

## The Logical Transformation of the Modernization of State Governance

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### Abstract

The modernization of state governance embodies the process of modern state construction, and the success or failure of state governance depends on the institutional logic and effectiveness of state governance. The governance of modern Western countries is dominated by market logic and has made outstanding achievements in protecting individual rights and increasing material wealth. However, it faces a crisis of declining governance effectiveness. Since the Opium War, China's governance transformation has been deeply restricted by the traditional power-based logic and success has been hard. Since the founding of the People's Republic of China, especially since the reform and opening up, there has been a gradual shift from a power-based approach to a rights-based approach in state governance, which has achieved outstanding governance results. In view of the new changes in time and space, the modernization of state governance in the new era needs to deal with the dual tests of traditional factors and international situation. Therefore, the core issues of the transformation of state governance should be analyzed from an open-system perspective, and the logic of state governance should be effectively settled on the rights-based approach. In contemporary China, the most important thing in the modernization of state governance is to uphold the Party's leadership. From the perspective of practical issues and objective needs, the modernization of state governance must adhere to the people-centered principle, establish the foundation of governance by civil rights, build governance consensus through constitutional governance, create governance momentum through cooperative actions, and provide governance support through public virtues. This establishes and consolidates the base of the effectiveness of modern state governance and enhances its efficiency.

**Keywords:** governance effectiveness, state governance logic, market logic, power logic

Effective governance is key to state prosperity and long-term stability, which is influenced by various factors but fundamentally determined by the institutional logic behind the appearance of state governance. From a realistic point of view, the modernization of state governance is a key issue for the construction of a modern system leading to modern social

life, and it is essentially an unfinished business of modern state-making. The founding of the PRC established an institutional framework for China's modernization. The magnificent governance reforms and world-renowned governance achievements since reform and opening up have accumulated sufficient material foundation and intellectual power to further advance the modernization of state governance. However, with globalization and informatization in full swing, competition among countries around the world has intensified, domestic social contradictions are complex and changeable, and the effectiveness of state governance is facing serious challenges. Based on this, the objectives of this research are: to establish a frame of reference in both horizontal and vertical dimensions to position China's state governance situation, to analyze the ideal vision and realistic approach to the modernization of national governance with an open vision and rational spirit, and to explore the core issues of modernization of state governance in order to improve governance efficiency and bring the people-centered development thinking of the new era into reality under the leadership of the Party.

## I. The Logical Transformation of State Governance in Open Systems

At present, academic literature on the modernization of state governance is overflowing. Generally speaking, the theorists have discussed the modernization of state governance mainly from the aspects of basic concepts, measurement criteria, and countermeasures, creating an atmosphere of theoretical debate to a certain extent and opening up horizons for further exploration of state governance-related issues. Regardless of analytical perspectives and academic approaches, it is the basic consensus of the academic community and the common expectation of society that state governance should avoid becoming a "strengthened version" of "state rule" or "state management." This task is ultimately directed to "governance efficiency" or "governance effectiveness." Studies in the existing literature now mainly focus on the interpretation of governance effectiveness from two perspectives: state capacity and the institutional logic of state governance.

### *1. The interpretation of the logic of effective governance from the perspective of state capacity*

In the early 1990s, faced with the need to effectively overcome the dilemma of economic transition and integrate social resources to promote modernization, some scholars proposed to resort to a powerful state capacity.

In the West, the theoretical origins of state capacity can be traced back to the academic initiative of Western political scientists to "reclaim the state." In an early stage of this academic genealogy, Huntington analyzed the political development and political decay of late modernizing countries relatively early,<sup>1</sup> attributing the cause of political decay in these

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1 See Samuel P. Huntington, "Political Development and Political Decay," pp. 386-430.

countries to “strong social forces and weak political institutions,”<sup>2</sup> and accordingly believing that the primary task of modernizing countries is to strengthen governmental authority in order to establish an effective ruling order. On the basis of continuing to argue that “weak, incompetent, or fundamentally deficient governments are the root cause of serious problems,” Fukuyama was committed to his idea of “building new government systems and strengthening existing ones,”<sup>3</sup> taking the unified central bureaucratic government established during China’s Qin and Han dynasties as a model and reference for state-building. He analyzes the historical origins and political development of diverse political orders according to the different sequences of development of state-building, rule of law, and accountability, while emphasizing that “the combination of these three systems in a stable balance” is a “miracle of modern politics.”<sup>4</sup>

After the “golden age” of development in the post-war period, the economy of the West entered a state of “stagflation.” People began to reflect on why the vision promised by the “counterculture movement” had finally failed to materialize, and they gradually developed a strong desire for social stability and authoritative order. In the face of social public issues, some researchers are paying increasingly more attention to the role of the state. At the same time, the state as a collective noun has been used by policy analysts to demonstrate the legitimacy of policies, and the economic liberal view of the exclusion of the state and government has been increasingly questioned due to its ineffective governance. The combination of these factors has led to a growing number of scholars again refocusing their attention on and using the concept of “state.”<sup>5</sup> While there is nothing wrong with the concept of state becoming an independent and important unit of analysis in academic research, it needs to be treated with caution and rational analysis if it is to be taken as a golden rule or even as a manual for political operation.

## *2. The focus on the effectiveness of governance from the perspective of the institutional logic of state governance*

Scholars have discussed the institutional logic of the effectiveness of state governance based on the practice of Chinese state governance, and put forward original explanatory frameworks such as the models of the “logic of imperial governance,” “administrative contracting system,” and “the center governs officials, localities govern the populace.”

First, Zhou Xueguang “looks for clues to understand and interpret Chinese state governance in the course of Chinese history,”<sup>6</sup> suggesting that the fundamental difficulty in the governance of a large unified state with a vast territory and diverse cultures lies in the tension between “authoritative institutions and effective governance.” In order to effectively mitigate the

2 Samuel P. Huntington, *Political Order in Changing Societies*, p. 10.

3 Francis Fukuyama, *State-Building: Governance and World Order in the 21st Century*, p. 7.

4 Francis Fukuyama, *The Origins of Political Order: From Prehuman Times to the French Revolution*, p. 21.

5 See David Easton, “The Political System Besieged by the State,” pp. 303-325.

6 Zhou Xueguang, “In Search of Historical Clues to China’s State Governance.”

risks to rule arising from this contradiction, a series of special institutional arrangements and operational mechanisms have emerged in the course of a long historical process around the coordination of central-local relations, forming the “logic of Chinese imperial governance.”<sup>7</sup> This concept explains the underlying mechanisms to ensure effective governance in the cyclical swing of “decentralization-centralization-decentralization.”

Second, Zhou Li’an reveals the relationship between different levels of government in terms of administrative power distribution, economic incentives, and internal control, while using “political tournaments” to analyze the relationship between local governments at the same level. This study finds that China’s state strength is determined by the cost and risk of governance matters, which is different from the bureaucratic system in the Weberian sense. It is an “administrative contracting system” combining vertical contracting and horizontal competition,<sup>8</sup> which explains the “high combination of centralization and decentralization” that characterizes effective state governance.

Third, Cao Zhenghan suggests that in the process of economic growth and market-oriented reforms, in order to resolve the conflict of interest between the government and the populace that threatens the stability of the authoritative governance system, the central government has taken over “governing power over officials” to appoint and supervise local officials to exercise the “governing power over the populace.” This formed the unique model of “the center governs officials and the localities govern the populace.”<sup>9</sup> This pattern of “central-local governance division” includes mechanisms to disperse the risks of governing and to spontaneously regulate the degree of centralization, which work together to maintain the effectiveness of governance.

With a keen awareness of issues and a high degree of local consciousness, Chinese scholars have been able to draw on foreign theories and methods to examine state governance issues in the Chinese context in depth, proposing a highly penetrating and explanatory analytical framework, revealing the deep code of China’s state governance from different perspectives, providing analytical concepts and mental paths for subsequent studies as well as greatly advancing research progress. However, all the above three theories ignore the impact of spatial and temporal changes on state governance, and therefore fail to show the course of historical change in governance effectiveness and fail to accurately grasp the dynamic process of logical transformation of state governance.

In order to understand and pursue the effectiveness of modern state governance in an open system, this paper will explore and discuss the following aspects. First, it explores the conditions and internal mechanisms of modern Western state governance in the historical process of state construction and distills the logic of modern Western state governance, so as

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7 See Zhou Xueguang, “From ‘Huang Zongxi’s Law’ to the Logic of Empire: Historical Clues to the Logic of China’s State Governance.”

8 See Zhou Li’an, “Administrative Contracting System.”

9 See Cao Zhenghan, “China’s Central-Local Governance Divisions and Stability Mechanism.”

to provide coordinates and mirrors for accurate positioning and identification of the external situation of state governance modernization. Second, it grasps the progress of Chinese state governance from its historical context and outlines the logic of traditional Chinese state governance, clarifies the possible obstacles and endogenous dynamics of state governance modernization, and identifies the fundamental tasks to further enhance the effectiveness of governance. Third, it describes the changes in China's state governance since the founding of the PRC, especially during 40 years of reform and opening up, and presents a dynamic map of the modernization of state governance in contemporary China in a comprehensive manner. Last but not least, it outlines and summarizes the basic direction of the evolution of the state governance logic from the perspective of state construction and takes a comprehensive look at the progress of China's state governance modernization, so as to propose innovative dynamics and improvement strategies for the current transformation of China's state governance logic.

## **II. Market Logic and Governance Limitations of Western State Governance**

The issue of governance effectiveness runs through the entire process of the construction of modern Western states. The game between religious power and royal power in the Middle Ages bred the genes of modern state governance. As a result of this gaming, power was limited and regulated, and the concept of limited power was formed, leaving an important spiritual legacy, namely, the constitutional concepts of human rights, freedom, private domain, and limited government in the modern Western world.<sup>10</sup> After the Middle Ages, the gradual development of the market economy allowed urban dwellers to gain more freedom, and a secular legal system was also gradually established. In particular, the development of the commodity economy accelerated the process of secularization: the Renaissance aimed to rebel against theocracy, and people recognized the unique value of human beings and dared to pursue a happy life. The collective appearance of political thinkers such as Hobbes, Locke and Montesquieu made important contributions to the establishment of a stable and peaceful modern state. At the same time as they stripped away the rule of theocracy, these thinkers transcended the entity of the nation-state to provide a priori logical arguments for modern state governance, sought traditional resources to construct a normative form in contrast to the real political system, and finally succeeded in taming state power.

With the rise and success of the bourgeois revolution, the concepts of human rights, freedom, and the rule of law advocated by the Enlightenment were confirmed and implemented in the surging construction of the modern political system. The industrial revolution promoted the great take-off of the capitalist economy, and the capitalist mode of production spread abroad with the development of a world market, thus laying down a modern

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10 Cong Riyun, "Ullmann's Masterpiece and Its Misconceptions."

political system marked by the market economy system. After a long period of accumulation and transformation, the West took the lead in completing the construction of the modern state and forming modern state governance with free competition as its key motive, and the market logic comprehensively penetrated and shaped the political system and public life. The democratic elections and multi-party systems that prevail in the governance of modern Western countries are typically characterized by market logic.

Market logic insists on the primacy of the individual in the relationships between the individual and society and the state, and on the primacy of the market in the relationship between the market and the government. Overall, the market logic of modern Western state governance emphasizes strict protection of individual rights through the rule of law, while maintaining a high degree of vigilance over government power, and aims to guarantee free economic activity to stimulate individuals to freely pursue and create wealth, preserve and realize their unique value as human beings, and ultimately promote the growth of public welfare.

The successful experience of the West may be that the paradigm of coexistence and action has been reset by the mechanisms of free competition born out of the market economy. Modern Western state governance, with its idealization of the role of the free market and its totemic sanctity of the pursuit of individual rights, did in fact contribute to the unprecedented development of human civilization. Marx said that “the bourgeoisie, during its rule of scarce one hundred years, has created more massive and more colossal productive forces than have all preceding generations together.”<sup>11</sup> Needless to say, the key factors that have contributed to the outstanding performance shown by the market logic of modern state governance in the West deserve to be taken seriously. They consist mainly of the following.

First, they affirm people’s rational capacity. People were finally able to throw off the control imposed on them by religious power and royal power, not by completely eliminating the existence of the church and the government in terms of organizational form, but by preventing them from harming people on the basis of their independent choice and free consent, which generally established the dignity and value of human beings. This is due to the Enlightenment’s discovery and recognition of human rationality. People had the courage to use their rational capacity to freely pursue the life they wanted, and they could even design and construct a new system to advance their goals.

Second, they insisted on the supremacy of individual rights. Through the efforts of a number of liberal thinkers, the concept of the supremacy of individual rights was finally established. By determining the absolute and sacred nature of individual rights, a solid firewall was built between the private and public domains. At the same time, the clear distinction between public and private law, which originated from Roman law, recognized the legitimacy of the pursuit of profit and the legality of free competition in the form of law, implemented

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11 Karl Marx and Frederick Engels, *Collected Works of Marx and Engels*, vol. 2, p. 36.

respect for and protection of the individual's right to life and freedom, especially the right to private property, and encouraged rational individuals to actively engage in market economic activities to pursue the maximization of material wealth.

Third, they established institutions to control state power. Liberalism has always been highly vigilant against state power. "To prevent this abuse, it is necessary, from the very nature of things, power should be a check to power."<sup>12</sup> A republican system of government is able to implement effective control of power through the allocation of power in the form of the separation of powers and checks and balances to maximize the protection of individual rights. In addition, a clear legal procedure regulates a peaceful transfer of power, which not only guarantees citizens' supervision of power but also facilitates the peaceful change of power. Ultimately, the legitimacy of the regime is deeply rooted in the citizens' stable identification with the community, which greatly expands the dimension of governance effectiveness. At this point, the institutional construct of ensuring state power serves the people has become a shared knowledge among those who aspire to live in a modern society and has completely liquidated the traditional conceptual roots of authoritarian dictatorship.

Although there are other logics in modern Western state governance, such as social autonomy, historically, the free market has been both the central driver and the key yardstick in the development of modern political systems and the reform of modern government, and public life has been governed by the logic of the market everywhere. The market logic of state governance's complete rejection of medieval ecclesiastical and royal authority has promoted the liberation of human nature, stimulated the productive energy of society, and demonstrated excellent governance effectiveness. However, while people are accustomed to enjoy the fruitful results created by modern society, they must sincerely confront the deep crisis of the market logic of state governance. The monopoly of business giants, the huge challenges to the principles of free trade, and the social conflicts caused by inflation have forced people to become strong advocates of the necessary government intervention in the market. However, market logic (especially classical liberalism) is naturally genetically exclusive of the state and opposed to government, making state governance much less effective. Even though the role of the state and government was emphasized after the 1930s under the influence of Keynesianism, it was never free from the domination of market logic, especially with the rise of "neoliberalism" in the 1970s, when market logic was again reinforced and the academic appeal to "find the state" had little success. In the process of shifting from developed industrial societies to post-materialism, "the long-term imbalance in the distribution of benefits has led to polarization of the rich and poor, confrontation and rupture of political elites, confrontation and conflict of political ideas, and extreme radicalization of political behavior, which in turn have led to intensification of ideological differences, widening of social group fissures, escalation of popular culture confrontation, and gradual isolation and

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12 Montesquieu, *The Spirit of Laws*, p. 185.



tension in regional cooperation and international relations,”<sup>13</sup> leading to the emergence of a crisis of “national polarization” in Western democratic politics. In terms of public life, “in the new wave of anti-globalization populism, right-wing populist parties have been radicalized and polarized, using the opportunity of anti-neoliberalism and anti-globalization to rapidly expand their political influence, and a new national populist consensus is taking shape,”<sup>14</sup> triggering a backlash by the market logic. Modern state governance in the West is encountering the dual challenges of legitimacy and effectiveness, and the world landscape is being readjusted. In this context, the modern transformation of China’s state governance has entered a new time and space.

### III. Traditional Chinese Logic of Power and Obstacles to Modernization

China’s long tradition of feudal autocracy has had a significant impact on the establishment of a modern state system and the realization of modern governance in China. The effectiveness of feudal autocracy lies in the establishment and strengthening of a centralized power system. At the beginning of the Zhou dynasty, the enfeoffment system was adopted to relieve geographical constraints through kinship and hierarchical order, and to implement division of territory and accompanying rule premised on the king of Zhou was the “master of all under Heaven.” Despite the fact that some people other than the king’s clan were also enfeoffed, the patriarchal and hierarchical systems revolving around the first-born son’s succession effectively united kinship and reverence, forming an integrated pattern of “family” and “state” and laying the ontological foundation of traditional Chinese power. The “Zhou and Qin changes” established a power-based ideology that profoundly influenced the course of Chinese history and social life, while the Han established Confucianism as the power-based ideology to strengthen the basis of the legitimacy of imperial power. This formed the initial bureaucratic state, which was “outwardly Confucian but functionally Legalist.” The establishment of the imperial examination system in the Sui and Tang dynasties broke the hereditary lineage of local power-holders, bridging the gap between commoners and the political system and giving the scholastic elite access to the state power system that allowed them to achieve bureaucratic status. This helped alleviate the problem of distorted information transmission from the bottom to the top of the bureaucracy and enhanced the central government’s ability to maintain stability and draw on resources.

Although the law of guilt-by-association (*lianzuo*) was enacted to eliminate the possibility that natural blood relations among family members might hinder loyalty to the emperor, the fall of Qin confirmed that conditions were not yet ripe for attempting to bring the masses into

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13 Pang Jinyou, “National Polarization and the Crisis of Democratic Politics in Contemporary Europe and America.”

14 Lin Hong, “‘Unbalanced Polarization’: Left and Right Wings of Contemporary European and American Populism.”



direct obedience to the emperor. Therefore, the ruling resources inherited from the Western Zhou were restored, and the hierarchical order of superiority and inferiority within the family was established with filial piety as the core. The “transformation of the family into the state” was then promoted through “transforming filial piety into loyalty to the emperor.” This eroded the boundary between private and public domains, strengthening the emperor’s psychological and ethical authority. Under the feudal autocratic framework, bureaucracies generally reached down only as far as the county level, and the number of officials assigned to the local level, especially the county level, was extremely limited.<sup>15</sup> The central government controlled local bureaucrats by using the system of appointing officials and inspection mechanism, and also allowed the county officials to appoint local gentry with a certain degree of influence and authority to make up for the lack of a formal system below the county level. Due to the technical limitations that prevented the implementation of management through thorough enumeration, both the “household registration system” and the “*baojia* system” could only be based on the “household” as the basic unit. Therefore, local administration based on the “household system”<sup>16</sup> was “simple centralized governance.”<sup>17</sup> As a matter of fact, successive dynasties were all very good at applying lessons from the fall of previous dynasties to repair and improve their ruling techniques, and the idea of power-based governance was constantly upgraded and matured in the course of dynastic cycles. The traditional power-based governance logic (i.e., power logic) with bureaucracy at its heart was perfected in the Ming and Qing.

The power-based governance structure and operating mechanisms were transformed during Qin state’s local wartime experience; they pursued the efficiency of exclusive control of power and emphasized the masses’ unconditional duty of compliance. Therefore, the effective rule in traditional China could never be separated from the phantom of the extreme operation of power, and the “power-based” ideology was integrated into traditional Chinese political institutions and public life. Given the challenge of effective rule of a mega-state, it was wise of the rulers to adopt a centralized system of power at the same time as they implemented the county system to extend the reach of power to the masses of the people while enacting strict decrees to compel officials at all levels to strengthen their rule. In particular, the ritual and legal systems were intertwined to achieve the “Confucianization of law” and to establish the punishment principle that allowed “crimes committed among lineal relatives to be concealed,” thus forming the traditional “Confucian Legalist state” of traditional China.<sup>18</sup> During the two thousand years of feudal autocracy, the logic of power-based bureaucratic power always dominated the political system and public life of the state. The core elements of the power-

15 See Zhou Zhenhe, *History of Local Administrative Systems in China*, pp. 196-199.

16 See Xu Yong, “China’s Household System Tradition and Rural Development Path: With Reference to the Village Traditions of Russia and India.”

17 See Philip C.C. Huang, “Centralized Simple Governance: Semi-formal Grassroots Administration Based on Quasi-Officials and Dispute Resolution in China.”

18 Zhao Dingxin, *Wars in Eastern Zhou and the Birth of the Confucian-Legalist State*, p. 89.

based bureaucratic logic of power are as follows.

First, the pursuit of stable rule. By setting up a tight organizational system to ensure the effective implementation of the will of power, and then exercising comprehensive control over social life, people's production and life and even their thoughts were bound under the compulsion of imperial power. The pursuit of stable rule is arguably the most important goal of power logic.

Second, the emphasis on the closed operation of power. The emperor was the ultimate source of both central power and bureaucratic power; the bureaucracy was only a tool to exercise arbitrary authority, and officials were reduced to the emperor's vassals and slaves. In the institutional design and historical process of feudal autocratic rule, the broad masses, including social groups outside the bureaucracy, was completely excluded from the ranks of participants in rule.

Finally, the centralized monopoly of interests. In order to carry out his intentions for rule, the emperor needed to restrain the behavior of officials and had to gain their loyalty through exchange of interests. The bureaucracy thus claimed to respect the emperor's supreme authority but at the same time secretly sought to maximize its own interests; power was reduced to a means of personal gain. Therefore, as the central government's ability to draw on resources increased, the taxes retained by the county bureaucrats in the Qing dynasty were not enough to support local expenses, and "it became an open secret that each county created its own sources of revenue and scraped hard-earned money from the people."<sup>19</sup> It is not surprising that officials and their subordinates conspired to pass such pressures on to the people, or that the separation of the scholar and the gentry after the abolition of the imperial examinations led to the emergence of "local bullies and evil gentry."<sup>20</sup> It can be seen that in the structure of feudal autocracy, the imperial power and the bureaucracy always monopolized self-interest.

The power logic established and perfected in traditional China, with its strong demand for both great unity and a refined institutional design, sustained the pattern of plural unification. The power logic controlled officials and the people through the effective operation of power, and the system was adjusted to facilitate and strengthen such rule, intentionally or unintentionally pitting the officials, who were in the minority, against the majority of the people, forming an official mentality in which the effectiveness of rule could only be predicated on the absolute monopoly of power and resources. The Confucian ideals of warm interpersonal relationships and "great harmony of society" were simply utopian. Although there were thinkers in the late Ming and early Qing such as Wang Fuzhi and Huang Zongxi who consciously reflected on and profoundly criticized the shortcomings of centralized power, the persistent problem of power-based rule could not be disposed of until the end

19 Yan Gengwang, *A Historical Outline of Chinese Political Institutions*, p. 228.

20 See Luo Zhitian, "The Social Consequences of the Abolition of the Imperial Examination System in the Villages."

of the feudal rule. Ultimately, the masses governed by the power logic lacked a routine mechanism to effectively stop officials from abusing their power or using public power for private purposes, and the only possible way to achieve this was to resort to violence to end tyranny. The supremacy of imperial power and continuity of rule could only be achieved by eliminating the power of competition; the total control of economic activities and social resources by power allowed “only one way to get ahead” either in output or in distribution. This blocked the basis for the spontaneous emergence of the modern concept of rights and consciousness of agency; the power-based tradition was a tradition that traditional Chinese society could not get out of.

Although the power logic in the traditional state could produce glorious scenes that arouse deep nostalgia, its roots lay in a relatively closed and homogeneous agricultural society. Therefore, after the tremendous impact of Western industrial civilization in open space and time, with high social mobility and deep differentiation becoming the norm, the foundations that had supported the effective functioning of power logic were completely overthrown and dying out. By the 20th century, the power logic traditional China left behind was no longer adaptable to the needs of modern social governance, and attempts to reconstruct the modern state on this basis were bound to fail. Despite the fact that many virtuous and visionary people as well as political parties in modern China have used their brains and their blood to build a modern state, the result was still unsuccessful.

#### **IV. From Power to Rights: A Dynamic Map of the Logical Transformation of Contemporary State Governance**

The Communist Party of China consciously assumed its historical mission and led the masses of people to achieve national independence and liberation with its superb organizational mobilization and social integration capability, accomplished the staged task of transformation to modern state governance, and established the institutional framework of modern Chinese state governance. Since the founding of the PRC, especially since reform and opening up, with the comprehensive promotion of modernization, the logic of China’s state governance has gradually shifted from a power-based to a rights-based approach.

At the beginning of the PRC, for the purpose of consolidating and improving the effectiveness of governance, the state from time to time used the political resources and mobilization capacity accumulated during the revolutionary war period to integrate and deploy social resources, and political campaigns became an important means of state governance.<sup>21</sup> At the same time, during the exchanges and interactions with the West, the strategy of “taking Russia as a teacher” was established, and a highly centralized planned economic system and a highly centralized and monolithic management system were set up,

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21 See Feng Shizheng, “The Formation and Variation of Chinese National Movements: A Holistic Explanation Based on the Polity.”

with state power dominating and encompassing economic and social life. The “basic feature of state governance is the transformation from a traditional authoritarian political system to a modern omnipotent political system.”<sup>22</sup> Despite the “the people being masters of the country” and the concept of “serving the people,” it is still hard to effectively guarantee and fully realize the economic rights of citizens. On the basis of a comprehensive review and profound reflection on the experience and lessons learned from state governance since the founding of the PRC, the second generation of the central leadership, with Deng Xiaoping at its heart, decided to launch the great historical journey of reform and opening up, and thus China began to truly embrace and step forward into the world, vigorously promoting the reform of the economic and political systems by extensively absorbing the achievements of modern human civilization and continuously building socialism with Chinese characteristics. After forty years of reform and development, China’s economic output has leaped to the forefront of the world, and social construction and political reform have made outstanding progress. The operation of government power has been gradually made scientific and standardized, the protection of civil rights has been institutionalized and brought under the rule of law, and the subject, orientation, mode and structure of state governance have entered into a dramatic transformation process, reshaping the relationship between society, the market, and the government.

First, governance subjects have changed from unity to diversity. After the Third Plenary Session of the Eleventh Central Committee of the CPC (in December 1978), the focus of state governance shifted from “focusing on class struggle” to “centering on economic construction,” establishing the fundamental task of reform, opening up and modernization. In political life, the Constitution was amended to reaffirm that “all power belongs to the people,” and the multi-party cooperation and political consultation system under the leadership of the Communist Party was improved to provide institutional guarantees for uniting all sectors of society in political life. At the same time, the central government gave local governments a certain degree of autonomy through the division and adjustment of affairs and financial powers, giving full play to the initiative of local governments. During this period, rural villagers’ self-governance and urban communities’ self-governance systems were also established, enabling the relevant subjects to elect self-governing organizations to exercise their democratic rights through legal procedures. In addition, continuous institutional reform focusing on “streamlining” and “transforming the functions of the government” enabled the government to gradually withdraw from direct control of enterprises and devolve a large amount of power to society, giving private enterprises the opportunity to grow and prosper rapidly. From the 14th National Congress of the Party to the Third Plenary Session of the 18th Party Central Committee of the CPC in which “making the market play a decisive role in the allocation of resources and improve the execution of

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22 Zou Dang, *Chinese Politics in the 20th Century: Perspectives on Macro-History and Micro-Actions*, p. 206.

the role of government” was proposed, the role and status of the market in the economic field gradually came to the fore. The continuous implementation of various reform measures has broken through the constraints of the highly centralized planned economic system, and changed the government’s omnipresent monopoly. As a result, individuals, markets, and society have the resources to grow and flourish, and governance subjects have become diversified. In particular, citizens’ concern and pursuit of personal rights and interests through in-depth participation in market activities have stimulated the awakening of consciousness of being a subject and the concept of rights, the rights-based concept has spread widely and is highly recognized, and more and more citizens have the will and ability to participate in political life.

Second, the orientation of governance has changed from order to justice. At the beginning of the reform and opening up, the central government realized that a stable political situation was key to the development of all undertakings, and that it must focus on coordinating the relationship between reform and development on the one hand and stability on the other, thus putting forward the idea that “both hands must grasp hard.” After the remarks made by Deng Xiaoping on deepening reform during his inspection tour of south China (in early 1992) the market economy developed significantly, but an imperfect redistribution mechanism led to a widening gap in income distribution. In the process of tax reform, the disparity of financial resources between regions and the imbalance of regional development became more prominent. By the turn of the century, the problem of polarization between the rich and the poor had become more serious, and serious “fractures” between social groups emerged,<sup>23</sup> resulting in the repeated outbreak of mass incidents. The central and local governments began to adopt the views of the academics on exploring the construction of a service-oriented government; public services gradually became an important part of the transformation of government functions, and the objectives of social policies also began to shift. The income distribution system has gradually evolved from “giving efficiency priority and also considering fairness” to “both primary distribution and redistribution must take into account efficiency and fairness, and redistribution must pay more attention to fairness.” At the same time, social construction has been strengthened, people’s livelihoods have been protected and improved, and the equalization of basic public services and poverty alleviation have been promoted. In particular, since the 18th National Congress of the Party, the central government has put forward the goal “to complete the building of a moderately prosperous society in all respects,” and the “rural revitalization strategy,” emphasizing care for the weak and support for rural areas and backward regions, and the pursuit of fairness and justice has gradually become a prominent orientation of national governance. The government has begun to truly respect the public’s rights and demands, and to gain public support by efficiently responding to the public’s social rights and

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23 See Sun Liping, *Cleavage: Chinese Society since the 1990s*.

interests, changing the rigid mindset of maintaining stability by unilaterally pursuing speedy economic development, effectively resolving the conflict of unbalanced economic and social development, and maintaining social equity and justice.

Third, the governance mode has changed from the rule by law to the rule of law. From the very beginning of reform and opening up, the central government has attached great importance to the vital importance of law to state governance, emphasizing the principle that “everyone is equal before the law and no one is allowed to have privileges above the law.” The current PRC Constitution has been amended and improved several times, establishing the legal status of the market economy, stipulating that “the lawful private property of citizens shall be inviolable,” and stating that “the state shall be built according to the rule of law and the socialist rule of law” and “the state shall respect and protect human rights.” The Constitution has always made the recognition and protection of citizens’ basic rights a priority. In accordance with the spirit of the Constitution and specific practices, a socialist legal system with Chinese characteristics has gradually been formed with the protection of citizens’ rights as its core. The Fourth Plenary Session of the 18th Party Central Committee reaffirmed the importance of the rule of law for the modernization of state governance, and clearly put forward the goal of building an integrated state, government, and society under the rule of law. In the course of 40 years of continuous legal construction, the boundaries of the functioning of power and the procedures for its operation have been clarified to a certain extent, the operation of government power in the market and social spheres has been gradually standardized, and the concept of rule of law for the whole people has been cultivated and established. The law takes the protection of civil rights and regulation of government power as its value connotation and incorporates the core spirit of the modern rule of law. The law is no longer a stopgap measure to maintain order, but has gradually been transformed into a common code of conduct in public life. There is a general consensus that the operation of power should be standardized and governed by the rule of law, and the rule of law is bound to become the basic mode of state governance.

Fourth, the governance structure has changed from closed to open. With the dismantling of the “work unit” system and people’s communes of the planned economy, people began to break the shackles of their original organizations, and resources and factors were able to flow freely between urban and rural areas and between regions. Following the household contract responsibility system, urbanization marked by peasant migration to cities, WTO accession, and the development of information technology, Chinese society has gradually moved from closed to open. In particular, the promulgation and implementation of the Regulations on the Disclosure of Government Information (2008) have provided a basis for the public to access government information, and citizens can monitor the operation of government power through various channels and means. The traditional mode of closed operation of power has become unsustainable, and letting power operate under the sunlight has become a basic commonplace of modern public life. Citizens’ rights to information and supervision are gradually being



effectively protected, and the structure of state governance is moving from closed and exclusive to open and inclusive, which is conducive to bringing together all parties to achieve effective governance.

While it is still important to take stock of the achievements of the past 40 years to build up self-confidence, it is yet more urgent to face up to existing problems in order to move forward. In particular, in the course of government-led market reform and social restructuring, the will to power has inevitably been embedded in the market and society, propping each other up and creating a unique growth model of “officialdom + market.”<sup>24</sup> This is because the corresponding supervision and restraint mechanisms are still in the formative stage and because of the potential pull of traditional power logic. “In this process, the power, will, and performance of the bureaucracy drive one another, and the bureaucratic mechanism then spreads and penetrates into all levels and corners of economy and society,”<sup>25</sup> which has given an opportunity for the growth and spread of rent-seeking power behavior. The bureaucratic problems with the power-based and official-based concepts as their core are still more prominent, and these factors also seriously constrain the modernization process of state governance. In response to the problem that the strong inertia of power logic inhibits the effectiveness of contemporary state governance, the key task of modernizing state governance in the new era is to continue to promote the construction of a modern logic of rights-based governance, ensure the coordinated operation of public life and political systems, and effectively transform institutional advantages into governance effectiveness.

## **V. Rights-based Ideology: The Logical Construction of State Governance Modernization in the New Era**

Times change and the future is promising. In terms of the history of modern state construction in China, whether it be the lessons learned from the tortuous course of the modern era or the experience of reform and opening up, people have come to realize that the protection of civil rights and the realization of public interests are important responsibilities of a modern state. Ultimately, the core task of modernizing state governance lies in establishing and constructing a civil rights-based system and operational logic. This is also the result of the shift in strategic focus since China’s modernization and transformation in the modern era. Modern society is one in which human dignity and rights are valued as never before, and the government must obtain the legitimacy of its continued existence by the public nature and effectiveness of its power. Therefore, according to the new changes and characteristics of the spatial and temporal situation, it is necessary to outline the basic elements of the logical construction of rights

24 See Zhou Li’an, “‘Officialdom + Market’ and China’s Growth Story.”

25 Zhou Xueguang, *The Institutional Logic of Governance in China: An Organizational Approach*, p. 435.



in state governance and clarify the base of effective state governance, so as to promote the modernization of state governance.

First, the foundation of the modernization of state governance is established by the rights of citizens. The concept of modern political civilization holds that people decide to form a political community in order to pursue a better life, and the responsibility of the political community is to provide citizens with equal opportunities for development and realization. The modern state and government are not tools for ruling but platforms for people to realize their rights, and political life is about managing public affairs and dealing with public problems rather than directly managing and controlling people. Therefore, the modernization of state governance must be based on the rights of citizens, emphasizing the government's responsibility to safeguard and realize the rights of citizens in a timely manner, ensuring the public nature of the operation of power, and thus enhancing the effectiveness of governance. In the new era, this is the profound meaning of adhering to a people-centered development ideology.

Second, constitutional governance is a consensus for the modernization of national governance. The modern constitution is the basic consensus formed by multiple subjects in the course of consultation and compromise, condensing the common will of the whole people and essentially confirming and declaring the democratic values of modern public life. "The core spirit of the Constitution is to regulate the operation of public power in order to guarantee the realization of citizens' fundamental rights."<sup>26</sup> It is with the defense and realization of human values and rights as its fundamental starting point that the root of the question of the legitimacy of state power is solved, the boundaries of the role of state power are delineated, and the constitution gains the recognition and trust of every independent individual, thus becoming the bond and glue that sustains the community. For socialist China, the current Constitution is a solemn political commitment of the Communist Party to the people, confirming the principle of people's democracy and the purpose of serving the people wholeheartedly, and clearly stipulating the inviolability of citizens' human dignity. Therefore, in practice, the constitutional spirit of the supremacy of human dignity needs to be consistently applied to all processes of legislation, law enforcement and justice, as well as to all aspects of the operation of state power, while serving as the core of public life and the basic guideline for everyone's equal enjoyment, so as to maintain the peaceful existence and stability of the political community.

Third, cooperative action is used to create the dynamics of state governance modernization. The fundamental feature of modern public life is that different actors can attain cooperative action in the same system, with the key being the guaranteeing of the individual's freedom of judgment and the right of autonomous choice. First of all, we should recognize that society, market, and government all have unique logics, with society favoring justice, markets relying on equality, and the government seeking control. They should fully demonstrate their

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26 Han Dayuan, "On Constitutional Authority."

respective positive functions on the basis of clearly defined borders, and pay special attention to restraining the government's impulse to forcibly change the logic of social and market operations. At the same time, it should also be recognized that free actors are fundamental, and that society, markets, and government are all spaces in which the actions and pursuits of actors are conducted freely. If, in a modern society, conflict is inevitable, then fair competition can bring order and justice; and if cooperation is the norm, then fair competition can also create vitality and vigor. The rule of law simultaneously establishes a dynamic balance of vitality and order in public life by establishing good competition mechanisms and sound safeguards for the weak after competition.

Fourth, public virtue provides the support for the modernization of state governance. The modernization of state governance is ultimately for the sake of people, and the key to modernization lies in the modernization of people; only imaginative and creative citizens can accumulate great potential for the construction of modernization. The continued stability and prosperity of the PRC requires the encouragement of a diversity of citizens' talents and enthusiasms for creativity, as well as their passionate concern for public issues and affairs. The lessons of history have shown that both public indifference and the corruption of public officials are great drains on the political community, and therefore citizens, as members of the political community, should not only fulfill their legal civic duties but also possess public virtues and make a common commitment to pursue good ways of life and public actions. On the whole, the transition from an authoritarian personality to a modern democratic personality is a long process that requires several generations of intellectual evolution.<sup>27</sup> Modern transformation is a gradual process, and the modernization of human beings themselves is also a long process, requiring both diligent learning and good understanding. Therefore, the importance of modern education for the growth of citizenship and the formation of public virtues deserves attention.

Institutions inspire life and life creates institutions, both of which are inseparable from specific spatial and temporal scenarios. It is the cooperative action of people facing the changes in time and space and actively seeking solutions to public problems that eventually leads to the emergence and maturity of modern institutions. As far as the modernization of state governance is concerned, if the focus of the early reform and opening up period was to gather positive factors from all sides, the new era needs to gain momentum while overcoming resistance and maximizing breakthroughs in key aspects. The ultimate goal of the rights logic of state governance modernization is that the operation of power always revolves around the protection and realization of citizens' rights, rather than the convenience and efficiency of power control. This means that the government must establish the concept of the specialized division of labor with an open mind. As a key link in the social system, the government's important duty is to ensure the smooth implementation of the division of labor and cooperation, which is the core of rights-based state governance logic. Civil rights

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27 See Cong Riyun, "The Diffusion and Misinterpretation of Western Political Thought in China."

become the foundation and base of the logic of state governance modernization, linking the responsibilities of the state with the duties of citizens. Under this fundamental premise, constitutional governance is implemented, and the most profound link between different subjects is the respect and cherishing of human dignity, thus forming a broad social consensus. The vitality and dynamics of national governance are based on action, and any institutional design must contribute to practical action. Therefore, respect for the creative spirit of free actors in the framework of cooperative action provides the most fundamental motivation for the country's continued prosperity, while public virtue requires citizens to live their lives with sincerity and moderation, ensuring the continuous progression of the country's governance effectiveness. In conclusion, only by stripping away the burden of history and creatively drawing on the achievements of other civilizations, and by treating existing knowledge with an open and systematic vision and an inclusive and critical attitude, can we effectively continue a gradual and orderly transformation, make a timely response to the changes of the times and the needs of the public, and ultimately set the modernization of state governance on the basis of rights and establish and strengthen the foundations of the effectiveness of modern state governance.

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