Building a Social System Fitting for the Market Economy: A Speech from the First Chinese National Social Development Forum

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Esteemed guests:
Good morning! Firstly, thank you to the hosts of this forum for giving me this invaluable opportunity to speak. Our respected friends and colleagues from Beijing and Shanghai are, in the truest sense, are working in the developed areas of China, and their social management organizations were all established relatively early on. They have just shared with us a lot of the knowledge gained and lessons learned through their experiences. Although we have also undertaken a great deal of exploratory work in Guangdong, I don't want to be guilty of teaching my grandmother to suck eggs, so I'm a little hesitant to display our work in front of such masters. What I feel best equipped to do here is offer a few of my views, although they still need a lot of work, and I would receive most gladly any criticism or corrections you may have.

1 Note from the Editor in Chief: This is the text of the speech given by the author at the first Chinese National Social Development Forum on 13 April. The forum also doubled up as the opening ceremony celebrating the establishment of the Social Governance Research Center. With the permission of the author, here we are publishing the speech in its entirety. The author and I have been something like kindred spirits for many years. As he was heading Guangdong’s social reforms I became deeply impressed with his distinct views, his incisive understanding, and the profundity of his thinking. Without a shadow of a doubt, he is the best witness to Guangdong’s reforms. Thus we decided to include this short piece from a man who I would call a ‘thinker in action’ in the hope that it will give our readers a chance to hear the ‘real voices’ from the frontline of social reform in Guangdong.
The first of these views is that the key to social system reform is in getting rid of the last vestiges of the planned economy. The economy is fundamental here. The economic system is the basis of any system. The kind of economic system we have determines what kind of other systems we need.

What is fitting for a planned economic system is a big government. Government does all it can to monopolize everything, so if it’s something that it is able to manage, government will be there controlling it. What is fitting for a market economy is a small government. If it’s something that government does not need to manage, then government should do all it can to pass it on to the market or to society.

Since the beginning of the Reform and Opening, to achieve the transformation from a planned economy into a market economy, objectively speaking we have been met with the need to build a social system that both defers to and serves the market economy. However, because reform has occurred in different areas at a different pace, our social system has continued to operate according to the old model; government has entirely taken charge of all social matters, in turn causing a deficiency in social functions, and a decline in society’s own vitality. Government has become more and more deeply submerged in all kinds of social conflicts.

As such, we must stick to our guns with market economy oriented reforms. We need to apply reforms to the administrative system, transform the functions of government, making conscientious and practical efforts to keep power contained within the enclosure of our institutions, building a small government. At the same time, we also need to get rid of the vestiges of the planned economy that remain in our social system, making real efforts to improve the capacity of society to organize itself, and the level to which it is self-governing, building a big society. Through reform we can clarify the boundaries between government and society, building an equal relationship between government and society, and create a new structure for social governance formed through a combination of top-down management by the administration and bottom-up self-governance by society.

The second of the views I would like to share with you is that the essence of social development is in developing society and not in controlling society. We should be using forces outside of the system to kick-start reform within the system.

The development of society means making society big, by which I mean for example nurturing grassroots and civic self-governing forces; to the greatest