

THE POLITICS OF KNOWLEDGE PRODUCTION

China's Research Funding for the Humanities and Social Sciences

Rui Yang and Yujie Lin

Designed to align research with national priorities, China's dual-track funding system for the humanities and social sciences (HSS) comprises both vertical (government-led) and horizontal (stakeholder-driven) channels. Despite substantial growth in national R&D investment, HSS research continues to lag behind STEM research, due to policy-driven funding imbalances. Systemic challenges, including the entrenched role of *guanxi*, rigid performance-based evaluation frameworks, and unequal resource distribution, undermine equity and constrain the innovative potential of HSS disciplines.

China has rapidly emerged as a global leader in research and development, propelled by sustained and strategic investments in science and technology. While STEM (science, technology, engineering, and mathematics) fields often dominate headlines, the funding landscape for the humanities and social sciences (HSS) reveals both notable progress and enduring challenges.

A National Overview

China's research and development (R&D) expenditure has been growing at an extraordinary pace. According to data released by the National Bureau of Statistics in February 2025, R&D spending in 2024 reached 3.613 trillion Chinese yuan (approximately 860 billion USD calculated based on purchasing power), marking an 8.3 percent increase from the previous year. This figure represents 2.68 percent of China's GDP, surpassing the European Union average of 2.11 percent and approaching the OECD average of 2.73 percent.

The research funding system in China increasingly aims to optimize resource allocation across a wide range of disciplines. While government agencies and national research foundations remain the primary sources of funding, support from industry, enterprises, and international partnerships is growing, enhancing strategic focus and flexibility in emerging research areas. For universities and academics, securing research funding has become essential, signifying scholarly recognition and institutional prestige. A disciplinary funding system has emerged to ensure quality assurance, shape research priorities, and promote institutional development. By aligning funding with national objectives and global trends, China is able to support both fundamental research and technological innovation.

However, a persistent problem remains: there is a substantial funding gap between HSS and STEM disciplines. Mirroring global trends, China's HSS fields remain underfunded despite ongoing efforts to raise their profile. This imbalance often pits HSS and STEM against each other in a zero-sum competition for limited resources.

As China emphasizes innovation, the disparity has only deepened. A prevailing policy narrative suggests that STEM fields are more directly linked to technological progress and economic growth. This perception, reinforced by performance-based funding metrics, has led to a disproportionately large share of resources being directed toward STEM.

Structure of HSS Research Funding

The funding framework for HSS research in China operates through a dual-track system—vertical and horizontal streams—each reflecting different sources and strategic objectives. This structure aims to balance theoretical rigor with practical relevance in HSS scholarship.

The *vertical (government-led) track* is a hierarchical system of government-supported research at national, provincial/municipal, and local levels. It aligns research priorities with national development goals while addressing regional needs. Prominent agencies such as the National Social Science Foundation of China and the National Natural Science Foundation of China fund fundamental and strategic research. Central ministries allocate specialized funding streams, like the HSS Fund from the Ministry of Education and the China National Arts Fund. Provincial and local governments have similar mechanisms tailored to their contexts.

The *horizontal (stakeholder-driven) track* emphasizes societal impact and practical engagement through collaborations with

government agencies, private enterprises, research institutions, and civil society organizations. This funding typically focuses on research that addresses real-world problems, emphasizing immediate relevance and practical solutions.

The synergy between vertical and horizontal funding creates a dynamic and adaptive research ecosystem. This system strategically aligns theoretical inquiry with practical application, enabling HSS research to address both enduring intellectual questions and urgent societal issues. Vertical funding supports long-term, fundamental research, while horizontal funding delivers practical outcomes and facilitates knowledge transfer to society.

This dual-track model has profoundly shaped China's HSS research landscape. With government funding playing a dominant role at all levels, universities are incentivized to align their research strategies with prevailing funding structures to enhance research performance and institutional reputation. The strength of this system lies in its ability to balance national priorities with institutional adaptability, academic rigor with social impact, and long-term exploration with immediate relevance.

China's investment in HSS has increased significantly, with an average annual growth rate of around 10 percent in recent years. This sustained increase has made China a global leader in HSS research investment. Between 2016 and 2021, approximately 500,000 projects received vertical funding, while over 200,000 were supported through horizontal channels. This robust infrastructure has played a crucial role in advancing HSS research, supporting a broad range of initiatives and offering diverse opportunities for scholars at different career stages.

Systemic Challenges

Despite these advances, several systemic challenges continue to undermine the effectiveness, equity, and transparency of HSS research funding in China. One of the most persistent problems is the influence of *guanxi*—personal networks and relationships—in the funding process. Although widely recognized and a subject of reform efforts, *guanxi* remains deeply entrenched in both vertical and horizontal funding systems. Many scholars report that personal connections often outweigh academic merit in grant decisions. Progress in addressing this issue has been slow and uneven.

A second challenge arises from China's *metric-driven accountability system*. Originally intended to improve oversight and guide strategic investments, this approach often produces unintended side effects. Rigid compliance requirements and narrowly defined performance metrics impose significant

administrative burdens and can stifle research productivity. Rather than promoting quality and impact, these mechanisms may discourage innovation, critical inquiry, and interdisciplinary work. The emphasis on quantifiable outputs risks distorting HSS research agendas and deterring bold or original scholarship.

A third concern is the *unequal distribution of research funds*, which tend to concentrate in elite institutions and among established scholars. This phenomenon—often referred to as the Matthew effect—reinforces the dominance of already well-resourced universities, while marginalizing less prestigious institutions and early-career researchers. This widening gap limits opportunities for early-career researchers and those in underfunded settings, diminishing the overall vitality of HSS research.

Such disparities are particularly detrimental to HSS scholars, who often work independently or in small teams over extended periods. Funding inequalities make less-established institutions and researchers more vulnerable and restrict their capacity to pursue innovative or high-risk projects. This imbalance ultimately undermines motivation and stifles originality and innovation within the HSS disciplines.

Concluding Comments

China's strategic investment in research has played a pivotal role in its rise as a global leader in science and innovation. HSS funding has also grown, largely through government-led mechanisms that acknowledge the significance of these fields for national development, cultural confidence, and international influence. Notable scholarly achievements have enhanced the global visibility of China's HSS research.

Yet, significant challenges persist. HSS funding continues to lag behind STEM, with ongoing concerns about funding architecture, implementation, and evaluation. Funding priorities remain heavily shaped by top-down directives. The enduring influence of *guanxi* in funding allocation undermines fairness, transparency, and research quality, despite ongoing efforts to improve evaluation and oversight.

To fully realize the potential of its humanities and social sciences, China must address these systemic issues. Enhancing transparency, reducing reliance on personal relationships and networks, rebalancing resource allocation, and refining evaluation mechanisms are essential steps. Only then can China cultivate an environment where HSS research thrives alongside STEM, contributing to a more holistic, innovative, and globally engaged knowledge economy.

Rui Yang is chair professor and dean of the faculty of education at the University of Hong Kong. E-mail: yangrui@hku.hk.

Yujie Lin is a doctoral candidate at the faculty of education at the University of Hong Kong. E-mail: u3575937@connect.hku.hk.

