



*The UNDP Oslo Governance Centre Governance Indicators Project provides technical assistance to UNDP country offices to develop pro-poor, gender-sensitive and nationally-owned indicators. **Jing Li**, Programme Manager with UNDP China, spent four weeks at the OGC developing a paper on democratic governance indicators for the China CO. His work at the Centre has strengthened the capacity of UNDP China to support the process of formulating indicators to monitor the achievement of the Chinese version of the MDGs, which is an important ongoing initiative of the Chinese government. This Note presents a synopsis of his paper, and outlines the context in which governance indicators are being developed, the main challenges facing this task and, finally, potential entry points for UNDP China's work in this important area.*

1. National Initiatives to Measure Democratic Governance in China

Developing indicators to assess and measure improvements and performance in its national development plan in line with MDGs is a new move of the Chinese Government.

UNDP China is actively engaged in this process to support China to reach its development objectives as envisioned in the **All-round Well-being (Xiao Kang) Society** – China's own version of the MDGs. In this context, UNDP China has launched a joint programme in partnership with the National Development and Reform Commission (NDRC), a key government development planning and implementing agency, to provide technical assistance through bringing in the latest development knowledge and international expertise.

The programme will support the NDRC to lead the process and define a set of suitable *indicators that are aligned with the MDGs to monitor and evaluate the country's progress toward an all around Xiao Kang Society by 2020*. One of its key features is to address development issues through promoting and supporting the use of human development concepts, methodologies and indicators, in line with the MDGs. The programme also aims to deepen dialogue among policy makers and society concerning the future direction and goals of the Xiao Kang vision, advocating for a wide sense of ownership and active participation in the process of reform among society as a whole. As part of this process, it is also envisaged that the capacity of the Chinese government to collect, monitor, analyse and assess data will be strengthened, which in turn will facilitate a clearer understanding of human development issues.

Finally, the programme will promote the use of reliable assessment results as a basis upon which to build and adjust policies and meet needs, monitor progress and evaluate performance. Depending on the outcome of a two year pilot period, the NDRC may propose to the State Council to integrate the indicator system as a tool for monitoring and evaluating China's overall national development strategy.

2. Challenges to Developing Democratic Governance Indicators in China

The issue of measuring governance in China has only rarely been tackled before. Indicator systems in both the 10th and 11th National Development Plan have not comprised governance indicators. Other indicator systems that have been developed by the Central Policy Studies Office, the NDRC Department of Law and Regulations, the China Academy of Social Science (CASS) and the National Bureau of Statistics (NBS) have not focused on measuring governance-related issues. For example, the Xiao Kang indicator system developed by NBS in 2005 included only two indicators to measure citizens' perceptions of rights fulfilment and social safety.

The current version of the Xiao Kang Indicator System which has been developed in collaboration with UNDP, consists of five main dimensions: Economic Development, Social Development, Livelihood of People, Rule of Law and Democracy, and Resources and Environment. Among these five, developing indicators in the Rule of Law and Democracy dimension has encountered the most difficulties, not only in terms of their technical validity and relevance, but also in relation to data availability and political feasibility.

Advancing *the Rule of Law and Democracy* in China has become the country's first objective in its development agenda for the next 15 years. However, the official definition of this concept has been quite general and, in many ways grounded in an alternative approach to the prevalent international discourse. This has therefore created barriers to further interpretation of this concept at the operational level – as a necessary step to specify the various dimensions of the concept for measurement purposes.

3. Potential Entry Points for UNDP

While the country's development agenda is now advancing Rule of Law and Democracy, knowledge, expertise and experience in assessing and measuring progress and performance in this area are far from adequate. UNDP can therefore provide policy advice to the Chinese government to improve existing governance measurements and assessment methods as well as share principles of enhanced national ownership and capacity. UNDP can also offer to facilitate multistakeholder processes of identifying the most relevant governance measurements to capture Chinese needs and aspirations. UNDP is well-positioned to assist the Government's efforts in this area as a trusted development partner for the Chinese government, through the ongoing programme that UNDP China has with NDRC as well as other new initiatives.

On global level, UNDP has expertise in the field of governance indicators and assessments through the work of the Oslo Governance Centre and its Governance

Indicators Project. Based on this, the following two potential UNDP contributions should be highlighted:

1. Promotion of democratic governance

The current process of including dimensions of governance, especially democracy and rule of law, in the measurement of progress towards the Xiao Kang Society and human development through the on-going initiative of the NDRC has laid down a preliminary foundation for UNDP to introduce a stronger democratic governance perspective to the Chinese government's vision for national development. The entry point can start through advocacy via NDRC and other government officials and scholars involved in the Xiao Kang project and gradually spread to the mainstream political thinking.

2. Provision of technical assistance in developing sound governance indicators

Several dimensions of democratic governance are in need of development in the current indicators framework, for example in relation to human rights, public administration reform, and local governance and decentralisation. One way in which UNDP can add value in this context is by helping to situate the development of democratic governance indicators within a nationally-owned framework, and by assisting in the development of indicators that highlight pro-poor, gender sensitive perspectives.

4. Lessons from the Case of China

Even though there are significant conceptual gaps between UNDP's approach to democratic governance and the approach of the government, the research carried out by Jing Li as a Fellow at the Oslo Governance Centre demonstrates that there can be important entry points for UNDP to promote democratic governance and the use of sound monitoring indicators.

The acknowledgement by the Chinese Government of the need to better monitor the implementation of development strategies anchored in nationally owned initiatives such as the 'Xiao Kang society' is an encouraging step forward in terms of managing for results. It is also positive that the Government explicitly underscores the need to enhance the Rule of Law and Democracy and the functioning of institutions in terms of service provision and their accountability to citizens.

Against this background, support provided by UNDP China can play an important role in supporting the technical work of the National Development and Reform Commission, while promoting a monitoring system conducive to strengthening governance institutions based on national priorities and advancing human development.

For information about the OGC Governance Indicators Project, please visit
http://www.undp.org/oslocentre/flagship/governance_indicators_project.html