

Annual report of
The Advanced Leadership Development Project for Xiaokang Society

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I. Project Background:

II. Project results achieved in 2006

III. Areas for further improvement

I. Project Background:

As China is moving forward to achieve its vision of building a Xiaokang (Well-off) society by 2020, China's leadership is committed to establishing comprehensive, coordinated, sustainable and human centered development, which mirrors in many respects the concepts and principles of the Millennium Declaration and targets broader than the Millennium Development Goals. To assist China to achieve its vision and meet the requirements of the new paradigm of development, The Advanced Leadership Development Project for Xiaokang Society (ALDP) is to offer learning opportunities to senior leaders in China to enhance: 1) their understanding of the concepts and goals of the scientific paradigm of development incorporating the five balanced aspects, and 2) their capacity for leading, managing and implementing for results in their institutions and areas of responsibility, while also mobilizing the population, to ensure rapid progress towards Xiaokang and MDGs. Until now, the project has provided overseas training to over 200 Chinese senior leaders.

II. Project results achieved in 2006

In the year 2006, 5 training programmes were conducted under the ALDP project, participated by 103 senior leaders. The participants were Ministers/Governors, Vice Ministers, Vice Governors, and Director Generals as candidates to ministerial/governor level positions. They were organized into five groups and each focus on one priority area of development. The training groups were sent to training programmes specially tailor-made for the ALDP in world famous universities,

including University of Oxford, University of Cambridge, University of British Columbia, University of Toronto, University of Sydney, National University of Australia, and Ecole Nationale d'Administration France. The senior leaders were prepared with background information and sharpened learning targets through brief orientation courses organized domestically prior to the overseas learning visits.

The five training programmes (2006) focused on the following areas.

1. Modern Economy and Comprehensive, Balanced, and Sustainable Social Development (provided jointly by Oxford and Cambridge Universities)
2. Agricultural Modernization and Rural Development (provided jointly by University of Sydney and National University of Australia)
3. Development Strategies and Administration of Modern Enterprises (provided by University of British Columbia)
4. Industrial Modernisation and Transformation of Traditional Industries (provided by University of Toronto)
5. Continuing Education Development Trend and Management of Training (provided by Ecole Nationale d'Administration (ENA))

After the training, each group of the participants submitted a group report of their learning results to the Department of Organization, CCCPC. The Department of Organization of CCCPC compiled them into a general report to be submitted to the top leaders of China. Based on their learning results, the group recommended the following priority actions to be taken in meeting the challenges of China's development for a balanced Xiaokang society.

On balanced social and economic development:

- **Join global action on climate change** -- The group stressed on the affect of climate change on the basic elements of life for people around the world – access to water, food production, health, and the environment. And using the results from Stern Report, the group alerted China that the overall costs and risks of climate change will be equivalent to losing at least 5% of global GDP each year, and the costs of action – reducing greenhouse gas emissions to avoid the worst impacts of climate change – can be limited to around 1% of global GDP each year. The group

report highlighted the necessity of a global response to climate change based on a shared vision of long-term goals and agreement on frameworks that will accelerate action over the next decade.

- **Face up ageing society** -- The group of leaders called for proactive approach in dealing with challenges emerged in the ageing society of China. They recommended studying experiences of European countries in reforming pension system, improving service system for aged people, and mobilizing valuable contributions of them through the labor market. At the same time, the group alerted that China should learn others experiences based on careful analysis of China's own dilemma of demographic structure vis-à-vis population size, development status vis-a-vis ageing trend.
- **Reform social security system and legislation** -- The group studied four models of social security system, including the model of Northern Europe, UK, Continental Europe, and Mediterranean countries. The group presented the advantages and disadvantages of the four models in achieving equality and efficiency. They recommended that China should continue and deepen the reform of basic pension and medical care insurance systems, through the combining social coordination and personal account. At the same time, the group urged that China should make social security law in a timely manner to ensure the establishment and operation of an inclusive social security system.
- **Set indicators and priorities for sustainable development** -- The group recommends learning from UK's practice in setting up comprehensive indicators for sustainable development, maintaining systematic monitoring and reporting, as well as establishing institutional arrangements to ensure the achievement of targets.
- **Reform administrative system and improve public services** – The group recommends three priorities: firstly, public service function of the government should be strengthened. Secondly, the administrative system needs to be reformed. On the policy making level, democracy should be further enhanced through improving mechanisms for public participation. On the policy enforcement level, performance management and measurement need to be improved to stress on cost-effectiveness and efficiency. A set of result-oriented performance measurement indicators should be established. Thirdly, market system could be introduced to the public service area in order to reduce the cost and improve service quality.

On agriculture modernization and rural development:

- **Maintain biological and environmental sustainability** – The group highlighted the importance of human and natural resources, environment, and bio-diversity in sustainable development of agriculture and rural livelihood. They recommend learning from Australian experiences in protecting land, establishing water administration system, improving rural community health service centres to balance economic growth, human development and environmental sustainability in rural areas.
- **Adopt multi- stake holder approach for rural development** – The group emphasised that rural development must rely on pro-activeness and cooperation of multi stake holders including government, farmers and civil society. The government should provide policy guidance and support to rural development and agriculture modernization, providing high-quality services in science and technology, education, training, poverty reduction, and health care. Farmers need to be fully mobilized and empowered to play pro-active role in agriculture production and marketing. Civil society organizations could be mobilized to provide diversified social services to farmers.
- **Enhance farmers' capacity through science and technology** – The group was impressed by the fact that with 60% to 80% of the growth of agriculture production of Australia coming from S&T innovations, Australian government still put high priority on S&T training for farmers. They recommend that China should learn from the experiences and encourage wider dissemination of S&T innovations in agriculture and training farmers on S&T and business management.

On modern enterprise development:

- **Perform social responsibilities** – Through the training, the group deepened their understanding of strategic vision on scientific development concept and harmonious society. In particular they recognized the enterprises' important roles in abiding by international conventions, environment protection, energy saving, and sustainable development. They recommended national enterprises learning from multi-nationals and share among themselves practical experiences of

performing social responsibilities. As the executives of the state-owned enterprises (SOE), they committed that SOEs should be role models in this aspect.

- **Lead technological innovations** – The group recommended that China’s enterprises should further improve their core competence through technological innovations. Enterprises should become the leading force in innovations and new technology transformations. Chinese enterprises should change the old model of technology transformation and be more oriented to commercialization of technological products, taking advantage of competitions at each key stage from R&D, financing, production to marketing. Venture investment should be further mobilized to support innovations.
- **Develop modern entrepreneurship** – The group gained a sense of urgency for developing modern entrepreneurship among Chinese business leaders. They recommend that China should pay more attention to the education and training of business leaders and nurture a group of competent entrepreneurs.

On transformation of old industrial areas:

- **Take a global vision in reforming old industrial areas** – The group realised that reforming old industrial areas should take a global view. They recommend government and enterprises in old industrial areas further open up and position their regions and business against global development context, and international as well as national market.
- **Encourage innovation:** The group emphasised that the government should be further service-oriented and innovation-oriented. The government should help nurturing a policy environment enabling for innovations, reducing risks of innovations, favouring innovations. Innovations are key to successful transformation of the old industrial areas.
- **Balance regional development and maintain social stability:** The group learned from Canadian experiences of government’s role in balancing regional development through appropriately managing central-local government relations, using fiscal policies, and making responsive institutional arrangements. They also analysed lessons of comparatively underdeveloped regions of Canada and realised that social policies and social stability could greatly affect the regional economic as well as social development. They recommended that China should learn from

the experiences and lesson to further improve government's role in balancing regional development and maintaining social stability.

- **Closely associate industries with universities and research institutes** –The group recommend old industrial areas establish industrial parks around universities or research institutions, taking advantage of advanced human resources, new knowledge and new technology. Close association of researcher centres and enterprises should be encouraged for the benefit of regional economic growth and social development.

On continuing education and training for senior civil servants:

- **Optimize management of trainings for officials** – The group learned experiences from France, Germany and Belgium in training senior civil servants. They recommend that China should conduct more performance-based training need assessment for leaders and provide them with skills and experience in solving practical problems. Chinese leaders need to be more exposed to other countries' experiences. Diversified training modality could be applied including lectures, case studies, seminars, field visits, and in particular, the group recommend future training of leaders in China should allow more on-job training with mentors. And, the training results should be better monitored and closely linked with civil servants' performance assessment and career development.

A common impression of the participants as reflected in the 5 group reports is the understanding of China's growing role in global development. The 5 groups all reported back their understanding that China's good development momentum has gained higher respect from the world but at the same time means more responsibilities. They recommend that China should continue its newly defined balanced development concept and continue to play a positive and pro-active role in global development.

III. Areas for further improvement

1. The project should also support domestic training activities for 600 senior leaders, using best resources developed for the overseas training workshops and making participants of overseas training as resource people for domestic workshops.

Currently, domestic training activities conducted by the Department of Organization are run in parallel. Although content wise they are linked with the ALDP topics, resources are not effectively shared in a systematic manner.

2. The knowledge network is yet to be established for the senior leaders. The website structure was communicated with project partners and concrete efforts need to be supported through the project to establish the virtual link for the training participants for peer learning support and exchanges of learning materials. The idea of setting up UN Alumni network was emerged during discussions among the participants, which should be pursued further during the year 2007.
3. The training topics in 2005 and 2006 have been broad topics, which was in general welcomed by the participants. From their feedback, we can also work to sharpen focuses on some of the programmes, for instance, on several priorities, including environmental sustainability, energy efficiency, civil society development, and financial market development, etc.
4. The training modalities can be further improved to have more interactive sessions and well targeted project visits.
5. The gender balance of the participants has been increased by 4% in 2006 compared with 2005. This is a very positive change and should be continued. The project can set a clear target on sex ratio among participants.