Toward an Innovative Nation

KOU Zong-lai
# Table of Contents

**Introduction** ................................................. vii

**Acknowledgments** ........................................... xxii

**Chapter 1**
The Legacy of the Planned System .................................................. 1
  1.1 The Strategy of “Concentrating Efforts on Addressing the Key Issues” 2
  1.2 The Strategy of “Self Reliance” for Scientific and Technological Development 9
  1.3 Freeing the First Wave of Productivity 10

**Chapter 2**
A New Dawn for Science in China .................................................. 21
  2.1 Emancipating the Mind and “Righting the Wrongs” 21
  2.2 Restoring Order within Science and Technology Research 24
  2.3 Active Experimentation and Searching for the Way Forward 29

**Chapter 3**
Facing the Main Battlefied of Economic Construction .......................... 41
  3.2 Stage II (1992–1998): “To Steady One End, to Free the Majority” 55
  3.3 Stage III (1998–2005): “Invigorating the State through Science and Education” 60
  3.4 Stage IV (2006 to Date): Encouraging Independent Innovation 63

**Chapter 4**
The Rationale behind the Reforms to China’s Science and Technology Management System ................................................................. 67
  4.1 A Market-based Solution 68
  4.2 The Organizational Reconstruction and Restructuring 83
  4.3 Construction of an Industrialized Environment 95
# TABLE OF CONTENTS

**Chapter 5**

The Development of the Hi-tech Industry in China .......................... 109  
5.1 The Policies Supporting the Development of the Hi-tech Industry in China  112  
5.2 The Development of the Hi-tech Industry in China 120  
5.3 Conclusion 149

**Chapter 6**

The Development of the Automotive Industry in China ...................... 151  
6.1 The Situation of the Chinese Automobile Industry before the Reform 153  
6.2 The Development of the Automobile Industry after the Reforms 157  
6.3 China's Automobile Industrial Policies and Their Effects 174  
6.4 Conclusion 186

**Chapter 7**

Intellectual Property Rights: Barriers Faced by Chinese Enterprises Seeking an Entry into the Global Marketplace ........................................ 189  
7.1 DVD Patent Dispute 191  
7.2 Cisco's Litigation against Huawei 196  
7.3 Comparison and Analysis of the Two Cases 201  
7.4 How to Respond to the Intellectual Property Litigation? 205  
7.5 Enhancing the Protection of the Intellectual Property Rights: Weal or Woe? 208

**Chapter 8**

Analysis of the Performance of China's National Innovation System (NIS) ........ 211  
8.1 Inputs and the Evolution of Scientific and Technological Activity 211  
8.2 Output and the Evolution of Scientific and Technological Activity 223  
8.3 Conclusion 239

**Chapter 9**

Epilogue ................................................................. 241

**Bibliography** .......................................................... 245

**Index** ................................................................. 249

30 YEARS OF CHINA'S REFORM STUDIES SERIES