

# Chapter 7

## Modernization of the State: Let NGOs Become Real Subjects of Social Governance

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### 1 Introduction

What is the difference between social governance and social management? The biggest difference lies in that social management is the business of the government, while, social governance, instead of merely the business of the government, also involves cooperation between the government and the society. In a sense, the society has to play a dominant role. This is what is meant by social governance. In nowadays, China's modernization is confronted with the central proposition of social governance. The core issue with social co-governance is how to reconstruct the society. When it comes to social reconstruction, we are faced with three major institutional reforms.

First, the reform of reestablishing the dominant role of NGOs, or letting NGOs truly get developed through reform of the management system of NGOs. This process has been started ever since the 18th National Congress of the CPC. I think this government has come round to this issue. NGOs must come to the positive side. This year, judging by appearance, many reforms seem to still be in the process of initiation, discussion and argument, while the reform of NGOs' management system has been launched in all respects.

According to a preliminary survey we have conducted, from deregulation of NGOs till now, the overall growth rate has been increased by three to five times compared to that of the same period of last year. If deregulation continues at this speed, registration will increase very fast and become active in many fields. I expect

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that the number of legally registered NGOs will increase from 500,000 now to 1 million in the coming three years. I think this is a very crucial process of “releasing subjects”. The relationship between the state and the society will experience great changes and NGOs will become legitimate social governance subjects which own certain public spheres.

The second reform in terms of social system is also called as “reform of social service system”, the core of which is the reform of public institutions. As a statement in the Decisions of the Third Plenary Session of the 18th National Congress of the CPC goes, “efforts will be made to promote public institutions which meet required conditions to be transformed into enterprises or NGOs”. This is very significant. In the past, when it comes to reform of public institutions, NGOs were never mentioned, only stating that “those public institutions which have conditions to take the market orientation are to be transformed into enterprises”; this time NGOs are added. So I think this point is very important. For many years, we have been emphasizing reform of public institutions, but which direction should the reform proceed toward? In 2011, the general plan unveiled the framework of “re-constructing the system of public undertakings”, which I think has made a serious mistake in term of direction. Public institutions (a majority of them) must be transformed into NGOs. Social services can no longer be provided by the state, but have to be provided by the society itself. Public institutions are an organizational form through which the state provides social services. They can mobilize resources within the system, including various resources at the central, local and departmental levels, to provide social services. This is a huge system which owns more than 1.3 million public institutions nationwide. If the reform is successful, NGOs will own larger amount of resources and wider space. Otherwise, NGOs, even if being set up, will be unlikely to have a large amount of space and resources without reform of public institutions.

The third reform concerns the system of people’s organizations, which I will call reform of social governance system. Social governance system does not solely compose of people’s organizations; instead, they are its central part. Peoples’ organizations mainly refer to trade unions, Communist League Union, Women’ Federation and other mass organizations. This Third Plenary Session also mentioned reform of people’s organizations, proposing to “plan as a whole reform of Party, government agencies and mass organizations”. Reform of people’s organizations concerns the issue of political system. Our existing people’s organizations including trade unions, Communist League Union and Women’ Federation all perform certain political functions, nevertheless, reform of this system, though more difficult, will release more political space and governance space. NGOs will not be likely to become the true subjects of governance without the reform of people’s organizations. These people’s organizations get hold of political and administrative resources, holding a crucial dominant position. Reform of this system is extremely difficult, but will have crucial effects on promoting social governance. In essence, people’s organizations have three functions: (1) political function, acting as the bridges connecting the Party with the masses; (2) administrative function, undertaking some public management functions directly authorized by the government

and thus adopting the same system as that of civil servants; (3) social functions, mainly referring to social mobilization, social coordination and social conflicts resolution and other governance functions. The fundamental direction for reform of people's organization should be gradually separating the political function, returning the administrative function to the government and returning the social function to the society. This should be a general direction.

How to return relevant functions to the government and the society? Take trade union—one of the three major types of peoples' organizations (Trade Union, Communist Youth League and Women' Federation) for example, since the trade union has important intrinsic political functions, we may draw on the Workers' Party in Western Europe for its internal governance structure, external party relations and others. For a long time, we have had no courage to emancipate our minds. How should the trade union be reformed and how should the Women' Federation be reformed? These questions need to be carefully studied from the perspective of comprehensively deepening reforms. The Women' Federation and the Trade Union themselves are highly political organizations; moreover, it is just their political nature that fetters their social functions. People's organizations are usually uniting the three functions into one, performing political, administrative and social functions. If the political function is stripped to become independent from the other two functions, then it will be easier to transform them in society-oriented ways. The second important aspect is that people's organizations have administrative functions, which are particularly strong for the Disabled Persons' Federation. Such functions should be given back to the government. For example, it will not be that difficult to return the administrative functions of Disabled Persons Federation and the Association of Science & Technology to the government. The government only needs to correspondingly set up a department when necessary. The Disabled Persons Federation used to be a department under the Ministry of Civil Affairs. Thus, if this department is returned to the government, the remaining part will be completely an NGO, which will not be difficult to reorganize.

Therefore, we are faced with three major social reforms: (1) reform of NGOs, (2) reform of social services, and (3) reform of social governance. Only when these three reforms are realized, will it be possible for the society to become the real subjects. The existing institutions consolidate and control the society through these three systems, therefore the focus of comprehensively deepening reform should be reform of these systems. Of course, there are some other systems, including the stability maintenance system, community-level self-governance system. Reform of these systems is an essential institutional prerequisite for promoting modernization of social governance, or realizing modernization of governance in all respects.