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Conference Report

Governance, Capability Building and National Development

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The Institute of Strategic Studies, Islamabad (ISSI) recently hosted a Chinese delegation for a public talk titled, "Governance, Capability Building and National Development". Mr Tian Duanhui, Director General of the Communist Party of China (CPC) Center for International Exchanges in Beijing headed the delegation. The discussion examined the role of the CPC in providing governance at the local and national level and transforming China from a developing country to a major military, economic and technological power. The major themes under discussion were empowering local governments and increasing the capacity of the central government to strengthen governance capability.

The strengthening and empowering of local government leaders and institutions in China has allowed them to effectively execute plans and ideas developed by the central government. This involves raising the bar in terms of the knowledge, education and training of party leaders at the local level and allowing them to take ownership of the government's plans, thereby leading to efficient governance.

The Chinese state's conception of civil society is different from the traditional understanding of civil society but it is nonetheless important in advancing reforms and strengthening local governments. In the case of the CPC, empowering civil society to achieve these aims involves strengthening CPC party organizations at the grassroots community level and trying to expand their reach. It is the CPC's belief that the development of civil society should not come at the expense of the CPC's leadership lest the basis for strong governance of the country be weakened.

China's process of transformation is ongoing and it is still undergoing profound changes. The following changes are of particular importance:

- 1) Moving from a large agricultural sector to large industries and service industries. In 1949, 91% of the Chinese population was engaged in farming but this number has dwindled to 15% today.
- 2) Transitioning from a rural to urban society and undertaking people-oriented urbanization to be able to accommodate the urban surge. In 1949, 10% of the Chinese population lived in cities, a number that has increased to at least 53.7% today.
- 3) Focusing on people-oriented rather than GDP-oriented development. The development strategy in the past entailed promotions for local officials in areas where the local GDP was high but GDP as a performance indicator of local government officials has now been discarded because it came at the expense of holistic, people-focused development.
- 4) Implementing balanced and inclusive development. In the past, the eastern region was allowed to develop more rapidly but to address this imbalance a comprehensive western region development program has been launched by the Chinese government.
- 5) Embracing 'green', environmentally conscious development where previously development was carried out at the expense of the environment. Pressing environmental concerns for China include a serious air pollution issue and severe shortages of drinking water in at least 160 cities.
- 6) Recognizing the need to upgrade technology and undertake indigenous innovation in this field by upgrading from an investment-driven to technology-driven economy.

A successful economic growth policy will be grounded in the central government's capacity to build consensus and unity, conduct widespread pilot programs and develop training institutions for state officials and party leaders to be able to learn and improve their governance capabilities. There is also a need to modernize governing systems and capacity and recognize the importance of rule of law as a necessary condition. Furthermore, social stability is essential in order to provide a stable foundation for economic growth.

Encouraging innovative and bold leadership, emphasizing on the rule of law and creating social stability go hand-in-hand with empowering local governments and strengthening governance capability. A cooperative relationship between the central and local government, which gives local government leaders the tools and skills necessary to implement the broader economic vision for the country, acts as a springboard for developing economies.