

**CHINA'S SCIENCE AND TECHNOLOGY
SYSTEM: GOVERNANCE, FUNDING
AND PERFORMANCE**

ZHAO Litao

EAI Background Brief No. 926

Date of Publication: 12 June 2014

Executive Summary

1. For many decades, science and technology (S&T) has been central to China's modernization agenda. It becomes even more important today as China is seeking to become a leader in innovation in the decades to come.
2. China's leaders, through Politburo meetings or the Leading Group on Science, Technology and Education of the State Council, reviews and approves S&T strategies and policies.
3. The Ministry of Science and Technology (MOST) is the key player in setting the S&T agenda and priority. Increasingly it has also become a funding agency for mega projects deemed important to national development.
4. S&T policy-making has been institutionalized as part of the regular planning process in China. The five-year plans are the most structured tool for setting agenda and priority.
5. Mission-driven and excellence-oriented research receives priority funding, compared to capacity-building programs and diffusion-oriented projects.
6. With rapid growth of R&D expenditure, China has been reshaping the global research landscape in recent years. It now ranks first in the number of EI indexed papers and in high-tech exports.
7. Despite the progress, China's S&T system has been criticized, often more strongly by its own scientists and policy experts, as an underperforming one: the quality of research is much less impressive than the quantity.
8. The problem of poor judgment and misallocation/misuse of research funding is rampant in China's S&T system. Many funding agencies and officials turn S&T programs into rent-making and rent-seeking activities.

9. There are also better performing funding agencies and research institutions, however. The National Natural Sciences Fund, which uses peer-review, is more professional and objective than MOST in funding research projects.
10. The better performing funding agencies and research institutions offer some hope for China. Rapidly growing R&D expenditure, coupled with the reform of S&T governance, funding and evaluation, could pave the way for China to become a global innovation powerhouse.