Catherine Keyser, Professionalizing Research in Post-Mao China – The System Reform Institute and Policy Making
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This book provides an illuminating insight into the rise and demise of a Chinese think tank that played an important role during that part of the reform period that came to end in June 1989. The author gives us a detailed case study of the Chinese Economic System Reform Research Institute (SRI), which was formally established in early 1985 and which by 1989 had become an important advocate for continuing reform at a time when social discontent was growing. The author portrays how a group of young researchers came to play a key role in providing an intellectual basis for the reform of Chinese society in the early post-Mao period. She provides deep insights into the background of these people and how they were able to break away from a dogmatic and doctrinaire formulation of economic policies.

The SRI staff were young reformers, many of them economists, who were eager to find new approaches for China’s modernisation. Abandoning the prevalent dogmatic ways of the Communist Party, they organised themselves to find and analyse facts in light of the country’s ambitions, resources and constraints. Most of them had spent time in the countryside during the Cultural Revolution, where they had become acutely aware of the great discrepancy between party policy and the real world in which the majority of Chinese people struggled. From a small group of some 20 people, the SRI gradually expanded to become a full-fledged research institute with almost 200 staff, of an average age of just 35.

The importance of the SRI can only be understood in the light of the legitimacy crisis from which the post-Mao leadership suffered at the time Deng Xiaoping had taken over control. The many irrationalities of the Chinese economic system had to be addressed
and there existed no blueprint to match the desire for urgent and far-reaching reforms. Thus it was necessary to find ways to promote and make possible an open expression of reform ideas as well as policy options that did not reflect particular interests among the established bureaucracies.

4 Quick and extensive reforms were needed because of the failure of the Cultural Revolution, which had raged in China for a decade and which had, at the same time, given many people in China a new and critical perspective on the Communist Party. This is an important reason why the SRI with its young people was able to exercise such a big influence. There is a certain similarity here with Japan after 1945 when young people entered agencies and ministries and played such a significant role in shaping a new country.

5 A key event for the young reformers was a nationwide economic policy conference that took place at Moganshan in September 1984. This was the beginning of the confrontation on where to draw the dividing line between central planning and the market in order to obtain optimal results from the system reform. One of the key topics at the conference was dual pricing, a system which China adopted as one of the outcomes of Moganshan. Selected documents from the conference have been included in a valuable appendix. After the apparent partial success of the reform process in the mid-1980s, attention turned to the urban industrial areas, where the reform issues were much more complex than had originally been envisaged. Residents in urban areas, it turned out from surveys, were not ready for the proposed changes, and in late 1988 the Chinese reform movement suffered a setback: the abortive price reform in the summer of 1988 critically dented the ability of the young reformers to support a badly needed restructuring of state enterprises.

6 Before the activities of the SRI came to end in early June 1989, its staff had spread their influence among a wider circle of colleagues at other research institutes and in universities. At an early stage, the institute established contacts with researchers abroad and was able to attract necessary funding, including grants from the Soros Foundation. The SRI was merged with a conservative think tank following the 1989 events and effectively disappeared during the following year.

7 The SRI provided an important direction for the research community and the leadership that needed policy options based on solid knowledge. Thus the young staffers contributed to an understanding that research requires political and intellectual independence and that the search for truth must go beyond temporary political requirements. This book is a case study of a think tank and its ramifications for Chinese society at a time of major institutional changes. It would have been useful to broaden the frame of reference to provide a comparison with similar situations in other post-socialist countries. In this respect the reader is only given a brief reference in one of the early footnotes.

8 The author first came into contact with the SRI when one of its study delegations paid a visit to the American Enterprise Institute in Washington D.C. on a trip to the US in 1986 to learn about economic institutions. When embarking on her investigation into the SRI, the author decided on the twin objectives of understanding the young reformers and how they were able to circumvent all the bureaucracy that had previously constrained independent research and its publication. The author has been able to meet 35 SRI staff and carry out multiple interviews with most of them.
The title of the book contains the phrase “Professionalizing Research”, but this is misleading if the reader is looking for an overview of the research landscape in China after the Mao era. There is for example little coverage of the Chinese Academy of Social Sciences, which was established in 1977 and from its early beginnings operated a number of research institutes covering fields that were later the focus of the SRI. However, the great contribution of the book lies in its ability to describe in considerable detail how a group of committed young researchers re-examined and modified the way in which economic research should be conducted, that is independently, and then translated that research into policy choices. Zhao Ziyang, China’s premier at the time, supported the SRI and was eager to learn from its research. The young reformers were able to put forward a new interpretation of past political events that changed the former effectiveness of certain political institutions. But perhaps their most important asset was their shared experience and their common desire to bring about much needed reform.