

“Growing Out of the Plan”: Market-Oriented Reforms in China’s Graduate Placement System of Higher Education, 1978–1994

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Abstract

This article examines market-oriented reforms in China’s graduate placement system (GPS) of higher education during 1978–1994 when China’s GPS was transformed from a state-controlled and centrally planned Soviet type to a rudimentary market model. Its goals are twofold. First, it advances the scholarship on GPS reform, a subject that is underresearched in studies of Chinese politics and of Chinese education. Second, it analyzes reform features by engaging the “gradualism” school on the political economy of China’s economic transition, especially Barry Naughton’s widely accepted “growing out of the plan” version of Chinese “gradualism” in 1978–1993. Through this process, the article sheds light on our understanding of the perennial debate about China’s economic transition. We argue (1) that GPS reform during 1978–1994, in retrospect, adopted a gradualist “dual-track” approach and was successful, much like China’s economy in that period; and (2) that the applicability of perspectives of the “gradualism”

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school can be extended from the customary confines of economic sectors to a social policy sector of higher education.

For over three decades, economists, political scientists, and sociologists—most of whom are scholars of the China field—have debated whether China’s economic transition is a success and/or how the reforms worked.¹ Against this theoretical backdrop, this article examines market-oriented reforms in China’s graduate placement system (GPS hereafter) of higher education during 1978–1994, a subject that is underresearched. As a comprehensive coverage of the debate is beyond the scope of this article, we confine our discussion to the “gradualism” school regarding Chinese economic reform from the late 1970s to early 1990s,² which, to be discussed at length later in the article, contends that China’s transition took a gradualist strategy and had been a success. China’s gradualist strategy of moving from plan to market has been thoroughly discussed, but the empirical sectors under investigation are mostly economic sectors. This article further explores China’s “gradualism” by examining reforms in the social policy sector.

Among the various explanations or perspectives of Chinese “gradualism” during late 1970s to early 1990s, Barry Naughton’s 1995 book *Growing Out of the Plan: Chinese Economic Reform, 1978–1993* has been the most influential. Surprisingly, only scattered efforts have been made to assess it.³ A literal understanding of the phrase “growing out of the plan” consists of two points: market elements grew within the context, but also at the expense, of the plan and the state sector; China’s reform process unfolded in unexpected ways and “the economy and its reform both developed ‘out of the plan.’”⁴ Naughton also used, in a broader sense, “growing out of the plan” to refer to the strategy of Chinese economic reform during 1978–1993. This usage has been widely accepted by scholars of Chinese political economy.

During 1978–1994, China’s GPS was transformed from a state-controlled and centrally planned Soviet-type to a rudimentary market model. This article provides a new narrative for the reform process, and analyzes reform features by engaging the “gradualism” school, especially Naughton’s “growing out of the plan” version of Chinese “gradualism.” We argue (1) that GPS reform during 1978–1994, in retrospect, adopted a gradualist “dual-track” approach and was successful; and (2) that the applicability of perspectives from the “gradualism” school can be