Thoughts on the Enhancement of China’s Governmental Administrative Efficiency After the Entrance into WTO

With Views on Reform in China’s Government Leadership System

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Recently, China was accepted into the WTO. This means that China will be further incorporated into the global economy and will participate in international competition. The domestic evaluation standards currently in effect will be changed to international evaluation standards. This involves not only industry, agriculture, and commerce, but also the problem of administrative efficiency in the field of government. Western scholars of administrative science emphasize studies on issues of efficiency and attainment within public institutions (Kettl and Milword, 1996). Michael Hammer (1990) of the United States initiated “the theory of reengineering” and co-authored with James Champy a book entitled Reengineering the Corporation (Michael Hammer and James Champy, 1993), in which they call for restructuring the organization of institutions to achieve improvement in such areas as cost, quality, service and speed, the characteristics so often stressed by contemporary standards for evaluation of efficiency and attainment. In the United States, the government administration is constantly haunted by the fear of administrative inefficiency and always makes efforts to promote efficiency. On the other hand, Chinese scholars of administrative science stress studies on the significance of promoting administrative efficiency and methods for its implementation, while China’s governmental administration pays attention to the working process and input rather than to the outcome and output. The issue of administrative inefficiency in government has caught the attention of China’s government and scholars, yet studies on administrative efficiency from the angle of the governmental leadership system are rare at home and abroad.

This paper, starting with the problem of the govern-

Abstract: The problem of improving Chinese governmental administrative efficiency after entering the WTO faces our government. How can we promote administrative efficiency to reach the level of public sector efficiency of other countries? The author starts with the governmental administrative system and analyses the systematic reasons for the low efficiency of the government. The author then puts forward four main suggestions to improve governmental efficiency: change the governmental administrative mode and distribute the functions and powers of government to multiple levels; unify and condense the governmental administrative structure; construct a governmental system that makes certain the relation between functions and powers; construct an “e-government” to promote the reform of governmental operations.
mental leadership system—the deep-seated causes of administrative inefficiency—conducts an investigation into the significance of the transformation of governmental functions. This includes the setup of institutions, the relationship of administrative functions and powers among departments at various levels inside and outside the government, and the initiation of an E-government, etc., to enhance administrative efficiency in order to comply with the demands of compliance for globalization. The purpose of this paper is to describe a radical solution to administrative inefficiency and a governmental leadership system for the ultimate goal of establishing a routinized, flexibly-operated, highly efficient, and clean government.

**Systemic Causes of Administrative Inefficiency**

Efficiency is one of the basic goals of management, and thus the concept of efficiency is closely related to management. “Efficiency comes from management”—this is the best formulation. The concept of efficiency has both a narrow and a broad sense. In the narrow sense of the term, the concept of efficiency refers to the ratio of output to input, or the ratio of work to time. In the broad sense of the term, the concept of efficiency also includes “quality, results, benefits and the like with the exception of speed and timeliness” (Xia, 1996). Administrative efficiency is a core concept of governmental management. Generally speaking, administrative institutions and administrative personnel, in exercising administrative functions, implementing administrative goals, and handling social and public affairs, their administrative efficiency is high if best results are gained to the satisfaction of the public and the enterprises concerned at a minimum cost of resources (such as manpower, financial expenditure, materials, time and information). Otherwise, administrative efficiency is low. There are many manifestations of administrative inefficiency. Common cases are: sluggishness in doing one’s work; no one taking charge of affairs; shifting responsibility onto others; having more personnel than needed; arranging tours, having lavish feasts, or sending gifts at public expense. The style of work of some administrative institutions is often described as: “Drinking tea one cup after another during work hours, and fleeing like a wisp of vapor during off duty hours”. The causes that lead to administrative inefficiency are many-sided. On the one hand, there are problems existing in the ideas or styles of some leading personnel. On the other hand, there are problems existing in the leadership system, such as the presence of overlapping and overstuffed organizations and of unsound systems and regulations, and the absence of clearly defined duties and responsibilities. Compared with personal causes, “the issue of the leadership system and organizational system is a matter of more radical, overall, stable and long-term importance” (Deng, 1983, p. 293). From this it can be inferred that the organization norms on the part of governmental leadership are the root cause of administrative inefficiency.

The governmental leadership system is the system for the setup of institutions, the demarcation of administrative competence in implementation of the desires and functions of the leadership, involving organizational levels, span of control, the demarcation of duties and responsibilities and competence among various departments under a leading institution. It also includes its relationships with other leading institutions in the aspects of duties and competence (Hua Qi, *et al.*, 1988, p. 425).

China’s governmental leadership system lags behind the development of the socialist market economy and the trends of globalization, and has become the root cause of administrative inefficiency. If we cannot make a breakthrough in theory and cannot find a solution to the problems existing in the governmental leadership system, we can alleviate the symptoms of administrative inefficiency but can never eradicate the disease itself.

**Suggested Countermeasures**

In order to meet the demands of entering the WTO, China should reform its governmental leadership system to promote administrative efficiency. This involves the issues of governmental functions, institutions, duties and competence, and modes of operation. Corresponding countermeasures to be taken include (1)
the transformation of governmental administrative modes and clarification of governmental functions; (2) the simplification of administrative structures in a unified way; (3) the reestablishment of governmental functions and powers by rearranging the relationship of administrative functions and powers among departments; and (4) the acceleration of the construction of e-government, furthering the changes in modes of governmental operation.

Transformation of the Modes of Governmental Administration and Clarification of Governmental Functions

The functions of governments tend to expand over time. As pointed out in the World Bank's Reports on World Development 1997, the scale of governments and the scope of their functions and responsibilities has expanded, especially in the industrial countries during the last hundred years, and the scale of governments as well as the sphere of their jurisdiction all over the world has been enlarged (World Bank, 1997). Governments have exerted more and more effort to control society, but this does not necessarily mean direct control over various social affairs. In some cases, there has been a tendency toward privatization. The traditional Chinese management mode was one of "big government, small society," formed on the basis of the planned economy, in which all social affairs came under governmental control and governmental functions. Social functions were minimized, thereby bringing pressure to bear upon the government to solve problems or shoulder responsibilities which should otherwise be solved or shouldered by society itself.

Of course, a government has the function of handling social and public affairs, but this doesn't mean that a government should claim responsibilities for handling all social affairs. It would be better to convert the mode of "big government, small society" into the mode of "small government, big society" by abandoning the all-inclusive mode, say, by transferring some functions to social or intermediate organizations, while supporting some affairs that society finds difficult to handle.

As social autonomy becomes more and more prevalent and governmental functions and institutions become smaller and smaller, the government will become a "small government." Society will become a "big society." At the same time, the government, being strengthened in its function of macro coordination, will become a small but powerful government. Some scholars argue that "governmental function is the embodiment of the operation of governmental power in the field of public authority" (Zang, 2001), while others say that "forms of power are all determined by governmental functions, and only those subjects who are to implement a certain function can possess some specific power" (Shi, 1996). Thus, it is clear that at a time when China's planned economy is being transformed into a market economy, conversion of governmental functions must be accelerated, if governmental efficiency and effectiveness are to be promoted. The span and content of governmental functions must be standardized so as to ensure that governmental powers are on par with governmental capacity and functions. Only then can an "all-inclusive and omnipotent government" become a "limited government" and the effectiveness of governmental administration increase.

Simplification of Administrative Structure in a Unified Way

A scientific organizational structure is the fundamental way of promoting governmental efficiency, and the key to organizational structure is the relationship between the organizational levels and the span of control. The famous American managerialist Koontz provided a detailed analysis of the influencing factors of the span of control and its relation with organizational levels. Koontz stated that vertical hierarchy and horizontal division of departments should be in conformity with the operating rules of administrative organizations. He noted that the number of persons an executive can exercise effective control over is limited, but the concrete number of persons he can control in a specific case depends upon the basic variation of the span of control and the time required for that effective control (Koontz, 1987). Therefore, there are two cardinal aspects to consider while organizing a coordinated and orderly structural system centering upon governmental functions for implementation of unity and effectiveness of leadership and administration. The first aspect is that
microstates have administrative level under United States (Sun and Chen, 1998).

If China would consider removing the prefectural level from the existing five administrative levels, better communication would result. China should also change villages and towns into autonomous organizations, making governmental organizational structure less unwieldy. Horizontal departments must not be too finely divided, because too fine a horizontal division is also unwieldy and overlapping, in turn influencing the effectiveness of management.

In general, China’s local governments have about 40 horizontal departments, exerting unfavorable influence upon administrative efficiency. In order to simplify the administrative structure, it would be better to set up about 22 to 26 horizontal governmental departments according to their level and scale. In this way, government decrees and orders would be executed more expeditiously, and with more accurate and rapid communication between higher and lower levels. With the same function horizontally incorporated into one working department, government departments would become adequately streamlined without unwieldiness, and every department would become an organic component of the government organizational system.

Reestablishment of the System of Governmental Functions and Powers by Rearranging the Relationship of Administrative Functions and Powers among Departments at Various Levels Inside and Outside the Government

Powers of office are based upon and generated from administrative functions and duties with corresponding responsibilities. With the ever-deepening degree of economic globalization, the powers of the central authority tend to be transferred to local governments, and powers of governmental authority tend to be transferred to enterprises. The reshuffling of the relationship of administrative functions and powers among departments at various levels inside and outside the government necessitates a clear demarcation of administrative competence and responsibilities among all the government organs, and a proper handling of the relationship of administrative competence and responsibilities between the central government and the local governments, between the government and enterprises or public undertakings, and between various departments inside the government. Each of the many departments at the various levels acts independently and with initiative on the one hand, while on the other hand, necessary subordination to higher authorities and close coordination with departments at the same level is demanded. This ensures unified government leadership and strict enforcement of orders and prohibitions, and avoids inefficiency originating from sectarianism or each department acting on its own.

First of all, the accountability relationship between central government and the local governments should be adjusted. The central authority has the power of guidance, decision making, and macro coordination over issues involving the interests of the country as a whole, and has the power of supervision over local governments. Local governments shall implement the guiding principles, policies and plans formulated by the central authority, but should also have the power of decision making and of micro-coordination. Both the central government and the provincial governments carry out chiefly the function of macroeconomic administration, whereas the local governments below the provincial level carry out chiefly public service functions with special emphasis on the reform of the system of examination and approval as well as the decentralization of the responsibility of examination and approval.
The second point is to initiate a new-type of relationship between the government and the enterprises. This involves the separation of the governmental function of socioeconomic management from the function of capital property management, and the separation of governmental function of administrative management from the function of business management. This will lead to the normalization and improvement of a contemporary enterprise system with a corporate system at its core and characterized by clearly delimited property rights, explicit and definite rights and responsibilities, the separation of business management from governmental administration, and scientific management.

The third point is to reshuffle the relationship of administrative functions and powers among departments at various levels inside the government by setting up the responsibility system so as to establish a stimulating structure that can economize cost and enhance efficiency (Jiang, 2001).

**Acceleration of the Construction of an E-government and Furtherance of the Changes in Modes of Governmental Operation**

E-government means that the government uses contemporary information and communication technology effectively to provide automated information services and other services for government organs, enterprises, social organizations, and citizens “so as to construct a responsive, efficient, and responsible government with higher service quality” (Zhang, 2000). This is the very measure adopted by various countries to promote administrative efficiency of government with the help of information science and technology, so as to meet the challenges of the information society.

Early in 1993, the United States presented a new concept of an e-government and began to carry out the policy of “Information Technology to Rebuild Engineering” to promote the efficiency of government operation. In 1994, the United Kingdom conducted an experiment on “Government Information Service” for transmitting government service to the public by email. Japan proposed in 1994 the “Basic Plan for Advancing Government Information,” which was put into effect in 1995. As for China, the information department formally initiated “Government Networking Engineering” in 1999 (Zhang and Huang, 2000). It is therefore clear that in compliance with the tide of international development in technology, electronic instruments have strengthened the governmental function of information exchange. Governments can carry out information-oriented management with all means available to reform the mode of government operation such as replacing the traditional manual operation by the operation through internet websites to break the restrictions of geography, levels and departments. Being service-oriented, governmental functions will make further changes through “restructure of governmental institutions and simplification of functional positioning” (Wang, 2000) so as to coincide with international managerial efficiency by reforming the bureaucratic-type administrative system which runs counter to the information society. In this way, office procedures can become simpler, clearer and swifter, with resource consumption owing to error or delay in information transmission greatly reduced. The public and enterprises will secure service of higher quality thanks to the great enhancement of the efficiency and effectiveness of government management.

**Conclusion**

In summary, one problem under consideration is how to radically enhance administrative efficiency to coincide with international managerial efficiency, with emphasis on an analysis of the deep-rooted causes that influence administrative efficiency; that is, problems existing in the macro-coordination mechanism of government. Presented in this paper are such measures as the transformation of governmental functions, simplification of administrative structures, rearrangement of the administrative relationships and powers among departments at various levels inside and outside the government, and construction of an E-government. However, the problem of reform in the existing government leadership system and enhancement of administrative efficiency is a highly complicated one. The government is at the service of enterprises and the public, but what are the enterprises and the public thinking
about? And what are they in need of? How are indexes for measurement or evaluation of the efficiency and effectiveness of management to be established? All this demands a great deal of research from managerialists to obtain a useful collection of experiences and data. I hereby offer just a few commonplace remarks by way of introduction in the hope of spurring further thought.

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