

The Ford Foundation and the National Committee on United States-China Relations: How They Assisted Chinese Economic Reforms during the 1980s

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Abstract

This research report summarizes my research experience at the Rockefeller Archive Center (RAC) in July 2017. I went to RAC to collect records related to the activities organized by the National Committee on United States-China Relations (NCUSCR) and the Ford Foundation to support the People's Republic of China's (PRC) post-1978 economic reforms. I incorporated a significant amount of materials from these records into my PhD dissertation, which analyzes how different American institutions, including non-governmental organizations (NGOs), assisted and encouraged China's economic transition during the 1980s.

The documents I found were extremely helpful in my effort to reconstruct and analyze the activities and the exchanges the NCUSCR and the Ford Foundation undertook with China during the 1980s. Furthermore, the records also clarified the motivations behind this assistance, revealing not only a genuine desire on the part of the two organizations to learn more about the PRC's economic outlook but also driven by an interest to disseminate ideas that these NGOs believed were necessary to strengthen a world in which liberalism and democracy would dominate.

I was interested in consulting the holdings of the Rockefeller Archive Center (RAC) in my search for records dealing with the roles played by American non-governmental organizations (NGOs) that worked with officials of the People's Republic of China (PRC) from the late 1970s until the early 1990s. I was fortunate enough to spend several weeks in the archives in July 2017, collecting records that I subsequently incorporated into my PhD dissertation, "The Making of America's Economic Entanglement with China: Laying the Groundwork in the 1980s." The dissertation explores the ways that several American institutions assisted China's post-1978 economic reforms and opening-up process during the 1980s. RAC records that I gathered during my stay served as the main primary sources covering the NGOs section of my thesis.

The records of the National Committee on United States-China Relations (NCUSCR), the foremost NGO dealing with the PRC at that time, and the records of the Ford Foundation were of particular interest to me. The NCUSCR was founded in the 1960s and, as recent research has pointed out, proved to be essential in bridging the gap between the two countries during the 1970s. Indeed, it has now been convincingly demonstrated that the work of the NCUSCR facilitated the achievement of full diplomatic relations between the United States and China in 1979.¹ This scholarship aims to go beyond the public and private diplomatic channels that have for so long characterized the study of Sino-American relations during the 1970s. Furthermore, it wants to highlight the roles NGOs played in 20th century international history. So did I, when I travelled to the RAC.

Unlike the NCUSCR, the Ford Foundation was older and had a broader range of interests. Between 1952 and 1979, it provided more than \$40 million in grants to enhance the understanding of China in the United States and other Western countries. When opportunities to collaborate with China emerged, the Foundation was ready to join the club of NGOs interested in expanding their networks with that nation. Scholarship on the relationship between China and the Ford Foundation during the second half of the 20th century is thinner than that on the NCUSCR. Nevertheless, the crucial goal of this body of scholarship is to reveal the importance of the non-diplomatic channels in the evolution of Sino-

American relations in the final part of the 20th century.²

Sharing all these interpretative assumptions, I, too, sought to document the non-diplomatic channels the NCUSCR and the Ford Foundation created with the PRC through the establishment of non-governmental exchanges. While I was interested in cultural exchanges and how they could serve diplomatic purposes, the focus of my work, however, was to study how these NGOs, and the activities they put in place, assisted and encouraged the post-1978 Chinese economic reforms. The materials I found confirmed my argument that this role was rather substantial. These two NGOs had a say in Chinese economic reforms that was expressed through the creation of economic exchanges, partnerships, and collaborations. Therefore, I was more interested in the nature of the exchanges that were organized thanks to the work of these NGOs rather than in uncovering the internal debates animating the Ford Foundation or the NCUSCR.

Through my work with RAC documents, I was able to gather a significant number of interesting records. Particularly useful for my work were the Ford Foundation catalogued reports on China. These documents, which covered various aspects of China's political, economic, social, and cultural aspects, provided me with valuable insights. Here, I want to stress how the Foundation's interest in establishing ties with the PRC did not come out of the blue but was rather carefully planned. Indeed, as one Ford Foundation report noted:

When direct engagement with the People's Republic became possible toward the end of the 1970s there was a strong persistence of development interests in major foundations. The bad capital markets and the inflation of the early Seventies had gravely diminished the resources of many of them, but in the choices that retrenchment forced, development interests were protected and maintained as far as possible. Ford continued to run down its international studies support, withdrew from several better-off developing countries, and narrowed the fields of its development activity. Rockefeller began the run-down of its program for building universities of quality in the Third World, but preserved much of its interest in health, population, and agriculture. In program interests and staff competence, these foundations were well-poised in 1978 or 1979 to place development high in their fresh concerns with the People's Republic.³

As this passage reveals, NGOs, such as the Ford Foundation, had been knocking at the PRC's doors for quite some time and were ready to capitalize on any possible Chinese opening to the outside world. When the moment arrived, the Foundation was well-prepared to seize the opportunity. The utility of the Ford Foundation reports lies in the fact that these records provide precise, annual analysis about China, but they also serve as detailed histories of the evolving partnership. In other words, they can be used as secondary sources, too.

The Ford Foundation reports are an extremely rich source of information. They provided detailed insights into the Foundation's initial steps to launch a relationship with Beijing in the immediate wake of US-PRC normalization. Reports released after the first visits of Foundation officials to China reveal the government's interest in initiating a series of collaborative efforts in fields such as science and technology, development, and education. Additionally, these first exchanges confirmed what the Ford Foundation was hoping – a desire on the part of the PRC to slowly introduce market elements into an economy that remained essentially centralized. This opened the door for the Foundation to offer advice on this transition, send American economists to the PRC, and set up academic exchanges involving collaboration about economic reforms.⁴

Concrete steps followed shortly afterward: the Ford Foundation and the Chinese Academy of Social Sciences (CASS) signed an agreement on an experimental program based on exchange and fellowships. CASS was the most prominent Chinese research institution dealing with the humanities and social sciences. It played a decisive role by helping Beijing reforming its legal and economic apparatus, as well as in expanding international contacts.⁵

As collaboration intensified in the early 1980s, the Ford Foundation reports make clear that its assistance in the economic reform effort was not merely altruistic. By favoring China's slow abandonment of socialist practices, it was hoped, Beijing would become an integral part of the liberal international system the United States had forged after WWII. While at times American NGOs, such as the Ford Foundation, nurtured goals that did not necessarily align with those of the

occupant of the White House, they did strive to promote and disseminate ideas intended to diminish the appeal of socialism. Therefore, in addition to a genuine desire to become more knowledgeable about the PRC, in the 1980s, the Foundation viewed China as the latest “battlefield” on which the organization’s decades-long effort to promote political and economic freedom was being carried out. It was believed that if China successfully implemented an economic transformation, then political changes would follow, making the PRC a trustworthy ally of the West and a potential candidate to embark in a process of political democratization.⁶

The NCUSCR nurtured similar hopes. When it funded a visit of American economists to China in 1984, the impressions these scholars reported were very optimistic: China was a rapidly changing country. While optimism was tangible, it coexisted with reservations about how many of the promised future economic changes would ever take concrete shape.⁷

Exchanges thrived in the early 1980s. The Ford Foundation and NCUSCR records show the breadth of these undertakings. They ranged from the creation of initiatives dealing with law and legal reforms to several university exchange programs. For example, in 1984, the Ford Foundation set up a program to assist Chinese universities expand their international studies programs.⁸ Though this dynamic and evolving relationship was multifaceted in nature, that which most intrigued American observers was economic change. A 1983 NCUSCR-sponsored think tank visit to the PRC concluded that the most important and visible change in the PRC consisted, above all the rest, in the more open economic environment.⁹

In the second half of the 1980s, this outlook changed. Many of the expectations the Ford Foundation and the NCUSCR had nurtured slowly dissipated. China, it was increasingly reported, was not experiencing the degree of transformation many NGOs had anticipated. This was especially the case for political changes, which did not accompany the country’s economic reforms. The 1989 Tiananmen crackdown confirmed for many that the optimism of the earlier part of the decade had been misplaced. RAC records document that while visits and collaboration continued and expanded, the overall tone had changed.

Economically, the second half of the 1980s witnessed an increasing awareness on the part of those working with Beijing that China's growth was more the result of a very successful set of agricultural reforms and the decent re-allocation of the labor force rather than a jump in productivity levels or an increase in the role of market forces. A 1986 NCUSCR-sponsored delegation of American economists reported that "a marked fuzziness about the details of implementing these general principles that were enumerated with great clarity" existed among their Chinese counterparts. Their report noted that price and market mechanisms should be used to handle problems such as inflation and "excess aggregate demand for producers' goods and capital investment."¹⁰ Though diminished, faith in China's ability to fully implement a market economy in a reasonable amount of time still existed. What the PRC had already accomplished was sufficient, enough to please NGOs expectations. As such, collaborations and exchanges widened despite the reduced optimism.

The roles played by the Ford Foundation and the NCUSCR in creating a strong network that guaranteed the survival of Sino-American relations after 1989 cannot be ignored. By the late 1980s, thanks to new non-governmental networks, the two countries were entrenched in ways that left little space for turning the clock back. This stands as the most noticeable and long-lasting contribution of the NCUSCR and the Ford Foundation: to contribute to locking the relationship down and fortifying it against external shocks.

In summary, my research trip to the Rockefeller Archive Center was very fruitful and contributed significantly to the writing of an important component of my dissertation. Since my trip, I have successfully defended my dissertation and received my PhD in 2019. I am now turning my dissertation into a book and I know that the materials from the Center will be as useful in this endeavor as they work in completing my dissertation. I am grateful for the very generous funding that allowed me to access the records described above. I hope the academic community will benefit from these documents as I plan to use them in my future work.

My time at the Rockefeller Archive Center in the summer of 2017 proved to be a very positive research experience. The Center's archivists were extremely generous with their time and their knowledge of the RAC's holdings and helped to make my visit quite rewarding. In addition to assisting me work through the materials I had identified prior to my arrival, they also pointed me to new records, including those of the Trilateral Commission, the Asia Society, and the Rockefeller Foundation, which proved to be beneficial to my research. I also was fortunate to be part of a lunch that was offered to all the researchers during which we had the opportunity to socialize with the archivists!

¹ For more on the NCUCR during this period see recently published RAC research reports. See Pete Millwood, "People to People Contacts between China and the United States in the 1970s: Report on Materials at the Rockefeller Archive Center," February 12, 2021; Jeffrey Crean, "From Propitious Birth, through Troubled Adolescence, to Prosperous Maturity: The Journey of the National Committee on United States- China Relations, 1966-1972," 24 September 2019; Kazushi Minami, "The History of the National Committee on U.S.-China Relations, 1966-1989," 18 June 2019.

² Norton Wheeler, *The Role of American NGOs in China's Modernization: Invited Influence* (London and New York: Routledge, 2013).

³ "American Philanthropy in Educational and Cultural Exchange with the People's Republic of China," by Francis Sutton, January 1985, Catalogued Reports, No. 011007, Ford Foundation Records, Rockefeller Archive Center, Sleepy Hollow, NY (hereafter RAC), 21. Also cited in Federico Pachetti "The Making of America's Economic Entanglement with China: Laying the Groundwork in the 1980s," PhD dissertation, University of Hong Kong, 2019, 167.

⁴ 'Actions concerning China in FY 1980,' Memorandum from John Bresnan to Franklin A. Thomas, September 17, 1980, Catalogued Reports, Box 312, Folder 007037, Ford Foundation Records, RAC, 2.

⁵ The Ford Foundation and China: Discussion Paper for discussion at the meeting of the Trustees' Human Rights, Governance and International Affairs Committee, March 23, 1983, Catalogued Reports, Box 332, Folder 007647, Ford Foundation Records, RAC, 5-6.

⁶ American Philanthropy,' 19.

⁷ Report on the Economists Study Team of the United States to the People's Republic of China, November 27-December 16, 1984, Exchanges to China, Economic Think Tank: Report and Itinerary, 1984 November 27-December 16, Box 30, Folder 592, NCUSCR Records, RAC, 37.

⁸ The Ford Foundation and China, Discussion Paper, December 1985, Catalogued Reports, No. 002115, Ford Foundation Records, RAC 12-13.

⁹ Jeffrey B. Gayner, "A More Realistic China Agenda," Exchanges to China. Think Tanks: Background, Report and Follow Up, 1983 May 9-24, Box 30, Folder 580, NCUSCR Records, RAC, 2

¹⁰ Report of the Corporate Economists Delegation, May 23-June 1, 1986, by Andrew Walder, Exchanges to China, American Corporate Economists: Follow Up and Report, 1986 May 23-June 1, Box 31, Folder 600, NCUSCR Records RAC, 1. Also cited in Pachetti, "The Making of America's Economic Entanglement with China," 187.