

## China's Civil Service

China's steady march toward a more market-based economy has eliminated thousands of state-owned enterprises and reduced the government's role in economic decisionmaking. Nevertheless, important sectors of the economy remain subject to government management, and the government's role as regulator is as significant as ever.

Foreign-invested enterprises (FIEs) thus still need to work with PRC government stakeholders. This interaction takes multiple forms since the government wears many hats: regulator, competitor, partner, and customer. In addition, more government bodies now intersect with foreign entities than ever before. Foreign affairs was once the exclusive province of China's ministries of Foreign Affairs and Commerce, or was relegated to the network of foreign affairs offices scattered across the country. Today, virtually all government bodies—including those with specialized functions and at lower levels—find themselves in contact with FIEs, foreign residents, and even foreign governments.

But today's government officials differ from their predecessors. FIEs should understand China's civil service reform process and the varying degrees to which it has penetrated the Chinese bureaucracy, so that they can interact effectively with government officials, especially at the central and provincial levels.

### **Civil service reform: An incremental process**

The gradual professionalization of the PRC government reflects a dynamic interplay of social, economic, and political factors. To respond to the massive social changes of the last 30 years, the government has made major efforts to enhance its legitimacy and governing capability by promoting efficiency, meritocracy, and transparency—and reducing secrecy and favoritism. Reform efforts have accelerated as the government has become composed of and scrutinized by an increasingly well-educated and vocal population with ever-growing and ever-diverging interests.

### ***Recruitment and promotion***

In recent years, China's recruitment and promotion procedures have become more meritocratic.

- **Recruitment** China reinstated the civil service examination for all junior positions in 1993, an important milestone in the movement toward a transparent and meritocratic recruitment process based on clearly defined criteria. Today, the exam attracts huge numbers of applicants. In 2008, about 775,000 people took the exam, competing for roughly 13,500 positions and marking a 21 percent increase in test takers over 2007. The ministries with the largest number of applicants include the Ministry of Commerce, Ministry of Foreign Affairs, and National Development and Reform Commission.
- **Promotion** Promotion decisions, too, are now less dependent on personal connections. Once accepted into the civil service, officials are subject to more professional evaluation processes as they move upward. For example, the government has made limited use of peer review and public-opinion polling and added a more comprehensive assessment process in a 2006 Chinese Communist Party (CCP) Organization Department document (The Method of Comprehensive Cadre Evaluation that Embodies Requirements of the Scientific Development Concept). This is a marked departure from the PRC's early years, when class background and ideological correctness were the main criteria for promotion. CCP membership is still an important factor—indeed, most senior-level officials, whether in municipal, provincial, or central government, are party members. But there are some notable exceptions, such as Health Minister Chen Zhu and Science and Technology Minister Wan Gang.
- In 2002, the party's Central Committee introduced Regulations on Selecting and Appointing Party and Government Leading Cadres, which allow public consultation in the promotion process for leadership positions. Under the regulations, government agencies should announce decisions on newly promoted leaders throughout the relevant government agency, providing peers with an opportunity to object to the promotion. Since the opportunity for peer review occurs only after a

decision has been announced, public rejection and rescinding of promotion decisions are rare. Another change in 2002 was the addition of a new “public bidding” procedure for vacant leadership positions that allows any interested candidate to apply for a new vacancy. The government uses the procedure infrequently and mainly for mid-level positions.

- The application of more rigorous standards has also been apparent for senior appointments at the local level. Candidates for leadership posts at the county-chief level or higher must meet standardized minimum requirements—such as a bachelor’s degree, specified training programs at the CCP Central Committee School, and experience in two posts at a level of leadership immediately lower.
- **Performance assessment** In the early 1980s, as China began to pursue economic reform and modernization, job performance was judged largely on economic performance as defined by gross domestic product (GDP) growth. Growth still counts today, but less than in the past. The 2006 Organization Department document modified the cadre evaluation system significantly by linking it directly to President Hu Jintao’s “scientific development” concept—a guiding principle that advocates comprehensive, sustainable economic and social development that fosters more balanced and equitable growth. The document ushered in two changes. First, it outlined a six-step evaluation process that included democratic nomination and assessment, public opinion polling, analysis of achievements, interviews, and comprehensive evaluation. The evaluation process parallels the peer-review elements described above, though “democratic” refers to the selective solicitation of the views of local party officials and representatives from local National People’s Congress and Chinese People’s Political Consultative Conference offices. Second, the 2006 document clearly stipulates that GDP growth is no longer the sole criterion for performance. Rather, the document provides a long list of considerations that define excellent performance, including not only GDP growth but fiscal revenue, per capita income, worker safety,

education, employment, social welfare, family planning, conservation of land and natural resources, environmental protection, and investment in scientific and technological development. More recently, talk of holding local officials to a “green GDP” standard, even if difficult to define and therefore not actually utilized, has been another manifestation of Hu Jintao’s emphasis on smart growth.

### ***Staff development and training***

Training for government officials is not a new phenomenon, but it has become more systematic. The CCP Central Committee has made training guidelines more detailed, practical, and quantified by, for example, introducing in 2006 Trial Regulations on Cadre Education and Training.

Before China’s reform era began in 1978, the government largely limited training to political and ideological indoctrination. Though instruction for government officials still includes political education, it is far more likely to focus on providing officials with the skills they need to perform their duties effectively. This change is even apparent in the network of CCP schools that play a key role in educating future leaders. These schools—especially the central party schools in Beijing and Shanghai—increasingly focus on economics, business, and management, instead of ideology. Moreover, they routinely invite foreign experts to present lectures. To narrow the quality gap between officials from inland and coastal provinces, the State Administration of Civil Service, created in 2008, issued guidelines last year that encourage deputy division directors and higher officials from inland provinces to attend training in China’s more developed coastal regions.

More civil servants also receive training overseas. Since 2007, China has sent around 40,000 officials overseas for training each year. Among the most common destinations are Denmark, France, Germany, Great Britain, the United States, and Singapore. More than 90 percent of cadres at the ministerial level have had some instruction abroad. Overseas training ranges from a one-week course to a year-long degree and is occasionally provided at prestigious schools such as Harvard University’s John F. Kennedy School of Government and the University of London’s London School of Economics and Political Science. In addition to improving the quality of officials, overseas

instruction is used as a tool to retain qualified officials, who appreciate such opportunities and may otherwise be tempted to move into the private sector to pursue higher salaries.

### ***Characteristics of officials***

- **Higher educational achievement** The average educational level of government officials today is considerably higher than it was 30 years ago. In 1978, 9.3 percent of central-level officials had a junior college degree or higher; by 2007, the number reached nearly 90 percent. This is due to the vast expansion of China's tertiary education sector and to the PRC government's conscious effort to enhance the educational background and overall quality of officials. Since 2007, the government has required candidates to hold junior college degrees to participate in the national civil service exam. The government also recruits most of its officials straight out of college and must compete against FIEs and local companies that often offer far more attractive salaries. At times, the brain drain has been acute. From 1999 to 2001, MOFCOM lost 72.8 percent of all new recruits within the first three years of employment. The 2006 Civil Service Law helped address this problem by allowing more flexibility in salary levels.
- **More diverse background** Today's civil servants are not just better educated than those in years past, they also have more varied academic and professional backgrounds. Research by Cheng Li, senior fellow at the Brookings Institution's John L. Thornton China Center, has shown that in contrast to the 1990s, when senior government officials typically had a scientific or technical background, municipal party Standing Committee members in Beijing, Guangzhou, Shanghai, and Tianjin now come from more diverse academic backgrounds, including law and economics. The same shift is reflected in the current Politburo, which is no longer the exclusive province of engineers. Beyond the renewed focus on educational credentials, the government now seeks a candidate pool with a broader range of professional experience. Previously, candidates often lacked experience or expertise on issues outside the direct scope of the relevant ministry that recruited them.

Today, the government attracts individuals from a wider range of backgrounds, including those with work experience in state-owned enterprises, law firms, and multinational corporations.

Dr S S Chauhan