



# Research on the Requirements of National Governance Modernization for China's Power Grid Enterprises

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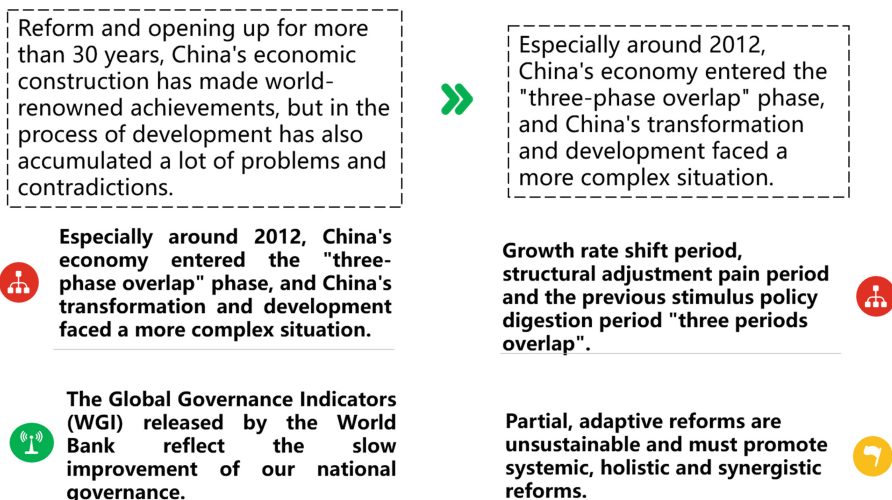
**Abstract.** State-owned enterprises are an important political and material foundation of socialism with Chinese characteristics, an important force for the state to implement macroeconomic regulation and control and guide industrial development, an important guarantee for the realization of common prosperity and peaceful life for the people, and an important component and support for the modernization of the national governance system and governance capacity. This study introduces the background of the modernization of national governance, examines the connotation characteristics of the modernization of national governance system and modernization of governance capacity respectively, and then analyses the specific requirements of the modernization of national governance system and modernization of governance capacity for China's power grid enterprises.

**Keywords:** modernization of national governance · Power Grid Enterprises · governance system · governance capacity

## 1 Introduction

From a historical perspective, the modernization of national governance is a long-term process of dynamic enhancement, with the reform of the economic system at the center as the main thread running throughout and leading to reforms in related areas. At different stages, the focus of national governance and the issues to be addressed are different [1]. Therefore, based on the key issues that need to be solved at this stage of national governance modernization, we need to analyze the requirements of national governance modernization for China's power grid enterprises, taking into account the connotation characteristics of the national governance system and governance capacity modernization.

Promote the national governance system and governance capacity modernization, for China's socialist modernization cause has significant and far-reaching theoretical significance and practical significance [2]. State-owned enterprises are an important political and material foundation of socialism with Chinese characteristics, and power grid enterprises, as important state-owned enterprises, are an important component and support in promoting the modernization of the national governance system and governance capacity. To promote the national governance system and governance capacity



**Fig. 1.** Background of the proposed modernization of national governance system and governance capacity

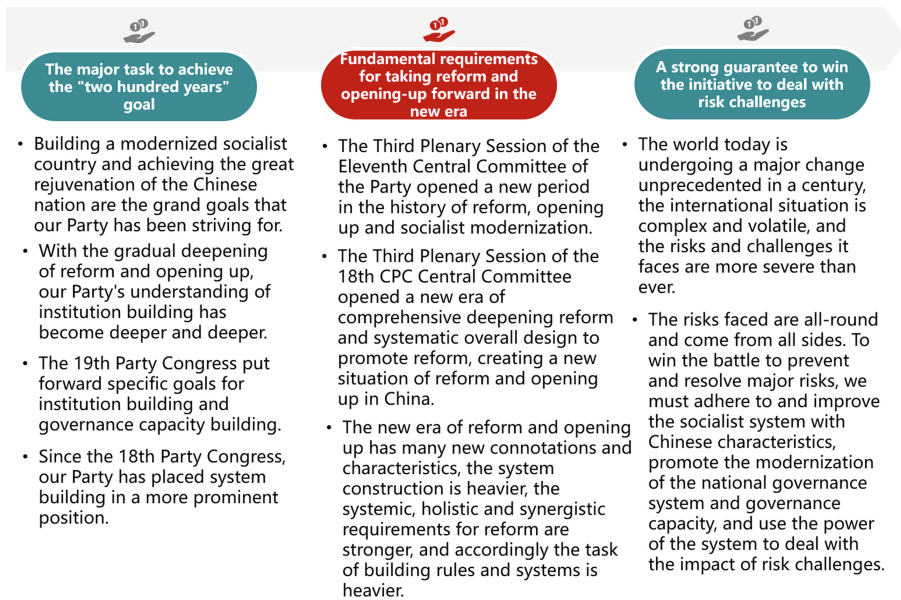
modernization, must improve the governance of state-owned enterprises as an important link, placed in a prominent position. In a clear national governance modernization based on the requirements of China's power grid enterprises, to come up with targeted initiatives to better serve the general situation of the work of the party and the state.

## 2 Background to the Modernization of the State

The Third Plenary Session of the 18th Central Committee put forward the modernization of national governance for the first time, pointing out that the overall objective of comprehensively deepening reform is to improve and develop the socialist system with Chinese characteristics and promote the modernization of the national governance system and governance capacity. The Third Plenary Session of the 18th Central Committee put forward the modernization of the national governance system and the ability to govern, with a profound historical background (Fig. 1).

How can successful experiences be crystallized in a system, and how can the parts of the existing system that are still problematic be continued to be reformed? The Party Central Committee has taken stock of the situation and proposed to promote the modernization of the country's governance system and capacity, i. e. to further promote the reform and development of the country based on the considerable level of economic development already achieved, with the development of the system, its advancement, and improvement as the guide and focus [3].

The Fourth Plenary Session of the 19th Central Committee will focus on adhering to and perfecting the socialist system with Chinese characteristics and modernizing the national governance system and its ability to govern, which is a major task to achieve the goal of "two hundred years" a fundamental requirement to push forward the reform and



**Fig. 2** the significance of modernizing national governance

opening up in the new era, and a powerful guarantee to deal with risks and challenges and win the initiative (Fig. 2).

Firstly, this is a major task to achieve the goal of “two hundred years”. Building a modern socialist country and achieving the great rejuvenation of the Chinese nation is the grand goal that our Party has been striving for. Since its inception, the Party has united and led its people in a relentless struggle to achieve this goal. With the gradual deepening of reform and opening up, our Party has gained a deeper and deeper understanding of institution-building. Secondly, this is a fundamental requirement for taking reform and opening up forward in the new era. In the new era, when planning to deepen reform across the board, we must focus on adhering to and perfecting the socialist system with Chinese characteristics and promoting the modernization of the national governance system and governance capacity, profoundly grasp the requirements of China’s development and the trend of the times, place system building and governance capacity building in a more prominent position, continue to deepen the reform of institutions and mechanisms in various fields and areas, promote a more mature and established system in various areas, and promote the modernization of the national governance system and governance capacity. Thirdly, it is a way to deal with risks and challenges and to win the battle. Thirdly, this is a powerful guarantee for dealing with risks and challenges and winning the initiative. The international situation is complex and volatile, and the tasks of reform, development, and stability, domestic and foreign affairs and national defense, as well as governing the Party and the country and the military, are more onerous than ever before, and the risks and challenges we face are more serious than ever before. To win the battle to prevent and resolve major risks, we must adhere to and improve the socialist system

with Chinese characteristics, promote the modernization of the national governance system and governance capacity, and apply the power of the system to deal with the impact of risks and challenges.

### **3 Connotations and Characteristics of the Modernization of the National Governance System and Governance Capacity**

#### **3.1 Connotations of the Modernization of the National Governance System and Governance Capacity**

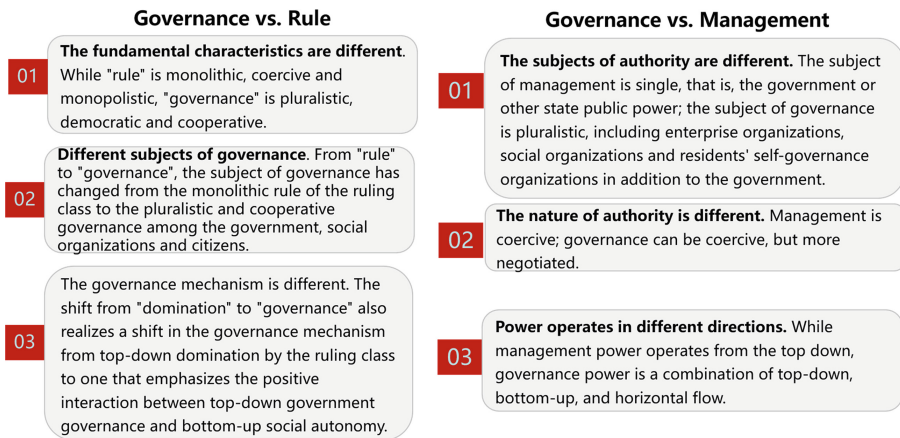
In his speech at the second session of the Third Plenary Session of the 18th CPC Central Committee, General Secretary Xi Jinping for the first time publicly elaborated on the meaning of “modernizing the national governance system and governance capacity”.

The national governance system is the system for managing the country under the leadership of the Party, including institutional mechanisms, Laws and regulations in various fields such as economy, politics, culture, society, ecological civilization, and Party building, which is a set of closely interlinked and mutually coordinated national systems. The capacity of national governance is the ability to manage all aspects of social affairs using the national system, including reform, development and stability, internal affairs, foreign affairs and national defense, and the governance of the Party and the military. The national governance system and the ability to govern are an organic whole and complement each other. With a good national governance system, the ability to govern can be improved and the ability to govern can be improved in order to give full play to the effectiveness of the national governance system.

The modernization of national governance is the fifth modernization proposed on the basis of the previous four modernizations. The modernization of international governance places greater emphasis on the modernization of systems, mechanisms and institutions, the completion and perfection of the overall system, and answers the important questions of the choice of institutional models and the construction of value systems that must be addressed in order to adhere to the overall goal of reform. Modernization of national governance is a new historical task proposed by the Party Central Committee under new historical conditions. At the same time, it is also a new goal to be set for new development from a new historical starting point. While the “four modernizations are aimed at the development of China’s long-standing poverty, the “fifth modernization” is aimed at “four modernization” promoting the from the level of the superstructure. The “fifth modernization” is a superstructure to promote the further development of the “four modernizations in a new phase. The “fifth modernization is a modernization that builds on the “four modernizations”.

##### *(1) The meaning of “governance”*

“Governance” emphasizes the shift from a single government management body to a plurality of subjects participating in an orderly manner, and places greater emphasis on improving the effectiveness of governance in accordance with the laws of the market



**Fig. 3.** "governance" compared to the concepts of "rule" and "management"

and institutional requirements. Compared to the concepts of "rule" and "management", the concept of "governance" has a unique connotation (Fig. 3).

The difference between "governance" and "domination". First, the fundamental characteristics are different. "Ruling" is monolithic, coercive and monopolistic, while "governance" is pluralistic, democratic and cooperative. Secondly, the subject of governance is different. From "rule" to "governance", the subject of governance has been transformed from the monolithic rule of the ruling class to the pluralistic and cooperative governance among the government, social organizations and citizens. Thirdly, the governance mechanism is different. "The shift from 'rule' to 'governance' has also brought about a change in the mechanism of governance, from the top-down approach of the ruling class to one that emphasizes the positive interaction between top-down government governance and bottom-up social autonomy.

The difference between "governance" and "management". First, the subject of authority is different. The subject of management is a single one, that is, the government or other state public authority; the subject of governance is pluralistic, and includes not only the government but also business organizations, social organizations and residents' self-governing organizations. The sources of authority are different. Secondly, the source of management is compulsory state law; the source of governance includes, in addition to law, various non-state compulsory contracts. Thirdly, the nature of authority is different. Management is coercive; governance can be coercive but is more negotiated. Fourthly, the direction of operation of authority is different. Management authority operates from the top down; governance authority is a combination of top-down, bottom-up and horizontal flows.

Compared to the concepts of 'rule' and 'management', 'governance' has advanced features: it emphasizes the coordination and interaction of multiple actors, strengthens institutional authority and respects objective laws. It is also more conducive to expanding people's democracy, achieving social justice and stimulating social vitality.

The concept of "governance" in China has incorporated useful elements of the Western concept of "governance" in a liberal way, but it is different from the Western concept

of “governance” which favors decentralization of government, polycentric governance and social autonomy. It is different from the Western concept of “governance”, which favors decentralization of government, polycentric governance and social autonomy. Our Party’s use of the concept of “governance” has unique “Chinese characteristics” and is in line with our specific national conditions and the characteristics of the times. Firstly, national governance in China means that the Party leads the people to manage state affairs, economic and cultural undertakings and social affairs through various means and forms in accordance with the provisions of the law. Secondly, the process of national governance in China lies in the full mobilization of the forces of all parties, the stimulation of the vitality of the state, society and the market through pluralistic governance, and the promotion of positive interaction among the three parties to achieve the desired goals of national governance. Third, national governance in China must adhere to the fundamental principle of the organic unity of the Party’s leadership, the people’s sovereignty and the rule of law. The Party plays a leading and central role in the governance of the country taking the overall picture and coordinating all parties; the people are the main body of national governance; and the rule of law is the basic way of governing the country.

## (2) *The meaning of “governance system”*

The “governance system” is essentially a collection of various systems in various fields, focusing on the establishment and improvement of institutional mechanisms, laws and regulations and other institutional systems, based on a complete set of systematic, scientific, standardized and effective institutional arrangements to manage various economic and social affairs.

System completeness. Firstly, it emphasizes the integrity of the system, promotes system consolidation and maturity; secondly, it emphasizes the coordination of the system, promotes synergy and convergence of different systems; thirdly, it emphasizes the integrity of the system, strengthens the establishment of rules and regulations, and closes system loopholes.

Scientific norms. Firstly, it emphasizes that the system should be built in accordance with objective laws, adhering to the socialist road and following the overall leadership of the Party; secondly, it emphasizes that the system should be built in accordance with local conditions and that the system should be promoted to match the characteristics of each place.

Effective operation. The first is to emphasize the effective operation of the system construction, adhere to the problem-oriented, goal-oriented and result-oriented, and make dynamic adjustments to the system construction; the second is to eliminate the problem of “system fragmentation”, coordinate the development of interconnected and consistent system, and form a system synergy.

## (3) *The meaning of “governance capacity”*

The essence of “governance capacity” is the country’s ability to manage its resources and to allocate them appropriately and use them effectively, emphasizing the use of

institutions to manage all aspects of affairs and to convert institutional strengths into governance effectiveness. The main influences on “governance capacity” include the structure of the governance system, people, technology and other factors.

The structure of the governance system. The national governance system is a grand system centered on the system, and the structure of the governance system is related to the improvement of the level of governance capacity. The organizational structure and processes determine the fluidity of the implementation of governance capacity, and the completeness of the system is about whether the system is scientific and standardized, which directly affects the advantage of the system and the building of governance capacity.

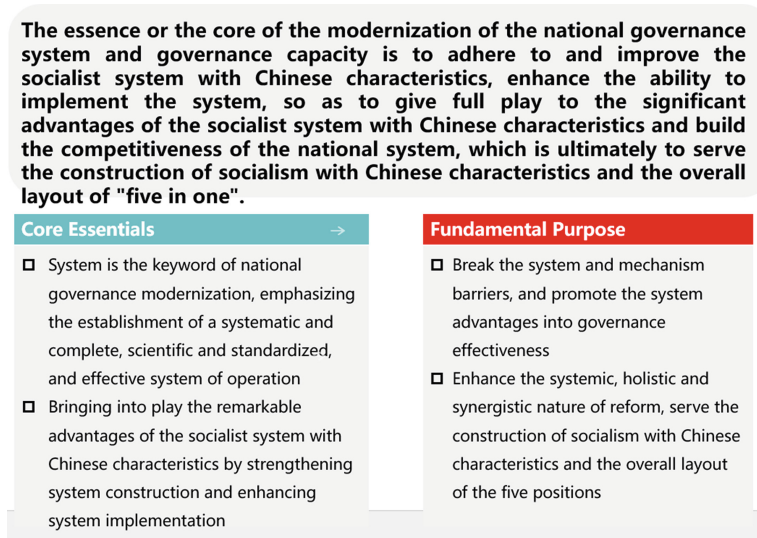
The human factor. The vitality of the system is in the implementation, the party is the core subject of national governance, and the modernization of national governance capabilities and institutional advantages are concentrated in the practice of party members and cadres in governing the country. The quality, ability and vitality of party members affect the party’s ability to govern in accordance with the law, and affect the construction level of my country’s national governance system and governance capacity.

Technological factors. Improving the institutional mechanism of science and technology innovation and improving the level of science and technology innovation governance is an important element of the modernization of the national governance system and governance capacity, and is also a key force in enhancing the level of comprehensive national power and the modernization of national governance capacity. The use of advanced technologies such as the Big Cloud, Mobility and Intelligence Chain can enhance the data and intelligence of governance capacity and lay a solid foundation for the modernization of the national governance system and governance capacity.

#### (4) *The meaning of “modernization of governance”*

“Modernization” of governance emphasizes the establishment of a rational, stable and sustainable modern institutional mechanism for the operation of the state. The basic features of the modernization of state governance in China are to adhere to the leadership of the Party, to adhere to the socialist path, to deepen market-oriented reforms, to accelerate the transformation of the rule of law, to achieve a high level of people’s democracy, to harmonize economic and environmental development, to strengthen the support of new technologies, and to advocate the sharing of common interests.

Modernization is not the same as Westernization. The modernization of China’s national governance should adhere to the “four self-confidences” and manifest Chinese characteristics. To promote the modernization of our national governance, we must fully understand and grasp the overall objective of the comprehensive deepening reform, which is a whole consisting of two sentences: to improve and develop the socialist system with Chinese characteristics, and to promote the modernization of the national governance system and governance capacity. Our direction is the road to socialism with Chinese characteristics. Therefore, in terms of political attributes, our national governance system is a series of systems and procedures for governing the country under the



**Fig. 4.** Core elements of the modernization of national governance system and governance capacity

political leadership and policy drive of the Party, and its essence is a centralized embodiment of the socialist system with Chinese characteristics, rather than the democratic system of Western countries [4].

Modernization of the subject of governance. The modernization of the system of governance and the ability to govern depends on the modernization of the subjects of governance. The modernization of the subjects of governance is not only the modernization of state institutions and the quality of officials, but also the modernization of the ruling party [5].

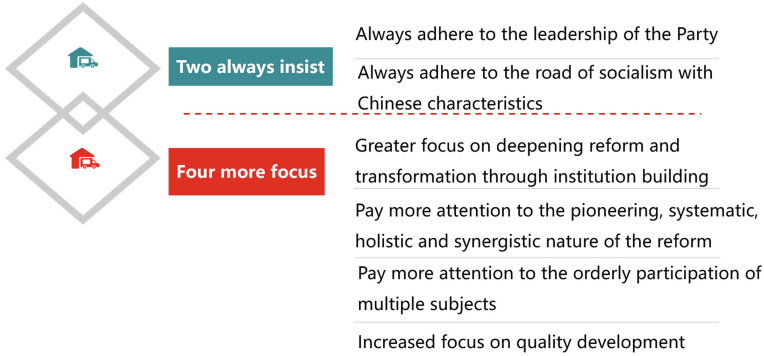
Modernization is a long-term systematic and dynamic project. Promoting the modernization of state governance is a long-term project, a systematic project and a dynamic process, with each specific stage having its own key tasks [6].

### **3.2 Characteristics of the modernization of the national governance system and governance capacity.**

The essence or core meaning of the modernization of the national governance system and governance capacity is to adhere to and improve the socialist system with Chinese characteristics, to enhance the system, s implementation capacity, to give full play to the significant advantages of the socialist system with Chinese characteristics, to build the competitiveness of the national system, and ultimately to serve the construction of socialism with Chinese characteristics and the “five-in-one overall layout (Fig. 4).

Based on the aforementioned analysis, the basic features of the modernization of the national governance system and governance capacity are to always adhere to the leadership of the Party, to always adhere to the road of socialism with Chinese characteristics, to pay more attention to the deepening of reform and transformation and upgrading





**Fig. 5.** Basic features of the modernization of the national governance system and governance capacity

through system construction, to pay more attention to the orderly participation of multiple subjects, to pay more attention to the pioneering, systematic, holistic and synergistic nature of reform, and to pay more attention to high-quality development [7] (Fig. 5).

#### 4 The Requirements of the Modernization of the National Governance System and Governance Capacity for Grid Enterprises

As a key central enterprise of national importance, power grid enterprises have an important responsibility in the process of modernizing national governance. The requirements of the modernization of the national governance system and governance capacity focus on both the process of governance and the effectiveness of governance, i.e. to put the requirements of the national system into practice and to enhance the support and contribution to the overall work of the Party and the State.

Modernization of the national governance system is the process by which the state strengthens its system and upholds and improves it. Modernization of national governance capacity is the process of using the system to manage all aspects of affairs and improve the effectiveness of governance [8]. The two requirements for the power grid enterprises focus on the process of governance and governance effectiveness, respectively, that is, the relevant national system requirements into practice, to enhance the support and contribution to the overall work of the Party and the State.

Overall, as the backbone of the central enterprises, power grid enterprise services to support the modernization of national governance is the reform and development of the right thing to do. In the process of modernizing national governance, the responsibility of grid enterprises is becoming more and more important, and the expectations of the central party, governments at all levels, industry enterprises, the majority of users and all people are growing.

In terms of responsibility for power supply, the community’s expectations of grid companies have changed from supplying electricity to supplying good electricity, requiring them to provide reliable, clean, economical and intelligent power services.

In terms of security responsibilities, the community's expectations of grid companies have been upgraded from ensuring grid security and stability to implementing a new national energy security strategy and safeguarding national energy security.

In terms of development responsibility, the community of the power grid enterprises have enterprises to be stronger and bigger, change to adhere to the leadership of the party, promote high-quality development, create world-class enterprises, stronger and bigger state-owned capital, amplify the function of state-owned capital, play a leading role.

In terms of service responsibility, the community has the enterprise of power grid enterprises to serve electricity users, developed to adhere to the leadership of the party, promote high-quality development, create world-class enterprises, stronger and bigger state-owned capital, amplify the function of state-owned capital, play a leading role.

## 5 Conclusions

The 19th Party Congress pointed out that China still faces unbalanced and insufficient development, shortcomings in people's livelihood still stand out, social contradictions are intertwined and overlapping, reform policies are yet to be implemented, and there are weaknesses in Party building, which need to be addressed urgently.

From the perspective of grid enterprises, the modernization of national governance needs to focus on issues closely related to grid enterprises: optimizing production relations to promote the development of productive forces, paying more attention to the protection and improvement of social livelihoods in development, promoting the implementation of new energy security strategies, and improving the effectiveness of government governance.

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