

Chapter 8

On Mechanisms for Promoting Social Structural Reform

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Here I will mainly discuss my personal understandings of the mechanisms for promoting social structural reform.

As far as social structural reform is concerned, the 18th National Congress of the CPC has expressly put forward the strategic task of “accelerating social structural reform”. Actually, in today’s meeting, the key breakthrough point for promoting social structural system reform is stepping up efforts to promote reform of NGO management system so as to form as soon as possible a modern NGO system characterized by separation of government administration and NGO management, well-defined rights and responsibilities and self-governance according to law. But this does not represent all the connotations of the entire social structural reform. One important contribution of the 18th National Congress of the CPC is that it takes social construction as an integral part of the five modernization construction (i.e. industrial modernization, agricultural modernization, national defense modernization, modernization of science and technology, and modernization of national governance systems and national governance capacity).

Social structural reform is a complicated systematic engineering, the entire historical process of which includes three major propositions.

First of all, this time it expressly proposed to step up efforts to promote reform of existing NGO management system and form a modern NGO system as soon as possible. I think this is a well-articulated proposition. Following the report of the 18th National Congress of the CPC and the Second Plenary Session, explicit deployments and arrangements were set out in relevant documents, including the plans on reform of institutions adopted at this year’s Two Sessions [the National

This article is written by Wang Ming, published on the *Academic Exploration*, 12th issue of 2013 (the 169th issue in total).

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People's Congress and the Chinese Political Consultative Conference (NPC & CPPCC)] as well as the *Notice Concerning Implementation of the Plans* published by the General Office of the State Council on March 26. But from the perspective of reform, I think this issue still needs further deliberations. We are now talking about reforming the existing system and building a new system, then, who will be the target of reform? Who will conduct the reform? How to proceed with the reform? What kind of mechanisms should be relied upon to effectively promote such reform? I find that the Ministry of Civil Affairs is making explorations with regard to this issue, and also calling on other departments to coordinate in its efforts. As a fact, this contains complicated theoretical and policy issues.

The old system as we are referring to now is fundamentally a NGO management system co-established by the Ministry of Civil Affairs and other related government departments, which is characterized by dual management and joint responsibility by the registration management authorities and competent business units. Here the core departments involved are, on one side, the Ministry of Civil Affairs, and on the other, related government departments. Now who is the subject of the reform? It is the Ministry of Civil Affairs who is promoting the reform, which is quite necessary. The Ministry of Civil Affairs is precisely the subject promoting this very core part of policy system. I want to emphasize that such a mechanism also has its limitations. The Ministry of Civil Affairs has two limitations in promoting reform of the existing system, particularly in building a new system for the future: one problem is the coordination between the Ministry of Civil Affairs and other departments, which is a problem of great difficulty; the other problem is of even greater difficulty. The Ministry of Civil Affairs is both the subject of the existing system, and also the promoter of reform. The difficulty will be the greatest when the reformers have to reform themselves. In the reform of the NGO management system we are advocating now, especially in building a new system, the government must take a leading role. However, instead of a certain department, all relevant departments should be involved. From the perspective of the initial period of reform, the government should take the initiative. Therefore, more comprehensive systems and policies of overall importance should be worked out, so that reform can be promoted from a strategic height. During our surveys, we have found similar problems in many regions. Great difficulty will be encountered when only one department is promoting the reform. In some regions, reform is promoted by the Department of Civil Affairs, and in some regions, it is not promoted by the Department of Civil Affairs, so there will be even greater difficulty. This problem is extremely pressing during the initial period of reform.

In connection with this, there is another problem. What is the objective for reforming social systems and developing NGOs? My understanding is that the core objective of the current social system reform is to release social space to NGOs and return NGOs to the society so as to enable them to become organizations of the society in its true sense. Our existing NGOs have, to a great extent, not become organizations of the society. The government should make efforts to help NGOs become the very organizations of the masses and allow them to play its due role in organizing the masses through NGOs. This cannot be realized by solely relying on

the government. Perhaps, when reform comes to a certain stage, the existing system has to be opened to facilitate a transition from the government-dominated mode to the society-dominated one. In a society-dominated system, the masses will have more opportunities to participate and NGOs will play an important role. We should in due time promote such reform and transformation of the social system.

The second is social service system reform, of which the core is the reform of public institutions. When the modern social system develops to a certain stage, there will be a very critical problem: What should NGOs do? What do we expect so many NGOs to do? Now, Yunnan Province has adopted the plans for pushing on with the practice of government purchasing services from NGOs. Guangdong Province is also making great efforts to encourage NGOs to participate in public services and make them become subjects of social services. When it comes to social services, there is a major question: who is the subjects of social services in the current system? Who is providing the huge amount of social services that each of us consumes every day? The answer is public institutions. What kind of system do public institutions operate under? Public institutions operate under a system through which the state provides social services. In effect, it is a huge yet complete social service system which has begun to be constructed during war time. Nowadays, it has become a huge and highly complicated system through which the state provides social services. Without reform of public institutions, there would be no space and prospect for the development of NGOs. With the development of NGOs, efforts must be made to speed up reform of social service system and to release more space for social services to NGOs. Why? Public institutions monopolize key fields for social service and control enormous amount of social service resources. I have taken a look at the plans on service purchasing formulated by Yunnan Province today and found that all items of social services they have rolled out are peripheral. There is almost no principal item of social services. The dominant fields for social services are education, health, culture and social welfare. A majority of our social services are provided by various public institutions established by the government. In this sense, it is not that these public institutions are rendering social services; rather, the society is supporting this huge network of public institutions for the government. Without reform of this system, there will be no prospect for the development of NGOs.

There is great difficulty in reform of public institutions. Where does the driving force for pushing on with reform of public institutions come from? It comes neither from the government departments, nor from public institutions, but from social structural reform, and from the prosperity of NGOs brought about by social structural reform. In other words, the advance of social structural reform, particularly the development of NGOs will surely promote reform of public institutions. This is a crucial positive force which includes the general public. The reason is that social services are finally meant for the ordinary people, and they are the consumers of social services. In a market economy, competition is inevitable. In competition, only the fittest will survive. Therefore, reform of social service system is essentially meant to establish a market mechanism for public participation, so that NGOs and public institutions are able to compete for the opportunities to provide social

services on a level playing ground. This requires that both in terms of overall design and institutional arrangements, reform should be made more open, especially to the society. If reform of public institutions is successful, the overall pattern for social structural reform will be fully unfolded. The objective for reform of public institutions is quite clear, that is, to fundamentally change the situation where public institutions are universally run by the state. It must be made clear that public institutions should finally become modern NGOs providing premium social services, rather than falling back to the old system of planned economy.

Third is reform of social governance system, the core of which is reform of people's organizations. With the development of NGOs, another important problem with NGOs' participation in social governance will be involved. Actually, all NGOs have two functions: one is social service, the other is social governance. Social governance includes coordination of social relationship, expression of social appeals, resolution of social conflicts and others. In China's current social governance system, the most central part is the system of mass organizations or people's organizations which involve some political mobilizations. This is an extremely huge and complicated system. In quantity, China's current system of people's organizations include more than 7 million mass organizations in various forms and at all levels; in nature, these people's organizations in various forms and at all levels not only concern social mobilization and social governance, but also perform important political functions and administrative functions. As a result, people's organizations are closely associated with our systems, forming an integral whole with Party and government departments in many aspects such as personnel management, resource allocation and cadre appointment. In my opinion, reform of people's organizations, though involving in the political system and administrative system, is an unavoidable important part of social structural reform in the future. Its core lies with returning to the society the task of social governance and enable NGOs to play a more and more principal function in social governance. Of course, reform of social governance remains a problem for the future.

But here also raises an issue concerning top-level design for reform. What we mean by top-level design not only involves the macroscopic layout, comprehensive coordination of social reform at the current stage, but also should take into account the future process of social structural reform, such as reform of public institutions, reform of people's organizations, and even the docking with the political structural reform in the future. As a matter of fact, such top-level designs need to be considered carefully at the current stage of social structural reform. In this sense, I think it will be far from enough to rely on the Ministry of Civil Affairs alone to push on with the overall reform of social structural system. Therefore, considerations should be given to the establishment of a new mechanism through which social structural reform can be promoted in a unified, coordinated and full-scale manner with the macroscopic picture and overall situation in mind.