

# *Research Report*

## **Governance and development model of China**

**By**

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# 1. Introduction

The sudden emergence of China as a global power has amazed many across the globe. Once an isolated and economically deprived country, China has defied Fukuyama's prediction of continued American dominance through its stunning social and economic development (Fukuyama, 1989). In the light of ever increasing Chinese influence in global economic and power structure, experts are studying its governance and development model extensively. It is quite appalling to see the country, once called out for its rigid socialist rule, is now being applauded for its extraordinary governance and development model. China has followed the concept of scientific socialism, which captures its customized and flexible version of Marxist administrative policies. Consequently, the Chinese governance model is a unique mix of communist and westernized liberal democratic school of thoughts with Chinese characteristics (Ramay et al. n.d.).

The institutional reforms of China comprise of numerous fundamental changes aimed to improve state of economy and governance gradually while ensuring that its benefits are passed on to people at grass roots level. Chairman Mao brought about reforms in 1949 and his legacy continued to bring positive impact on institutional governance. Mao took a number of steps to address accumulation of wealth in the hands of few by streamlining efforts against corruption and targeting class difference. After him, Deng Xiaoping opted for economic impetus through foreign investments. The goal was to alleviate widespread poverty in the country. President Xi Jinping, who took over in 2012, continued with this chain of reforms. Ever since he took over the system, he opted for a number of revolutionary policies. November 2013 was a hallmark for Chinese governance model as the Chinese Communist Party, led by Xi, opted for large-scale structural reforms, thereby enhancing its governance capacity (Bai & Liu, 2020). As stressed by Xu Xianglin, a political reformer working closely with higher authorities, the purpose of these institutional reforms is to include social demands into all state institutions. The socialist governance model, as adopted under the dynamic leadership of President Xi Jinping, signals a clear paradigm shift where the nationalist rhetoric has been revived through teaching and guidance in social, economic, and political spheres by the state. Such ideology, while in direct conflict with liberal democratic model of governance, depicts that the apex role of Communist Party continues till date, thereby delegating highest level of decision-making to the said party exclusively (Seesaghur, 2015). However, it is pertinent to mention here that Chinese Communist Party (CPC) does not act as a ruling or political entity. It preferred to act as father figure of nation and known as servant of the people and society.

President Xi laid out a comprehensive policy of reforms, which are known as the president Xi's philosophy of governance. The reform policy has been designed to achieve the China Dream which revolves around the concepts of prosperity, harmony and shared destiny. China Dream comprises of the national ideals as envisioned by President Xi. He embarked upon numerous social, political and economic reforms successfully to overcome imbalanced economic progress. His mettle was resonated in enhanced economic and diplomatic interventions of China, thereby increasing China's significance in regional and global horizons.

President Xi started his second tenure by announcing the New Era of Modernization of China. The blueprint for his future plans, as demonstrated in the 19<sup>th</sup> CPC National Congress 2017, implicate that China's take on socialism is entering a new phase. Under President Xi's dynamic leadership, China is foreseen as a modern socialist country promoting economic, cultural, political, social and ecological co-ordinations at all

platforms. Among global leadership, President Xi is seen as a reformer determined to outdo traditional democratic and autocratic governance structure through China's take on socialist model (Chen, 2015). This paper focuses on the governance and development model being followed by China with emphasis on comprehensive reforms introduced by President Xi.

## **2. Characteristics of Chinese governance model**

### **2.1. Value based political meritocracy**

Good governance necessitates improved living conditions, including free and fair access to basic means of life. The typical socialist governance model presents the concept of shared ownership and economic enhancement through industrialization. On the contrary, liberal democracy model, employed by western powers, claims to be inclined more towards bottom up approach. Chinese governance system employs personalized socialist model, termed as political meritocracy, for achieving good governance indicators (Bell, 2018). Often labelled as a party state, China ratifies the basic human rights of its citizens and endorses the liberal democratic principles propagated by western nations. However, the Chinese leadership does not approve of the electoral system as they are certain that a single election is not appropriate for a culturally and ethnically diversified society as China (Seesaghur, 2015). Chinese selection system resonates with their unique cultural values where “wise and able” individuals are selected for propagating the country's vision forward. Experts often comment that despite popular belief, political meritocracy is nothing like totalitarianism since it favours most of liberal values incorporating some forms of political participation.

The CPC operates on an ideological hierarchical structure which ensures that the ones chosen for different executive posts maintain moral integrity along with professional competence. The core ethical values of CPC are collectivism, loyalty and selflessness. Initially, the officers were selected and promoted on the basis of these values. However, the rampant corruption and relegating moral integrity led CPC to introduce 12 core socialist values in 2012<sup>1</sup> (Xu, 2015). These values were introduced to foster and promote value based system reflecting Chinese cultural traditions. Additionally, the value based system aimed to counter growing approach of individualism seen after rapid economic progress. The introduction of new core values is hailed as an attempt to strengthen a legitimate political structure through creation of a new cultural order for long-term economic and social stability (Gow, 2017).

### **2.2. Pluralist governance structure**

Though China is being ruled by Communist Party since 1949, it is not a rigid monolithic governance at all, as propagated by the western intellectuals. The politics-administration dichotomy model, commonly referred to as “party-state system” allows the ruling party to initiate governance reforms and delegate regional autonomy to lower administrative levels (Bai & Liu, 2020). Contrary to the popular belief that a single party handles and controls the entire state and its subsidiaries, China's governance reforms have established a distinction between state and party. While party is mainly responsible for making policy prioritizations and upholding cadre management based upon value system, the state ensures internal legitimacy for its organs through the implementation of state policies. The distinction indicated a shift from traditional political process dominated entirely by a unified party leadership. Although the decisions from

party leadership still, the subtle shift in power politics is significant in rapidly transitioning governance structure. .

China understands the complexity of its governance structure and assigns hierarchies to enhance communication along with its productivity. As demonstrated by USCBC (2017), the Communist Party of China is divided into three tiers. The top level tier comprises National Congress, the Central Committee and the Politburo Standing Committee (PBSC). PBSC is the top most authority in the country, which consists of supreme leadership of CPC. The second level consists of secretariat of Central Committee, two special commissions, military commission and Central Commission for Discipline Inspection (CCDI). The Central Committee contains major specialized groups, which play an important role in the consultation phase of policy formulation. Some of the groups, especially those related to economic and foreign affairs, have gained institutional significance. Since this tier plays a leading role in policy formulation, President Xi anticipated their growing importance in the context of comprehensive reforms and has not only strengthened their leadership but also formed additional groups for increased efficiency. The third tier represents different divisions in charge of day-to-day dealings in administrative and implementation phases. Consequently, all of these tiers work collectively for social, economic and political welfare of its citizens (Jun, 2018). Alex He has demonstrated this model in the form of following diagram 1:

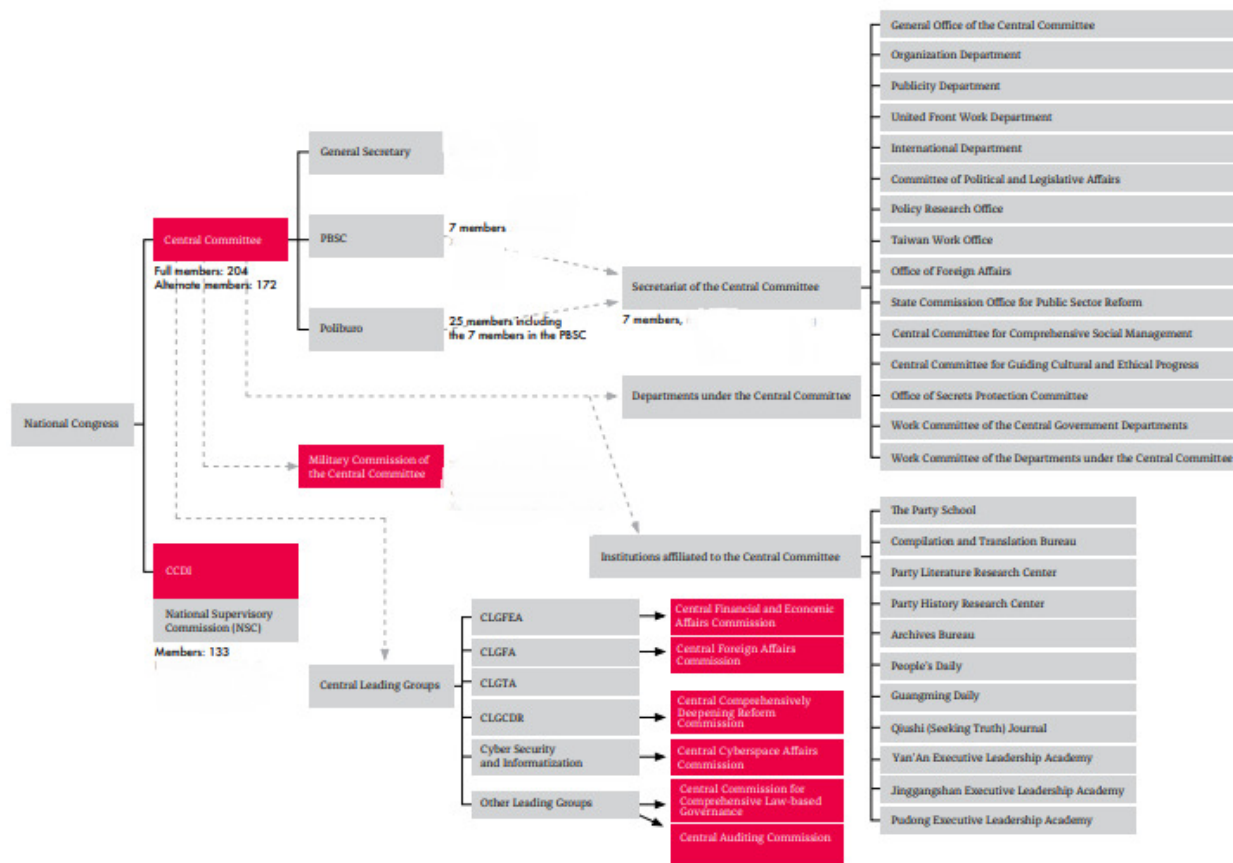


Diagram 1: Hierarchical structure of Communist Party of China (CPC)

Conversely, the structure of Chinese government involves legislative, administrative and judicial branches at each governance level. Additionally, the Chinese People's Political Consultative Conference (CPPCC),

which is a political consultative body, also ensures its presence at every tier. All of these factions assist the implementation phase of policies devised by different subsidiaries of CPC. It is mandatory for all departments working under federal or provincial tiers to strictly adhere to directives issued by the Central Committee. In this context, all the state departments work in coherence with each other to ensure smooth transition to implementation stage. The legislative branch assists the government in legal enactment and supervision of guidelines, plans and schemes through the People’s Congress. The administrative branch comprises the most significant organ, i.e. the State Council that controls all aspects of governance at federal and local levels. Different ministries and commissions work under the State Council to ensure an efficient performance. The council comprises prime minister, vice-prime minister, ministers and councilors. Prime minister handles all the tasks of the State Council while ministers assume responsibilities of their respective departments (Ahmed, 2018). The judicial branch of this scrupulous governance mechanism ensures that state officials remain accountable to policy directives issued by legislative branch. The following diagram 2 shows the hierarchical structure of Chinese government.

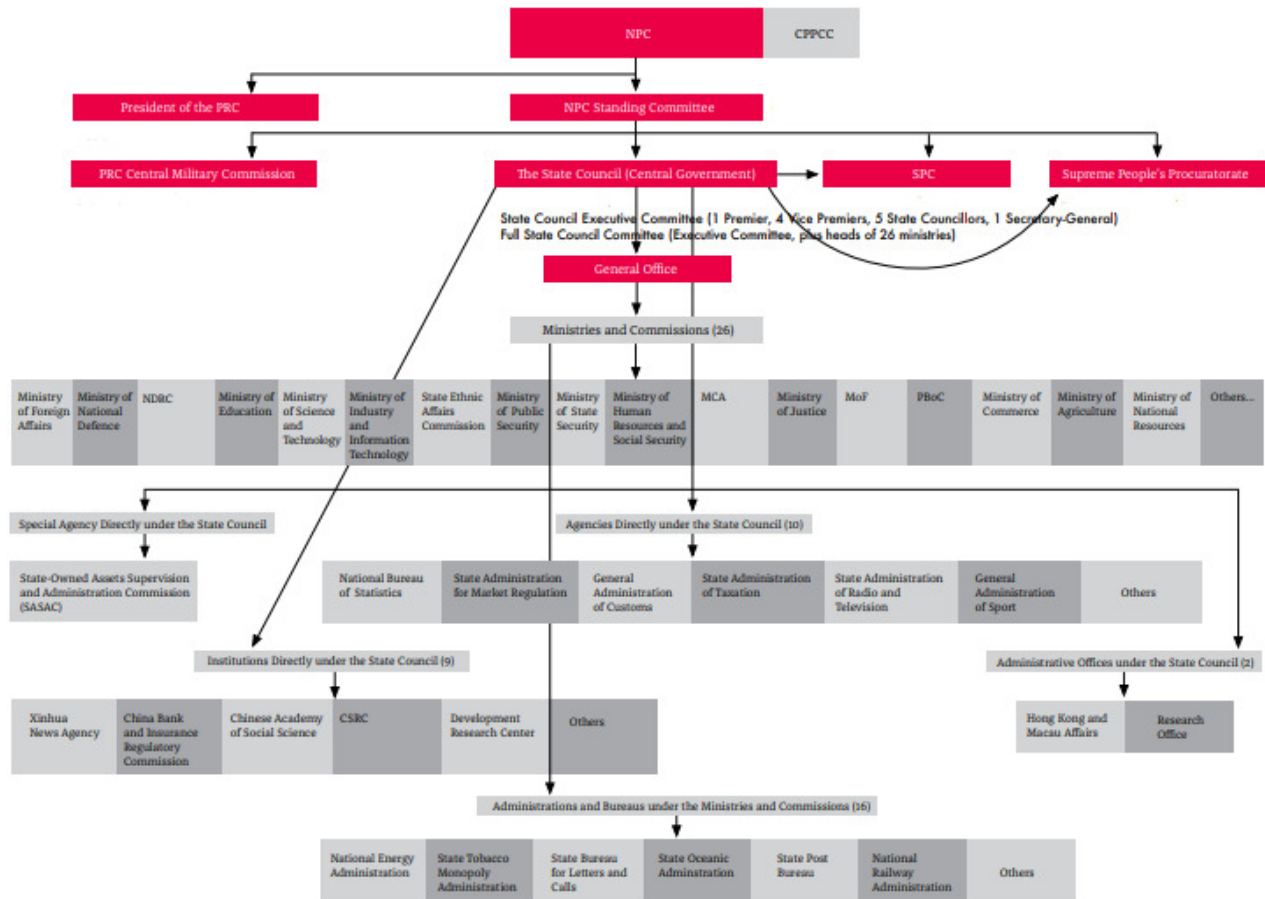


Diagram 2: Government structure of Peoples Republic of China (PRC)

### 2.3. Gradual transition to decentralization

The gradual yet substantial set of governance reforms, introduced from 1978 to 2020, sets apart the Chinese governance system. The reason behind transition from a centralized government to regional autonomous infrastructure was twofold. First, as the system moved from centralized to pluralistic structure, it was felt

that the governance power was accumulated in the hands of few only (Keping, 2008). Deng Xiaoping exhibited abhorrence for centralized governance infrastructure and termed it the biggest hurdle in the way of social and economic development. Second aspect of decentralization was to establish an ideal mechanism for the protection of the interests and rights of Chinese community. The Chinese constitution was, thus, amended to establish a system balancing different aspects of socialist and democratic governance.

China Legal Information Center points out that the CPC initiated the process by classifying 05 autonomous regions, 30 autonomous prefectures and 116 autonomous counties (China's Legal Information center, 2015). The following diagram represents an immaculate local governance structure of Yunnan province:

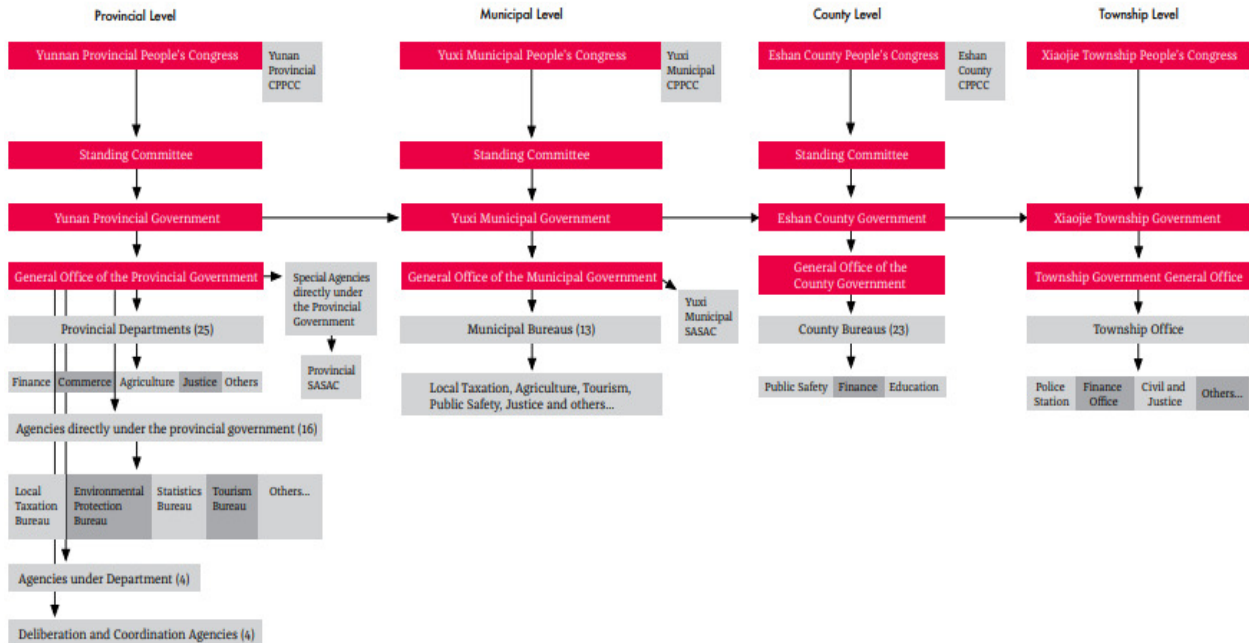


Diagram 3: Local government structure of Peoples Republic of China (PRC)

CPC's organizational infrastructure is replicated at local provincial levels on a smaller scale. The municipal and county level governments also comprise the same structural units. The Party Congress, Party Committee and all major departments of Central Committee are represented by their subsidiary groups at provincial, municipal and county levels. At lower levels like town and village, the party committee exists in the form of party branch having core decision-making responsibilities. However, there is no presence of distinct division groups of Central Committee at the said levels. The village represents lowest level of administrative cadre in local governance structure.

While looking at the central and provincial level management structure, it becomes quite clear that the propaganda of "a single party rule" is quite baseless. The Chinese community is directly involved in election process at county level. The representatives are chosen through electoral process. Consequently, they are in charge of electing representatives for NPC and provincial assemblies. Therefore, similar to the democratic procedures, the inclusion of locals in administrative matters is deemed necessary by Chinese authorities as well (Ahmed, 2018). Self-governance is practiced widely at every level through congress and government. All ethnic groups are given adequate representation in people's congress. Apart from the powers vested upon the local establishment, the people's congress enjoys complete autonomy to pass any regulations in accordance with their local political, cultural or economic demographics. Additionally, they



can manage the educational, cultural and public health affairs of their respective areas independently as well (China's Legal Information center, 2015). Hence, contrary to common misconception, the decentralized structure not only passes along the dividends of economic progression to common men, it also ensures that local representatives are given their due share in power structure.

## **2.4. Chinese decision-making model**

Chinese decision-making model is shaped by the basic party-state dual governance model. This model is governed by the delicate balance managed between centralization and decentralization (He, 2018). The principles of collective and consensus based decisions are quite evident in this type of model where party committees and government officials are involved in decision making at various levels. The policy agenda is finalized by political leaders in bottom-up approach while its implementation takes place in top-down style. They follow interior decision making style to represent the interests of common people by procuring popular opinion through field investigations, major think tanks and advisers. The pluralist governance always takes into account the needs of local population by reaching out to lowest level officials.

The most distinctive aspect of the Chinese political cadre is Gui Kou management structure where there are a number of specialized departments for different aspects of governance, including education, economy, foreign affairs, defense, etc. A Kou comprises a vertical managerial infrastructure, which is filled with all officials and advisors of same managerial area. These officials are responsible for aiding in the policy formulation system and overseeing all important affairs belonging to that cadre. The Gui Kou system plays a substantial role in augmenting policy coordination between state and party which, in turn, enhances the efficiency of governance structure (He, 2018).

Both PBSC and Politburo play a central role in guiding and mentoring the nation for following a wise course of action. The economic guidelines, strategic plan recommendations along with references for social development models are some of the most significant advocacy documents drafted at this level. Here, Gui Kou system plays its role in protecting the interests of common men by suggesting appropriate prioritization of policies relevant to their areas. The policies thus formulated are discussed at plenary meeting of Party's Central Committee and are approved upon consensus. After approval, the State Council and local governance structures at all levels are responsible for implementation of vital strategies and policies. Each ministry working under the State Council is responsible for enactment of decisions relevant to their specific fields. In simpler words, at national level, the Central Committee is involved in policy formulation while local fraternity is responsible for execution of these policies. At provincial level, the same structure is applied with provincial party standing committee issuing policy recommendations and provincial government enacting the advice in legal system. Therefore, a top-down approach is implemented in the said Chinese party-government dual track administrative system. The subsequent diagram represents a pictorial representation of the said dual governance structure:

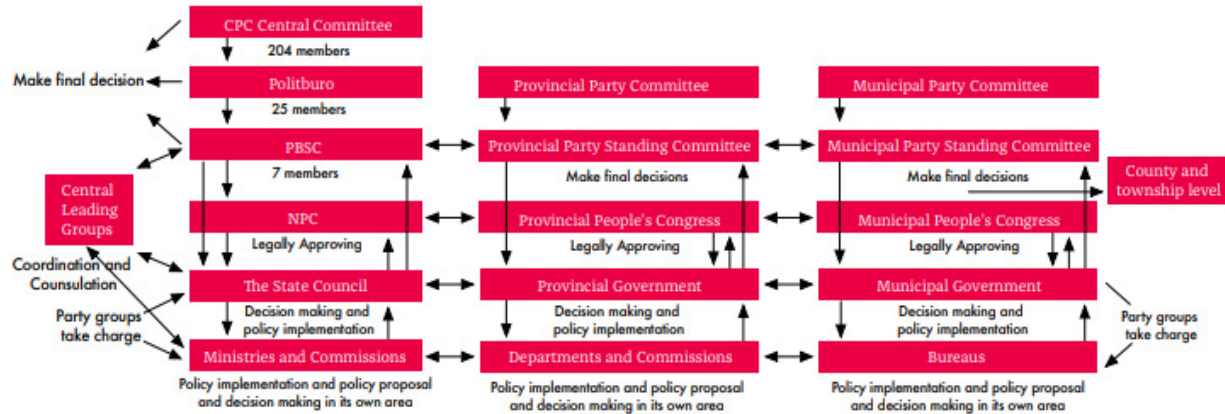


Diagram 4: Decision making model followed in People's Republic of China (PRC)

## 2.5. Upward accountability

The western political systems often perceive the Chinese meritocracy system devoid of any accountability infrastructure. However, Dingding Chen proves them wrong by recounting a unique accountability process within the Chinese governance structure. Instead of using an institutional approach like that prevalent in western democracies, Chinese system employs a cultural legacy to eradicate the menace of corruption (Chen, 2015). The notion of upward accountability is practiced widely which suggests that executive officials are directly answerable to the party leadership. Chinese meritocracy upholds high moral standards for all those elected to the executive posts. The corruption charges against any official are taken very seriously and are thoroughly investigated. The cultural approach believes that instead of forming any formal institute, any embezzlement charges should be dealt with through internal and external pressures. Under President Xi Jinping's leadership, the anti-graft policies have been strengthened to get rid of corruption rampant in village cadres. Experts have expressed their concerns on the absence of downward accountability, nevertheless, the decrease in local level corruption shows that Chinese efforts have been fruitful in controlling deceitful practices of government employees.

## 2.6. Governance philosophy of President Xi Jinping

Under the dynamic leadership of President Xi, Chinese governance reforms have taken the old path with new vigour. The new era of modernization, as illustrated by President Xi during 19<sup>th</sup> Planner meeting of CPC, is a comprehensive mechanism interpreting an elaborate system comprising of various components interconnected to collective development. While President Xi has continued with the economic reforms introduced by his successors, he is focused upon reducing economic divisions by eradicating imbalanced social development. Consequently, he is completely focused upon enhancing the qualitative standards of life as compared to quantitative ones introduced by his successors. Owing to his pragmatic approach, his thoughts on "Socialism with Chinese Characteristics for a New Era" have been incorporated in the state constitution (Foreign Languages Press Co. Ltd, 2014). He has devised a series of steps as a part of a comprehensive strategy devised to place his party at the center of every aspect of economic, political and social development. Following are some of the most significant steps of "Road of Rejuvenation", a roadmap leading towards the famous "Chinese dream":

### **2.6.1. Curtailing Institutional Corruption**

One of the most significant aspects of President Xi's philosophy is his take on rising corruption and rapidly deteriorating CPC's internal code of conduct. He approved a number of policies to strengthen party discipline by eradicating institutionalized corruption. Under the new guidelines approved by Central Committee, the power of top brass leadership has been magnified to incorporate aspects of political unity within the Communist Party. President Xi has introduced several measures to eradicate four work styles-formalism, bureaucracy, hedonism and extravagance-which are toxic for democratic centralism, as opted by China. In this context, a National Supervision Law was passed to make the party executives accountable for their actions (Garrick & Bennet, 2018). Under this law, supervisory missions were vested with powers to investigate any lapse observed in compliance of state policies. A unique aspect of Xi's campaign against corruption is working against corruption prevalent in military and local governance structure. Additionally, the "Sky Net" operation, initiated against white collar criminals, has also been successful. The Communist Party declared that this campaign aided in returning 1000 fugitives and extracting \$519 million from them within a year (NBC News, 2019). Such dedicated anti-corruption efforts have increased the popularity of President Xi immensely and he is being viewed as the nation's prime savior and hero after Mao.

### **2.6.2. Ensuring rule of law**

In another historic move, President Xi emphasized to support the rule of law through restructuring of judicial system and creating law awareness among masses. The basic objective of the said campaign was to enhance moral integrity and social responsibility of citizens. Through this prong of comprehensive reforms, President Xi has pledged to establish and safeguard the authority of constitution and its laws (Keck, 2014). The energetic drive for ensuring rule of law, amalgamated with its zealous antigraft drive, is bound to strengthen political unity, reinforce the role of political leadership and augment the structure of social justice within the Chinese society. Thus, it is quite evident that these reforms are a part of President Xi's efforts to codify party leadership under a common banner of "law-based governance" so as to achieve management efficiency (Garrick & Bennet, 2018).

President Xi's work plan revolves around the rule of law based upon socialist rule with Chinese characteristics. He supports the formation of coordinated laws existing within the framework of state constitution to exercise integrated state and government powers. He is a strong supporter of supremacy of Chinese constitution and aspires to form a clear pathway for the code of conduct of government officials within the limits proscribed by law. He also hopes to improve legislative process to ensure quality based governance infrastructure delivering to common man at grass roots level (Foreign Language Press, 2020). The end goal of this whole process is to inculcate moral values along with professional capabilities among officials which is the basic essence of Chinese culture.

### **2.6.3. Comprehensively deepening reform**

The current tenure of President Xi Jinping is famous for its efforts to create a balance between centralization and decentralization. While aiming for centralized party approach, he prefers decentralization in economic led reform of his government. During the Third Plenary Session of 18<sup>th</sup> CPC Central Committee, President Xi explained this idea in detail. He proposed that, for economic progression, markets need to take a decisive role for resource allocation. He suggested a limited role of government in market economy so as to rebuild

socialist economy. In his view, the major role of government should be limited to handling of macroeconomics only, thereby reducing its involvement in micro affairs of different companies. President Xi indicated that sustainable economic development was not possible without the prospects of opening up the local economy. The initiation of comprehensively deepening reforms depict an important transition from state owned economy to mixed ownership economy where private companies would be allowed to hold shares in state owned franchises. Through this reform, China is pursuing structural reforms for leading a modernized local economy, intended to play an active role in global economy, through strategic partnerships. President Xi is not only focused for economic progress of society but also wishes to strike a balance between speed and return on investment through modernized economy. He aspires to create a balanced society where all are able to get dividends of economic progress made by state institutions. Osamu believes that President Xi, in his utmost wisdom, has given a balanced approach of public and private ownership based infrastructure for cementing economic progress and social development of Chinese society (Tanaka, 2015).

### **3. Characteristics of Chinese development model**

#### **3.1. State-led efforts for poverty alleviation**

The primary objective of inculcating institutional reforms in governance cycle was to alleviate poverty of urban and rural areas. The figures quoted by World Bank indicate that over the past four to five decades, through extensive trade efforts and effective poverty alleviation schemes, China has managed to pull more than 850 million people out of arduous shackles of poverty (Foreign Language Press, 2020). Through targeted schemes like Dibao, state tried to create a social security safety net for its citizens. The overall condition of society has improved enormously as seen by social indicators, including increase in life expectancy along with decrease in mortality rate and illiteracy (Zhang, 1993).

The Chinese government never wavered from its commitment of providing equitable public services to its citizens. Numerous measures were introduced in reforms to eradicate poverty through enhanced agricultural growth. Firstly, the land reforms led to distribution of collective lands to peasants, thereby giving them ownership of the land. Consequently, the agricultural yield increased to about 54% during 1978-84. Secondly, the government offered monetary compensations for increasing grain production. Thirdly, price reforms were introduced to enhance the agricultural income of local rural population. The fourth and most important one was migration policy (Zhang, 1993). Through this strategy, the government allowed migration of rural populace to urban areas so as to reduce regional disparities. Such extensive measures bore fruit and the poverty rate dropped from 88% in 1981 to mere 2.1% in 2017 (Suleri, et al., n.d.).

#### **3.2. Fast economic growth and industrialization**

Alvin accentuates that the economic progress remained the most significant part of Chinese reforms which resulted in its transformation from a poor and largely ignored third world country to economic power house within three decades (So, 2014). The economic reforms, introduced in 1979, led to free market and foreign investment, thereby stabilizing the stagnant and vastly isolated local economy. Termed as the fastest sustainable economic progression in history by World Bank, Chinese economy doubled its GDP every eight years (FAS, 2019). Even during the unanticipated coronavirus pandemic, Chinese economy is the first one

to report a rebound of 3.2% in 2<sup>nd</sup> quarter of 2020. This was possible only due to Chinese development model led by mobilization of industrial resources and promotion of trade, thereby paving the way for high economic growth and consequent improvement in social lifestyle.

### **3.3. Technological upgradation and innovation**

The Chinese development model was introduced by CPC's foresighted policy makers who understood that human resource development was essential to empower local population and gain strategic advantage in future scientific developments. In this context, China improved its educational capabilities to modernize its research capacity and revolutionize the production processes. Owing to such wisdom of decision makers, China also started attracting foreign investment from large-scale corporations for their research activities (So, 2014). Consequently, not only the skills of Chinese workers improved but the production quality also escalated rapidly, thereby enhancing the value addition in product development.

Currently, China is leading the fourth industrial revolution with development activities in areas like Artificial Intelligence (AI), 5G, robotics and quantum computing (Schoff, 2019). Any major breakthrough in these fields would dictate future dominance in all segments, including economic and military power. While China realized this ages ago, other countries are only realizing the immense importance of innovation and technological upgradation now. As the technological competition is becoming aggressive each day, China has already gained the status of leading innovator due to its progressive development model.

### **3.4. Development policy of President Xi**

The political governance structure of Chinese governance structure conforms to a socialist model, which is customized according to Chinese society. President Xi Jinping has introduced a modernized version of Marxism-Leninism mechanism to work out on the social, political and economic issues surrounding the Chinese society (Kejin & Xin, 2015). His goals dictate achievement of a moderately prosperous society through structural and institutional innovations. The following are the major prongs of development model proposed by him:

#### **3.4.1. Poverty alleviation through qualitative development**

When President Xi came into power, he focused primarily on eradication of poverty and improvement of livelihood through initiation of qualitative development statistics. He realized that there was an inequitable development deficit particularly visible in poverty-stricken areas. He realized that for a prosperous society, harmony and equality was necessary in development oriented poverty alleviation schemes (Foreign Languages Press Co. Ltd, 2014). He allocated special funds and target oriented development measures to employ qualitative progress instead of focusing on quantitative growth only. Through his development initiatives, he aspires to improve the standard of living of more than 1.3 billion people. He is of the view that previously, the focus was on the provision of some basic needs and requirements to Chinese community. Now, as the economic situations has progressed, the focus needs to be towards qualitative empowerment of local population. Through his reforms, by the end of 2050, China is expected to emerge as a modern socialist state which is prosperous, democratic and culturally advanced.

According to the China Dream envisioned by him, China must work towards a moderately prosperous society by modernizing all aspects of society. He has a unique take on the development of population by

asserting on projects actually directed towards sustainable development of Chinese community instead of making mere exaggerated claims for earning short-term approval of community. He concentrated specifically on rural areas to bring them at par with urban developed zones. He understood that provision of better lifestyle and improved economic opportunities was a difficult yet important task for his party. In this regard, he initiated a number of development policies. Firstly, he introduced a new form of urbanization so as to offer prospects of urban family registry to farmers. While realizing that urbanization was the key to China's development and growth, President Xi offered residential and social security to these farmers on migration to urban areas.

Secondly, in the 19<sup>th</sup> CPC National Congress in 2017, President Xi has taken up a multipronged strategy for battling with the curse of poverty. He talks about the mandatory role of state and party in poverty eradication through adherence to goals and standards. He believes that it is not only efficient policy making at legislature level but also its effective implementation at provincial level which would ultimately deliver effective guidelines against this social evil. Thirdly, while doing so, he asserts on robust data sharing as well as analysis for taking some targeted measures. Through a strong data analysis, the poverty alleviation funds are allocated and supervised more efficiently than before. On the whole, these are the most significant steps taken by President Xi to achieve a radical yet sustainable economic revolution in Chinese society so as to break the shackles of extreme poverty.

#### **3.4.2. Better educational opportunities**

President Xi strives to provide improved educational opportunities to people without any discrimination. While speaking at UN Global Education First Initiative ceremony, Xi pointed out that a better societal infrastructure was possible solely with fair education infrastructure. He aspires to revive the social order through the promulgation of scientific education and IT. While accepting that the current curriculum meets the economic and social requirements of local population, he accepts the institutional barriers still intact in the way of long term educational developments. Through the multifaceted reforms, President Xi wants to address a number of shortcomings prevailing in existing structure, including pressure of root based learning on physical and mental health of students, low quality education at higher level, lack of focus on political education and a balanced development of students. President Xi is working on the basic national policy based upon a socialist modernized form of education for ensuring equal access to educational opportunities. President Xi is focusing specifically on education mechanism based on Chinese values to instill moral integrity among students (Foreign Language Press, 2020). Therefore, it is quite visible that President Xi is striving for social and economic development of local population through a number of initiatives meant to enhance their quality of life. He believes that a diverse development model, tailored to specific requirements of local cadre, is more appropriate as compared to a universal expansion model.

#### **3.4.3. Ecological conservation and environmental protection**

In his reforms, President Xi has given utmost significance to ecological conservation and environmental protection. At the 19<sup>th</sup> National Congress of CPC, he pledged to build a 'beautiful China' by giving priority to ecological progress along with economic, political, cultural and social growth. Owing to his devoted struggles for accomplishing success in all five spheres, China is now leading the world in environmental reforms as well. President Xi has launched numerous campaigns for reducing energy consumption, including Green finance initiative, which facilitates environment-friendly firms along with strengthening

of environmental laws and regulations (Foreign Languages Press Co. Ltd, 2014). By the end of 2035, he aims to enact a number of effective policy measures for creating an eco-civilization revolving around environment-friendly industrial mechanisms and land use planning infrastructure. Across China, different projects are in the implementation phase for green growth so as to achieve innovative, coordinated, open and shared development, as per China Dream. His pledge guarantees a renewed enthusiasm towards mitigation and reversal of damage caused by environmental pollution and decades of unrestrained development.

#### **3.4.4. Protection and promotion of basic human rights**

President Xi has always shown his commitment towards the provision of human rights and dignity through the formation of a global governance infrastructure based upon shared values. As per the Universal Declaration of Human Rights, President Xi has established his reforms on people centric vision. He has granted social, economic, political, cultural and environmental rights to Chinese citizens and has defended their right to social justice at all platforms (Foreign Language Press, 2020). He has always affirmed that the people are the greatest strength in their governance infrastructure so they should always remain prioritized. Overall, he follows a well balanced approach for advancing with time while maintaining the orientation of his society.

## **4. Economic and social impact of Chinese governance reforms**

The transition of Chinese socialist governance during the last 35 years has changed its economic, social and political horizons. Penned by President Xi Jinping in 2015, *The Governance of China* depicts that the material and cultural needs of masses led to such historical transformation. The economic crisis of 2008 was a turning point for China in which China developed indigenous plan and endorsed completely. As depicted by President Xi, the model is a version of socialism which deviates from the concepts presented by Marx and Engels to achieve success desired by Soviet Union.

### **4.1. Economic Impact**

As Chinese model started allowing foreign capital inflow, it was foreseen that the surplus amount would aid in quick revival of local economy. The next few years showed the positive implications of this wise and timely intervention. While European economies were still struggling to cope up with after-effects of disastrous financial crisis, Chinese economy not only regained its old position quickly but was also making substantial improvements. Yiwei depicted this as “The five Integrations” framework and explained it as a relative ease in policy constraints adopted by socialist government (Yiwei, 2014). The local markets were given the right to allocate mandatory resources as and when required. This financial ease played a major role in economic boom of China. All the short-term and long-term commercial goals were amalgamated into Sustainable Development Goals, which gained momentum with foreign investment. The “One Belt One Road” initiative, currently adopted by Chinese authorities, further boosted the economic progress. Through this initiative, Chinese socialist administration intends to create opportunities for boosting local trade and local cultural connections (Li, 2015). It is also viewed as an industrial revolution which could enhance employment opportunities. The following chart depicts economic progress of China in recent years after the introduction of governance reforms:

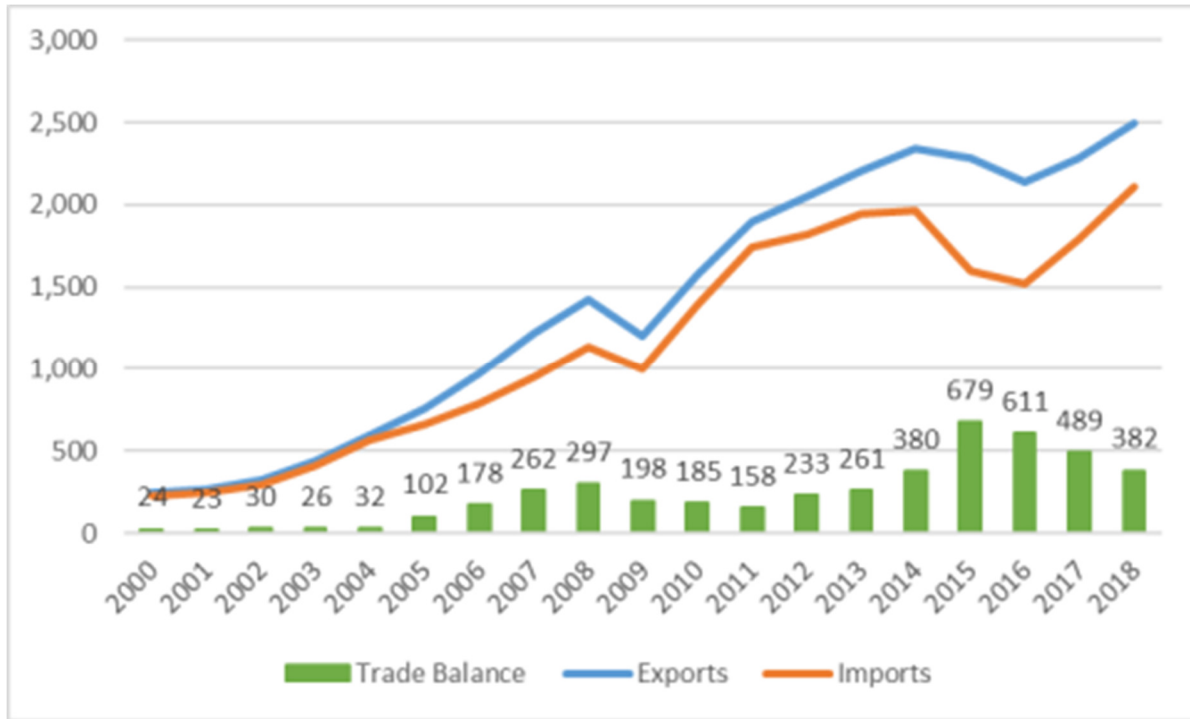


Diagram 5: Economic progress of People's Republic of China from 2000-2018

## 4.2. Social Impact

As a part of reforms, China opened its markets to foreign investment, thereby opening doors of opportunity for local population. As the Chinese governance system is shifting from traditional to innovative and new cultures, it is expanding boundaries of its social security system as well. Through the BRT projects and trade liberalization, the employment opportunities are bound to increase for local population, thereby leading to a comfortable lifestyle for majority of population in coming days (Yiwei, 2014). The integrated borders would ultimately lead to cultural diversity, thereby increased educational opportunities for students abroad.



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