

# INSTITUTIONAL SUITABILITY AND ECONOMIC DEVELOPMENT

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DEVELOPMENT ECONOMICS BASED  
ON PRACTICES IN CHINA

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## Preface

Over the past decade, I have been preoccupied with the wish to summarize the successful experience of the reform and opening-up in China and then abstract it into a kind of theory so that it can make its due contribution to human development.

The Chinese nation, with a history of civilization lasting for over five thousand years, is said to boast the only uninterrupted civilization in the human society. When I visited the Yin Ruins in Anyang of Henan, the “Emperor’s Chariot Drawn by Six Steeds” in Luoyang, the Terracotta Warriors of Xi’an, and the Sanxingdui Ruins and the Jinsha Ruins on the Chengdu Plain; when I read about major archeological discoveries such as the Jade Clothes Sewn With Gold Thread in Mancheng of Hebei, the Buddhist remains of the underground palace in the Famen Temple of Xi’an, the bamboo slips of the Qin Dynasty in Liye of Hunan and the ancient corpse in Jinzhou of Hubei that remains unrotten for a thousand years, I was driven by an impulse, an impulse that brought tears into my eyes: how splendid and magnificent the five-thousand-year Chinese civilization is! Perhaps the influence of the Chinese civilization on the ancient society of mankind has not been fully unveiled, perhaps the obstruction of high mountains and vast oceans has prevented the spread of the impact that should have been felt, or perhaps the wars and natural disasters in the past several hundred years or one thousand years have annihilated those records. This time, however, we should not allow the spread of the Chinese civilization to be obstructed for another time. With the support of modern science and technology, the valuable experience of the reform and opening-up as well as the development in China should be shared by all mankind. If we failed to carefully summarize this experience, we would be unworthy of the Chinese civilization with a history of five thousand years and be unworthy of our ancestors. That would be my lifelong regret!

Driven by this impulse, I have kept thinking where I should start to summarize and how I could conclude it into a simple and lucid theory. I did not realize the inadequacy of my own knowledge and competence until I re-

ally sat down for this task. The immense reservoir of books and countless cases sometimes can really overwhelm me, leaving me feeling powerless before the task. However, the footsteps of the approaching thirtieth anniversary of the reform and opening-up often startled me from my dreams. It was just such a sudden awakening that brought me many inspirations, and finally led to my determination to start from institutions to understand, analyze and summarize the experience of economic development in China. With the help and support of my comrades, I finally completed this book, *Institutional Suitability and Economic Development: Development Economics Based on Practices in China*. Though I kept thinking and discussing with my comrades and revised the draft for four times, I still felt regretful when the first draft of this book was completed! I regret that this book was written too hastily, that the theory, discussion and analysis in the book are not comprehensive, rigorous or perfect enough, that many issues are left unsaid though thought of, that it was not completed earlier, that... too many regrets. One friend of mine tried to persuade me that I should not pursue perfection in that way, or seek to exhaust all that I wanted to say so that I could leave others things to do. Perhaps it is this consolatory and persuasive remark that enlightened me suddenly. Yes, indeed, as the strength and brain of myself alone are absolutely inadequate, no matter how hard I work, the book before me will never reach perfection.

My theoretical attainments are not profound, and my practical experience not rich. This book may have inadequacy whether in terms of theory or analysis or even in verbal expression. Therefore, I have not in the least the idea of showing off this book, only hoping that theorists, scholars and practitioners in the reform and opening-up will reflect more on our thirty-year experience, summarizing it and bringing it to a great height of development. I would be gratified if this book could play the role of stimulating more valuable inspirations. Therefore, let the storm criticizing and commenting on the inadequacy of this book be more violent. "When mountain blossoms flower in full bloom, in their very midst is she smiling."

In eight chapters, this book starts from the practice of the reform and opening-up in China to review the unique development path of China. Though a great many studies have been done on the success of the Chinese economy and explanations have been made from various perspectives in the academic circles at home and abroad, we may discover through comparison that these theories and explanations can only give partial answers to the e-

nigma of continuous high economic growth in China from a certain perspective, while a central point able to run through the whole course of development and fully reveal the Chinese miracle is lacking. It was the exploration of this central point that begot the theory of institutional suitability. In order to validate the explanatory power of this theory, I also reviewed the paths taken by other developing countries. Facts have proven that all the successful paths of development result from suitable institutions, which has further consolidated my determination to take institutional suitability as the central point of this book. Through a comparison of practices in developing countries, this book demonstrates that the theory of institutional suitability is characterized by keeping pace with the times, and points out that there are no eternal institutions on the path of development and what remains unchanging is only the topic of development. That is to say, only an institution that can promote the continuous development of economy and society is a suitable institution.

There are some special considerations in using some terms in this book. By the term “economic development”, I mean “economic growth” on more occasions, as economic growth is the CORE of development, and without economic growth, development is but an empty word. However, economic growth is not everything. In particular, if economic growth fails to drive social progress in the end, such kind of growth is meaningless altogether. In order to explain the double meaning, I chose the expression “economic development”, which is more comprehensive and perfect.

What should be noted is that this book defines institutions as behavior rules for guaranteeing the normal operation of production and life and does not strictly distinguish institutions from policies and measures. Instead of being a theoretical monograph on institutional economics or on institution itself, this book focuses on the influence of institutions on economic development. Some policies and measures actually play a role similar to institutions in the course of their implementation. For example, preferential policies for some places and the household contract responsibility system with remuneration linked to output were some specific policies in the beginning, but have exerted effects similar to those of institutions. Therefore, we have not made deliberate effort to strictly demarcate institutions, policies and measures academically, but focus on their relationship with economic growth.

Similarly, in using the two expressions, “institutional suitability” and

“suitable institutions”, I am more inclined to take institutional suitability as a kind of abstract theory, as it represents a theory of economic development, while “suitable institutions” refers to various specific institutions meeting the needs of development.

Upon the completion of the first draft of this book, I invited many experts and scholars including Zheng Xinli, Dai Lunzhang, Zhang Yunling, Zhang Yansheng, Yu Yongding, Li Yang, Xia Bin, He Fan, Tang Min, Zuo Xiaolei, Han Baojiang, Tang Xu, Yang Ruilong, Liu Guangxi, Li Xiaoxi and Zhong Chuanshui for discussions, in which they put forward many insightful opinions and comments, many of which have been adopted. I would take this opportunity to thank the above experts. In the course of writing this book, Yang Jidong, Feng Chunping, Cheng Zeyu, Liu Qiang, Wang Ye, Li Xiaowei, Li Wanqing, Chen Yeqing and Lin Gang provided assistance in various aspects. Without their efforts, this book would not have been completed as scheduled. I am grateful to them beyond expression.

李若石

June 20, 2008

## Foreword

Three decades are but a brief moment whether in the history of mankind or the history of the Chinese nation. However, the past three decades—the three decades when China carried out the reform and opening-up—gestated permanence in brevity. The influence that the course of the three decades have exerted on the theories and practices of human development, on the future development of the Chinese nation and even on the development and progress in the world will be inevitably lasting and far-reaching.

To realize industrialization and modernization in a country with one fifth of the world population, a vast territory, many ethnic groups, and very low level of wealth, resources and income per capita and to integrate it into the highly developed world economy is an unprecedented great cause, demanding exceptional courage and determination as well as unparalleled confidence. No matter what kind of language we use to describe the courage, determination and confidence of the generations of leaders headed by Mao Zedong, Zhou Enlai and Deng Xiaoping as well as the Chinese people would not be exaggerating. Only the land of China can produce leaders and people with such bold vision and wisdom. It was the members of the Communist Party of China and Chinese people that launched the great movement of reform and opening-up in the last two decades of the twentieth century, a movement that has involved China into modernization, and a movement that has helped the Chinese nation recapture its splendor.

To review the development of China in the past three decades, we must turn our memory to the start of this history. In 1978, the “Cultural Revolution”, which was established on the theoretical basis that class struggle was still the main conflict in the socialist period, was just brought to an end in China. During the decade’s catastrophe, people’s thoughts were in a great turmoil, they lived a very poor life and the national economy was at the brink of breakdown. Many people do not think that the Chinese economy was close to collapse in the late 1970s even by now. I think it meaningless to dispute on this point. A group of figures may illustrate this



problem. During the “Cultural Revolution”, the Chinese economy suffered from serious regression, and various economic indexes were greatly lower than those before the “Cultural Revolution”, with the GDP index, the index of gross industrial output value and the index of national income respectively dropping from 7.1%, 15.3% and 6.2% in 1953~1966 to 5.5%, 9.8% and 4.9% in 1967~1976,<sup>①</sup> and the losses of national income were estimated to reach as much as RMB 500 billion yuan.<sup>②</sup> In 1978, almost all the living necessities in China had to be supplied in a limited amount on presentation of coupons. As many as over 300 million people lived in poverty, their problem of food and clothing was not solved, and the level of social and economic development was of the lowest in the world. According to the data of the World Bank converted by the constant exchange rate in 1995, the GDP per capita in China in 1978 was only USD 151, ranking the last in 128 countries with data records.<sup>③</sup> I think that all people then who were without prejudice and acknowledged reality would make the same judgment: we should no longer go on this way!

The comparison of the results of development at home and abroad gave rise to a major debate in China, that is, the debate about whether practice is the sole criterion for testing truth. “The liberation of thought is a magic weapon for developing socialism with Chinese characteristics”<sup>④</sup>. The conclusion of this major debate was very simple, that is, our own practice would tell us which development path is the one that China should choose. As the path to modernization in China has been too rugged, too hard and too difficult, too many failures and too many humiliations have made us aware that China must take a new development path. From the Opium War in 1840, China and the West had several wars, which ended with the defeat of China almost every time. Even the Sino-French War in which China was not defeated concluded with cession of territory and compensation on the part of China.

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① Calculated according to the data on P. 536, P. 543, and P. 549 in *Five Decades of New China* published by the National Bureau of Statistics; the data of the index of national income come from Li Chengrui’s “Analysis of Economic Conditions in China During the Ten Years’ Turmoil”. (*Economic Research Journal*, Vol. 1, 1984).

② Dong Fureng. *The Economic History of the People’s Republic of China* (Vol. 1). (Economic Science Press, 1999). P. 575.

③ World Bank. “World Development Indicators”. 2002.

④ Hu Jintao. *Uphold the Great Banner of Socialism with Chinese Characteristics and Struggle for New Victory in Constructing a Modestly Prosperous Society in All Aspects*, 1<sup>st</sup> ed. (People’s Publishing House, October 2007). P. 1.

During a period of 50 years, China altogether paid 1.3 billion liang (a unit of weight, equivalent to 50 grams) silver, equivalent to over 150 billion US dollars<sup>①</sup>, not to mention numerous invaluable treasures, cultural relics and curios looted by the West. The wealth became important sources of fund for industrialization in the West. The development of China, however, was confronted with difficulty at every step. We attempted the constitutional monarchy, which resulted in a reform lasting for but 100 days, leading to the sacrifice of benevolent reformists of lofty ideals and ending up in failure. The Revolution of 1911 led by Dr. Sun Yat-sen finally overthrew the Qing Dynasty but failed to establish a unified and stable republic. The great man of the Chinese nation, when he passed away with regrets, called on comrades to continue to struggle as the revolutions had not succeeded. Then warlords representing various imperialist forces engaged themselves in tangled warfare, and the so-called representative government was replaced frequently. Though the Northern Expedition defeated the Northern Government, the Chiang Kai-shek government representing the interests of the big bourgeoisie and the comprador bourgeoisie could not get the support of the people, either. The Chinese people's dream for development and prosperity could not be realized. In this way, the heavy task of breaking free from the oppression and exploitation of foreign imperialist powers and taking an independent path to development fell upon the shoulder of Mao Zedong and the communists he represented. This was a choice of history, a choice of the people and a choice of the times.

The foundation of New China witnessed the start of China in really taking an independent path to development and also the start in exploring the path to modernization development in China. After the end of the World War II, the economies of Germany, Italy and Japan that launched the War were almost wrecked by the War, while the countries of the Allies participating in the War were also reduced to ruins after the War. Except for the United States and the Soviet Union, no country had adequate economic strength to provide support and aids to the recovery and development of the other countries. Due to complex historical and realistic causes, the United States chose to oppose the New China. China had no choice but to

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① Estimated according to the current price of gold, USD 900/ounce, and the conversion standard at the end of the 19<sup>th</sup> century, that is, one liang gold was about 37.3 grams, equal to 10 liang silver.

adopt the so-called “one-sided” policy, and allied with the Soviet Union to realize the unification of international progressive forces. Naturally, the development path of China also started to follow the socialist path in the Soviet Union style, as then the Soviet Union was the only country called socialist country and there was no other socialist mode for study and reference. The socialist mode of the Soviet Union was established on the basis of many special environments and conditions. For example, the moment when the Soviet Union was founded, it was attacked from all sides and blockaded by reactionary forces in the West, always in a very difficult environment, in addition to the continuous damages of the reactionaries at home and abroad; also, as the Soviet Union was a country with many ethnic groups, many religious beliefs and a vast territory, the country might be easily split up if power was not centralized; in addition to the extremely devastating WW II, both the internal and external environments forced the Soviet Union to resort to a mode of planned economy that was highly centralized. Meanwhile, the mechanical understanding of the socialist system also completely opposed the effects of plan and market. The mode of economic development formed under the special historical environment of the Soviet Union was disseminated as a universal principle of socialism, and its failure was self-evident. Though China made some adjustment according to its own national conditions when learning from the experience of the Soviet Union, the highly centralized system of planned economy was basically maintained. This kind of highly centralized planned system had its inevitability and suitability under the condition of backward economy and extremely deficient materials. Therefore, it also resulted in the huge success in the beginning of New China. We not only drove the US imperialists and their allies that were armed to teeth to the negotiation table on the Korean Battlefield, but also rapidly restored national economy under the conditions of fighting a war while engaging in production. With the assistance of the Soviet Union, the foundation for initial industrialization was laid with only about one decade and the backward state of poverty and ignorance was changed. From the establishment of New China in 1949 to 1957, the gross industrial output value in China increased by 460%, the annual output of steel increased from 158 thousand ton to 5.35 million ton, the annual output of raw coal increased from 32.43 million ton to 130 million ton, the power generation increased from 4.32 billion kwh to 19.34 billion kwh, the gross agricultural output value increased by 85%, and the annual grain out-

put value increased from 113 million ton to 195 million ton<sup>①</sup>. The manufacturing industry also almost started to develop from zero to the capacity of manufacturing products such as automobiles, aircrafts and trains. These achievements greatly encouraged the enthusiasm and determination of the Party and the people in constructing socialism, yet also made us dizzy with success, believing that the transition period from the new democratic revolution to the socialist revolution that should last a very long time would be greatly shortened and that the highly centralized system of planned economy that had succeed under this condition was the basic mode for socialist development. Meanwhile, the change of the international environment at that time, the occurrence of the Hungarian Crisis and the exacerbation of the Cold War made us deem the class struggle as a more important issue, and as a result add the contents of class struggle to the mode of socialist economic development. This not only gave economic development a stronger political inclination but also transferred the attention of the nation, the Party and the people from economic development to political struggle, resulting in our inability to carefully reflect on the issue concerning the mode of economic development, as any economic development deviating from this direction was labeled as the attempt to restore capitalism, thus burying an unfavorable seed for economic development afterwards. The crux of the issue was not in our selection of a highly centralized and planned development mode in the beginning of the foundation of New China but in our failure to carry out necessary reform and adjustment at an appropriate moment.

The development of the world economy after the entry into the modern society was unprecedented. The Industrial Revolution starting in the United Kingdom brought fundamental changes to the human society. All the countries were seeking development and prosperity and exploring their own development path. From the historical perspective, the development of advanced productivity was without exception constrained, or even attacked and strangled by the existing social system. For example, the Industrial Revolution in the United Kingdom was resisted by the feudal system and had to fight its way out through repeated struggle. Also the development of early capitalism relied on the ruthless exploitation inside their country and external invasion and plunder to complete the proto accumulation of

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① National Statistical Bureau. *Five Decades of New China* (China Statistics Press, 1999). P. 535, P. 545, P. 548 and P. 553.

capital. Therefore, it is not surprising that the early capitalist industrialization appeared in sea powers in Europe, first in Holland, then in Spain and Portugal, and the United Kingdom, while countries in the European Continent such as France, Germany and Italy did not realize capitalist industrialization earlier because of civil war etc. and did not catch up until after the 18<sup>th</sup> century. Another important force supporting the development of early industrialized countries was science and technology. The invention of the spinning machine, the steam engine, electricity, the train and the automobile contributed greatly to the economic development of Western countries. Therefore, the environment of economic development in the early industrialized countries was special. They acquired fund and labor from their rule over the colonies, which enabled them to shift from the agricultural society into the industrial society more easily. These conditions and environment for development no longer existed for the development of emerging countries after the WW II. As the development problems confronting countries that had just gained their independence and had been newly founded could only be solved by different methods, these emerging countries carried out various experiments.

As far as most developing countries, mainly Asian and African countries, are concerned, in the 1960s, to break free from the colonialist and imperialist rule and to strive for national independence and national liberation is their top priority. After national independence, they were also eager to cast away the old colonialist economy and hoped to gain economic independence. After the WW II, there emerged in the world a socialist camp headed by the Soviet Union, representing mankind's efforts in practicing socialism and exploring development paths, and a capitalist camp, representing the efforts in exploring development paths featuring capitalist market economy. At that time, great success was achieved in the economic and social development of the Soviet Union, and many newly independent developing countries naturally selected its socialist development path, which was also simply reduced to a highly centralized mode in which the state controlled everything. However, almost all the emerging countries were very backward in economy, lacking talents and institutions. In addition, a considerable amount of countries had obvious characteristics of colonial economy and featured a single type of economy. Under this condition, without a large amount of external assistance, developing countries could not complete proto accumulation and of course could not develop economy. Regret-

fully, as the countries and organizations able to provide external assistance at that time were very limited in number, the development of most emerging countries, restrained by the shortage of funds, developed very unsmoothly. Developing countries gained independence in politics but not in economy. The socialism path selected by some developing countries did not succeed. The disintegration of the Soviet Union and the drastic changes in Eastern Europe symbolized the termination of the socialist path in the Soviet Union style. In the late 1980s, many developing countries in Asia and Africa gave up socialism one after another under the intervention of external forces, imitated the institutions in the West, took the so-called “democratic” path, and started economic and social reform according to the “Washington Consensus”. Nearly two decades’ practice, however, not only failed to send Asian and African countries onto a path of benign development, but also left them in a quagmire of ceaseless internal strife, stagnant economy, and regression of people’s life. “The formal institutions of democracy, for example, do not necessarily ensure appropriate checks on discretion, nor are those checks always absent in authoritarian regimes. Mechanisms and levels of accountability can take very different forms, rarely amenable to the simplicity of formal political institutions”<sup>①</sup>. The failure of the Western development path in developing countries in Asia and Africa marked by the “Washington Consensus” has declared that this is a dead-end development path. Failure awakens developing countries to seek a development path more suitable to themselves. The huge economic achievements of the reform and opening-up in China have encouraged the confidence of developing countries in taking their own development path, and they have also expressed their wish to learn from the experience of China in development.

Latin-American countries, most of which used to be Spanish colonies, overthrew the Spanish colonial rule earlier to gain independence. After one or two hundred years’ development and particularly through the development of half a century after the WW II, however, the level of industrialization in these countries is not yet high, with still a big gap from developed countries. Latin-American countries have a fairly strong tendency of *laissez-faire* capitalism, advocating the role of market. As their own accumula-

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<sup>①</sup> World Bank. “Economic Growth in the 1990s, Learning from a Decade of Reform”. 2005, P. 14.

tion is low (low savings ratio), their economy relies highly on foreign capital, their burden of debt is heavy, their development has been lingering for a long time, the Western mode of reform marked by “Washington Consensus” has given rise to economic crisis frequently in this region.

Many African countries have not taken a path to development by now, still in the course of selecting a development mode meeting their own conditions. The conditions in Asia are complex, with economic development relatively backward in West Asia, Central Asia and South Asia, and relatively good in East Asia.

The development path of East Asian economy is characterized by export orientation. By using advantages such as funds, technologies and management experiences of developed countries, high savings ratio of economies of East Asia, popularization of education, people’s diligence, assiduity and self sacrifice, and government-oriented pattern, they rapidly realized industrialization and modernization. The World Bank called it the “miracle of East Asia”. The success of East Asian economy formed the “East Asian mode” in economic development. This mode has some common characteristics: government-oriented pattern, high savings ratio, high investment ratio, export-oriented economy, vigorous effort in developing infrastructure, and valuing education etc. In these countries, the element of free market is of relatively low importance, which is considered by many economists as an obstacle for the further development of East Asian economy. Therefore, starting from the 1990s, guided by international organizations led by European and American countries, some economic bodies in East Asia carried out economic system reform marked by the market-oriented pattern and the political system reform marked by “democratic” system in the West, in the hope of acquiring the power for sustainable development. It turned out that after this series of reform, the growth rate of economy in East Asia fell generally and the fragility of economy stood out, which finally led to the financial crisis in 1997 and the emergence of negative growth in economy. In Thailand, which suffered from the most serious destruction, economy probably backslid by a decade. The experience and lessons in it still require further discussion and summary. It is China without economic liberalization and political westernization that was not weakened in the financial crisis of East Asia but played an important role in containing the spread of the crisis and promoting the economic restoration in East Asia.

The development path of China was formed by “feeling for stones to

cross the river". All the time, we have been paying close attention to the development of other countries, carefully learning and drawing upon the development experience of other countries, but have not copied others' mode.

The reform and opening-up in China benefited from the emancipation of the mind and the formation of the consensus that "practice is the sole criterion for testing truth" in theory, which was a major breakthrough with landmark significance, as it was a clarion for ideological emancipation. Thanks to this consensus, we broke free from the dogmatic understanding and interpretation of socialism, Marxism-Leninism and Mao Zedong Thought, which was the most important ideological emancipation since the foundation of New China and laid a theoretical foundation for our reform and opening-up afterwards. In other words, all the institutions and practices should be discarded that cannot emancipate socialist productivity, promote the development of productivity, improve the comprehensive national strength of socialism or improve the people's living standards.

The reform and opening-up in China was also "compelled". After a decade's "Cultural Revolution", economy did not develop but backslid, major industrial and agricultural products had to be supplied on presentation of coupons, and product quality was far from that of similar products overseas. If such a condition continued, the material demands of the people could not be satisfied at all. Under this background, several farmers in Anhui carried out agricultural reform of fixing of farm output quotas for each household. The courageous and resolute leaders of Anhui Province and the Central Government supported and promoted this practice. This reform has greatly emancipated rural productivity, leading to the great development of agricultural production and new records in grain outputs have been created continuously. From 1979 to 1984, the agricultural production in China saw the most rapid development since the foundation of new China, the average annual increase rate of gross agricultural output value was 7.3%, the annual grain output increased by 4.95% every year on average, and the grain output in 1984 reached 407.31 million ton<sup>①</sup>. After several years' practice, fixing of farm output quotas for each household has become the household contract responsibility system with remuneration linked to output, a sys-

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① National Statistical Bureau. Five Decades of New China. China Statistics Press. 1999. P. 535 and P. 545.



tem that meets the economic development level in the countryside of China, which promoted the development of rural productivity and agriculture.

The reform and opening-up in China should still always stick to the idea that “development is the absolute principle”. Deng Xiaoping once vividly summarized the standards as to whether our policies and measures were correct into “three favorable”, that is, “whether they are favorable to the development of the productivity of the socialist society, whether they are favorable for enhancing the comprehensive national strength of the socialist country and whether they are favorable for improving the people’s living standards”<sup>①</sup>. In other words, all the policies, measures and institutions that are not favorable to the above three aspects should be altered. Our great development has been achieved just because we have practiced this theory. This is also our foundation for putting forward the theory of “institutional suitability”. Within a certain period, development mainly refers to economic growth, that is to say, economic growth is the core of development. As to how long this will be maintained, it is not easy to set a uniform timetable as the differences of the specific conditions of various countries are big. Seen from the conditions in China, the watershed between the development stressing economic growth as the core and the comprehensive development of society and economy emerged at the time when a GDP per capita of USD 800~1,000 was achieved, that is, around the year of 2000, about 22 years after the reform and opening-up.

In fact, it is not we alone who have realized the importance of growth. The world Bank, when summarizing the experience of economic reform in the 1990s, also realized this issue. This summary report of the World Bank has it that “[r]eforms need to go beyond the generation of efficiency gains to promote growth”<sup>②</sup>. If economy cannot grow, people’s living standard cannot be improved, and the country’s strength cannot be enhanced, what is the use of policies, measures or institutions, no matter how good they are? Where is their “goodness” reflected? Aren’t the policies and measures we adopt and institutions we implement for promoting the development of productivity, improving the people’s living standards and enhancing our national strength?

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① Selected Works of Deng Xiaoping, Vol. 3. People’s Press. 1993. P. 372.

② World Bank. “Economic Growth in the 1990s, Learning from a Decade of Reform”. 2005, P. 10.