CHAPTER 9

Impacts of Market Economy and the Choice of Higher Education

Since the end of the 1970s, China’s higher education has been facing two challenges: the tide of the world science and technology revolution and the rise of the market economy. Before the middle of the 1980s, challenges were mainly brought by the world science and technology revolution. At that time, China was just initiating the Four Modernizations, in which science and technology were essential, education was fundamental. The science, technology, and education level of our nation wasn’t well developed. In addition to damages brought by the “Culture Revolution,” we were left far behind the developed countries and even some of the developing countries. The number of technical talents was severely insufficient, and the crisis in the gap in talents was on the way. The heavy tasks of nurturing many technical talents as well as making scientific research and developments were shouldered by the institutions of higher learning. Breeding talents and making achievements became the most urgent mission at that time. Under the call of the Party and the government, with the support of preferential policies, higher education was rapidly increased in numbers and improved in quality. With clear objectives and in vigorous spirits, teachers were dedicated to teaching and scientific research, and students were inspired by the great mission of rejuvenating the Chinese nation. The atmosphere of working hard became a prevailing trend. After a short period of intensive effort, the science and technology level of China saw some improvements, especially in some highly technical areas. Through the process of introduction, digestion, development, and invention, the gap between China and the developed countries was enormously narrowed. The young and the middle-aged talents grew rapidly, relieving the scarcity and gap in technical talents. After the middle of the 1980s, impacts mainly came from the conversion from a planned economy to a market economy. How to adapt to the economic reform and development became a hot topic for the field of higher education. Especially since 1992, with the accelerating pace of the economic reform, the market economy has been developing rapidly, causing even more enormous impacts on higher education. Many conferences were held, and many articles were written among professionals in the field of higher

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education, all endeavoring to demonstrate the positive influences of market economy on the reform and development of higher education. In reality, however, many issues emerged that presented concern.

When the previously mentioned tide of the world science and technology revolution arrived, people were more unanimous in recognition and the process was relatively smoother, but why? It was because people could easily comprehend the consistency between technology development and higher education development. In fact, no major system reform was involved except some specific rearrangements of human resources, materials, and time. However, why did the rise of the market economy cause so many debates? The relationship between higher education and the market economy was far more complicated than its relationship with science and technology development. The system of higher education, especially its administrative system, was affected. So since last year, leadership and management departments at all levels of education, institutions of higher learning in all levels and kinds, and departments, institutions, offices, branches, and sections of colleges and universities have all been forming coping strategies so as to adapt to the reform and development of the market economy. Some strategies were positive, beneficial to the healthy development of higher education in the right direction. Other strategies were deficient in their theoretical basis. The correctness of these policies was doubtful and could only be considered as expedients. Any strategies should be established upon two foundations: theoretical foundation and realistic condition. Theoretical foundation determines the scientific nature of a strategy, and realistic condition determines its feasibility. A correct strategy must be developed in combination with both of these two factors. Therefore, recognizing and handling the relationship between higher education and the socialistic market economy, and making the wise choice, is the theoretical and realistic issue we must solve today.

1 The Inevitability of Impacts on Higher Education Brought by the Market Economy

The market, it goes without saying, is an economic concept. It's created and founded upon the exchange of material goods according to the law of value. Modern market economy is the development of the commodity economy, which not only includes the market of material goods but also brings all economy-related behaviors into the market. As a result, the science and technology market, information market, and labor market take shape. The appearance of these markets also brought extensive and intensive impacts