. The U.S. has been the nucleus of support in helping the Chinese government and various educational institutions in developing programmatic goals, designing academic curricular structure, defining core curriculum, identifying specialization areas, and specifying program electives. The government of China has also made efforts to develop linkages with the U.K., Australia, Singapore, France, and Germany through academic exchange programs.

In developing public service programs, the government has made conscientious effort not to disconnect from the past, culture, and values that have played very important roles throughout the Chinese history. Social, cultural, and traditional values continue to influence the development of public administration program today. For instance, the curricular structure of various MPA programs reflects the teaching of great scholars such as Confucius, Lao-Tzu, and Sun-Tzu. Similarly, the great Chinese emperors belonging to the Qin, Han, Tang, and Ming Dynasties introduced ideas and practices that are the precursors of the development of the modern system of merit-based civil service entrance examination in selecting the employees for the imperial bureaucracy. The Confucian code and Han Feizi ideas were well respected with regard to the development of leadership, supervisory practices, and ethical conduct of public employees. The development and functioning of the Chinese imperial bureaucracy and hierarchy led Max Weber to formulate his theory of bureaucracy.

Contributions of Sun Yat-sen’s ideas created a connection between the history and the needs of the modern society in terms of nationalism, democratic governance, egalitarianism, and
integration of western administrative values with Chinese administrative practices. Despite liberalization efforts initiated by Deng Xiaoping and his successors, the socialist ideology continues to dominate the governance process in terms of policy choices, decision-making, governmental reforms, and effectuation of system-wide changes in government with compatible relationships between ideology and Chinese culture.

The governance process in China is still highly centralized in that the central government exercises ultimate control in managing the political and administrative affairs of the society. Due to emerging economic development needs, the central government has introduced a variety of reforms leading to democratization of the political and administrative processes. Some of these democratic initiatives have directly impacted decentralization characterized by separating the role of the Party and the government, giving the city government control over the county government, granting state-owned enterprises a greater degree of autonomy in their operations, and gradually converting planned economy to a western type market economy. Recently, by amending the Constitution, the Chinese government has also allowed a limited amount of private property ownership to individual citizens in order to protect “property rights.” As influenced by the increasing industrialization, the accelerated process of urbanization will lead to further decentralization of government authority by giving the city governments more power in areas of urban planning, transportation, pollution control, law enforcement, education, industrial planning, housing development, and rural to urban migration.

Although the Chinese Public Administration Society (CPAS) has existed since 1988, the governmental commitment to professionalization of public service actually occurred in 1999 when the MPA program was formally launched at the recommendation of the Academic Degree Committee of the State Council. Currently, there are more than 45 MPA degree programs at different academic institutions. Their educational components are greatly influenced by the
contributions and advice of the CPAS, the National MPA Education Advisory Committee (NMPAEAC), the American Society for Public Administrations (ASPA), and other international professional organizations, such as the International Institute of Administrative Sciences (IIAS), and the National Association of School of Public Administration/Affairs (NASPAA). These programs do have some fundamental curricular uniformity in terms of administrative requirement, but their contents have to be enriched by inclusion of interdisciplinary contributions. The MPA programs should be encouraged to integrate the value of diversity and flexibility in their academic offerings. In achieving this goal, the CPAS must provide a leadership role to create specific recommendations for promoting curricular innovation.

As the Chinese society continues to face the challenges of globalization, it has to diversify the knowledge, skills, attitudes, behaviors, and values of its employees so that they can be more prepared to participate in the process of globalization. This diversity can be strengthened by broadening the recruitment base of various programs by selecting pre-service, in-service, and mid-career people to pursue studies leading the award of MPA degrees. For instance, the development of an Executive MPA Program should benefit more for those individuals who are in the middle stage of their careers in either leadership or policy determining positions. There is a need for establishing additional employee training and career development programs to create structure of opportunity for career enhancement or promoting upward mobility.

Within the short period of 18 years, the collective efforts of the Chinese government and CPAS have achieved a great deal of progress in designing, developing, and managing the MPA programs in the country. Yet, there is a long way to go to make these MPA programs more attractive, diversified, and educationally appealing to different populations interested in seeking public service careers. The new educational concerns of needs will be further accentuated by
increasing pressures of globalization on governmental institutions, economic policies, and governance processes. The globalization process offers two fundamental choices to the public leadership either to move forward with the reform agenda at an accelerated form or to adopt a cautious approach of gradual transformation of Chinese society into a modern, developed nation.

The socialist ideology was not ultimately successful in promoting social, political, and economic development in the Soviet Union, but it has produced very promising results thus far in the People’s Republic of China. As compared to the former Soviet Union, China has relied more on pragmatic considerations rather than ideology. There is a general believe that Capitalism and the free market system are not compatible with Communism and state control economy. The Chinese approach has taken more adaptive attitudes and strategic views under the visionary leadership of Deng Xiaoping and Jiang Zemin. Therefore, it may not be realistic to conclude that Communism as an ideology has failed to transform itself into a successful economic program. The story of China demonstrates that a market economy can coexist under the socialist political ideology. The key factor seems to be the flexibility and receptiveness of Chinese leadership to the changing dynamics of the globalization process (Appendices XII & XIII).

As China continues to move forward on the path of modernization, the process of governance will continue to evolve in terms of nature of party control, professionalization of public service education, management of administrative reforms, and the changing role of Chinese culture and traditions. Interrelationships among different institutions of government will also be influenced by the process of globalization and the internal social economic development of the society. All these changes will have impact on emerging public polices, governmental decision-making processes, and intergovernmental relationships.

The dynamics of control by the Communist Party of China will give way to a greater degree of decentralization and democratization of the decision-making processes at various
levels of government. Despite the strict party control, the process of economic development will create a very intense desire on the part of the citizenry to make specific demands for enhance benefits. In terms of professionalization of public service education, the educational process will become more diversified to address the specific employee education, training, and development. The curricular aspects of the MPA degree program will also be modified along with the changing nature of social, economic, technological, and political problems. Already the government has recognized the need to integrate the western educational concepts and ideas into the MPA curriculum so that the new MPA graduates have better understanding of administrative institutions and management processes. Although it is very important for the Chinese government to believe in socialist ideology, it is important to recognize that economic and industrial development goals have to be achieved within the framework of its ideology.

The administrative management needs of the government are expected to add a new dimension to institutional building, enhancement of administrative procedures, and decision-making structures. For instance, the process of rapid change and globalization will force the CPC to redefine its relationship with the SC, the NPC, the CPPCC, the SPP, and the SPC from domination to cooperation and partnership. The socio-cultural process in China will move more toward an open system in order to remain more adaptive, flexible, and receptive to the western ideas and the norms of governance. The strengths of any nation come from its people, their contributions, and achievements. In order realize the national aspersions, the government must mobilize the support and energy of its people and state and local institutions.
NOTES AND REFERENCES

Notes:

“The Three Cardinal Guides” means “ruler guides subjects, father guides son, and husband guides wife,” and “the Five Constant Virtues” refers to “benevolence, righteousness, propriety, wisdom, and fidelity.” Both of the terms came from Dong Zhongshu’s book of *Three Countermeasures of Heaven and Men*, which was a masterpiece of explaining the Confucius doctrine (Li, 2004).

2 *San Gong* referred to *Cheng Xiang* (the Prime Minister), who was assisting the king to execute daily affairs; *Tai Wei* (the Military Commander), who was responsible for the military affairs; and *Yu Shi Da Fu* (the Inspectorate), who was in charge of the inspection and supervision of other ministers’ and officials’ duties.

*Jiu Qing* were *Feng Chang* or *Tai Chang*, who was responsible for administrating the imperial ancestral temple, ritual ceremony, and education; *Lang Zhong Ling* or *Guang Lu Xun*, who was responsible for the royal court police and guards; *Wei Wei*, who assisted the king in commanding the military; *Tai Pu*, who was in charge of the honor guards and transportation for royal family; *Ting Wei* or *Da Li*, who was in charge of the judiciary; *Dian Ke* or *Da Xing Ling*, who was responsible for the affairs of vassal states, ethnic minorities, and foreign countries; *Zong Zheng*, who assisted in dealing with the affairs of the imperial family; *Zhi Shu Nei Shi* or *Da Si Nong*, who was in charge of the national budgeting and financing; and *Shao Fu*, who was the financier for the imperial family and the taxation officer (Wei, 2002).

3 *San Sheng* were *Nei Shi* or *Zhong Shu Sheng*, which was responsible for the drafting of and compilation of the king’s decree; *Men Xia Sheng* was responsible for checking the decree and returning it back to *Zhong Shu Sheng* if they found incorrectness; and *Shang Shu Sheng* was responsible for the implementation of the king’s decree.

*Liu Bu* were the six basic executive offices: *Li Bu*, responsible for the appointment and dismissal of officials, checking on officials’ performances, and awarded achievements and exploits; *Hu Bu*, responsible for census, land use, and taxation; *Li Bu*, responsible for ceremonies, sacrifice, and education; *Bing Bu*, responsible for military administration and logistics; *Xing Bu*, responsible for the criminal justice, prisons and lawsuit; and *Gong Bu*, responsible for water conservancy, civil engineering, and handicraftsman (Liu, 2002).

4 In the *Qin* Dynasty, the three levels were *Zhou* (province), *Jun* (county), *Xian* (township). In the *Tang* and the *Song* Dynasties, due to the expansion of geographical territory, the administrators added *Dao* (region) as a broader administrative unit. However, the basic local structure still contained three levels: *Dao* (*Lu* in *Song* Dynasty) was the first level under central government control; under *Dao* or *Lu* there were *Fu*, *Zhou*, *Jun*, or *Jian*, which were in the same authoritative ranking and were equal to the province level; and then, the next level was *Xian*, which was the lowest level under the direct control of the king (Wei, 2002).

5 The five Special Economic Zones are Shenzhen, Zhuhai, and Shantou in Guangdong Province, Xiamen in Fujian Province, and Hainandao Province. The fourteen Costal Economic
Development Zones are Dalian in Liaoning Province; Qinhuangdao, Yantai, and Qindao in Shandong Province; Tianjin Municipality Directly under the Control of the State Council; Lianyungang and Nantong in Jiangsu Province, Shanghai Municipality; Ningbo in Zhejiang Province; Wenzhou and Fuzhou in Fujian Province; and Guangzhou, Zhanjiang, and Beihai in Guangdong Province.


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<th>Year</th>
<th>GDP Index in real terms</th>
<th>GDP Rmb billion at current prices</th>
<th>GDP per head Rmb</th>
<th>Real annual growth rate (%)</th>
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<td>379</td>
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</tr>
<tr>
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<td>507.5</td>
<td>403.8</td>
<td>417</td>
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<tr>
<td>1980</td>
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<td>451.8</td>
<td>460</td>
<td>7.8</td>
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<tr>
<td>1981</td>
<td>575.5</td>
<td>486.2</td>
<td>489</td>
<td>5.2</td>
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<td>529.5</td>
<td>525</td>
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<td>1983</td>
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<td>13,651.50</td>
<td>10,502</td>
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</table>

Sources: The data of this chart is drawn from the statistics provided by the Year Book of Chinese Statistics (2004), published by the National Bureau of Statistics of China, China Statistics Press, Beijing, China.

7 The People’s Liberation Army (PLA), Hong Kong Special Administrative Region (HKSAR), Macao Special Administrative Region (MSAR), and Taiwan have their own procedures to elect the NPC representatives.

8 For example, on March 21, 2005, Premier Wen Jiabao presided over the PMSC and ratified the resignation application from the HKSAR Chief Executive Tung Chee-hwa. Three months later, he presided over another PMSC to appoint new HKSAR Chief Donald Tsang (BBC, June 24, 2005.).
The Tenth National Committee of the CPPCC, elected in 2002, has one chairman, twenty-seven vice chairpersons, one secretary general, 299 Standing Committee members, and 2,238 members. Among all members, there are 895 CPC members, which only accounts for 40 per cent of all members.

Under the CPPCC National Committee, there are nine Special Committees including the Committee for Handling Proposals, the Committee for Economic Affairs, the Committee of Population, Resources and Environment, the Committee of Science, Culture, Health and Sports, the Committee for Social and Legal Affairs, the Committee for Ethnic and Religious Affairs, the Committee of Cultural and Historical Data, the Committee for Affairs of Hong Kong, Macao, Taiwan Compatriots and Overseas Chinese, and the Committee for Foreign Affairs.

Four departments are the General Staff Headquarters, the General Political Department, the General Logistics Department, and the General Armament Department. Four services are Army, Navy, Air Force, and Second Artillery. Seven Military Area Commands are located in Shenyang, Beijing, Lanzhou, Jinan, Nanjing, Guangzhou, and Chengdu.

The first Autonomous Region was the Inner Mongolia Autonomous Region established in 1947 (Rupen, 1970).

Currently, there are five Autonomous Regions in China, Inner Mongolia Autonomous Region, the Ningxia Hui Autonomous Region; the Xinjiang Uigur Autonomous Region; the Guangxi Zhuang Autonomous Region and the Tibet Autonomous Region. By the end of 1998, 30 autonomous prefectures, 120 autonomous counties, and 1,256 ethnic Xiangs had been established.

The 15 semi-provincial level cities are Shenyang and Dalian in Liaoning Province; Changchun in Jilin Province; Harbin in Heilongjiang Province; Jinan and Qindao in Shandong Province; Nanjing and Ningbo in Jiangsu Province; Hangzhou in Zhejiang Province; Xiamen in Fujian Province; Wuhan in Hubei Province; Guangzhou and Shenzhen in Guangdong Province; Xi’an in Shaanxi Province; and Chendu in Sichuan Province.
References:


### Appendix I

**Comparative Listing of Pinyin System and Chinese Language Characters**

<table>
<thead>
<tr>
<th>Xia Dynasty</th>
<th>夏朝</th>
<th>Shang Dynasty</th>
<th>商朝</th>
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<td>Qin Dyanasty</td>
<td>秦朝</td>
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<td>Qing Dynasty</td>
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<td>内服</td>
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<td>外服</td>
<td>Si Tu</td>
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<td>Si Gong</td>
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<td>Yu</td>
<td>禹</td>
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<td>Xi Bo</td>
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<td>Warring States Period</td>
<td>战国</td>
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<td>国</td>
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<td>比</td>
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大司农
中朝
尚书
尚书台
隋
成吉思汗
内史
门下省
吏部
礼部
刑部
台
贾
翰林学士院
中书省
御史台
明
朱棣
康熙
州
府
里
孝廉
科举
制举
进士
解试
殿试
魏
殿中侍御史
御史大夫
御史中丞
殿院
督察院
考课
县令
辛亥
五院
立法院
考试院
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宣政院
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茂才
贡举
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省试
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侍御史
御史台
台院
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御史
郡太守
同盟会
北洋军
行政院
司法院
检察院
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## Appendix II
The Chronicles of Monarchical Dynasties in Chinese History

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**Notes:**

1. The Sixteen States are Han (Qian Zhao), Cheng (Cheng Han), Qian Liang, Hou Zhao (Wei), Qian Yan, Qian Qin, Hou Yan, Hou Qin, West Qin, Hou Liang, North Liang, South Liang, South Yan, West Liang, North Yan, and Xia.

2. The Ten Kingdoms are Wu, Qian Shu, Wu Yue, Chu, Min, South Han, Jin Nan (Nan Ping), Hou Shu, South Tang, and North Han.

**Sources:**

Appendix in the *Xinhua* Dictionary
### Appendix III

**Fifty-five Chinese Ethnic Minority Groups**  
*(Census of July 1, 1990)*

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**Sources:** Data of this table are drawn from the Chinese Culture Center of San Francisco website, which can be retrieved from: http://www.c-c-c.org/chineseculture/minority/minority.html.
Appendix IV

The Structure of the Central Government Established in 1949

Sources: The information utilized to draw this chart is from the book Zhong Guo Zheng Fu Guan Li Yu Gai Ge by Song in 2001.
Appendix V

The Central Government Structure of the PRC in 1954

Sources: The information utilized to draw this chart is from the book *Zhong Guo Zheng Fu Guan Li Yu Gai Ge* by Song in 2001.
Appendix VI

The Structure of the State Council in 1982

State Council

Ministries & Commissions Directly Under the State Council

- Ministry of Foreign Affairs Industry
- Ministry of Defense Industry
- Ministry of Planning Commission
- National Planning Commission
- National Economy Commission
- National Economic Structural Reform Commission
- National Science and Technology Commission
- State Commission of Science, Technology and Information for National Defense
- State Ethnic Affairs Commission
- Ministry of Public Security Industry
- Ministry of Civil Affairs Industry
- Ministry of Justice Industry
- Ministry of Finance Industry
- People’s Bank of China Industry
- Ministry of Commerce Industry
- Ministry of Foreign Trade Industry
- Ministry of Agriculture Industry
- Ministry of Forestry Industry
- Ministry of Water Resources and Electric Power Industry
- Ministry of Cities and Townships Construction and Environmental Protection Industry
- Ministry of Geology and Minerals Industry
- Ministry of Metallurgy Industry
- Ministry of Engineering Industry
- Ministry of Nuclear Energy Industry
- Ministry of Aviation Industry Industry
- Ministry of Electronics Industry
- Ministry of Aerospace Industry
- Ministry of Coal Industry Industry
- Ministry of Petroleum Industry
- Ministry of Chemistry Industry
- Ministry of Textile Industry Industry
- Ministry of Light Industry Industry
- Ministry of Railways Industry
- Ministry of Transportation Industry
- Ministry of Mail and Telecom Industry
- Ministry of Labor and Personnel
- Ministry of Culture
- Xinhua News Agency
- Ministry of Radio and Television Broadcasting
- Ministry of Education
- Ministry of Health
- State Commission of Sports
- State Family Planning Commission
- Office of Oversees Chinese Affairs Industry
- Hong Kong and Macao Affairs Office

Bureaus and Administrations Directly Under the State Council

- National Bureau of Statistics Industry
- National Pricing Bureau Industry
- National Bureau of Goods and Materials Industry
- State Administration for Industry and Commerce Industry
- General Administration of Customs Industry
- China Meteorological Administration Industry
- General Administration of Civil Aviation of China Industry
- State Oceanic Administration Industry
- State Seismological Bureau Industry
- National Tourism Administration Industry
- Chinese Characters Reform Commission Industry
- State Administration for Religious Affairs Industry
- State Archives Administration Industry
- Counselor’s Office of the State Council Industry
- Government Offices Industry
- Administration of the State Council Industry

Sources: The information utilized to draw this chart is from the book Zhong Guo Zheng Fu Guan Li Yu Gai Ge by Song in 2001.
Appendix VII

The Structure of the State Council in 1988

State Council

Ministries & Commissions Directly Under the State Council

Ministry of Foreign Affairs
Ministry of Defense
National Planning Commission
National Economic Structural Reform Commission
National Education Commission
National Science and Technology Commission
State Commission of Science, Technology and Information for National Defense
State Ethnic Affairs Commission
Ministry of Public Security
Ministry of State Security
Ministry of Supervision
Ministry of Civil Affairs
Ministry of Justice
Ministry of Finance
Ministry of Personnel
Ministry of Labor
Ministry of Geology and Minerals
Ministry of Construction
Ministry of Energy
Ministry of Engineering, Electronics, and Industry

Ministry of Aviation and Aerospace Industry
Ministry of Metallurgy Industry
Ministry of Chemistry Industry
Ministry of Light Industry
Ministry of Textile Industry
Ministry of Railways
Ministry of Transportation
Ministry of Mail and Telecom
Ministry of Water Resources
Ministry of Agriculture
Ministry of Forestry
Ministry of Commerce
Ministry of Foreign Trade
Ministry of Goods and Materials
Ministry of Culture
Ministry of Radio, Film, and Television
Ministry of Health
State Commission of Sports
State Family Planning Commission
People’s Bank of China
National Audit Office

Offices Directly Under the State Council

Legislative Affairs Office
Office of Foreign Affairs
Office of Overseas Chinese Affairs
Hong Kong and Macao Affairs Office
Office of Special Administrative Regions Affairs Research Office

Bureaus and Administrations Directly Under the State Council

National Bureau of Statistics
National Pricing Bureau
National Bureau of Technical supervision
State Administration for Industry and Commerce
State Environmental Protection Administration
State Administration of Agrarian Control
General Administration of Press and Publication
General Administration of Customs
National Tourism Administration
General Administration of Civil Aviation of China
State Bureau of Construction Material Industry
State Drug Administration
State Oceanic Administration
China Meteorological Administration
State Seismological Bureau
State Administration for Religious Affairs
State Archives Administration
Counselor’s Office of the State Council
Government Offices Administration of the State Council

Sources: The information utilized to draw this chart is from the book Zhong Guo Zheng Fu Guan Li Yu Gai Ge by Song in 2001.
Appendix VIII

The Structure of the State Council in 1998

Ministries & Commissions Directly Under the State Council

- Ministry of Finance
- Ministry of Personnel
- Ministry of Labor and Social Security
- Ministry of Land and Resources
- Ministry of Construction
- Ministry of Railways
- Ministry of Transportation
- Ministry of Information Industry
- Ministry of Water Resources
- Ministry of Agriculture
- Ministry of Foreign Trade
- Ministry of Culture
- Ministry of Health
- State Family Planning Commission
- People’s Bank of China
- National Audit Office

Offices Directly Under the State Council

- Office of Foreign Affairs
- Office of Oversees Chinese Affairs
- Hong Kong and Macao Affairs Office
- Legislative Affairs Office
- Office of Economic Structural Reform
- Research Office

Bureaus and Administrations Directly Under the State Council

- General Administration of Customs
- State Administration of Taxation
- State Environmental Protection Administration
- General Administration of Civil Aviation of China
- State Administration of Radio, Film and TV
- State Sport General Administration
- National Bureau of Statistics
- State Administration of Industry and Commerce
- General Administration of Press and Publication
- State Forestry Bureau
- State Administration of Technique and Quality Supervision
- State Drug Administration
- State Intellectual and Property Office
- National Tourism Administration
- State Administration for Religious Affairs
- Counselor’s Office of the State Council
- Government Offices
- Administration of the State Council

Sources: The information utilized to draw this chart is from the book Zhong Guo Zheng Fu Guan Li Yu Gai Ge by Song in 2001.
Appendix IX

The Structure of the State Council in 2003

Premier

State Councilors  Vice Premiers  Secretary General

Plenary Meeting  Executive Meeting

Twenty-eight Ministries and Commissions

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<td>State Ethnic Affairs Commission</td>
<td>Ministry of Public Security</td>
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<td>Ministry of Personnel</td>
<td>Ministry of Labor and Social Security</td>
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| Working Organs of the State Council |
| Overseas Chinese Affairs Office of the State Council |
| Hong Kong and Macao Affairs Office of the State Council |
| Legislative Affairs Office of the State Council |
| Research Office of the State Council |
| Taiwan Affairs Office of the State Council |
| Information Office of the State Council |

Organizations directly under the State Council

| General Administration of Customs |
| State Administration of Taxation |
| State Administration for Industry and Commerce |
| General Administration of Quality Supervision, Inspection and Quarantine |
| State Environmental Protection Administration |
| General Administration of Civil Aviation of China |
| State Administration of Radio, Film and Television |
| General Administration of Press and Publication (National Copyright Administration) |
| General Administration of Sport |
| National Bureau of Statistics |
| State Forestry Administration |
| State Food and Drug Administration |
| State Administration of Work Safety |
| State Intellectual Property Office |

Institutions directly under the State Council

| Xinhua News Agency |
| Chinese Academy of Sciences |
| Chinese Academy of Social Sciences |
| Chinese Academy of Engineering |
| Development Research Center of the State Council |
| National School of Administration |
| China Seismological Bureau |
| China Meteorological Administration |
| China Banking Regulatory Commission |
| China Securities Regulatory Commission |
| China Insurance Regulatory Commission |
| State Electricity Regulatory Commission |
| National Council for Social Security Fund |
| National Natural Science Foundation |

Administrations and Bureaus under the Ministries and Commissions

| State Letters and Complaints Bureau |
| State Grain Administration |
| State Tobacco Monopoly Administration |
| State Administration of Foreign Experts Affairs |
| State Oceanic Administration |
| State Bureau of Surveying and Mapping |
| State Post Bureau |
| State Administration of Cultural Heritage |
| State Administration of Traditional Chinese Medicine |
| State Administration of Foreign Exchange |
| State Archives Administration |
| National Administration for Protection of State Secrets |

Sources: The information utilized for drawing this chart is from the structure of the State Council of the People's Republic of China by the Xinhua News Agency (2005) and the Government Organization Chart by China Daly (2003).
Appendix X
Excerpt from the Confucian Code

Ren (Humaneness)

XII.22: Fan-ch'ih asked about ren. The Master said, "It is to love all men." He asked about knowledge. "It is to know all men." Fan ch'i'h did not immediately understand these answers. The Master said, "Employ the upright and put aside all the crooked; in this way, the crooked can be made to be upright."

VII.29: The Master said, "Is humaneness a thing remote? I wish to be humane, and behold! humaneness is at hand."

VI.28: Tzu-kung said, "Suppose I put the case of a man who extensively confers benefits on the people, and is able to assist everyone, what would you say about him? Might he be called perfectly humane?" The Master said, "Why speak only of humaneness in connection with him? Must he not have the qualities of a sage? . . . Now the man of perfect humaneness, wishing to be established himself, seeks also to establish others; wishing to be enlarged himself, he seeks also to enlarge others. To be able to judge of others by what is nearby in ourselves, that is what we might call the art of humaneness."

XV.23: Tzu-kung asked, saying, "Is there one world which may serve as a rule of practice for all one's life?" The Master said, "Is not reciprocity such a word? What you do not want done to yourself, do not do to others."

XIV.36: Someone said, "What do you say concerning the principle that injury should be recompensed with kindness?" The Master said, "With what then will you recompense kindness? Recompense injury with justice, and recompense kindness with kindness."

VII.15: The Master said, "With coarse rice to eat, with water to drink, and my bended arm for a pillow; I still have joy in the midst of these things. Riches and honors acquired by inhumanity are to me as a floating cloud."

IV.25: The Master said, "Virtue is not left to stand alone. He who practices it will have neighbors."

XV.8: The Master said, "The determined scholar and the man of virtue will not seek to live at the expense of humanity. They will even sacrifice their lives to preserve their humanity."

VII.6: The Master said, "Let the will be set on the path of duty. Let every attainment in what is good be firmly grasped. Let perfect virtue be accorded with. Let relaxation and enjoyment be found in the polite arts."

The Superior Man

XX.3: The Master said, "Without recognizing the ordinances of Heaven, it is impossible to be a superior man (chi-tzu)."
XV.17: The Master said, "The superior man in everything considers righteousness to be essential. He performs it according to the rules of propriety (li). He brings it forth in humility. He completes it with sincerity. This is indeed a superior man."

XV.31: The Master said, "The object of the superior man is truth, not food . . . The superior man is anxious lest he should not get truth; he is not anxious lest poverty should come upon him."

IV.16: The Master said, "The mind of the superior man is conversant with virtue; the mind of the base man is conversant with gain."

IV.5: The Master said, "Riches and honors are what men desire. If they cannot be obtained in the proper way, they should not be held. Poverty and baseness are what men dislike. If they cannot be avoided in the proper way, they should not be avoided. . . . The superior man does not, even for the space of a single meal, act contrary to virtue. In moments of haste, he cleaves to it. In seasons of danger, he cleaves to it."

XV.20: The Master said, "What the superior man seeks, is in himself. What the mean man seeks, is in others."

XII.4: Ssu-ma Niu asked about the superior man. The Master said, "The superior man has neither anxiety nor fear." "Being without anxiety or fear!" said Ssu-ma, "does this constitute what we call the superior man?" The Master said, "When internal examination discovers nothing wrong, what is there to be anxious about, what is there to fear?"

XIV.24: The Master said, "The progress of the superior man is upwards; the progress of the mean man is downwards."

XVI.8: Confucius said, "There are three things of which the superior man stand in awe. He stands in awe of the ordinances of Heaven. He stands in awe of great men. He stands in awe of the words of the sages. The mean man does not know the ordinances of Heaven, and consequently does not stand in awe of them. He is disrespectful to great men. He makes sport of the words of the sages."

XIV.29: The Master said, "The superior man is modest in his speech, but exceeds in his actions."

XV.18: The Master said, "The superior man is distressed by his want of ability. He is not distressed by men not knowing of him."

XV.21: The Master said, "The superior man is dignified, but does not wrangle. He is sociable, but not partisan."

XVII.24: Tzu-kung asked, "Has the superior man his hatreds also?" The Master said, "He has his hatreds. He hates those who proclaim the evil of others. He hates the man who, being in a low station, slanders his superiors. He hates those who have valor merely, and are unobservant of propriety (li). He hates those who are forward and determined, and, at the same time, of contracted understanding."
XVI.10: Confucius said, "The superior man has nine things which are subjects with him of thoughtful consideration. In regard to the use of his eyes, he is anxious to see clearly. In regard to the use of his ears, he is anxious to hear distinctly. In regard to his countenance, he is anxious that it should be benign. In regard to his speech, he is anxious that it should be sincere. In regard to his doing of business, he is anxious that it should be reverently careful. In regard to what he doubts about, he is anxious to question others. When he is angry, he thinks of the difficulties his anger may involve him in. When he sees gain to be got, he thinks of righteousness."

XIX.9: Tzu-hsia said, "The superior man undergoes three changes. Looked at from a distance, he appears stern; when approached, he is mild; when he is heard to speak, his language is firm and decided."

XV.36: The superior man is correctly firm, and not merely firm.

Li (Rites)

III.3: The Master said, "If a man be without the virtues proper to humanity, what has he to do with the rites of propriety? If a man be without the virtues of humanity, what has he to do with music?"

VIII.2: The Master said, "Respectfulness, without the rules of propriety, becomes laborious bustle; carefulness, without the rules of propriety, becomes timidity; boldness, without the rules of propriety, becomes insubordination; straightforwardness, without the rules of propriety, becomes rudeness."

III.4: Lin Fang asked what was the first thing to be attended to in ceremonies. The Master said, "A great question, indeed! In festive ceremonies, it is better to be sparing than extravagant. In the ceremonies of mourning, it is better that there be deep sorrow than a minute attention to the observances."

III.26: The Master said, "High station filled without indulgent generosity; ceremonies performed without reverence; mourning conducted without sorrow herewith should I contemplate such ways?"

XI.1: The Master said, "The men of former times, in the matters of ceremonies and music, were rustics, it is said, while the men of these latter times, in ceremonies and music, are accomplished gentlemen. If I have occasion to use those things, I follow the men of former times."

III.17: Tzu Kung wished to do away with the offering of a sheep connected with the inauguration of the first day of each month. The Master said, "Tzu Kung, you love the sheep; I love the ceremony."

Yue (Music)

III.23: The Master instructing the Grand music master of Lu said, "How to play music may be known. At the commencement of the piece, all the parts should sound together. As it proceeds,
they should be in harmony, severally distinct and flowing without a break, and thus on to the conclusion."

IX.14: The Master said, "I returned from Wei to Lu, and then the music was reformed, and the pieces in the Imperial songs and Praise songs found all their proper place."

Learning and Teaching

IX.4: There were four things from which the Master was entirely free. He had no foregone conclusions, no arbitrary predeterminations, no obstinacy, and no egotism.

XVII.2: The Master said, "By nature, men are nearly alike; by practice, they get to be wide apart."

XVI.9: Confucius said, "Those who are born with the possession of knowledge are the highest class of men. Those who learn, and so readily get possession of knowledge, are the next. Those who are dull and stupid, and yet compass the learning are another class next to these. As to those who are dull and stupid and yet do not learn—they are the lowest of the people."

VII.8: The Master said, "I do not open up the truth to one who is not eager to get knowledge, nor help out any one who is not anxious to explain himself. When I have presented one corner of a subject to any one, and he cannot from it learn the other three, I do not repeat my lesson."

IV.9: The Master said, "A scholar, whose mind is set on truth, and who is ashamed of bad clothes and bad food, is not fit to be discoursed with."

VIII.12: The Master said, "It is not easy to find a man who has learned for three years without coming to be good."

XII.15: The Master said, "By extensively studying all learning, and keeping himself under the restraint of the rules of propriety, one may thus likewise not err from what is right."

IX.18: The Master said, "The course of learning may be compared to what may happen in raising a mound. If there want but one basket of earth to complete the work, and I stop, the stopping is my own work. It may be compared to throwing down the earth on the level ground. Though but one basketful is thrown at a time, the advancing with it is my own going forward."

XIV.47: A youth of the village of Ch'ih was employed by Kung to carry the messages between him and his visitors. Someone asked about him, saying, "I suppose he has made great progress." The Master said, "I observe that he is fond of occupying the seat of a full-grown man; I observe that he walks shoulder to shoulder with his elders. He is not one who is seeking to make progress in learning. He wishes quickly to become a man."

XIV.25: The Master said, "In ancient times, men learned with a view to their own improvement. Nowadays, men learn with a view to the approbation of others."
XV.29: The Master said, "To have faults and not to reform them--this, indeed, should be pronounced having faults."

IX.28: The Master said, "The wise are free from perplexities; the virtuous from anxiety; and the bold from fear."

**Government**

XI.7: Tzu-kung asked about government. The Master said, "The requisites of government are that there be sufficiency of food, sufficiency of military equipment, and the confidence of the people in their ruler." Tzu Kung said, "If it cannot be helped, and one of these must be dispensed with, which of the three should be foregone first?" "The military equipment," said the Master. Tzu Kung again asked, "If it cannot be helped and one of the remaining two must be dispensed with, which of them should be foregone?" The Master answered, "Part with the food. From of old, death has been the lot of humanity; but if the people have no faith in their rulers, there is no standing for the state."

XII.14: Tzu-chang asked about government. The Master said, "The art of governing is to keep its affairs before the mind without weariness, and to practice these affairs with undeviating consistency."

XII.19: Chi K'ang-tzu asked Confucius about government, saying, "What do you say to killing unprincipled people for the sake of principled people?" Confucius replied, "Sir, in carrying on your government, why should you use killing at all? Let your evinced desires be for what is good, and the people will be good. The relation between superiors (chi-tzu) and inferiors is like that between the wind and the grass. The grass must bend, when the wind blows across it."

XIII.6: The Master said, "When a prince's personal conduct is correct, his government is effective without the issuing of orders. If his personal conduct is not correct, he may issue orders, but they will not be followed."

XIV.23: Tzu-lu asked how a sovereign should be served. The Master said, "Do not impose on him, and, moreover, withstand him to his face."

III.18: The Master said, "The full observance of the rules of propriety in serving one's prince is accounted by people to be flattery."

XI.23: "What is called a great minister, is one who serves his prince according to what is right, and when he finds he cannot do so, retires."
XIV.1: Hsien asked what was shameful. The Master said, "When good government prevails in a state, to be thinking only of one's salary. When bad government prevails, to be thinking, in the same way, only of one's salary. That is what is shameful."

IX.13: "When a country is well governed, poverty and mean condition are things to be ashamed of. When a country is poorly governed, riches and honor are things to be ashamed of."

XIV.20: The Master was speaking about the unprincipled actions of the duke Ling of Wei, when K'ang Tzu said, "Since he is of such a character, how is it he does not lose his throne?" Kung Fu-Tzu said, "Chung-shu Yu has the superintendence of his guests and strangers; the litanist, T'u, has the management of his ancestral temple; and Wang-sun Chia has the direction of the army and forces: with such officers as these, how should he lose his throne?"

**Rectifying the Names**

XII.17: Chi Kang-tzu asked Confucius about government. Confucius replied, "To govern (cheng) means to rectify (cheng). If you lead on the people with correctness, who will dare not to be correct?"

XIII.3: Tzu-lu said, "The prince of Wei has been waiting for you, in order that you administer (cheng) the government. What will you consider the first thing to be done?" The Master replied, "What is necessary is to rectify (cheng) names." "So, indeed!" said Tzu-lu. "You are wide of the mark. Why must their be such rectification?" The Master said, "How uncultivated you are, Yu! A superior man, in regard to what he does not know, shows a cautious reserve. If names be not correct, language is not in accordance with the truth of things. If language be not in accordance with the truth of things, affairs cannot be carried on to success. When affairs cannot be carried on to success, proprieties (li) and music (yue) will not flourish. When proprieties and music do not flourish, punishments will not be properly awarded. When punishments are not properly awarded, the people do not know how to move hand or foot. Therefore a superior man considers it necessary that the names he uses may be spoken appropriately and also that what he speaks may be carried out appropriately. What the superior man requires is just that in his words there may be nothing incorrect."

**Sources:** The Brooklyn College of the City University of New York website. Retrieved from: http://acc6.its.brooklyn.cuny.edu/~phalsall/texts/analects.html.
## Appendix X

### A List of MPA Programs in China

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**Sources:** The National MPA Education Advisory Committee (NMPAEAC) website. Retrieved from: http://www.mpa.org.cn/.
EXCERPTS FROM DENG XIAOPING'S SPEECHES IN WUCHANG, SHENZHEN, ZHUHAI AND SHANGHAI

Deng Xiaoping
January 18 - February 21, 1992

I

I was here in Guangdong in 1984. At that time rural reform had been under way for several years, and we were just beginning to introduce urban reform and to establish special economic zones. Eight years have passed since then. This time, during my trip here, I have found that the rapid growth in the Shenzhen and Zhuhai special economic zones and some other areas has exceeded my expectations. After what I have seen, I am even more confident.

Revolution means the emancipation of the productive forces, and so does reform. The overthrow of the reactionary rule of imperialism, feudalism and bureaucrat-capitalism helped release the productive forces of the Chinese people. This was revolution, so revolution means the emancipation of the productive forces. After the basic socialist system has been established, it is necessary to fundamentally change the economic structure that has hampered the development of the productive forces and to establish a vigorous socialist economic structure that will promote their development. This is reform, so reform also means the emancipation of the productive forces. In the past, we only stressed expansion of the productive forces under socialism, without mentioning the need to liberate them through reform. That conception was incomplete. Both the liberation and the expansion of the productive forces are essential.

In upholding the line, principles and policies formulated since the Third Plenary Session of the Eleventh Central Committee of the CPC, it is essential to adhere to the principle of “one central task and two basic points”. If we did not adhere to socialism, implement the policies of reform and opening to the outside world, develop the economy and raise living standards, we would find ourselves in a blind alley. We should adhere to the basic line for a hundred years, with no vacillation. That is the only way to win the trust and support of the people. Any one who attempted to change the line, principles and policies adopted since the Third Plenary Session of the Eleventh Central Committee would not be countenanced by the people; he would be toppled. I have said this several times. Had it not been for the achievements of the reform and the open policy, we could not have weathered June 4th. And if we had failed that test, there would have been chaos and civil war. The “Cultural Revolution” was a civil war. Why was it that our country could remain stable after the June 4th Incident? It was precisely because we had carried out the reform and the open policy, which have promoted economic growth and raised living standards. The army and the government should therefore safeguard the socialist system and these policies.

In the short span of the last dozen years, the rapid development of our country has delighted the people and attracted world attention. This suffices to prove the correctness of the line, principles and policies adopted since the Third Plenary Session of the Eleventh Central Committee. No one
could change them, even if he wanted to. After all that's been said, I can sum up our position in one sentence: we shall keep to this line and these principles and policies. Since we introduced the reform and the open policy, we have drawn up many rules and regulations covering all fields of endeavor. Clear-cut guidelines and policies concerning economic and political affairs, science and technology, education, culture and military and foreign affairs have been worked out and expressed in precise terms. The recent Eighth Plenary Session of the Thirteenth Central Committee was a success. It declared that the rural household contract responsibility system with remuneration linked to output should remain unchanged. Any change in that system would cause concern among the people, who would say that the Central Committee had altered its policy.

In the initial stage of the rural reform, there emerged in Anhui Province the issue of the “Fool's Sunflower Seeds”. Many people felt uncomfortable with this man who had made a profit of 1 million yuan. They called for action to be taken against him. I said that no action should be taken, because that would make people think we had changed our policies, and the loss would outweigh the gain. There are many problems like this one, and if we don't handle them properly, our policies could easily be undermined and overall reform affected. The basic policies for urban and rural reform must be kept stable for a long time to come.

Of course, as the reform progresses, some of these policies should be improved or amended as necessary. But we should keep firmly to our general direction. It doesn't matter much whether we can come up with new ideas. What matters is that we should not change our policies and should not make people feel that we are changing them. Then, the prospects for China will be excellent.

II

We should be bolder than before in conducting reform and opening to the outside and have the courage to experiment. We must not act like women with bound feet. Once we are sure that something should be done, we should dare to experiment and break a new path. That is the important lesson to be learned from Shenzhen. If we don't have the pioneering spirit, if we're afraid to take risks, if we have no energy and drive, we cannot break a new path, a good path, or accomplish anything new. Who dares claim that he is 100 per cent sure of success and that he is taking no risks? No one can ever be 100 per cent sure at the outset that what he is doing is correct. I've never been that sure. Every year leaders should review what they have done, continuing those measures that have proved correct, acting promptly to change those that have proved wrong and tackling new problems as soon as they are identified.

It will probably take another thirty years for us to develop a more mature and well-defined system in every field. The principles and policies to be applied under each system will also be more firmly established. We are constantly accumulating more experience in building Chinese-style socialism. Judging from the local press, the provinces have gained considerable experience, each proceeding in light of its own particular features. That's good. Creativity is just what we want.

The reason some people hesitate to carry out the reform and the open policy and dare not break new ground is, in essence, that they're afraid it would mean introducing too many elements of capitalism and, indeed, taking the capitalist road. The crux of the matter is whether the road is capitalist or socialist. The chief criterion for making that judgment should be whether it promotes
the growth of the productive forces in a socialist society, increases the overall strength of the socialist state and raises living standards. As for building special economic zones, some people disagreed with the idea right from the start, wondering whether it would not mean introducing capitalism. The achievements in the construction of Shenzhen have given these people a definite answer: special economic zones are socialist, not capitalist. In the case of Shenzhen, the publicly owned sector is the mainstay of the economy, while the foreign-invested sector accounts for only a quarter. And even in that sector, we benefit from taxes and employment opportunities. We should have more of the three kinds of foreign-invested ventures [joint, cooperative and foreign-owned]. There is no reason to be afraid of them. So long as we keep level-headed, there is no cause for alarm. We have our advantages: we have the large and medium-sized state-owned enterprises and the rural enterprises. More important, political power is in our hands.

Some people argue that the more foreign investment flows in and the more ventures of the three kinds are established, the more elements of capitalism will be introduced and the more capitalism will expand in China. These people lack basic knowledge. At the current stage, foreign-funded enterprises in China are allowed to make some money in accordance with existing laws and policies. But the government levies taxes on those enterprises, workers get wages from them, and we learn technology and managerial skills. In addition, we can get information from them that will help us open more markets. Therefore, subject to the constraints of China's overall political and economic conditions, foreign-funded enterprises are useful supplements to the socialist economy, and in the final analysis they are good for socialism.

The proportion of planning to market forces is not the essential difference between socialism and capitalism. A planned economy is not equivalent to socialism, because there is planning under capitalism too; a market economy is not capitalism, because there are markets under socialism too. Planning and market forces are both means of controlling economic activity. The essence of socialism is liberation and development of the productive forces, elimination of exploitation and polarization, and the ultimate achievement of prosperity for all. This concept must be made clear to the people. Are securities and the stock market good or bad? Do they entail any dangers? Are they peculiar to capitalism? Can socialism make use of them? We allow people to reserve their judgment, but we must try these things out. If, after one or two years of experimentation, they prove feasible, we can expand them. Otherwise, we can put a stop to them and be done with it. We can stop them all at once or gradually, totally or partially. What is there to be afraid of? So long as we keep this attitude, everything will be all right, and we shall not make any major mistakes. In short, if we want socialism to achieve superiority over capitalism, we should not hesitate to draw on the achievements of all cultures and to learn from other countries, including the developed capitalist countries, all advanced methods of operation and techniques of management that reflect the laws governing modern socialized production.

To take the road to socialism is to realize common prosperity step by step. Our plan is as follows: where conditions permit, some areas may develop faster than others; those that develop faster can help promote the progress of those that lag behind, until all become prosperous. If the rich keep getting richer and the poor poorer, polarization will emerge. The socialist system must and can avoid polarization. One way is for the areas that become prosperous first to support the poor ones by paying more taxes or turning in more profits to the state. Of course, this should not be done too soon. At present, we don't want to dampen the vitality of the developed areas or encourage the practice of having everyone “eat from the same big pot”. We should study when to
raise this question and how to settle it. I can imagine that the right time might be the end of this century, when our people are living a fairly comfortable life. At that time, while developed areas continue to grow, they should also give strong support to less developed areas by paying more taxes, turning in more profits and transferring technology. Most of the less developed areas are rich in resources and have great potential for development. In short, taking the country as whole, I am confident that we can gradually bridge the gap between coastal and inland areas.

In the beginning opinions were divided about the reform and the open policy. That was normal. The difference was not only over the special economic zones but also over the bigger issues, such as the rural reform that introduced the household contract responsibility system with remuneration linked to output and abolished the system of people's communes. Initially, in the country as a whole, only one third of the provinces launched the reform. By the second year, however, more than two thirds of them had done so, and the third year almost all the rest joined in. At first, people were not enthusiastic about rural reform, and many waited to see how it would work. It was our policy to permit people to do that, which was much better than coercing them. In carrying out the line, principles and policies adopted since the Third Plenary Session of the Eleventh Central Committee, we did not resort to compulsion or mass movements. People were allowed to follow the line on a voluntary basis, doing as much or as little as they wished. In this way, others gradually followed suit. It was my idea to discourage contention, so as to have more time for action. Once disputes begin, they complicate matters and waste a lot of time. As a result, nothing is accomplished. Don't argue; try bold experiments and blaze new trails. That's the way it was with rural reform, and that's the way it should be with urban reform.

At present, we are being affected by both Right and “Left” tendencies. But it is the “Left” tendencies that have the deepest roots. Some theorists and politicians try to intimidate people by pinning political labels on them. That is not a Right tactic but a “Left” one. “Left” tendencies have a revolutionary connotation, giving the impression that the more “Left” one is, the more revolutionary one is. In the history of the Party, those tendencies have led to dire consequences. Some fine things were destroyed overnight. Right tendencies can destroy socialism, but so can “Left” ones. China should maintain vigilance against the Right but primarily against the “Left”. The Right still exists, as can be seen from disturbances. But the “Left” is there too. Regarding reform and the open policy as means of introducing capitalism, and seeing the danger of peaceful evolution towards capitalism as coming chiefly from the economic sphere are “Left” tendencies. If we keep clear heads, we shall not commit gross errors, and when problems emerge, they can be easily put right.

III

If we are to seize opportunities to promote China's all-round development, it is crucial to expand the economy. The economies of some of our neighboring countries and regions are growing faster than ours. If our economy stagnates or develops only slowly, the people will make comparisons and ask why. Therefore, those areas that are in a position to develop should not be obstructed. Where local conditions permit, development should proceed as fast as possible. There is nothing to worry about so long as we stress efficiency and quality and develop an export-oriented economy. Slow growth equals stagnation and even retrogression. We must grasp opportunities; the present offers an excellent one. The only thing I worry about is that we may lose opportunities. If we don't seize them, they will slip through our fingers as time speeds by.
In developing the economy, we should strive to reach a higher level every few years. Of course, this should not be interpreted as encouraging unrealistic speed. We should do solid work, stressing efficiency, so as to realize steady, coordinated progress. Guangdong, for example, should try to mount several steps and catch up with the “four little dragons” of Asia in twenty years. In relatively developed areas such as Jiangsu Province, growth should be faster than the national average. Shanghai is another example. It has all the necessary conditions for faster progress. It enjoys obvious advantages in skilled people, technology and management and can have an impact over a wide area. In retrospect, one of my biggest mistakes was leaving out Shanghai when we launched the four special economic zones. If Shanghai had been included, the situation with regard to reform and opening in the Yangtze Delta, the entire Yangtze River valley and, indeed, the whole country would be quite different.

Judging from what we have accomplished in recent years, it should be possible for our economy to reach a new stage every few years. We actually started the reform in 1980. In 1981, 1982 and 1983 it was carried out primarily in the countryside. In 1984 the focus shifted to urban areas. The years from 1984 to 1988 witnessed comparatively rapid economic growth. During those five years rural reform brought about many changes: grain output increased substantially, as did the peasants' income, and rural enterprises emerged as a new force. The purchasing power of peasants increased and many new houses were built. The “four big items” -- bicycles, sewing machines, radios and wristwatches -- entered ordinary peasant households, along with some more expensive consumer goods. The increase of farm and sideline products, the expansion of rural markets and the shift of surplus farm labor to rural enterprises stimulated industrial development.

In those five years the gross industrial output value amounted to more than 6 trillion yuan, with an average annual growth rate of 21.7 per cent. Production of processed food, clothing, housing, transportation and commodities for daily use, including major appliances such as color TV sets, refrigerators and washing machines, increased by a wide margin. There was also substantial growth in the production of capital goods such as rolled steel and cement. Thus, agriculture and industry, rural areas and urban areas had a reciprocal impact, progress in one sector promoting progress in the other. This is a vivid, convincing model of the development process. It can be said that during this period China's wealth expanded considerably, and the economy as a whole was raised to a new level. In 1989 we began the drive to improve the economic environment and rectify the economic order, which I endorsed because it was plainly necessary. The overheated economy had resulted in a number of problems. For instance, the issuance of too much currency had led to major price rises, and there was much wasteful duplicate construction.

Nevertheless, what should be our overall assessment of the accelerated development in those five years? We might call it a leap, but unlike the Great Leap Forward of 1958, it did not damage the structure and mechanisms of economic development as a whole. In my opinion, the accelerated development of that period was no small contribution. Our three-year effort to improve the economic environment and rectify the economic order was a success. But in assessing that effort, we can say it was an achievement only in the sense that we stabilized the economy. Should not the accelerated development of the preceding five years be considered an achievement too? An achievement in one respect at least? Had it not been for the leap in those years when the economy rose to a new level, the readjustment of the following three years could not have been carried out so smoothly.
It seems to me that, as a rule, at certain stages we should seize the opportunity to accelerate development for a few years, deal with problems as soon as they are recognized, and then move on. Basically, when we have enough material wealth, we shall have the initiative in handling contradictions and problems. For a big developing nation like China, it is impossible to attain faster economic growth steadily and smoothly at all times. Attention must be paid to stable and proportionate development, but stable and proportionate are relative terms, not absolute. Development is the absolute principle. We must be clear about this question. If we fail to analyze it properly and to understand it correctly, we shall become overcautious, not daring to emancipate our minds and act freely. Consequently, we shall lose opportunities. Like a boat sailing against the current, we must forge ahead or be swept downstream.

The experience of other countries shows that some of them -- Japan, South Korea and parts of Southeast Asia, for example -- have gone through one or more periods of rapid development. Since we have the necessary domestic conditions and a favorable international environment, and since under the socialist system we have the advantage of being able to concentrate our forces on a major task, it is now both possible and necessary for us to bring about, in the prolonged process of modernization, several periods of rapid growth with good economic returns. We must have this ambition.

Rapid development of the economy can only be based on science, technology and education. I have said that science and technology are a primary productive force. How fast they have progressed over the past 10 or 20 years! One breakthrough in the field of high technology promotes the growth of several industries. Could we have developed so rapidly in recent years without science and technology? We must promote science, for that is where our hope lies. Over the past decade China has made substantial progress in science and technology; I hope still greater progress can be made in the 1990s. People in every field of endeavor should set a clear-cut strategic goal and reach it. China should take its place in the world in the field of high technology too. I am no professional, but I want to thank the scientists and engineers for their contributions to China and the honors they have won for our country. We should remember the days when scientists of the older generation, such as Qian Xuesen, Li Siguang and Qian Sanqiang, developed the atomic and hydrogen bombs, satellites and many other high technologies under extremely difficult conditions. It should be said that scientists are luckier today, so we can demand more of them.

I have said that intellectuals are part of the working class. Veteran and middle-aged scientists are important, and so are young ones. We hope all those who are studying abroad will come back. All overseas students may return and enjoy proper arrangements for their life and work, regardless of their previous political attitudes. This policy will not change. They should be told that if they want to make their contributions, it would be better for them to come home. I hope that concerted efforts will be made to accelerate progress in China's scientific, technological and educational undertakings. We should develop science and technology, and the higher and newer the technologies are, the better, and the more delighted we shall be -- and not just we, but the entire people and the state. We should all love our country and help to develop it.
There are two tasks we have to keep working at: on the one hand, the reform and opening process, and on the other, the crackdown on crime. We must be steadfast with regard to both. In combating crime and eliminating social evils, we must not be soft. Guangdong is trying to catch up with Asia's “four little dragons” in 20 years, not only in terms of economic growth, but also in terms of improved public order and general social conduct -- that is, we should surpass them in both material and ethical progress. Only that can be considered building socialism with Chinese characteristics. Thanks to a strict administration, Singapore has good public order. We should learn from its experience and surpass it in this respect.

Since China opened its doors to the outside world, decadent things have come in along with the others, and evils such as drug abuse, prostitution and economic crimes have emerged in some areas. Special attention must be paid to these evils, and resolute measures must be taken to stamp them out and prevent them from spreading. After the founding of New China, it took only three years to wipe these things out. Who in this world has ever been able to eliminate the abuse of opium and heroin? Neither the Kuomintang nor the capitalist countries. But facts have shown that the Communist Party was able to do it.

Throughout the process of reform and opening, we must combat corruption. Cadres and Party members should consider it of prime importance to build a clean government. But we still have to rely on the law, which provides a firm guarantee. In short, so long as we develop our productive forces, maintain a reasonable economic growth rate, promote reform and opening and, at the same time, crack down on crime, we shall be able to build a socialist society with advanced ethical standards.

Throughout the process of reform and opening, we must also adhere to the Four Cardinal Principles. At the Sixth Plenary Session of the Twelfth Central Committee I said that the struggle against bourgeois liberalization must be conducted for twenty years. Now it seems it will take longer. The rampant spread of bourgeois liberalization may have grave consequences. It has taken the special economic zones more than ten years to reach the present stage. They can collapse overnight. Collapse is easy, but construction is difficult. If we don't nip bourgeois liberalization in the bud, we may find ourselves in trouble.

One of the basic concepts of Marxism is that the socialist system must be defended by the dictatorship of the proletariat. Marx once said the theory of class struggle was not his discovery. His real discovery was the theory of the dictatorship of the proletariat. History has proved that a new, rising class that has just taken power is, generally speaking, weaker than the opposing classes. It must therefore resort to dictatorship to consolidate its power. Democracy is practiced within the ranks of the people and dictatorship over the enemy. This is the people's democratic dictatorship. It is right to consolidate the people's power by employing the force of the people's democratic dictatorship. There is nothing wrong in that. We have been building socialism for only a few decades and are still in the primary stage. It will take a very long historical period to consolidate and develop the socialist system, and it will require persistent struggle by many generations, a dozen or even several dozens. We can never rest on our oars.
The implementation of the correct political line must be ensured by a correct organizational line. In a sense, whether we can manage our domestic affairs well, whether we can keep to the socialist road and adhere to reform and the open policy, whether we can develop the economy more rapidly and whether we can maintain long-term peace and stability will all be determined by people.

The imperialists are pushing for peaceful evolution towards capitalism in China, placing their hopes on the generations that will come after us. Comrade Jiang Zemin and his peers can be regarded as the third generation, and there will be a fourth and a fifth. Hostile forces realize that so long as we of the older generation are still alive and carry weight, no change is possible. But after we are dead and gone, who will ensure that there is no peaceful evolution? So we must educate the army, persons working in the organs of dictatorship, the Communist Party members and the people, including the youth. If any problem arises in China, it will arise from inside the Communist Party. We must keep clear heads. We must pay attention to training people, selecting and promoting to positions of leadership persons who have both ability and political integrity, in accordance with the principle that they should be revolutionary, young, well educated and professionally competent. This is of vital importance to ensure that the Party's basic line is followed for a hundred years and to maintain long-term peace and stability. It is crucial for the future of China.

This is a pressing problem that has not yet been solved satisfactorily, and I hope it will be. I began to think about it when I resumed work after the “cultural revolution”. When we found that it was impossible for our generation to ensure long-term peace and stability, we tried hard to find a third generation to succeed us and recommended a few persons. But that didn't solve the problem. Two persons who were chosen failed, and not with regard to economic issues; they stumbled over the question of opposing bourgeois liberalization. That was something we could not tolerate. In late May 1989 I said that we should boldly choose for the new leadership persons who were generally recognized as adhering to the line of reform and opening up and who had some achievements in that respect to their credit. This would convince the people that we were wholeheartedly committed to that line. The masses judge from practice. When they come to the conclusion that socialism is good and that reform and the open policy are good, our cause will flourish forever.

More young people should be promoted to positions of leadership. The present central leaders are rather advanced in years. Those who are a little over 60 are counted as young. They may be able to work for another 10 years, but 20 years from now they will be in their 80s, like me. They may be able to chat with people, as I'm doing today, but they won't have the energy to do much work. The current central leaders have been doing a good job. Of course, there are still quite a few problems in their work, but there are always problems in one's work. It is essential for old people like us to stand aside, give newcomers a free hand and watch them mature. Old people should voluntarily offer younger ones their places and give them help from the sidelines, but never stand in their way. Out of goodwill, they should help them when things are not being handled properly. They must pay attention to training successors of the next generation. The reason I insisted on retiring was that I didn't want to make mistakes in my old age. Old people have strengths but also great weaknesses -- they tend to be stubborn, for example -- and they
should be aware of that. The older they are, the more modest they should be and the more careful not to make mistakes in their later years. We should go on selecting younger comrades for promotion and helping train them. Don't put your trust only in old age. I was already in a high position when I was in my 20s. I didn't know as much as you do now, but I managed. More young people must be chosen, helped, trained and allowed to grow. When they reach maturity, we shall rest easy. Right now we are still worried. In the final analysis, we must manage Party affairs in such a way as to prevent trouble. Then we can sleep soundly. Whether the line for China's development that was laid down at the Third Plenary Session of the Eleventh Central Committee will continue to be followed depends on the efforts of everyone, and especially on the education of future generations.

One of our problems today is formalism. Every time you turn on the television, you see a meeting being held. We hold countless meetings, and our articles and speeches are too long and too repetitious, in both content and language. Of course, some words have to be repeated, but we should try to be concise. Formalism is a kind of bureaucratism. We should spend more time on practical matters. That means saying less and doing more. Chairman Mao never held long meetings, his essays were short and concise and his speeches succinct. When he asked me to draft the work report to be delivered by Premier Zhou Enlai at the Fourth National People's Congress, he said it should be no more than 5,000 Chinese characters. I kept to 5,000 characters, and they were enough. I suggest you do something about this problem.

In studying Marxism-Leninism we must grasp the essence and learn what we need to know. Weighty tomes are for a small number of specialists; how can the masses read them? It is formalistic and impracticable to require that everyone read such works. It was from the Communist Manifesto and The ABC o Communism that I learned the rudiments of Marxism. Recently, some foreigners said that Marxism cannot be defeated. That is so not because there are so many big books, but because Marxism is the irrefutable truth. The essence of Marxism is seeking truth from facts. That's what we should advocate, not book worship. The reform and the open policy have been successful not because we relied on books, but because we relied on practice and sought truth from facts. It was the peasants who invented the household contract responsibility system with remuneration linked to output. Many of the good ideas in rural reform came from people at the grass roots. We processed them and raised them to the level of guidelines for the whole country. Practice is the sole criterion for testing truth. I haven't read too many books, but there is one thing I believe in: Chairman Mao's principle of seeking truth from facts. That is the principle we relied on when we were fighting wars, and we continue to rely on it in construction and reform. We have advocated Marxism all our lives. Actually, Marxism is not abstruse. It is a plain thing, a very plain truth.

VI

I am convinced that more and more people will come to believe in Marxism, because it is a science. Using historical materialism, it has uncovered the laws governing the development of human society. Feudal society replaced slave society, capitalism supplanted feudalism, and, after a long time, socialism will necessarily supersede capitalism. This is an irreversible general trend of historical development, but the road has many twists and turns. Over the several centuries that it took for capitalism to replace feudalism, how many times were monarchies restored! So, in a sense, temporary restorations are usual and can hardly be avoided. Some countries have suffered
major setbacks, and socialism appears to have been weakened. But the people have been tempered by the setbacks and have drawn lessons from them, and that will make socialism develop in a healthier direction. So don't panic, don't think that Marxism has disappeared, that it's not useful any more and that it has been defeated. Nothing of the sort!

Peace and development are the two major issues in the world, and neither one has been resolved. Socialist China should show the world through its actions that it is opposed to hegemonism and power politics and will never seek hegemony. China is a steadfast force for safeguarding world peace.

We shall push ahead along the road to Chinese-style socialism. Capitalism has been developing for several hundred years. How long have we been building socialism? Besides, we wasted twenty years. If we can make China a moderately developed country within a hundred years from the founding of the People's Republic, that will be an extraordinary achievement. The period from now to the middle of the next century will be crucial. We must immerse ourselves in hard work: we have difficult tasks to accomplish and bear a heavy responsibility.

Comrades,

Now I would like to make a report to the congress on behalf of the Fifteenth Central Committee of the Communist Party of China (CPC).

The Sixteenth National Congress of the CPC is the first of its kind held by our Party in the new century. It is a very important congress convened by our Party in the new situation in which we have begun to take the third step of the strategic plan for socialist modernization.

The theme of the congress is to hold high the great banner of Deng Xiaoping Theory, fully act on the important thought of Three Represents, carry forward our cause into the future, keep pace with the times, build a well-off society in an all-round way, speed up socialist modernization and work hard to create a new situation in building socialism with Chinese characteristics.

As human society entered the 21st century, we started a new phase of development for building a well-off society in an all-round way and speeding up socialist modernization. The international situation is undergoing profound changes. The trends toward world multipolarization and economic globalization are developing amidst twists and turns. Science and technology are advancing rapidly. Competition in overall national strength is becoming increasingly fierce. Given this pressing situation, we must move forward, or we will fall behind. Our Party must stand firm in the forefront of the times and unite with and lead the Chinese people of all ethnic groups in accomplishing the three major historical tasks: to propel the modernization drive, to achieve national reunification and to safeguard world peace and promote common development, and in bringing about the great rejuvenation of the Chinese nation on its road to socialism with Chinese characteristics. This is a grand mission history and the era have entrusted to our Party.

I. Work of the Past Five Years and Basic Experience of 13 Years

The five years since the Fifteenth National Congress of the CPC have been a period in which we have held high the great banner of Deng Xiaoping Theory and kept blazing new trails in a pioneering spirit, and a period in which we have continued to forge ahead triumphantly on the road to socialism with Chinese characteristics in spite of difficulties and risks.

At the Fifteenth National Congress, Deng Xiaoping Theory was established as the Party's guiding ideology, the Party's basic program for the primary stage of socialism was put forward, and the objectives and tasks for China's cross-century development were specified. Acting in the spirit of the congress, the Central Committee held seven plenary sessions at which it made decisions and plans on such major issues as agriculture and rural work, the reform and development of state-owned enterprises, the formulation of the Tenth Five-Year Plan (2001-2005) and the improvement of the Party's work style. Over the past five years, we have traversed an extraordinary course and scored tremendous achievements in reform, development and stability, domestic and foreign affairs and national defense and in running the Party, state and army.
The national economy has maintained a sustained, rapid and sound development. By pursuing the principle of stimulating domestic demand and adopting the proactive fiscal policy and the sound monetary policy in good time, we overcame the adverse effects the Asian financial crisis and world economic fluctuations had on China, and maintained a relatively rapid economic growth. The strategic adjustment of the economic structure has been crowned with success. The position of agriculture as the foundation of the economy has been strengthened. Traditional industries have been upgraded. High and new technology industries and modern services have gained speed. A large number of infrastructure projects in such areas as water conservancy, transportation, telecommunications, energy and environmental protection have been completed. Significant headway has been made in the large-scale development of China's western region. Economic returns have further improved. National revenue has kept growing. The Ninth Five-Year Plan (1996-2000) was fulfilled and the Tenth Five-Year Plan has seen a good start.

Reform and opening up have yielded substantial results. The socialist market economy has taken shape initially. The public sector of the economy has expanded and steady progress has been made in the reform of state-owned enterprises. Self-employed or private enterprises and other non-public sectors of the economy have developed fairly fast. The work of building up the market system has been in full swing. The macro-control system has improved constantly. The pace of change in government functions has been quickened. Reform in finance, taxation, banking, distribution, housing, government institutions and other areas has continued to deepen. The open economy has developed swiftly. Trade in commodities and services and capital flow have grown markedly. China's foreign exchange reserves have risen considerably. With its accession to the World Trade Organization (WTO), China has entered a new stage in its opening up.

Notable progress has been registered in improving socialist democracy and spiritual civilization. Continued efforts have been made to improve democracy and the legal system. New steps have been taken in political restructuring. The patriotic united front has grown stronger. Further progress has been made in the work relating to ethnic, religious and overseas Chinese affairs. Fresh progress has been made in keeping public order through comprehensive measures. Science, technology, education, culture, health, sports, family planning and other undertakings have moved ahead. The media and publicity work as well as ideological and moral education have kept improving. The people's cultural life has become increasingly rich and colorful.

New strides have been taken in strengthening national defense and army building. Efforts have been redoubled to make the People's Liberation Army more revolutionary, modernized and regularized. Our national defense capabilities and the army's defense and combat effectiveness have further improved. The army, the armed police and the militia have played an important role in defending and building up our motherland.

On the whole, the people have reached a well-off standard of living. The income of urban and rural residents has gone up steadily. The urban and rural markets have been brisk, and there has been an ample supply of goods. The quality of life of the residents has been on the rise, with considerable improvement in food, clothing, housing, transport and daily necessities. There has been marked progress in building the social security system. The seven-year program to help 80 million people out of poverty has been in the main fulfilled.
Fresh progress has been made in the great cause of national reunification. The Chinese Government has resumed the exercise of sovereignty over Macao. The principle of "one country, two systems" has been implemented and the basic laws of Hong Kong and Macao special administrative regions have been carried out to the letter. Hong Kong and Macao enjoy social and economic stability. Personnel, economic and cultural exchanges across the Taiwan Straits have kept increasing. The fight against "Taiwan independence" and other attempts to split the country has been going on in depth.

New prospects have been opened up in our external work. In light of the developments and changes in the international situation, we have adhered to the correct foreign policy and related principles. We have carried out both bilateral and multilateral diplomatic activities extensively and taken an active part in international exchanges and cooperation. China's international standing has risen still further.

Party building has been strengthened in an all-round way. All the Party members have steadily intensified their study of Deng Xiaoping Theory. We have put forward and expounded the important thought of Three Represents. Good results have been produced in the intensive education in the need to stress study, political awareness and integrity and in the study of the "Three Represents". An all-out endeavor has been made to build up the Party ideologically, organizationally and in work style. Our ideological and political work has been strengthened. New steps have been taken in the reform of the personnel system. The endeavor to build a clean and honest government and combat corruption has been going on in depth and yielding fresh notable results.

Facts prove that the major policy decisions taken by the Central Committee at and since the Fifteenth National Congress are correct and accord with the fundamental interests of the overwhelming majority of the people. Our achievements are the outcome of the united endeavor of the whole Party and the people of all ethnic groups of the country. They provide a more solid foundation for the future development of the cause of the Party and state.

We must be clearly aware that there are still quite a few difficulties and problems in our work. The income of farmers and some urban residents has increased only slowly. The number of the unemployed has gone up. Some people are still badly off. Things have yet to be straightened out in the matter of income distribution. The order of the market economy has to be further rectified and standardized. Public order is poor in some places. Formalism, the bureaucratic style of work, falsification, extravagance and waste are still serious problems among some leading cadres in our Party, and corruption is still conspicuous in some places. The Party's way of leadership and governance does not yet entirely meet the requirements of the new situation and new tasks. Some Party organizations are feeble and lax. We must pay close attention to these problems and continue to take effective measures to solve them.

Our achievements over the past five years have been scored through reform and opening up, especially through our practice since the Fourth Plenary Session of the Thirteenth Central Committee in 1989. These 13 years have witnessed a highly volatile international situation and a magnificent upsurge of China's reform, opening up and modernization. From the late 1980s to the early 1990s, there occurred serious political disturbances in China, drastic changes in Eastern Europe and the disintegration of the Soviet Union. Socialism in the world suffered serious
setbacks. China was faced with unprecedented difficulties and pressure in its efforts to develop the socialist cause. At this crucial historical juncture bearing on the destiny of the Party and state, the Party Central Committee relied firmly on all the comrades in the Party and the Chinese people of all ethnic groups and unswervingly adhered to the line prevailing since the Third Plenary Session of the Eleventh Central Committee, and thus successfully brought the overall situation of reform and development under control and safeguarded the great cause of socialism with Chinese characteristics. After Comrade Deng Xiaoping made remarks on his tour of the South, the Fourteenth National Congress decided to establish a socialist market economy as the goal of reform, thus ushering in a new stage for reform, opening up and the modernization drive. To develop a market economy under socialism is a great pioneering undertaking never tried before in history. It is a historic contribution of the Chinese Communists to the development of Marxism. It has given expression to our Party's tremendous courage to persist in making theoretical innovation and keeping pace with the times. The shift from the planned economy to the socialist market economy represented a new historic breakthrough in reform and opening up and brought about entirely new prospects for China's economic, political and cultural progress. After the demise of Comrade Deng Xiaoping, we held high the great banner of Deng Xiaoping Theory and made pioneering efforts to advance the cause of socialism with Chinese characteristics into the 21st century in an all-round way.

Over the past 13 years, with clearly defined objectives, we worked with one heart and one mind and scored historic achievements. In 2001, China's GDP reached 9.5933 trillion yuan, almost tripling that of 1989, representing an average annual increase of 9.3 percent. China came up to the sixth place in the world in terms of economic aggregate. On the whole, the people made a historic leap from having only adequate food and clothing to leading a well-off life. As is universally recognized, the 13 years have been a period in which China's overall national strength has risen by a big margin, the people have received more tangible benefits than ever before, and China has enjoyed long-term social stability and solidarity and had a good government and a united people. China's influence in the world has grown notably, and the cohesion of the nation has increased remarkably. The hard work of our Party and people and their great achievements have attracted worldwide attention and will surely go down as a glorious page in the annals of the great rejuvenation of the Chinese nation. A review of these 13 years shows that we have traversed a tortuous course and that our achievements are hard won. We have responded confidently to a series of unexpected international events bearing on China's sovereignty and security. We have surmounted difficulties and risks arising from the political and economic spheres and from nature. We have gone through one trial after another and removed all kinds of obstacles, thus ensuring that our reform, opening up and modernization drive have been forging ahead in the correct direction like a ship braving surging waves. We have attained these successes by relying on the correct guidance of the Party's basic theory, line and program, on the high degree of unity and solidarity of the Party and on the tenacious work of the whole Party and the people of all ethnic groups around the country.

Here, on behalf of the CPC Central Committee, I wish to express our heartfelt thanks to the people of all our ethnic groups, the democratic parties, people's organizations and patriots from all walks of life, to our compatriots in the Hong Kong Special Administrative Region, the Macao
Special Administrative Region and Taiwan as well as overseas Chinese, and to our foreign friends who care about and support China's modernization drive!

The practice of the 13 years has helped us acquire a deeper understanding of what socialism is, how to build it, and what kind of Party to build and how to build it, and we have gained most valuable experience in this regard.

1. Uphold Deng Xiaoping Theory as our guide and constantly bring forth theoretical innovation. Deng Xiaoping Theory is our banner, and the Party's basic line and program are the fundamental guidelines for every field of our work. Whatever difficulties and risks we may come up against, we must unswervingly abide by the Party's basic theory, line and program. We should persist in arming the entire Party membership with Marxism-Leninism, Mao Zedong Thought and Deng Xiaoping Theory and using them to educate our people. We should continue to emancipate our minds, seek truth from facts, keep pace with the times and make innovations in a pioneering spirit. We should respect the creativity of the general public and test and develop the Party's theory, line, principles and policies in practice.

2. Keep economic development as the central task and solve problems cropping up on our way forward through development. Development is the fundamental principle. We must seize all opportunities to accelerate development. Development calls for new ideas. We should stick to the principle of expanding domestic demand and implement the strategy of national rejuvenation through science and education and that of sustainable development. While seeking speed, we should pay attention to structure, quality and efficiency, and while propelling economic development, we should take into consideration population, resources and the environment. On the basis of economic growth, we need to promote all-round social progress, constantly better people's lives and ensure that all the people share the fruits of development.

3. Persevere in reform and opening up and keep improving the socialist market economy. Reform and opening up are ways to make China powerful. We must press ahead with the reform in all areas resolutely. The reform must be promoted realistically, comprehensively and progressively with breakthroughs made in key areas and emphasis placed on institutional improvement and innovation. We should follow the orientation of reform toward the socialist market economy and make sure that the market forces play an essential role in the allocation of resources under the state's macroeconomic control. By both "bringing in" and "going out", we should actively participate in international economic and technological cooperation and competition and open wider to the outside world.

4. Adhere to the Four Cardinal Principles (Note 1) and develop socialist democracy. The Four Cardinal Principles are the very foundation on which we build our country. We must uphold leadership by the CPC and consolidate and improve the state system—a people's democratic dictatorship and the system of political power—the people's congresses. We should uphold and improve the system of multiparty cooperation and political consultation led by the Communist Party and the system of regional ethnic autonomy. We should promote political restructuring, develop democracy, improve the legal system, rule the country by law, build a socialist state under the rule of law and ensure that the people exercise their rights as the masters of the country.
5. Attach equal importance to both material and spiritual civilization and run the country by combining the rule of law with the rule of virtue. Socialist spiritual civilization is an important attribute of socialism with Chinese characteristics. Basing ourselves on China's realities, we must carry forward the fine tradition of our national culture and absorb the achievements of foreign cultures in building socialist spiritual civilization. We should unceasingly upgrade the ideological and ethical standards as well as the scientific and cultural qualities of the entire people so as to provide a strong motivation and intellectual support for the modernization drive.

6. Ensure stability as a principle of overriding importance and balance reform, development and stability. Stability is a prerequisite for reform and development. We should take into full consideration the momentum of reform, the speed of development and the sustainability of the general public. Continued improvement of people’s lives must be regarded as an important link in balancing reform, development and stability. We should press ahead with reform and development amidst social stability and promote social stability through reform and development.

7. Persevere in the Party's absolute leadership over the army and take the road of fewer but better troops with Chinese characteristics. The people's army is a staunch pillar of the people's democratic dictatorship. It should meet the general requirements of being qualified politically and competent militarily and having a fine style of work, strict discipline and adequate logistic support, with a view to enabling itself to win battles and never degenerate, paying attention to strengthening itself through science and technology and building itself into a more revolutionary, modernized and regularized army. We must ensure that the army is forever loyal to the Party, socialism, the motherland and the people.

8. Continue to unite with all forces that can be united with and increase the cohesion of the Chinese nation. We should hold high the banners of patriotism and socialism, strengthen the great solidarity of the people of all ethnic groups, and consolidate and develop the broadest possible patriotic united front. We need to strengthen our solidarity with the democratic parties and personages without party affiliation. We should handle well the work relating to ethnic minorities, religions and overseas Chinese. We should adhere to the principle of "one country, two systems" and bring into full play every positive factor in a common endeavor to accomplish the grand cause of national reunification and the great rejuvenation of the Chinese nation.

9. Pursue the independent foreign policy of peace, safeguard world peace and promote common development. We will, as always, attach paramount importance to our state sovereignty and security. We will develop friendly relations and cooperation with all other countries on the basis of the Five Principles of Peaceful Coexistence. We will oppose hegemonism and power politics and promote the establishment of a fair and rational new international political and economic order. In handling international affairs, we should observe and cope with the situation cool-headedly, adhere to the principle of mutual respect and seek common ground while shelving differences. We need to respect the diversity of the world, promote democracy in international relations and strive for a peaceful international environment and a good climate in areas around China.

10. Strengthen and improve the Party's leadership and propel the new great project of Party building. To run the state well, we must run the Party well first. To do this, we must be strict
with the Party members. We must maintain the Party's nature and purposes, strengthen and improve Party building in the spirit of reform, enhance the Party's art of leadership and governance, increase its capability of fighting corruption and guarding against degeneration and risks and make unremitting efforts to combat corruption. The Party must keep its flesh-and-blood ties with the people as well as its progressiveness, purity, solidarity and unity.

The above-mentioned ten principles constitute the basic experience the Party must follow as it leads the people in building socialism with Chinese characteristics. This experience and the historical experience gained by the Party since its founding can be summarized as follows: Our Party must always represent the development trend of China's advanced productive forces, the orientation of China's advanced culture and the fundamental interests of the overwhelming majority of the Chinese people. They are the inexorable requirements for maintaining and developing socialism and the logical conclusion our Party has reached through hard exploration and great practice.

II. Implement the Important Thought of Three Represents in an All-Round Way

To open up new prospects for the cause of socialism with Chinese characteristics, we must hold high the great banner of Deng Xiaoping Theory and implement the important thought of Three Represents. As a continuation and development of Marxism-Leninism, Mao Zedong Thought and Deng Xiaoping Theory, this important thought reflects new requirements for the work of the Party and state arising from the changes in China and other parts of the world today. It is a powerful theoretical weapon for strengthening and improving Party building and promoting self-improvement and development of socialism in China. It is the crystallization of the Party's collective wisdom and a guiding ideology the Party must follow for a long time to come. Persistent implementation of the "Three Represents" is the foundation for building our Party, the cornerstone for its governance and the source of its strength.

The important thought of Three Represents has been put forward on the basis of a scientific judgment of the Party's historical position. Having gone through the revolution, reconstruction and reform, our Party has evolved from a party that led the people in fighting for state power to a party that has led the people in exercising the power and has long remained in power. It has developed from a party that led national reconstruction under external blockade and a planned economy to a party that is leading national development while the country is opening to the outside world and developing a socialist market economy. Keeping in mind the past, present and future of China and other parts of the world, we must accurately comprehend the characteristics of the times and the Party's tasks, scientifically formulate and correctly implement the Party's line, principles and policies, and study and settle questions concerning the promotion of China's social progress and the improvement of Party building. We should neither approach questions out of their historical context nor lose our bearings, and we should neither fall behind the times nor skip the stages, so as to ensure that our cause will advance from victory to victory.

The implementation of the important thought of Three Represents is, in essence, to keep pace with the times, maintain the Party's progressiveness and exercise the state power in the interest of the people. All Party members must be keenly aware of this basic requirement and become more conscious and determined in implementing this important thought.
1. To carry out the important thought of Three Represents, the whole Party must maintain the spirit of keeping pace with the times and blaze new trails for the development of the Marxist theory. Upholding the Party's ideological line, emancipating the mind, seeking truth from facts and keeping pace with the times are decisive factors for our Party to retain its progressiveness and enhance its creativity. Keeping pace with the times means that all the theory and work of the Party must conform to the times, follow the law of development and display great creativity. Whether we can persist in doing this bears on the future and destiny of the Party and state.

Innovation sustains the progress of a nation. It is an inexhaustible motive force for the prosperity of a country and the source of the eternal vitality of a political party. The world is changing, China's reform, opening up and modernization drive are advancing and our people's great practice is progressing. All this urgently requires our Party to sum up new experience from practice, draw on the achievements of modern human civilization, broaden its fields of vision in theory and come up with new theses with the courage of the theory of Marxism. Only thus can our Party's ideology and theory guide the whole Party and the entire people forward and inspire them to push ahead the cause of building socialism with Chinese characteristics. Theoretical innovation based on practice precedes social development and changes. Bringing forth new ideas in institutions, science and technology, culture and other fields through theoretical innovation, exploring the way forward in practice, never becoming conceited and never slackening our effort - these are the ways of running the Party and state, which we should follow for a long time to come.

Innovation requires emancipating our minds, seeking truth from facts and keeping pace with the times. There is no limit to practice nor to innovation. We will surpass our predecessors, and future generations will certainly surpass us. This is an inexorable law governing social advancement. We must adapt ourselves to the progress of practice and test all things in practice. We must conscientiously free our minds from the shackles of the outdated notions, practices and systems, from the erroneous and dogmatic interpretations of Marxism and from the fetters of subjectivism and metaphysics. While upholding the basic tenets of Marxism, we must add new chapters of theory to it. While carrying forward the revolutionary tradition, we must acquire new experience. We should be good at seeking unity in thinking through the emancipation of our minds and guiding our new practice with the developing Marxism.

2. To carry out the important thought of Three Represents, it is essential for the Party to give top priority to development in governing and rejuvenating the country and open up new prospects for the modernization drive. A Marxist ruling party must attach great importance to the liberation and development of the productive forces. Without development, it would be impossible to maintain the progressiveness of the Party, give play to the superiority of the socialist system and make the people rich and the country strong. The progressiveness of the Party is concrete and historical, and it must be judged by whether the Party promotes the development of the advanced productive forces and culture in present-day China and works to safeguard and realize the fundamental interests of the overwhelming majority of the people. In the final analysis, it must be judged by the Party's role in propelling history forward.

In China, a large developing country with a backward economy and culture, where our Party is leading the people in the modernization drive, a good solution to the problem of development has a direct bearing on the trend of popular sentiment and the success of our cause. Shoulerding the
historical responsibility to propel the Chinese society, the Party must always keep a firm grip on
development -- the top priority for its governance and rejuvenation of the country. It must
maintain its progressiveness and give play to the superiority of the socialist system by
developing the advanced productive forces and culture and realizing the fundamental interests of
the overwhelming majority of the people, speeding up all-round social progress and promoting
the all-round development of people. So long as the Party firmly grasps this point, it will have
thoroughly understood the aspirations of the people and the essence of the socialist
modernization drive, and thus it will be able to keep implementing the important thought of
Three Represents and consolidating its position as the ruling party and meet the requirement of
making the country strong and the people rich.

Development requires that we always concentrate on economic growth, base ourselves on
China's realities, conform to the trend of the times and continue to explore new ways to promote
the progress of the advanced productive forces and culture. Development requires that we uphold
and deepen the reform. It requires that we do away with all notions which hinder development,
change all practices and regulations which impede it and get rid of all the drawbacks of the
systems which adversely affect it. Development requires that we trust and rely on the people who
are the motive force for pushing forward the advance of history. We will pool the wisdom and
strength of the people of the whole country and concentrate on construction and development.

3. To carry out the important thought of Three Represents, it is essential to bring all positive
factors into full play and bring new forces to the great cause of rejuvenating the Chinese nation.
The interests of the overwhelming majority of the people and the initiative and creativity of the
whole society and the entire nation are always the most decisive factors for advancing the cause
of the Party and state. In the process of profound social changes in our country and the rapid
development of the cause of the Party and state, it is vitally important to properly balance the
interests of all quarters and fully mobilize and rally all positive factors.

With the deepening of reform and opening up and economic and cultural development, the
working class in China has expanded steadily and its quality improved. The working class, with
the intellectuals as part of it, and the farmers are always the basic forces for promoting the
development of the advanced productive forces and all-round social progress in our country.
Emerging in the process of social changes, entrepreneurs and technical personnel employed by
non-public scientific and technological enterprises, managerial and technical staff employed by
overseas-funded enterprises, the self-employed, private entrepreneurs, employees in
intermediaries, free-lance professionals and members of other social strata are all builders of
socialism with Chinese characteristics. We should unite with the people of all social strata who
help to make the motherland prosperous and strong, encouraging their pioneering spirit,
protecting their legitimate rights and interests and commending the outstanding ones in an effort
to create a situation in which all people are well positioned, do their best and live in harmony.

We must respect work, knowledge, competent people and creation. This should be an important
policy of the Party and state to be conscientiously implemented in society at large. We need to
respect and protect all work that is good for the people and society. All work that contributes to
the socialist modernization drive in China, physical or mental and simple or complicated, is
glorious and should be acknowledged and respected. All investors at home or from overseas
should be encouraged to carry out business activities in China's development. All legitimate
income, from work or not, should be protected. It is improper to judge whether people are politically progressive or backward simply by whether they own property or how much property they own. But rather, we should judge them mainly by their political awareness, state of mind and performance, by how they have acquired and used their property, and by how they have contributed to the cause of building socialism with Chinese characteristics through their work. It is necessary to foster notions and form a business mechanism in conformity with the basic economic system in the primary stage of socialism and create a social environment in which people are encouraged to achieve something and helped to make a success of their career, so as to unleash all the vitality contained in work, knowledge, technology, management and capital and give full play to all sources of social wealth for the benefit of the people.

In building socialism with Chinese characteristics, the fundamental interests of the people of the whole country are identical, on the basis of which concrete interest relations and internal contradictions can be adjusted. In the formulation and implementation of the Party's principles and policies, a basic point of departure is that we should represent the fundamental interests of the overwhelming majority of the people, and correctly reflect and take into account the interests of different groups of people, enabling the whole people to advance steadily toward the goal of common prosperity. We should protect the vitality for further growth of the developed regions, strong industries and people who have become rich first through hard work and lawful business operations and encouraging them to create social wealth. More importantly, we must pay great attention to less developed areas and the industries and people in straitened circumstances and show concern for them. In particular, we must see to it that the people in financial difficulties have subsistence allowances, and we must take effective measures to help them find jobs and improve their living conditions so that they will truly feel the warmth of our socialist society.

4. To carry out the important thought of Three Represents, it is essential to push forward Party building in a spirit of reform and instill new vitality in the Party. Attaching vital importance to and strengthening Party building is a magic weapon with which our Party has grown from a small and weak force to a large and strong one, risen in spite of setbacks and matured gradually in surmounting difficulties. As the historical experience of the Party over the past 80 years and more shows, the most important point is that we must build up the Party according to its political line, central task and general goal for building it with a view to enhancing its creativity, cohesion and fighting capacity.

Persisting in self-examination in compliance with the requirements of the times and pursuing self-improvement in a spirit of reform are the fundamental guarantee that our Party will always remain a Marxist party, will never be divorced from the people and will be full of vitality. We must be good at both reviewing our useful experience and learning lessons from our mistakes. We must be good at both leading the people ahead by putting forward and implementing the correct theory and line and acquiring the motivation for progress from the people's creations in practice and their desire for development. We must be good at both understanding and changing the objective world and organizing and guiding cadres and other Party members to strengthen their efforts to change their subjective world in practice. Bearing these requirements in mind, we must integrate adherence to the basic tenets of Marxism with efforts for theoretical innovation, maintenance of the fine tradition of the Party with promotion of the spirit of the times, and consolidation of the Party's class base with expansion of its mass base so that the Party serves as
a strong core of leadership that is consolidated ideologically, politically and organizationally and always stands in the forefront of the times leading the people forward in solidarity.

All in all, the important thought of Three Represents is always in a process of development and progress. The whole Party must continue to emancipate the mind, come up with new ideas in respect of theory and create something new in practice. It must carry out the important thought of Three Represents in all endeavors of the socialist modernization drive and in all aspects of Party building so that it always advances with the times and shares weal and woe with the people.

III. The Objectives of Building a Well-off Society in an All-Round Way

Thanks to the joint efforts of the whole Party and the people of all ethnic groups, we have attained the objectives of the first two steps of the three-step strategy for China's modernization drive, and by and large, the people have become well-off. This is a great victory for the socialist system and a new milestone in the history of the development of the Chinese nation.

We must be aware that China is in the primary stage of socialism and will remain so for a long time to come. The well-off life we are leading is still at a low level; it is not all-inclusive and is very uneven. The principal contradiction in our society is still one between the ever-growing material and cultural needs of the people and the backwardness of social production. Our productive forces, science, technology and education are still relatively backward, so there is still a long way to go before we achieve industrialization and modernization. The dual structure in urban and rural economy has not yet been changed, the gap between regions is still widening and there are still quite a large number of impoverished people. China's population continues to grow, the proportion of the aged is getting larger, and the pressure on employment and social security is mounting. The contradiction between the ecological environment and natural resources on the one hand and economic and social development on the other is becoming increasingly conspicuous. We still feel pressure from developed countries as they have the upper hand in such fields as the economy, science and technology. The economic structure and managerial systems in other fields remain to be perfected. There are still some problems we cannot afford to overlook in improving democracy and the legal system as well as the ideological and ethical standards. We need to work hard over a long period of time to consolidate and uplift our current well-off standard of living.

An overview of the situation shows that for our country, the first two decades of the 21st century are a period of important strategic opportunities, which we must seize tightly and which offers bright prospects. In accordance with the development objectives up to 2010, the centenary of the Party and that of New China, as proposed at the Fifteenth National Congress, we need to concentrate on building a well-off society of a higher standard in an all-round way to the benefit of well over one billion people in this period. We will further develop the economy, improve democracy, advance science and education, enrich culture, foster social harmony and upgrade the texture of life for the people. The two decades of development will serve as an inevitable connecting link for attaining the third-step strategic objectives for our modernization drive as well as a key stage for improving the socialist market economy and opening wider to the outside world. Building on what is achieved at this stage and continuing to work for several more decades, we will have in the main accomplished the modernization program and turned China
into a strong, prosperous, democratic and culturally advanced socialist country by the middle of this century.

The objectives of building a well-off society in an all-round way are as follows:

-- On the basis of optimized structure and better economic returns, efforts will be made to quadruple the GDP of the year 2000 by 2020, and China's overall national strength and international competitiveness will increase markedly. We will in the main achieve industrialization and establish a full-fledged socialist market economy and a more open and viable economic system. The proportion of urban population will go up considerably and the trend of widening differences between industry and agriculture, between urban and rural areas and between regions will be reversed step by step. We will have a fairly sound social security system. There will be a higher rate of employment. People will have more family property and lead a more prosperous life.

-- Socialist democracy and the legal system will be further improved. The basic principle of ruling the country by law will be implemented completely. The political, economic and cultural rights and interests of the people will be respected and guaranteed in real earnest. Democracy at the grassroots level will be better practiced. People will enjoy a sound public order and live and work in peace and contentment.

-- The ideological and ethical standards, the scientific and cultural qualities, and the health of the whole people will be enhanced notably. A sound modern national educational system, scientific, technological and cultural innovation systems as well as nationwide fitness and medical and health systems will take shape. People will have access to better education. We will make senior secondary education basically universal in the country and eliminate illiteracy. A learning society in which all the people will learn or even pursue life-long education will emerge to boost their all-round development.

-- The capability of sustainable development will be steadily enhanced. The ecological environment will be improved. The efficiency of using resources will be increased significantly. We will enhance harmony between man and nature to push the whole society onto a path to civilized development featuring the growth of production, an affluent life and a sound ecosystem.

The objectives set at this congress for building a well-off society in an all-round way are objectives of comprehensive economic, political and cultural development of socialism with Chinese characteristics, objectives well geared to the efforts to speed up modernization. They tally with the national conditions, the realities of the modernization drive and the people's aspirations. They are of great significance. In order to attain the Party's objectives for the new stage in the new century, it is imperative to come up with new ideas for development, make new breakthroughs in reform, break new ground in opening up and take new moves in all fields of endeavor. All localities and departments must proceed from their actual conditions and take effective measures to attain the objectives. Places where conditions permit may develop faster and take the lead in accomplishing modernization by and large on the basis of building a well-off society in an all-round way. We are sure that after attaining the objectives of building a well-off society in an all-round way, our motherland will become stronger and more prosperous, the
people will live a better and happier life, and socialism with Chinese characteristics will further demonstrate its great superiority.

IV. Economic Development and Restructuring

In building a well-off society in an all-round way, it is of vital importance to take economic development as the central task and keep releasing and developing the productive forces. In light of the new trends in the economy, science and technology of the world and the requirements of our national economic development in the new period, we should undertake the following main tasks for economic development and reform in the first two decades of this century: to improve the socialist market economy, promote strategic adjustment of the economic structure, basically accomplish industrialization, energetically apply IT, accelerate modernization, maintain a sustained, rapid and sound development of the national economy and steadily uplift the people's living standards. In the first decade, we will accomplish all the objectives set in the Tenth Five-Year Plan and for the years up to 2010 so as to bring the economic aggregate, overall national strength and the people's living standards up to a much higher level and lay a solid foundation for even greater development in the second decade.

1. Take a new road to industrialization and implement the strategy of rejuvenating the country through science and education and that of sustainable development. It remains an arduous historical task in the process of our modernization drive to accomplish industrialization. IT application is a logical choice if industrialization and modernization of our country are to be accelerated. It is, therefore, necessary to persist in using IT to propel industrialization, which will, in turn, stimulate IT application, blazing a new trail to industrialization featuring high scientific and technological content, good economic returns, low resources consumption, little environmental pollution and a full display of advantages in human resources.

We must press ahead to optimize and upgrade the industrial structure so as to bring about an industrial pattern with high and new technology industries as the leader, basic and manufacturing industries as the kingpin and the service industry developing in all areas. We must give priority to the development of the information industry and apply IT in all areas of economic and social development. We must develop high and new technology industries to provide breakthroughs in stimulating economic growth. It is necessary to transform traditional industries with high and new technology and advanced adaptive technology and invigorate the equipment manufacturing industry. We should continue to strengthen infrastructure. We should accelerate the development of the modern service sector and raise the proportion of the tertiary industry in the national economy. We must correctly handle the relationships of development between the high and new technology industries and traditional industries, between capital-and-technology-intensive industries and labor-intensive industries and between virtual economy and real economy.

In taking a new road to industrialization, we must give play to the important role of science and technology as the primary productive force and pay close attention to improving the quality and efficiency of economic growth by relying on scientific and technological progress and raising the qualities of labor force. We must strengthen basic research and research in high technology, promote key technological innovation and systems integration so that technology will develop by leaps and bounds. We must encourage scientific and technological innovation and acquire key technology and independent intellectual property rights in key areas and a number of domains in
frontier science and technology. We must deepen the reform of the administration systems of science, technology and education, strengthen the integration of science, technology and education with the economy, improve the service system for the development of science and technology and quicken the pace of translating research achievements into practical productive forces. We must press ahead with the building of a national innovation system. We must give play to the role of venture capital and develop a mechanism of capital operation and human capital pooling for promoting scientific and technological innovation and start-ups. We must improve the system of intellectual property rights protection. We must give top priority to sustainable development, adhere to the basic state policies of family planning and environmental and resources protection, keep the birthrate low and rationally develop and economically utilize all kinds of natural resources. We must lose no time in solving the problem of water shortages in some areas and build the south-to-north water diversion project. We should promote marine development and do well in the comprehensive improvement of land and resources. It is necessary to help the whole nation see the importance of environmental protection and do a good job of ecological conservation and improvement.

2. Make the rural economy flourish and speed up urbanization. A major task for building a well-off society in an all-round way is to make overall planning for urban and rural economic and social development, build modern agriculture, develop the rural economy and increase the income of farmers. We must strengthen the position of agriculture as the foundation of the economy, carry on the restructuring of agriculture and the rural economy, protect and raise the comprehensive grain production capacity, improve the system for ensuring the quality of farm produce and enhance the competitiveness of agriculture in the market. We must push forward the industrialized operation of agriculture, better organize farmers in their access to the market and improve the overall efficiency of agriculture. We must develop farm produce processing industry to boost the county economy. We must open up more rural markets and enliven the distribution of farm produce by improving its market system. It is an inevitable trend of industrialization and modernization for surplus rural labor to move to non-agricultural industries and to cities and towns. It is essential to raise the level of urbanization gradually and persist in the coordinated development of large, medium and small cities and small towns along the path to urbanization with Chinese characteristics. We should develop small towns on the basis of existing county seats and of organic towns where conditions permit, make scientific planning and a rational layout, integrating their development with the expansion of township and village enterprises and the rural service sector. All the institutional and policy barriers to urbanization must be removed and the rational and orderly flow of rural labor guided. We must adhere to the basic rural policies of the Party and keep stabilizing and improving the two-tier management system that integrates unified with separate management on the basis of household contract management. Wherever conditions permit, the transfer of the contractual right of land can be carried out according to law and on a voluntary and compensatory basis so as to develop scale operation step by step. We must respect farmer households as market players and encourage innovation in the rural management system. We must enhance the economic strength of the collectives. We should establish and improve a commercialized rural service system. We must invest more in agriculture, give it more support and accelerate the progress of agricultural science and technology and the building of rural infrastructure. We should improve
financial services in rural areas. We must continue with the reform in tax and fee in rural areas to lighten the burdens of farmers and protect their interests.

3. Advance the development of the western region and bring about a coordinated development of regional economies. The implementation of the strategy for the development of the western region bears on the overall situation of national development, the ethnic unity and the stability in border areas. To lay a solid foundation and go ahead in a down-to-earth manner, we must give priority to infrastructure and ecological environment improvement and strive for breakthroughs in a decade. We must develop industries with local advantages and propel the development of key areas. We should develop science, technology and education and train and make the best use of all human resources. The state should provide the western region with greater support in such areas as investment projects, tax policies and transfer payments, gradually build up long-term and stable sources of funds for its development, improve the investment environment, and guide foreign investment and domestic capital toward that region. People there should further emancipate their minds, enhance their self-development capabilities and explore a new path to accelerated development in reform and opening up.

The central region should redouble its efforts toward structural adjustment, giving impetus to industrialized operation of agriculture, transforming traditional industries, cultivating new economic growth points and speeding up industrialization and urbanization. The eastern region should quicken the pace of upgrading its industrial structure, develop modern agriculture, high and new technology industries and high value-added processing and manufacturing industries and further develop the outward-looking economy. We should encourage the special economic zones and the Pudong New Area in Shanghai to spearhead, among other things, institutional innovation and greater openness. We should support the northeastern region and other old industrial bases in accelerating their adjustments and transformation and support cities and areas mainly engaged in natural resources exploitation in their efforts to develop alternative industries. We should support the old revolutionary base areas and areas inhabited by ethnic minorities in expediting their development. The state should give more support to main grain producing areas. The eastern, central and western regions should strengthen economic exchanges and cooperation to complement one another and secure common development so as to form a number of distinctive economic zones and belts.

4. Stick to and improve the basic economic system and deepen the reform of the state property management system. In line with the requirements of releasing and developing the productive forces, we must uphold and improve the basic economic system, with public ownership playing a dominant role and diverse forms of ownership developing side by side. First, it is necessary to consolidate and develop unswervingly the public sector of the economy. Expansion of the state sector and its control of the lifeline of the national economy is of crucial importance in displaying the superiority of the socialist system and reinforcing the economic strength, national defense capabilities and national cohesion. As an important component of the public sector, the collective sector of the economy plays a significant role in achieving common prosperity. Secondly, it is necessary to encourage, support and guide the development of the non-public sectors of the economy. The non-public sector of self-employed, private and other forms of ownership is an important component part of the socialist market economy. They play an important role in mobilizing the initiative of all quarters of the society to quicken the development of the productive forces. Thirdly, we must stimulate the development of the
non-public sectors while keeping the public sector as the dominant player, incorporating both into the process of the socialist modernization drive instead of setting them against each other. All sectors of the economy can very well display their respective advantages in market competition and stimulate one another for common development.

Continuing to adjust the layout and structure of the state sector and reform the state property management system is a major task for deepening economic restructuring. We should give full play to the initiative of both the central and local authorities on the precondition of upholding state ownership. The state should make laws and regulations and establish a state property management system under which the Central Government and local governments perform the responsibilities of investor on behalf of the state respectively, enjoying owner's equity, combining rights with obligations and duties and administering assets, personnel and other affairs. The Central Government should represent the state in performing the functions as investor in large state-owned enterprises, infrastructure and important natural resources that have a vital bearing on the lifeline of the national economy and state security while local governments should represent the state in performing the functions as investors with regard to other state property. The Central Government and the provincial and municipal (prefectural) governments should set up state property management organizations. We should continue to explore systems and modes for managing state property effectively. Governments at all levels must strictly abide by the laws and regulations concerning the management of state property, persisting in the separation of government functions from enterprise management and separation of ownership from management so that enterprises can operate independently, assume sole responsibility for their profits or losses and preserve and increase the value of state property.

State-owned enterprises are the pillar of the national economy. We should deepen the reform of state-owned enterprises and further explore diversified forms for effectively realizing public ownership, especially state ownership. We should promote institutional, technological and managerial innovations in enterprises. Except for a tiny number of enterprises that must be funded solely by the state, all the others should introduce the joint-stock system to develop a mixed sector of the economy. Sources of investment must be diversified. The controlling shares in lifeline enterprises must be held by the state. Large and medium state-owned enterprises must continue their reform to convert themselves into standard companies in compliance with the requirements of the modern enterprise system and improve their corporate governance. Monopoly industries should carry out reforms to introduce competition mechanisms. We should form large internationally competitive companies and enterprise groups through market forces and policy guidance. We should give a freer rein to small and medium state-owned enterprises to invigorate themselves. We should deepen the reform of collective enterprises and give more support and help to the growth of the various forms of the collective sector of the economy.

We must give full scope to the important role of the non-public sector of self-employed, private and other forms of ownership of the economy in stimulating economic growth, creating more jobs and activating the market. We should expand the areas for the market access of domestic nongovernmental capital and adopt measures with regard to investment, financing, taxation, land use, foreign trade and other aspects to carry out fair competition. We should strengthen the supervision and administration of the non-public sectors according to law to promote their sound development. We should improve the legal system for protecting private property.
5. Improve the modern market system and tighten and improve macroeconomic control. We should give a fuller play to the basic role of the market in the allocation of resources and build up a unified, open, competitive and orderly modern market system. We should go ahead with reform, opening up, stability and development of the capital market. We should develop markets for property rights, land, labor and technology and create an environment for the equal use of production factors by market players. We must deepen the reform of the distribution system and introduce modern ways of distribution. We must rectify and standardize the order of the market economy and establish a social credit system compatible with a modern market economy. We must get rid of trade monopolies and regional blockades to allow free movement of goods and production factors on markets around the country.

We must improve the government functions of economic regulation, market supervision, social administration and public services, and reduce and standardize administrative procedures for examination and approval. We must stimulate economic growth, create more jobs, stabilize prices and maintain balance of international payments as the main macroeconomic control objectives. Stimulating domestic demand is an essential and long-standing factor underlying China's economic growth. We must stick to the policy of stimulating domestic demand and implement corresponding macroeconomic policies in light of actual needs. We must adjust the relationship between investment and consumption to raise the proportion of consumption in GDP gradually. We should improve the macroeconomic control system featuring the coordination of state planning and fiscal and monetary policies to give play to economic leverage. We should deepen the reform of the fiscal, taxation, banking, investment and financing systems. We should improve the budgetary decision-making and management system, step up the supervision of revenue and expenditures and intensify tax administration. We should carry out the reform steadily to deregulate interest rates to leave them to market forces, optimize the allocation of financial resources, strengthen regulation and prevent and defuse financial risks so as to provide better banking services for economic and social development.

6. Deepen the reform of the income distribution system and improve the social security system. Rationalizing the relations of income distribution bears on the immediate interests of the general public and the display of their initiative. We should adjust and standardize the relations of distribution among the state, enterprises and individuals. We should establish the principle that labor, capital, technology, managerial expertise and other production factors participate in the distribution of income in accordance with their respective contributions, thereby improving the system under which distribution according to work is dominant and a variety of modes of distribution coexist. We should give priority to efficiency with due consideration to fairness, earnestly implementing the distribution policy while advocating the spirit of devotion and guarding against an excessive disparity in income while opposing equalitarianism. In primary distribution, we should pay more attention to efficiency, bringing the market forces into play and encouraging part of the people to become rich first through honest labor and lawful operations. In redistribution, we should pay more attention to fairness and strengthen the function of the government in regulating income distribution to narrow the gap if it is too wide. We should standardize the order of income distribution, properly regulate the excessively high income of some monopoly industries and outlaw illegal gains. Bearing in mind the objective of common prosperity, we should try to raise the proportion of the middle-income group and increase the income of the low-income group.
Establishing and improving a social security system compatible with the level of economic development constitutes an important guarantee for social stability and long-term peace and order in the country. We should stick to and improve the basic old-age pension and medical insurance systems for urban workers, combining socially pooled funds with personal contributions. We should improve the systems of unemployment insurance and subsistence allowances for urban residents. We should try various channels to raise and accumulate social security funds. Reasonable standards for social security benefits should be set in light of local conditions. We should develop social relief and welfare programs in urban and rural areas. Wherever conditions permit, we should try to establish systems of old-age pensions, medical insurance and subsistence allowances in rural areas.

7. Do a better job in opening up by "bringing in" and "going out". In response to the new situation of economic globalization and China's entry into the WTO, we should take part in international economic and technological cooperation and competition on a broader scale, in more spheres and on a higher level, make the best use of both international and domestic markets, optimize the allocation of resources, expand the space for development and accelerate reform and development by opening up.

We should expand trade in goods and services. We should implement the strategy of market diversification, bring into play our comparative advantages, consolidate our existing markets and open new ones in an effort to increase exports. We should sharpen the competitive edge of our goods and services for export by ensuring good quality. We should optimize our import mix and focus on bringing in advanced technology and key equipment. We should deepen the reform of the system of trade and economic relations with other countries, encouraging more enterprises to engage in foreign trade and improving relevant taxation systems and the trade financing mechanism.

We should attract more foreign direct investment and use it more effectively. We will open the service sector to the outside world step by step. We will utilize medium- and long-term foreign investment in many ways, combining it with the domestic economic restructuring and the reorganization and transformation of state-owned enterprises and encouraging multinational corporations to invest in agriculture and manufacturing and high and new technology industries. We should try to bring in from overseas large numbers of professionals and other intellectual resources in various areas. We should improve the environment for investment, grant national treatment to foreign investors and make relevant policies and regulations more transparent. Implementation of the strategy of "going out" is an important measure taken in the new stage of opening up. We should encourage and help relatively competitive enterprises with various forms of ownership to invest abroad in order to increase export of goods and labor services and bring about a number of strong multinational enterprises and brand names. We should take an active part in regional economic exchanges and cooperation. In opening wider to the outside world, we must pay great attention to safeguarding our national economic security.

8. Do everything possible to create more jobs and improve the people's lives. Employment has a vital bearing on the people's livelihood. The task of increasing employment is arduous now and will remain so for a long time to come. It is a long-term strategy and policy of the state to expand employment. Party committees and governments at all levels must take it as their major obligation to improve the business environment and create more jobs. We should open up more
avenues for employment and develop labor-intensive industries. We should give policy support to enterprises that increase jobs or reemploy laid-off workers. We should help the general public to change their mentality about employment, introduce flexible and diverse forms of employment and encourage people to find jobs on their own or become self-employed. We should improve the system of pre-job training and employment services and raise workers' skills for new jobs. We should strengthen employment management in accordance with law, safeguard the legitimate rights and interests of workers, pay great attention to safety at work and protect the safety of state property and people's life.

The fundamental goal of economic development is to uplift the living standards and quality of life of the people. As the economy develops, we should increase the income of urban and rural residents, expand the scope of their consumption and optimize the consumption structure so as to meet the people's multifarious material and cultural needs. Further efforts should be made to develop public service facilities, better people's living environment and expand community services in order to make life easier for the people. We should establish a medical service and health care system that meets the requirements of the new situation. We should improve medical and health conditions in rural areas and the medical and health care for urban and rural residents. We should build up various programs to help the handicapped. We should intensify our efforts to fight poverty through development, build on the achievements we have scored in this regard, strive to accomplish the task of providing adequate food and clothing for the impoverished rural population and gradually enable them to lead a well-off life.

Accomplishing the tasks set for economic development and restructuring is of decisive significance to accelerating our socialist modernization. So long as the whole Party and the people of all ethnic groups work hard with one heart and one mind, we will definitely establish a mature socialist market economy and maintain a sustained, rapid and sound development of the national economy at the new stage in the new century.

V. Political Development and Restructuring

Developing socialist democracy and establishing a socialist political civilization are an important goal for building a well-off society in an all-round way. Adhering to the Four Cardinal Principles, we must go on steadily and surely with political restructuring, extend socialist democracy and improve the socialist legal system in order to build a socialist country under the rule of law and consolidate and develop the political situation characterized by democracy, solidarity, liveliness, stability and harmony.

Our Party has always deemed it its duty to realize and develop people's democracy. Since the beginning of reform and opening up, we have pressed on with political restructuring and improved socialist democracy. The key to developing socialist democracy is to combine the need to uphold the Party's leadership and to ensure that the people are the masters of the country with the need to rule the country by law. Leadership by the Party is the fundamental guarantee that the people are the masters of the country and that the country is ruled by law. The people being the masters of the country constitute the essential requirement of socialist democracy. Ruling the country by law is the basic principle the Party pursues while it leads the people in running the country. The CPC is the core of leadership for the cause of socialism with Chinese characteristics. Governance by the Communist Party means that it leads and supports the people in acting as the
masters of the country and mobilizes and organizes them on a most extensive scale to manage state and social affairs and economic and cultural undertakings according to law, safeguarding and realizing their fundamental interests. The Constitution and other laws embody the unity of the Party's views and the people's will. All organizations and individuals must act in strict accordance with the law, and none of them are allowed to have the privilege to overstep the Constitution and other laws.

Political restructuring is the self-improvement and development of the socialist political system. It must help enhance the vitality of the Party and state, demonstrate the features and advantages of the socialist system, give full scope to the initiative and creativity of the people, safeguard national unity, ethnic solidarity and social stability and promote economic development and social progress. We must always proceed from our national conditions, review our experience gained in practice and at the same time learn from the achievements of political civilization of mankind. We should never copy any models of the political system of the West. We must concentrate on institutional improvement and ensure that socialist democracy is institutionalized and standardized and has its procedures.

1. Uphold and improve the systems of socialist democracy. It is essential to improve the systems of democracy, develop diverse forms of democracy, expand citizens' participation in political affairs in an orderly way, and ensure that the people go in for democratic elections and decision-making, exercise democratic management and supervision according to law and enjoy extensive rights and freedoms, and that human rights are respected and guaranteed. We should uphold and improve the system of people's congresses and ensure that the congresses and their standing committees exercise their functions according to law and that their legislation and policy decisions better embody the people's will. We should optimize the composition of the standing committees. We should uphold and improve the system of multiparty cooperation and political consultation under the leadership of the Communist Party. We should uphold the principle of "long-term coexistence, mutual supervision, treating each other with all sincerity and sharing weal and woe", step up our cooperation with the democratic parties and better display the features and advantages of the Chinese socialist system of political parties. We will ensure that the Chinese People's Political Consultative Conference (CPPCC) plays its role in political consultation, democratic supervision and participation in and deliberation of state affairs. We will consolidate and develop the broadest possible patriotic united front. We will fully implement the Party's policy toward ethnic minorities, uphold and improve the system of regional ethnic autonomy, consolidate and enhance socialist ethnic relations of equality, solidarity and mutual assistance and promote common prosperity and progress for all our ethnic groups. We will implement the Party's policy toward the freedom of religious belief, handle religious affairs according to law, encourage the adaptability of religions to the socialist society and uphold the principle of self-administration and running religious affairs independently. We will conscientiously carry out the Party's policy toward overseas Chinese affairs.

Extending democracy at the grassroots level is the groundwork for developing socialist democracy. We will improve grassroots self-governing organizations, their democratic management system and the system of keeping the public informed of matters being handled, and ensure that the people directly exercise their democratic rights according to law, manage grassroots public affairs and programs for public good and exercise democratic supervision over the cadres. We will improve self-governance among villagers and foster a mechanism of their
self-governance full of vitality under the leadership of village Party organizations. We will improve self-governance among urban residents and build new-type and well-managed communities featuring civility and harmony. We will uphold and improve the system of workers' conferences and other democratic management systems in enterprises and institutions and protect the legitimate rights and interests of workers.

2. Improve the socialist legal system. We must see to it that there are laws to go by, the laws are observed and strictly enforced, and law-breakers are prosecuted. To adapt to the new situation characterized by the development of a socialist market economy, all-round social progress and China's accession to the WTO, we will strengthen legislation and improve its quality and will have formulated a socialist system of laws with Chinese characteristics by the year 2010. We must see to it that all people are equal before the law. We should tighten supervision over law enforcement, promote the exercise of administrative functions according to law, safeguard judicial justice and raise the level of law enforcement so that laws are strictly implemented. We must safeguard the uniformity and sanctity of the legal system and prevent or overcome local and departmental protectionism. We will extend and standardize legal services and provide effective legal aid. We should give more publicity to the legal system so that the people are better educated in law. In particular, we will enhance the public servants' awareness of law and their ability to perform their official duties according to law. Party members and cadres, especially leading cadres, should play an exemplary role in abiding by the Constitution and other laws.

3. Reform and improve the Party's style of leadership and governance. This is a matter of overall significance to improving socialist democracy. Leadership by the Party mainly refers to its political, ideological and organizational leadership. The Party exercises leadership over the state and society by formulating major principles and policies, making suggestions on legislation, recommending cadres for important positions, conducting ideological publicity, giving play to the role of Party organizations and members and persisting in exercising state power according to law. Party committees, playing the role as the core of leadership among all other organizations at corresponding levels, should concentrate on handling important matters and support those organizations in assuming their responsibilities independently and making concerted efforts in their work. We will further reform and improve the Party's working organs and mechanisms. Acting on the principle that the Party commands the overall situation and coordinates the efforts of all quarters, we will standardize relations between Party committees on the one hand and people's congresses, governments, CPPCC committees and mass organizations on the other. We will support people's congresses in performing their functions as organs of state power according to law, in ensuring that the Party's views become the will of the state and that candidates recommended by Party organizations become leading cadres of the organs of state power through legal procedures, and in exercising supervision over them. We will support the government in fulfilling its legal functions and performing its official duties according to law. We will support CPPCC committees in performing their functions by centering on the two major subjects of unity and democracy. We will strengthen the Party's leadership over trade unions, the Communist Youth League organizations, women's federations and other mass organizations and support them in working according to law and their own constitutions and acting as a bridge between the Party and the people.
4. Reform and improve the decision-making mechanism. Correct decision-making is an important prerequisite for success in all work. We will improve the decision-making mechanism by which decision-makers will go deep among the people and get to know how they are faring, reflect their will, pool their wisdom and value their resources, putting decision-making on a more scientific and democratic basis. Decision-making organs at all levels should improve the rules and procedures for taking major policy decisions, establish a system of reporting social conditions and public opinion, a system of keeping the public informed and a system of public hearings on major issues closely related to the interests of the people, perfect the expert consulting system and implement a verification system and a responsibility system in making policy decisions with a view to preventing arbitrary decision-making.

5. Deepen administrative restructuring. We should further change the functions of the government, improve the methods of management, introduce e-government, uplift administrative efficiency and reduce costs so as to form an administrative system featuring standardized behaviors, coordinated operation, fairness and transparency, honesty and high efficiency. We should standardize the functions and powers of the Central Government and local authorities according to law and properly handle relations between the departments directly under the Central Government and the local governments. Following the principle of simplification, uniformity and efficiency and meeting the requirements of coordination in decision-making, execution and supervision, we will continue to promote the restructuring of government departments, standardize their functions in a scientific manner, rationalize their set-ups, and optimize their composition in order to delimit the structures and sizes statutorily and solve the problems of too many levels, overlapping functions, overstaffing, divorce between powers and responsibilities and duplicate law enforcement. We will reform the management system of institutions in accordance with the principle of separating the functions of government from those of institutions.

6. Promote the reform of the judicial system. A socialist judicial system must guarantee fairness and justice in the whole society. In accordance with the requirements of judicial justice and strict law enforcement, we should improve the setups of judicial organs, the delimitation of their functions and powers and their management systems so as to form a sound judicial system featuring clearly specified powers and responsibilities, mutual coordination and restraint and highly efficient operation. We should institutionally ensure that the judicial and procuratorial organs are in a position to exercise adjudicative and procuratorial powers independently and impartially according to law. We should improve judicial proceedings and protect the legitimate rights and interests of citizens and legal persons. We should solve the problem of difficult enforcement of judgments. We should reform the working mechanisms of judicial organs and the management system of their human, financial and material resources and gradually separate their judicial adjudication and procuratorial work from their administrative affairs. We will tighten supervision over the judicial work and punish corruption in this field. We will build up a contingent of judicial personnel who are politically steadfast and professionally competent, have a fine style of work and enforce laws impartially.

7. Deepen the reform of the cadre and personnel system. Efforts should be made to form a vigorous personnel mechanism under which we can gather large numbers of talented people, put them to the best use and get them prepared for both promotion and demotion, calling them to the service of the Party and state. In reforming and perfecting the cadre and personnel system and
improving the system of public servants, we should focus on establishing a sound mechanism of selection, appointment, management and supervision, with a view to making it scientific, democratic and institutionalized. In the matter of cadre selection and appointment, Party members and ordinary people should have more right to know, to participate, to choose and to supervise. With regard to leading cadres of the Party and government, it is necessary to implement the system of fixed tenures, the system of resignation and the system of accountability for neglect of supervisory duty or the use of the wrong person. It is necessary to improve the system of giving cadres both positions and ranks and establish an incentive and guarantee mechanism for them. We should explore and improve the system of classified management of cadres and personnel in Party and government organs, institutions and enterprises. We should reform and improve the system of dual control over cadres. We should break with the notions and practices of overstressing seniority in the matter of selection and appointment, encourage the rational flow of trained people and create a sound environment which makes it possible for outstanding people to come to the fore in all fields.

8. Tighten the restraint on and supervision over the use of power. We should establish a mechanism for the exercise of power featuring reasonable structure, scientific distribution, rigorous procedures and effective restraint so as to tighten supervision over power in terms of decision-making, execution and other links and ensure that the power entrusted to us by the people is truly exercised for their benefits. We should focus on tightening supervision over leading cadres and especially principal ones, stepping up supervision over the management and use of human, financial and material resources. We should tighten internal supervision of leading groups and improve the procedures for deciding on important matters and the appointment or dismissal of cadres in important positions. We should reform and improve the system of Party discipline inspection and introduce and improve the system of inspection tours. We should give play to the role of judicial, administrative supervision and auditing organs and other functional departments. We should implement the system under which leading cadres report in various ways on their work and their efforts to perform their duties honestly, and improve the systems of reporting on important matters, of making inquiries and of democratic appraisal. We should conscientiously implement the system of making government affairs known to the public. We should tighten organizational and democratic supervision and give play to the supervisory function of the media.

9. Maintain social stability. To accomplish the heavy tasks of reform and development, we must have a harmonious and stable social climate for a long time to come. Party committees and governments at all levels should enthusiastically help the people solve practical problems they may confront in their work and life. They must carry out in-depth investigations and study, strengthen ideological and political work in light of different cases, and employ economic, administrative and legal means to handle the contradictions among the people properly, those involving their immediate interests in particular, so as to maintain stability and unity. It is essential to improve procuratorial, judicial and public security work, cracking down on criminal activities according to law, guarding against and punishing crimes committed by evil cult gangs and eliminating social evils so as to ensure the safety of the lives and property of the people. We must combine punishment and prevention, with emphasis on the latter, take comprehensive measures to maintain law and order and improve social management so as to keep public order. We must strengthen state security, keeping vigilance against infiltrative, subversive and separatist activities by hostile forces at home and abroad.
Socialist democracy enjoys strong vitality and superiority. The CPC and the Chinese people have full confidence in the road to political development they have chosen and will press ahead with political development under socialism with Chinese characteristics.

VI. Cultural Development and Restructuring

To build a well-off society in an all-round way calls for major efforts to develop socialist culture and spiritual civilization. In the present-day world, culture is interactive with economic and political activities, and its status and functions are becoming more and more outstanding in the competition in overall national strength. The power of culture is deeply rooted in the vitality, creativity and cohesion of a nation. All Party members must fully understand the strategic significance of cultural development and make socialist culture develop and flourish.

1. Keep the orientation of advanced culture firmly in hand. In contemporary China, to develop advanced culture means to develop national, scientific and popular socialist culture geared to the needs of modernization, of the world and of the future so as to enrich people's mental world and reinforce their mental strength. We must uphold Marxism-Leninism, Mao Zedong Thought and Deng Xiaoping Theory as our guidelines in the realm of ideology and have the important thought of Three Represents in command of the development of socialist culture. We must keep to the orientation of serving the people and socialism and the principle of letting a hundred flowers blossom and a hundred schools of thought contend and highlight the themes of the times while encouraging diversity. We should continue to arm people with scientific theory, provide them with correct media guidance, imbue them with lofty ideals, and inspire them with excellent works of literature and art. We must exert ourselves to develop advanced culture and support healthy and useful culture, changing what is backward and resisting what is decadent. Literary and art workers should go deep among the masses and into the thick of life so as to contribute to the people more works worthy of the times. The press, publishing, radio, film and television must give correct guidance to the public, and Internet web sites should serve as important fronts for spreading advanced culture. Basing ourselves on the practice of reform, opening up and modernization and keeping abreast of the latest developments in world culture, we must carry forward the fine tradition of our national culture, draw on the strong points of other nations and make innovations in content and form so as to enhance the attraction and appeal of socialist culture with Chinese characteristics.

2. Continue to carry forward and cultivate the national spirit. National spirit is the moral kingpin on which a nation relies for survival and development. Without an inspiring spirit and lofty character, it is impossible for a nation to stand proudly in the family of nations. For more than 5,000 years, the Chinese nation has evolved a great national spirit centering on patriotism and featuring unity and solidarity, love of peace, industry, courage and ceaseless self-improvement. This national spirit has been enriched in light of the requirements of the times and social development by the people under the leadership of our Party over along period of practice. Confronted with interaction of different thoughts and cultures in the world, we must take it as a crucial task in our cultural development to carry forward and cultivate the national spirit and incorporate it into our national education and the entire process of building spiritual civilization so that the entire people are always filled with an enterprising spirit.
3. Promote ideological and ethical progress. Ruling the country by law and ruling the country by virtue complement each other. It is necessary to establish a socialist ideological and ethical system compatible with the socialist market economy and the socialist legal standard and consistent with the traditional virtues of the Chinese nation. We must carry out intensive publicity and education in the Party's basic theory, line and program and in the important thought of Three Represents, and guide people in fostering a common ideal for socialism with Chinese characteristics, correct world outlook, views on life and values. We must carry out the Program for Improving Civic Morality, promote patriotism and, with serving the people at the core, collectivism as the principle and honesty as a priority, intensify education in social and professional ethics and family virtues and especially intensify the ideological and ethical improvement among youth so as to guide people in their pursuit of higher ideological and ethical standards on the basis of observing the basic code of conduct. We must strengthen and improve ideological and political work and encourage popular participation in building spiritual civilization.

4. Develop education and science. Education is the foundation for scientific and technological advancement and personnel training. Playing a vanguard role and having an overall bearing on the modernization drive, education must be placed on our development agenda as a strategic priority. We must carry out the Party's education policy that education should serve socialist modernization and the people and integrate itself with productive labor and social practice so as to train socialist builders and successors featuring an all-round development in morality, intelligence, physique and art. We should encourage innovation in education, deepen its reform, optimize its structure, allocate its resources rationally, raise its quality and management levels and promote quality-oriented education to cultivate hundreds of millions of high-quality workers, tens of millions of specialized personnel and a great number of top-notch innovative personnel. We should build up the ranks of teachers and raise their professional ethics and competence. We should continue to make nine-year compulsory education universal across the country, intensify vocational education and training, develop continued education and set up a system of life-long education. We should increase input in education, give more support to rural education, and encourage nongovernmental sectors to run schools. We should improve the state policy and system for aiding students in straitened circumstances. We should formulate a long-term program for scientific and technological development. We should step up the development of infrastructure for research. We should disseminate science and promote the scientific spirit. We must lay equal stress on social sciences and natural sciences and give full play to the important role of philosophy and other social sciences in economic and social development. It is essential to create an atmosphere in society at large favorable for respecting and promoting science, encouraging innovation and opposing superstition and pseudo-science.

5. Develop cultural undertakings and industry. In developing cultural undertakings and industry, it is imperative to meet the requirements of developing advanced culture and always place social effects in the first place. The state supports and protects public cultural undertakings and encourages them to enhance their vigor for self-development. We must continue to improve the policies and measures for the development of public cultural undertakings. We must give our support to the major news media and research institutions of social sciences of the Party and state, to the major cultural projects and art schools and troupes that are up to national standards and embody national characteristics, to the protection of major cultural heritage and outstanding folk arts, and to the cultural development in the old revolutionary base areas, areas inhabited by
ethnic minorities, remote areas, impoverished areas and the central and western regions of the country. We should strengthen cultural infrastructure and boost various types of popular culture. We should promote the reform and development of health and sports undertakings and carry on the nationwide fitness campaign to improve the physique of the entire people. We should make the 2008 Olympics a success. Developing the cultural industry is an important avenue to enriching socialist culture in the market economy and to meeting the spiritual and cultural needs of the people. It is essential to improve policies toward the cultural industry, support its development and enhance its overall strength and competitiveness.

6. Continue to deepen cultural restructuring. It is necessary to push forward cultural restructuring in light of the characteristics of the development of socialist spiritual civilization and laws governing it and in response to the needs of the growing socialist market economy. We must lose no time in working out overall planning for cultural restructuring. We must integrate the deepening of reform with structural adjustment and promotion of development and straighten out the relationship between the government and cultural enterprises and institutions. We must build up a legal system concerning culture and intensify macro-control. We should deepen the internal reform of cultural enterprises and institutions and gradually establish a management system and operational mechanism favorable to arousing the initiative of cultural workers, encouraging innovation and bringing forth more top-notch works and more outstanding personnel. In compliance with the principle of both enriching culture and intensifying management, we should improve the system of markets for cultural products and their management mechanism to create a social climate favorable for a flourishing socialist culture.

The Chinese civilization, extensive and profound, and with a long history behind it, has contributed tremendously to the progress of human civilization. We will surely have a new upsurge in building socialist culture and create an even more splendid advanced culture in the great struggle of the Chinese people in the contemporary era.

VII. National Defense and Army Building

Strengthening our national defense is a strategic task in our modernization drive and an important guarantee for safeguarding our national security and unity and building a well-off society in an all-round way. We must uphold the principle of coordinated development of national defense and the economy and push forward the modernization of national defense and the army on the basis of economic growth.

The army must take Mao Zedong's military thinking and Deng Xiaoping's thinking on army building in the new period as the guide to action and fully implement the important thought of Three Represents. It must persist in taking the road of fewer but better troops with Chinese characteristics and become more revolutionary, modernized and regularized in compliance with the general requirements of being qualified politically and competent militarily and having a fine style of work, strict discipline and adequate logistic support and in close connection with the two historic objectives of being capable of winning battles and never degenerating.

The army should give first priority to ideological and political development in all its endeavors and retain the nature, quality and style of work worthy of a people's army. The Party's absolute
leadership over the army is the eternal soul of the army. There must be no wavering in upholding the fundamental principle and system that the Party leads the people's army.

The army must implement the military strategic principle of active defense and raise its defense capabilities and combat effectiveness under high-tech conditions. In response to the trend of military changes in the world, it must carry out the strategy of building a strong army through science and technology and improve its qualities. It should attach strategic importance to education and training, carry on intensive science- and technology-related military training and strengthen the building of military academies and schools so as to bring up a large number of high-quality military personnel of a new type. It is necessary to innovate and develop military theories. Efforts should be made to accomplish the historical tasks of mechanization and IT application, thereby bringing about leapfrog development in the modernization of our army.

It is necessary to explore the characteristics and laws for running the army under the new historical conditions and press ahead with reforms in the building of national defense and the army. The formation and structure of the army must be optimized and the related policies and systems should be adjusted and improved. The army must be strict with itself and improve the system of military rules and regulations so as to raise the level of handling its affairs according to law. It is essential to persist in building the army through diligence and thrift and establishing and improving an integrated logistic support system for the three armed services, for both military and civilian purposes and for both peacetime and wartime. It is necessary to deepen the restructuring of defense-related science, technology and industry, combine military efforts with civilian support, establish and improve the mechanism of competition, appraisal, supervision and incentives and enhance the capabilities of independent innovation so as to speed up the development of defense-related science and technology as well as arms and equipment. It is necessary to improve the mobilization system for national defense, strengthen the militia and reserves and develop strategies and tactics of the people's war under high-tech conditions. The armed police should strive for all-round improvement and be loyal guards of the Party and the people forever.

Party organizations and governments at all levels and the people should be concerned with and support the building of national defense and the army. The army should support and take an active part in national construction. We should strengthen education in national defense to enhance the entire people's awareness of its importance. The government and the people should support the army and give preferential treatment to the families of servicemen and martyrs, and the army should support the government and cherish the people so as to consolidate the solidarity between the army and the government and between the army and the people.

VIII. "One Country, Two Systems" and Complete National Reunification

To achieve complete reunification of the motherland is a common aspiration of all sons and daughters of the Chinese nation both at home and abroad. We have successfully resolved the questions of Hong Kong and Macao and are striving for an early settlement of the question of Taiwan and for the accomplishment of the great cause of national reunification.

The return of Hong Kong and Macao to the motherland has enriched the concept of "one country, two systems" in both theory and practice. Facts prove that "one country, two systems" is a
correct policy and has strong vitality. We will resolutely implement this policy and act in strict accordance with the basic laws of Hong Kong and Macao special administrative regions. We will render full support to the chief executives and governments of the two regions in their work and unite with people from all walks of life there in a joint effort to maintain and promote the prosperity, stability and development of Hong Kong and Macao.

We will adhere to the basic principles of "peaceful reunification" and "one country, two systems" and the eight-point proposal on developing cross-strait relations and advancing the process of peaceful national reunification at the present stage. We will work with our compatriots in Taiwan to step up personnel exchanges and promote economic, cultural and other interflows between the two sides and firmly oppose the Taiwan separatist forces. The basic configuration and development trend of the cross-strait relations remain unchanged. The desire of our Taiwan compatriots for peace, stability and development is growing stronger day by day. The splitting activities by the Taiwan separatist forces are unpopular.

Adherence to the one-China principle is the basis for the development of cross-strait relations and the realization of peaceful reunification. There is but one China in the world, and both the mainland and Taiwan belong to one China. China's sovereignty and territorial integrity brook no division. We firmly oppose all words and deeds aimed at creating "Taiwan independence", "two Chinas" or "one China, one Taiwan". The future of Taiwan lies in the reunification of the motherland. To conduct dialogue and hold negotiations on peaceful reunification has been our consistent position. Here we repeat our appeal: On the basis of the one-China principle, let us shelve for now certain political disputes and resume the cross-strait dialogue and negotiations as soon as possible. On the premise of the one-China principle, all issues can be discussed. We may discuss how to end the cross-strait hostility formally. We may also discuss the international space in which the Taiwan region may conduct economic, cultural and social activities compatible with its status, or discuss the political status of the Taiwan authorities or other issues. We are willing to exchange views with all political parties and personages of all circles in Taiwan on the development of cross-strait relations and the promotion of peaceful reunification.

We place our hopes on the people in Taiwan for the settlement of the Taiwan question and the realization of the complete reunification of China. Our compatriots in Taiwan have a glorious patriotic tradition and are an important force in developing cross-strait relations. We fully respect their life style and their wish to be the masters of our country. The two sides should expand mutual contacts and exchanges and work together to carry forward the fine tradition of the Chinese culture. As the direct links of mail, air and shipping services, and trade across the Taiwan Straits serve the common interests of the compatriots on both sides, there is every reason to take practical and positive steps to promote such direct links and open up new prospects for cross-strait economic cooperation.

"One country, two systems" is the best way for the reunification between the two sides. After its reunification with the mainland, Taiwan may keep its existing social system unchanged and enjoy a high degree of autonomy. Our Taiwan compatriots may keep their way of life unchanged, and their vital interests will be fully guaranteed. They will enjoy a lasting peace. Taiwan may then truly rely on the mainland as its hinterland for economic growth and thus get broad space for development. Our Taiwan compatriots may join the people on the mainland in exercising the
right to administer the country and sharing the dignity and honor of the great motherland in the international community.

The 23 million Taiwan compatriots are our brothers and sisters of the same blood. No one is more eager than we are to resolve the Taiwan question through peaceful means. We will continue to implement the basic principles of "peaceful reunification" and "one country, two systems" and act on the eight-point proposal. We will work in utmost sincerity and do all we can to strive for a peaceful reunification. Our position of never undertaking to renounce the use of force is not directed at our Taiwan compatriots. It is aimed at the foreign forces' attempts to interfere in China's reunification and the Taiwan separatist forces' schemes for "Taiwan independence". To safeguard national unity bears on the fundamental interests of the Chinese nation. We Chinese people will safeguard our state sovereignty and territorial integrity with firm resolve. We will never allow anyone to separate Taiwan from China in any way.

China will be reunified, and the Chinese nation will be rejuvenated. The Taiwan question must not be allowed to drag on indefinitely. We are convinced that with the concerted efforts of all sons and daughters of the Chinese nation, the complete reunification of the motherland will be achieved at an early date.

IX. The International Situation and Our External Work

Peace and development remain the themes of our era. To preserve peace and promote development bears on the well-being of all nations and represents the common aspirations of all peoples. It is an irresistible trend of history. The growing trends toward world multipolarization and economic globalization have brought with them opportunities and favorable conditions for world peace and development. A new world war is unlikely in the foreseeable future. It is realistic to bring about a fairly long period of peace in the world and a favorable climate in areas around China.

However, the old international political and economic order, which is unfair and irrational, has yet to be changed fundamentally. Uncertainties affecting peace and development are on the rise. The elements of traditional and non-traditional threats to security are intertwined, and the scourge of terrorism is more acutely felt. Hegemonism and power politics have new manifestations. Local conflicts triggered by ethnic or religious contradictions and border or territorial disputes have cropped up from time to time. The North-South gap is widening. The world is far from being tranquil and mankind is faced with many grave challenges.

No matter how the international situation changes, we will, as always, pursue the independent foreign policy of peace. The purpose of China's foreign policy is to maintain world peace and promote common development. We are ready to work with all nations to advance the lofty cause of world peace and development.

We stand for going along with the historical tide and safeguarding the common interests of mankind. We are ready to work with the international community to boost world multipolarization, promote a harmonious coexistence of diverse forces and maintain stability in the international community. We will promote the development of economic globalization in a
direction conducive to common prosperity, draw on its advantages and avoid its disadvantages so that all countries, particularly developing countries, can benefit from the process.

We stand for establishing a new international political and economic order that is fair and rational. Politically all countries should respect and consult one another and should not seek to impose their will on others. Economically they should complement one another and pursue common development and should not create a polarization of wealth. Culturally they should learn from one another and work for common prosperity and should not exclude cultures of other nations. In the area of security, countries should trust one another and work together to maintain security, foster a new security concept featuring mutual trust, mutual benefit, equality and coordination, and settle their disputes through dialogue and cooperation and should not resort to the use or threat of force. We oppose all forms of hegemonism and power politics. China will never seek hegemony and never go in for expansion.

We stand for maintaining the diversity of the world and are in favor of promoting democracy in international relations and diversifying development models. Ours is a colorful world. Countries having different civilizations and social systems and taking different roads to development should respect one another and draw upon one another's strong points through competition and comparison and should develop side by side by seeking common ground while shelving differences. The affairs of each country should be left to the people of that country to decide. World affairs should be determined by all countries concerned through consultations on the basis of equality.

We stand for fighting against terrorism of all forms. It is imperative to strengthen international cooperation in this regard, address both the symptoms and root causes of terrorism, prevent and combat terrorist activities and work hard to eliminate terrorism at root.

We will continue to improve and develop relations with the developed countries. Proceeding from the fundamental interests of the people of all countries concerned, we will broaden the converging points of common interests and properly settle differences on the basis of the Five Principles of Peaceful Coexistence, notwithstanding the differences in social system and ideology.

We will continue to cement our friendly ties with our neighbors and persist in building a good-neighborly relationship and partnership with them. We will step up regional cooperation and bring our exchanges and cooperation with our surrounding countries to a new height.

We will continue to enhance our solidarity and cooperation with other third world countries, increase mutual understanding and trust and strengthen mutual help and support. We will enlarge areas of cooperation and make it more fruitful.

We will continue to take an active part in multilateral diplomatic activities and play our role in the United Nations and other international or regional organizations. We will support other developing countries in their efforts to safeguard their legitimate rights and interests.
We will continue to develop exchanges and cooperation with political parties and organizations of all countries and regions on the principles of independence, complete equality, mutual respect and noninterference in each other's internal affairs.

We will continue to carry out extensive people-to-people diplomacy, expand cultural exchanges with the outside world, enhance the friendship between peoples and propel the development of state-to-state relations.

The world is marching toward brightness and progress. The road is tortuous, but the future is bright. The forces for peace, justice and progress are invincible after all.

X. Strengthen and Improve Party Building

In a large multi-ethnic developing country like ours, we must spare no efforts to strengthen and improve the Party's leadership and fully advance the great new undertaking of Party building if we are to rally the entire people to work heart and soul in building a well-off society in an all-round way and speed up the socialist modernization drive.

To strengthen and improve Party building, we must hold high the great banner of Deng Xiaoping Theory, implement the important thought of Three Represents in a comprehensive way and ensure that the Party's line, principles and policies fully reflect the fundamental interests of the people and the requirements of development of our times. We must adhere to the principle that the Party exercises self-discipline and is strict with its members, and further address the two major historical subjects of how to enhance the Party's art of leadership and governance and how to raise the Party's capacity to resist corruption, prevent degeneration and withstand risks. We must acquire an accurate understanding of social progress in contemporary China, and reform and improve the Party's way of leadership and governance and its leadership and working systems so that the Party will be full of vigor and vitality in its work. We must proceed with Party building ideologically, organizationally and in work style in parallel with institutional improvement, not only ensuring a good performance of our day-to-day work, but also tackling prominent issues in good time. Unyielding efforts will be made to ensure that our Party is forever the vanguard both of the Chinese working class and of the Chinese people and the Chinese nation as well as the core of leadership in building socialism with Chinese characteristics and that it always represents the development trend of China's advanced productive forces, the orientation of China's advanced culture and the fundamental interests of the overwhelming majority of the Chinese people.

1. Study and implement the important thought of Three Represents intensively and raise all Party members' level of the Marxist theory. The rise in the Party's ideological and theoretical level is an ideological guarantee for continued progress of the cause of our Party and state. We must highlight the Party's ideological and theoretical building. We must continue to arm all Party members with Marxism-Leninism, Mao Zedong Thought and Deng Xiaoping Theory and usher in a new upsurge in the study and implementation of the important thought of Three Represents. Party members and cadres, particularly senior and middle-rank cadres, should take the lead in studying and acting on the important thought of Three Represents. They should play an exemplary role in studying diligently, using their brains, emancipating their minds, keeping pace with the times and boldly engaging in practice and innovation. We will carry out an intensive
education among all Party members in the history of development of Marxism and promote the truth-seeking and pioneering spirit. We will deepen our understanding of the laws on governance by the Communist Party, on building socialism and on development of human society and constantly enrich and develop Marxism.

2. Build up the Party's governing capacity and improve its art of leadership and governance. Faced with profound changes in the conditions of governance and social environment, Party committees and leading cadres at all levels must, in response to the requirements of the new situation and new tasks, acquire new knowledge, accumulate new experience and develop new abilities in practice, thus living up to the mission assigned to them and the full trust placed on them. They must view the world with broad vision, acquire a correct understanding of the requirements of the times and be good at thinking on a theoretical plane and in a strategic perspective so as to improve their ability of sizing up the situation in a scientific way. They must act in compliance with objective and scientific laws, address promptly the new situation and problems in reform and development, know how to seize opportunities to accelerate development and enhance their abilities of keeping the market economy well in hand. They must correctly understand and handle various social contradictions, know how to balance the relations among different interests, overcome difficulties and go on improving their ability of coping with complicated situations. They must enhance their awareness of law and know how to integrate the adherence to Party leadership and the people being the masters of the country with ruling the country by law and improve their abilities of exercising state power according to law. They must base themselves on the overall interests of the work of the entire Party and the whole country, firmly implement the Party's line, principles and policies, work creatively in light of realities and keep enhancing their ability of commanding the whole situation.

3. Adhere to and improve democratic centralism and enhance the Party's vitality, solidarity and unity. Democratic centralism is a system that integrates centralism on the basis of democracy with democracy under centralized guidance. Inner-Party democracy is the life of the Party and plays an important exemplary and leading role in people's democracy. We should establish and improve an inner-Party democratic system that fully reflects the will of Party members and organizations, starting with the reform of the relevant systems and mechanisms on the basis of guaranteeing the democratic rights of Party members and giving priority to improving the systems of Party congresses and of Party committees. The system of Party congresses with regular annual conferences should be tried out in more cities and counties. We should explore ways to give play to the role of delegates when Party congresses are not in session. In accordance with the principle of collective leadership, democratic centralism, individual consultations and decision by meetings, we should improve the rules of procedure and decision-making mechanism within Party committees in order to give fuller play to the role of plenary sessions of Party committees. We need to reform and improve the inner-Party electoral system. We should establish and improve inner-Party information sharing and reporting systems and the system of soliciting opinions concerning major policy decisions. The centralization and unity of the Party and state are where the fundamental interests of the people of all ethnic groups lie. The whole Party and the entire nation must maintain a high degree of unity with regard to the guiding ideology, line, principles and policies and major questions of principle. All Party members must consciously abide by the principle that individual Party members are subordinate to the organization, that the minority is subordinate to the majority, that lower Party organizations are subordinate to the higher ones and that all the constituent organizations and members of the
Party are subordinate to its National Congress and Central Committee. They must safeguard the authority of the Central Committee and ensure that its decisions are carried out without fail. Party organizations at all levels and all Party members, leading cadres in particular, must strictly abide by Party discipline. Under no circumstances should they be allowed to go their own ways in disregard of orders and prohibitions.

4. Build a contingent of high-caliber leading cadres and form an energetic and promising leadership. It is a matter of vital importance for maintaining prolonged stability of the Party and state to build a contingent of high-caliber leading cadres capable of assuming heavy responsibilities and withstanding the test of trials and tribulations, and especially to train a large number of outstanding leading cadres for the mission of running the Party, state and army in accordance with the principle of bringing up more revolutionary, younger, better educated and more professionally competent cadres. We should conscientiously implement the regulations on the selection and appointment of leading cadres and make a point of testing and identifying cadres in the practice of reform and development so as to promote to leading positions in good time those who are accredited with ability, integrity and outstanding performance and enjoy popular support. We should make greater efforts to train and select outstanding young cadres, helping them cultivate their Party spirit, pursue theoretical study and gain practical experience so that they will improve in all respects. We should do a better job of training and selecting women cadres, cadres from among ethnic minorities and non-Party cadres. We should continue to do well the work related to retired cadres. We should turn the leading bodies of the Party at all levels into staunch collectives that firmly implement the important thought of Three Represents mainly by improving their qualities, optimizing their composition, refining their work style and enhancing solidarity. We should train more and more successors to the cause of socialism with Chinese characteristics so that the cause of the Party and people will be carried forward.

5. Build the Party well at the primary level, reinforce its class foundation and expand its mass base. The primary organizations of the Party constitute its foundation for doing all its work and building up its combat effectiveness. They should organize, motivate and practice the implementation of the important thought of Three Represents. We should, by focusing on the central task and serving the overall interests, broaden the fields of our endeavor, intensify our functions and expand the coverage of the Party's work so as to increase the rallying power and combat effectiveness of primary organizations. We should strengthen the building of village-level supporting organizations which rally around village Party organizations, and explore effective ways that will enable cadres to receive education regularly and farmers to get long-term tangible benefits. In order that state-owned and collective enterprises operate well, we must persistently rely on the working class wholeheartedly, and Party organizations in those enterprises should take an active part in the decision-making on major issues and give full play to their role as the political core. We should strengthen Party building in enterprises of the non-public sectors. Party organizations in enterprises must carry out the Party's principles and policies, and provide guidance to and supervise the enterprises in observing the laws and regulations of the state. They should exercise leadership over trade unions, the Communist Youth League and other mass organizations, rally the workers around them, safeguard the legitimate rights and interests of all quarters and stimulate the healthy development of the enterprises. We should attach great importance to Party building in communities, striving to bring about a new pattern in Party building in urban communities, with the focus on serving the people. We should intensify our efforts to establish Party organizations in mass organizations
and intermediaries. We should fully carry out Party building in Party and government organs as well as schools, research institutions, cultural groups and other institutions.

Party members must play their vanguard and exemplary role, foster the lofty ideal of communism, fortify their conviction in socialism with Chinese characteristics and work hard to realize the Party's basic program for the current stage. We need to carry out Party-wide education to maintain the progressiveness of Party members mainly by putting the important thought of Three Represents into practice. We should recruit Party members mainly from among workers, farmers, intellectuals, servicemen and cadres, thus expanding the basic components and backbone of the Party. We should make a point of recruiting Party members from among those in the forefront of work and production and from among the prominent intellectuals and young people. We should admit into the Party advanced elements of other social strata who accept the Party's program and Constitution, work for the realization of the Party's line and program consciously and meet the qualifications of Party membership following a long period of test, in order to increase the influence and rallying force of the Party in society at large. We must, in light of the new situation, seek new mechanisms and methods for the management of Party membership.

6. Strengthen and improve the Party's style of work and intensify the struggle against corruption. The key to improving the Party's style of work lies in keeping the flesh-and-blood ties between the Party and the people. The biggest political advantage of our Party lies in its close ties with the masses while the biggest potential danger for it as a ruling party comes from its divorce from them. We must at all times and under all circumstances adhere to the Party's mass line, and to the purpose of serving the people heart and soul and regard the people's interests as the starting point and goal of all our work. We must carry forward the fine tradition and style of our Party, bearing in mind the fundamental principle that the Party is built for the public and that it exercises state power for the people. We must make effective efforts to resolve the outstanding issues in respect of the way of thinking, study and work of our Party, its style of leadership and its cadres' way of life and especially to prevent and overcome formalism and bureaucracy by acting on the principle of the "eight do's" and "eight don'ts" (Note 2) put forward by the Party Central Committee, by resorting to both educational and institutional means and by correctly conducting criticism and self-criticism. Closely following the new changes in social activities and carefully studying the new features of our mass work, we must strengthen and improve such work throughout the process of building the Party and political power. All Party members, primarily leading cadres at all levels, must do mass work well in light of the new situation and, by persuading, setting examples and providing services, unite and lead the masses in making progress.

To combat and prevent corruption resolutely is a major political task of the whole Party. If we do not crack down on corruption, the flesh-and-blood ties between the Party and the people will suffer a lot and the Party will be in danger of losing its ruling position, or possibly heading for self-destruction. Against the background of its long-term governance and China's opening up and development of the socialist market economy, the Party must be on full alert against corrosion by all decadent ideas and maintain the purity of its membership. Party committees at all levels must fully recognize the urgency as well as the protracted nature of the fight against corruption. They should enhance confidence, do a solid job, take a clear-cut stand and never waver in carrying on the fight in depth. We should work still harder to make sure that our leading cadres are clean,
honest and self-disciplined, and see to it that major corruption cases are investigated and dealt with. Malpractices in departments and trades and services must be corrected. We must adhere to the principle of addressing both symptoms and root causes of corruption and taking comprehensive measures to rectify both while devoting greater efforts gradually to tackling the latter. We must strengthen education, develop democracy, improve the legal system, tighten supervision, make institutional innovation and incorporate counter-corruption in all our major policy measures so as to prevent and tackle corruption at its source. We must uphold and improve the leadership system and working mechanism against corruption and earnestly implement the responsibility system for improving the Party's work style and building clean government, in a concerted effort to prevent and punish corruption. Leading cadres, particularly senior ones, should play an exemplary role in exercising the power in their hands correctly. They must always be honest and upright and take the initiative to crack down on all forms of corruption. All corruptionists must be thoroughly investigated and punished without leniency.

So long as all Party comrades always maintain the vigor and vitality, dashing spirit and integrity as Communists and have the people at heart, the foundation of our Party's governance will remain rock solid.

Comrades,

To build a well-off society in an all-round way and create a new situation in building socialism with Chinese characteristics, it is essential, under the firm leadership of the CPC, to develop a socialist market economy, socialist democracy and an advanced socialist culture, keep the coordinated development of the socialist material, political and spiritual civilizations, and bring about the great rejuvenation of the Chinese nation.

The CPC is deeply rooted in the Chinese nation. Since the very day of its founding, it has been the vanguard of the Chinese working class and also of the Chinese people and the Chinese nation, shouldering the grand mission of realizing the great rejuvenation of the Chinese nation. During the new-democratic revolution, our Party united and led the Chinese people of all ethnic groups in fulfilling the historic task of winning national independence and people's liberation, thus laying the groundwork for our great national rejuvenation. After the founding of New China, our Party creatively completed the transition from New Democracy to socialism, the greatest and most profound social transformation ever in China's history, and embarked on a socialist road and the historical journey to the great rejuvenation of the Chinese nation. Since the Third Plenary Session of its Eleventh Central Committee, our Party has found the correct road to socialism with Chinese characteristics, injecting new and greater vitality into our drive for national rejuvenation. Splendid prospects present themselves before the great cause of rejuvenation of the Chinese nation.

To build a well-off society in an all-round way, step up the socialist modernization drive and make socialist China a stronger and more prosperous country, thus contributing still more to the cause of human progress - this is a historical mission our Party must take on with courage. The fulfillment of this mission inevitably depends on the solidarity of the Party and that of the Chinese people of all ethnic groups. Solidarity means strength; solidarity means victory. After going through all the hardships and setbacks, our Party and people have gained rich experience and become increasingly mature. In the face of a world that is far from being tranquil and the
formidable tasks before us, all Party members must be mindful of the potential danger and stay prepared against adversities in times of peace. We must be keenly aware of the rigorous challenges brought about by the ever-sharpening international competition as well as risks and difficulties that may arise on our road ahead. We must bear in mind the overall interests of our Party all the more deeply, cherish the solidarity all the more dearly and safeguard stability all the more firmly.

All Party comrades and the people of all ethnic groups of the country, let us rally closely around the Party Central Committee and work with one heart and one mind in a joint and unyielding effort to advance the cause of building socialism with Chinese characteristics and create a happier life and a better future for us all!

*Note 1 - The Four Cardinal Principles are: to keep to the socialist road and to uphold the people's democratic dictatorship, leadership by the Communist Party, and Marxism-Leninism and Mao Zedong Thought.

*Note 2 - The "eight do's" and "eight don'ts" are:

1. Emancipate the mind and seek truth from facts; do not stick to old ways and make no progress.

2. Combine theory with practice; do not copy mechanically or take to book worship.

3. Keep close ties with the people; do not go in for formalism and bureaucracy.

4. Adhere to the principle of democratic centralism; do not act arbitrarily or stay feeble and lax.

5. Abide by Party discipline; do not pursue liberalism.

6. Be honest and upright; do not abuse power for personal gains.

7. Work hard; do not indulge in hedonism.

8. Appoint people on their merits; do not resort to malpractice in personnel placement.

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