

# Making Government Work Better

The reform of China's government bodies got a powerful push this March as lawmakers at the National People's Congress approved an extensive reshuffle plan of the State Council, which focuses on streamlining government department functions. In a recent interview with *People's Daily* and Xinhua News Agency, a spokesperson for the State Commission Office for Public Sector Reform answered questions about the progress being made in the administrative reform.

## How will the functions of the government be transformed?

Transformation of government functions is crucial to the administrative reform. It means the government should allow the market to play a fundamental role in allocating resources and give citizens and civil organizations a bigger say in public affairs. The government should provide public goods more efficiently.

The whole process will focus on three key aspects: First, the government should perform its functions in a balanced and comprehensive way. While stepping up market regulation and macroeconomic control, more emphasis should be placed on improving public administration and public services. Second, central and local governments should focus on their respective areas of administration and services. Third, efforts should be intensified to clarify the relationship of responsibilities among departments and clearly define the responsibilities and powers of each department, so as to solve the problem of overlapping responsibilities and of powers not being matched by responsibilities.

## What is the core task of the reform of government bodies?

The reform of government bodies is to be guided by the basic principle of simplification, uniformity and efficiency, and focuses on checks and coordination of decision-making, executive and supervisory powers. Efforts will be made to press ahead with the establishment of "super departments" with integrated functions, in a bid to standardize government compositions, optimize the administrative structure and improve administrative operations.

The ongoing reform has four principal tasks: furthering the reform of bodies of the State Council, pushing forward the implementation of various restructuring initiatives in local governments, downsizing and standardizing various organs for deliberation and coordination and their working offices, and stepping up the restructuring of different categories of public institutions. In the meanwhile, stricter controls will be

imposed on the size of government departments, before legalized personnel quotas are finally in place.

## What do "checks and coordination of decision-making, executive and supervisory powers" mean?

Checks and coordination of decision-making, executive and supervisory powers are about the allocation of powers and coordination of relations between government departments. Proper integration of government functions and their exercisers and reasonable allocation of decision-making, executive and supervisory powers will solve the problems of over-concentration of power, weak oversight and inefficient bureaucracy.

## What are the focuses of the reform of bodies of the State Council?

Institutional restructuring of the State Council has the following focuses:

—To strengthen macro-control and regulation of key areas, and promote scientific development. This calls for appropriately dividing responsibilities among departments that exercise macroeconomic regulation to form a scientific, authentic and efficient macro-control system; improving the management of industrial and information sectors and accelerating the realization of a new type of industrialization; strengthening energy management system and ensuring energy security; reforming the management of the transportation system and speeding up the integration of various transportation means; increasing efforts in environmental protection and promoting the building of an environment-friendly society; and creating a favorable environment for sound and rapid development.

—To guarantee and improve people's living standards, and strengthen public administration and public services. For this purpose, measures will be taken to improve personnel management; establish an overall social security network encompassing unemployment insurance, pension and other programs; step up the establishment of a housing guarantee system and coordinate

urban-rural construction; and streamline the supervision and administration of food and drug issues and improve the accountability system in food safety control. The government will address the real problems that affect the life of the general public and the problems that the public is most concerned with.

—To explore ways for the establishment of "super departments" with integrated functions. That is, to merge departments with similar functions, redesign regulatory systems of key sectors, strengthen and realign departments engaged in public administration and public services, and downsize and standardize various organs for deliberation and coordination and their working offices, on the basis of the abovementioned adjustments.

## What are the measures to strengthen and improve macroeconomic regulation?

Appropriate division of responsibilities among departments that exercise macroeconomic regulation will substantially improve these organs' working efficiency.

The National Development and Reform Commission will adjust its responsibilities, reduce interventions in economic operations, and slash the number of matters subject to its examination and approval. It will focus on deepening the reform of the investment system, improving the management of planning and industrial policies, enhancing macro-control, and driving and coordinating the overall economic restructuring, so as to provide favorable environment for sound and rapid development.

The Ministry of Finance will reform the budget and taxation systems; upgrade the system that is designed to match financial resources and jurisdiction of central and local governments; speed up the establishment of a unified, standard and transparent fiscal transfer payment system; and consolidate the public finance system. The People's Bank of China, or the central bank, is to finetune the monetary policy, improve the foreign exchange rate regime and strengthen the coordination with financial market regulators,

## Ministerial Lineup

The following is a list of ministerial members of China's State Council approved on March 17 at the First Session of the 11th National People's Congress.

**Minister of Foreign Affairs:** Yang Jiechi

**Minister of National Defense:** Liang Guanglie

**Minister in charge of the National Development and Reform Commission:** Zhang Ping

**Minister of Education:** Zhou Ji

**Minister of Science and Technology:** Wan Gang

**Minister of Industry and Information:** Li Yizhong

**Minister in charge of the State Ethnic Affairs Commission:** Yang Jing

**Minister of Public Security:** Meng Jianzhu

**Minister of State Security:** Geng Huichang

**Minister of Supervision:** Ma Wen (female)

**Minister of Civil Affairs:** Li Xueju

**Minister of Justice:** Wu Aiyung (female)

**Minister of Finance:** Xie Xuren

**Minister of Human Resources and Social Security:** Yin Weimin

**Minister of Land and Resources:** Xu Shaoshi

**Minister of Housing and Urban-Rural Construction:** Jiang Weixin

**Minister of Railways:** Liu Zhijun

**Minister of Transport:** Li Shenglin

**Minister of Water Resources:** Chen Lei

**Minister of Agriculture:** Sun Zhengcai

**Minister of Environmental Protection:** Zhou Shengxian

**Minister of Commerce:** Chen Deming

**Minister of Culture:** Cai Wu

**Minister of Health:** Chen Zhu

**Minister in charge of the State Population and Family Planning Commission:** Li Bin (female)

**Governor of the People's Bank of China:** Zhou Xiaochuan

**Auditor General of the National Audit Office:** Liu Jiayi

with the aim to prevent and mitigate financial risks and ensure financial security.

The National Development and Reform Commission, the Ministry of Finance and the People's Bank of China will establish and update mechanisms to coordinate their respective macro-control measures. In addition to fulfilling the responsibilities of their own departments, these agencies should cooperate closely with each other to give full play to the directive role of state development programs, specific plans and industrial policies in macroeconomic regulation, and make a comprehensive use of fiscal, taxation and monetary policies in building a scientific, authentic and effective macro-control system.

## How will the government's management of the energy sector be enhanced?

Energy management will be intensified mainly through the following steps: First, considering the fact that energy management involves a host of departments in economic, foreign affairs and resource sectors, strategic decisions on energy affairs will be made and coordinated at higher levels in the government. Second, the government's energy management will focus on formulating and implementing industrial plans, policies and standards, developing new energy sources, and strengthening energy conservation. Third, since energy management is an issue of longstanding significance, it must resort to state development strategies along with planning, investment, pricing and other macroeconomic policies and means, so as to achieve an organic integration of energy

management, socioeconomic development programs and macro-control.

## How can the management of key industries be improved?

The responsibilities of regulating the industrial sectors are scattered among several government departments. This makes it difficult to coordinate the regulatory work. It is necessary to have a specific department performing all relevant responsibilities, in order to strengthen overall planning and guidance, coordinate the advancements of informationization and industrialization, promote the integration of hi-tech and traditional industries, and push forward the shift of industrial sectors' development priority from being big to being strong. The new departments are designed to take charge of laying out strategic plans, making policies, devising standards and providing overall guidance. The principle will not be changed to separate the functions of the government from those of enterprises, it will not interfere in operations of enterprises that will compete in the market independently.

The transportation sector is the backbone of the national economy. Since the initiation of reform and opening-up policy, the industry has great achievements and is expected to maintain vigorous growth in the future. Reform is necessary to optimize the overall arrangement of various transportation means, in order to raise efficiency and speed up the building of a convenient, smooth, efficient, safe and comprehensive transportation system.

## What measures should be taken to enhance and integrate public administration and public services?

Public administration and public services are important responsibilities of the government. The reshuffle of government departments under the State Council will abide by the people-first principle and focus on improving people's livelihood.

The reform of the personnel management and social security system has the following objectives: to integrate the personnel management systems in government departments, public institutions and enterprises; build a unified and standardized human resources market; promote labor mobility and effective allocation of human resources; coordinate employment and social security policies; and build and improve an overall social security network encompassing unemployment insurance, pension and other programs. These reforms are expected to better tap China's human resources and further emancipate and develop productive forces.

Focuses of the reform of the housing and urban-rural construction management systems are to deepen housing reform, establish a housing guarantee system and improve the low-rent housing system to meet the demands of low-income families, and strengthen the overall planning of rural-urban construction to push forward the urbanization process.

The administration of food and drug safety will be reinforced through furthering the implementation of the food safety control responsibility system and clarifying responsibilities of relevant departments. ■