Innsbruck Student Papers in Economic and Social History

Papers by Students and Papers for Students

ISPESH 11

Chinas Economic Reforms under Deng Xiaoping

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submitted July 2019, reviewed January 2020, published February 2020

A series of the unofficial working area “Economic and Social History” in the context of the Research Platform Experimental and Empirical Economics (eeecon) at the University of Innsbruck (Austria).

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Eine Reihe des inoffiziellen Arbeitsbereichs „Wirtschafts- und Sozialgeschichte“ im Rahmen der Forschungs-Plattform Experimentelle und Empirische Wirtschaftsforschung (eeecon) an der Universität Innsbruck (Österreich).

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This paper explores the economic reforms in China under Deng Xiaoping starting in 1978. The reforms aimed at kickstarting the Chinese economy after years of stagnancy and food shortages, with the long-term goal of making China competitive on the world stage. We show the goals were mostly achieved. The development of relevant variables like GDP and HDI shows that China has grown over time not only in sheer output but also qualitatively. Yet, the rather capitalist reforms caused problems in gender and general income equality and widened the gap between the rich and rising middle class and people in poor rural areas.

When looking at China today, we see one of the major world economies. We see one of the largest middle classes in the world. How did China achieve such development? The foundation of this remarkable growth is the economic reforms under party leader Deng Xiaoping, starting in 1978. Under his leadership, China reformed its economy with capitalist influences successfully away from the ineffective communist structure under Mao into a globally competitive market economy.

In this paper, we aim to achieve two targets. First offer a summary of the history which led to the reforms and the reforms themselves, split into business sectors as the liberalization stretches to different lengths. Second, we provide numbers which allow us to analyze whether the reforms had success or not. We especially focus on the social effects of the reforms and take a look at gender. There it is more difficult to define success and the difference between a more positive or negative judgement of China’s development can run on lines of political ideology, as we will see that living quality and health for women increased in the same period in which working conditions worsened.

The following chapters are structured as follows: The first chapter offers a brief historical overview of the political developments which led to the reforms. Next, we describe the reforms broken down in sectors. In the third chapter, we provide data and argue whether the reforms had success or not.

**HISTORICAL OVERVIEW**

During much of history, China was the undisputed leading power in the world economy. The Song dynasty introduced the first paper money in the 12th century (Gernet 1982) and dominated trade in Asia and between Asia, Africa, and the Arab peninsula. In the early Yuan and even more so in...
the Ming dynasty, China solidified its position as the world’s largest economic power and has seen the rise of the merchant class as a political power. Under the Ming, privatizations occurred and wage laborers emerged as a new class. The merchant’s influence went so far that some Chinese scholars considered these eras as a time of Chinese capitalism (under the term “sprouts of capitalism”, coined by Mao Zedong) (Feuerwerker 1961; Mao and Conners 2009). Only with the rise of global European colonization powers and the Opium Wars, China lost its spot as the world’s largest and most influential economy.

The People’s Republic of China as we know it today is the result of the Chinese Civil War. The war was an insurgency of communist groups in the country, led by Mao, against the Kuomintang-led government of the Republic of China, which by itself only came into existence in 1912 after the Xinhai Revolution, in which it overthrew the last Chinese dynasty, the Qing. In its beginning the war was internal strife in the republic (ROC) for power, in which even the Kuomintang under Sun Yat-sen and the CPC allied against the government. Under Sun’s successor Chiang Kai-shek the CPC broke with the KMT in 1927 (X. Li 2012). From then on the civil war was a fight between the republican KMT under Chiang and the CPC under Mao. Alliances in this time were difficult as the war fell into the timespan of World War II and coincided with the Second Sino-Japanese war. At least with World War II, the USA started supporting the KMT which were in favor of establishing democracy in the long term, while the CPC strived for a typical Marxist-Leninist country and was supported by the Soviet Union (T.-K. Leng 2014).

While it’s difficult to define a definite end of the war - no official peace agreement was signed until today - the main conflict froze with the proclamation of the People’s Republic of China by Mao on the 1st October 1949, and the retreat of the KMT to Taiwan, where the Republic of China remained alive.

Under Mao, the CPCs economic policies were following the Soviet model of a country. The main goal was to restructure China’s economy in line with the socialist ideology of the CPC, including changes such as a a collectivization of agriculture, state ownership of companies, narrowing the pay gap and militarization. But as the country was still struggling to handle the aftermath of the war, recovery was the main short-term objective. In line with communist ideology, land ownership was transferred from landlords to farmers, and 80 percent of the companies were collectivized under state ownership. By 1952 agriculture already achieved pre-war output levels and it can be said that the recovery was successful (Worden et al. 1987).

Later on, agricultural organizations where further evolved into cooperatives, which in a few years achieved control of almost the whole agricultural sector. The government focused on pushing the same sectors as the Soviet Union, trying to strengthen heavy industry like steel manufacturing, coal mining, and machinery. Until 1957, net industrial output increased with 22.5 percent annually (Hsia 1959).

A major cut in this successful development happened with the “Great Leap Forward”, starting in 1958. The term describes reforms under Mao which aimed at transforming the Chinese economy away from the centralized, Soviet economic system which favors heavy industry above other sec-
tors, especially agriculture, to a China-specific model. The Mao government transferred a lot of authority in economic questions to local governments and tried to industrialize the countryside by establishing small scale industries everywhere, for example, every village was obliged to run a small "backyard furnace" for steel production (Karl 2010). At the same time, almost all private ownership was collectivized. Villages were run as communes, where no private ownership of goods was allowed (Worden et al. 1987). Communal life went so far that even private cooking was forbidden, and all privately stored food had to be transferred to the commune. In the first year, industrial output actually rose by over 50 percent, but more because all villages were forced to produce industrial output rather than efficiency increase (Worden et al. 1987). On a whole, the communal economies proved to be mostly inefficient and unable to provide agricultural output even close to previous levels, which, when weather conditions worsened, led to the "Great Chinese Famine" from 1959 to 1961. Death numbers of the famine vary between 23 and 55 million, with newer estimates after 2000 usually surpassing 30 million (White 2014).

The following years saw an economic policy focusing on agriculture, which helped to stop the famine but didn’t manage to achieve pre-Leap output levels. With the cultural revolution of 1966 to 1976, economic policy was changed significantly almost yearly, which paralyzed economic policymakers and slowed growth. As the Cultural Revolution aimed at changing thinking in the country away from traditional Chinese and capitalist elements to a communist view (and personality cult of Mao), economic policy was only a secondary concern of the Chairmen. In general, economic growth post-Great Famine was on such a low level that even regional events were able to eclipse any growth prospects, such as the Tangshan earthquake in 1976, when GDP growth was zero. Agricultural output was mostly dependent on weather conditions, with spikes in the double digits when weather was good and recession in bad times.

In general, the pre-Deng economic policy showed that both soviet and Maoist economic policy failed to achieve the growth potential of the PRC. Soviet-influenced policies were successful in terms of total output growth in the early stages but failed to increase living quality for large parts of the population, as China isn’t as fit for centralization as the Soviet Union. While in Russia large parts of the country are only sparsely populated but resource-rich, and the population is concentrated in relatively few hotspots like the Moscow region, (then) Leningrad oblast and around the Wolga, in China population is more distributed (albeit later economic growth led to large-scale population movements to coastal regions).

DESCRIPTION OF THE REFORMS

The first attempt to counter these developments was the idea of the “Four Modernizations”. Officially a plan developed during the reign of Zhou Enlai at a scientific conference in 1963, the modernizations were later picked up by Deng Xiaoping. The start of implementing the modernizations as an official economic reform, together with the death of Mao and Enlai and the arrest of the "Gang of Four", concluded the end of the Cultural Rev-
olution. At the Third Plenum of the 11th Central Committee in December 1978, Deng Xiaoping, by then Chairmen of the Chinese People’s Political Consultative Conference, formally announced the start of implementation of the reforms.

The four modernizations conclude the core of Deng Xiaoping’s reforms. They shouldn’t be understood as a set of four specific reforms or economic targets, but rather as four areas in which the economy shall be reformed: agriculture, industry, science and technology, defense.

As a result of long-term planning the reforms aimed at changing the structure of the whole Chinese economy, but they didn’t get into action all at the same time. Rather, the reforms were invoked roughly consecutively on a sector by sector basis. In contrast, changes towards more private investment, less direct central government control of companies and central planning of agriculture happened during the whole time frame of the reforms.

In terms of structural change, Deng’s reforms focused on two things: First, a de-collectivization and privatization of corporate structures, secondly an opening of the financial market, although it can be put into question how successful the reforms of the financial market have been. As these changes have been touched in the chapter before, the following description will be on a per-sector basis.

Agriculture

Agriculture was the first sector, which was reformed during Deng’s regime. Before the reforms, agricultural enterprises were organized in a collectivist, kolkhoz-like structure. Despite the large amounts of arable land China has, the agricultural performance was poor and below levels required to prevent food shortages. Deng reformed the farming collectives into enterprises under the so-called “Household responsibility system”. Essentially, agriculture became a privatized endeavor, but managers of agricultural companies were required to meet governmental quotas of output which had to be sold to the government at fixed prices. These quotas ensured the socialist “Iron rice bowl” policy of the CCP in which the state guarantees employment and food. Contrary to the governmental-led redistribution of all output before, the companies were now allowed to sell any surplus on a free market with supply-and-demand-based pricing. Additionally, farmers were now free to choose cash crops to maximize the income generated of any surplus production. This mixture of a planned and free-market economy proved to be an instant success: Agricultural output growth exceeded 8% despite a reduction of land used (Brandt and Rawski 2008).

Industry

Changes in the industry followed the pattern of change in agriculture: Pre-reform most industries were concentrated in a few state-owned companies, which failed to even nearly match efficiency levels of private companies in freer countries. The first important change in the structure of key industry sectors was the establishment of “Township and Village Enterprises”. The term could be considered misleading as it is not exactly describing spe-
cific ownership or functional structure of companies, and rather serves as a collective term for all kind of non-central government-led companies which have their headquarters in villages and towns. These companies are not necessarily majority-owned by local government (or government-owned at all), but often rather by some kind of local collective of workers. During the timespan of the reforms, these companies were increasingly private, and as a result of the ongoing opening of the economy to foreign trade, also foreign-owned. The most striking difference to previous industrial enterprises was the strict orientation of TVEs on competition and market demand. In the 1980s TVEs, which proved to be more competitive than government-owned companies, rapidly increased in size and gained a huge portion of the Chinese economy. The rise of the TVEs marked the start of China’s growth into a world dominant industrial leader. In the 1990s, TVEs became out of fashion. They were increasingly replaced by fully privatized companies and later, with the reemergence of illiberal more socialist economic policies after 2000, also by state-owned enterprises. Overall, industrial output increased almost seven times from 1978 to 2000 (World Bank 2020b). During this time China became the world leader in the production of key resources such as steel, which enabled China's subsequent growth in high value-added sectors we see after 2000.

*Global Trade & FDI*

During the reform period, China greatly increased its exposure to the world markets in two ways: First, the government courted foreign investors to use China as their main “workbench” when the efficiency of Chinese producing companies started to be competitive with western manufacturing sites. Second, it slowly opened the Chinese market for more and more imports and foreign brands - with rising interest as over the years the largest middle class of the world became reality. However, China’s policies always remained very protectionist. Foreign investment is only really free in the low-tax and low-regulation “Special Economic Zones” (Encyclopaedia Britannica 2020), which still allows for central planning in where which kind of jobs should be created. Also, in many sectors production is only allowed in Joint Ventures with Chinese companies, often requiring the Chinese partner to own 51 percent of the shares in the partnership. Governmental contracts can also require technological transfers. By this, the government had in mind to not simply open the country for free trade to earn money, but to become more and more competitive and independent in high-quality goods so that China can grow its own brands and supply chains, minimizing dependence on the West. The result we can see today, with privately-owned companies like Huawei and Xiaomi running strong on the mobile phone market (Counterpoint Research 2019), and the state-owned CSSR being the largest rolling stock company in the world (SCI Verkehr 2018).

It is difficult to describe the specific Chinese mix of low-tax SEZs and forced technology transfer as either protective or pro-free-market: The Chinese government usually describes it’s policy making as a “win-win” situation, where foreign companies can massively earn on the Chinese market and are allowed to achieve dominance, while long-term the Chinese economy can build up to stand on its own feet. China lowered its tariffs continu-
ously until they dropped to 6.8 percent on average post-WTO accession (Martin and Ianchovichina 2003), which is far below the world average. One example which might support the “win-win” narrative is Volkswagen: The company is the market leader in the Chinese car market and makes over half of its income there (Demandt 2019), a situation it earned thanks to early investments in the SEZ in Jilin and Shanghai in the Deng-era. However, the Joint Venture requirement with (mostly state-owned) car makers, in VW’s case with FAW and SAIC, turned the major Chinese carmakers into some of the largest in the world and allowed them to get access to external expertise, which they later used to become worldwide leaders in electric car production.

Finance & Services

The finance and service sectors were only starting to get liberalized in the 1990s. The liberalization gained traction as late as 2001 when China achieved membership in the WTO. While services where mostly liberalized and saw huge investments by foreign brands, which went so far that the US companies Walmart and McDonalds became market leaders in supermarkets and fast-food, respectively, banking and insurance were never really freed from governmental control. Foreign banks and insurance companies can only act very limited to the Chinese Mainland market. The banking sector always was during the Deng era and still is dominated by the “big four” state-owned banks: ICBC, BOC, CCB, and ABC. These banks are working according to governmental policy interests. This has caused concerns about the stability of the finance sector: The banks constantly struggle with huge amounts of non-performing loans, which they granted to companies out of political pressure to keep the economy afloat (Lund, Farrell, and Morin 2006).

As a result, a large informal financial sector emerged. Companies raise significant shares of their capital on the grey markets from private, underground companies (Zhang 2012). This puts the stability of the economy at risk, as shadow banking runs outside of governmental oversight and can unknowingly create a private debt crisis.

The crisis prompted the government to not only reform the public financial sector but the central bank, as well. The central bank’s structure was streamlined into a few regional dependencies, and it became complemented by additional regulatory bodies, such as the China Securities Regulatory Commission. In general, the government increased its regulatory grip to become closer to standards in the USA and Europe – the FED-like restructuring of the central bank might lead to the assumption that the US financial regulatory bodies stood model for the reforms. Before, the banking sector was strongly regulated, on paper, and dominated by state-owned companies
almost exclusively. Yet, a multitude of regionally operating trusts and banks emerged, under various institutional ownership, which in many cases proved to be uncompetitive against the nationwide operating banks, but where kept alive by local governments (Lardy 1999).

While closing loss-making banks directly increased the stability of the remaining financial sector, the changes also went hand in hand with the government’s aim of slowly opening the economy for the private sector. Before the reforms, the myriad of local banks and trusts, which were controlled by the same local bodies which also commanded smaller SOEs, made sure that these SOEs would be saved from bankruptcy perpetually, at the price of creating bad loans. The unbundling of the financial sector from local governments and allowance of private companies (at least as investment companies, if not as banks) forced such SOEs to increase their competitiveness, or face bankruptcy. These changes led to lay-offs by SOEs, especially in the countryside. Local governments partially answered with increased social spending, but couldn’t fully absorb the negative effects with governmental expenditure (Wang 1999). Over the years, the liberalization of the financial sector accelerated the rise of the private economy relative to the state-owned enterprises.

It should be noted, though, that the financial reforms in the Deng Xiaoping era aimed mostly at utilizing the financial sector to support economic growth as well as possible. There is no indication that Deng Xiaoping, or his successors, viewed the financial sector structurally different than other parts of the economy: A sector which should be under the strict control of the CCP to ensure long-term growth. While country-level governmental bodies put pressure on the financial sector to lend money based on commercial rather than political concern, the sector is still overwhelmingly dominated by state-owned sectors. Private owned banks are virtually nonexistent. Private companies with a banking license only gained importance with the rise of mobile payment well after the Deng Xiaoping era, as operators of such apps developed into full financial service providers. Examples are WeBank, a Tencent-owned online bank, and Ant Financial, the Alibaba-owned company which manages Alipay, one of the most popular mobile payment services worldwide.

More important than Chinese private investment pre-2005 were foreign direct investment into the financial sector. Foreign banks were allowed to open offices in the country and could gain minority ownership of banks and insurance. The minority ownership of financial actors exposed the sector to the global economy and further raised competitiveness (Fung and Zhang 2016). Outside of banks, private companies gained market share, such as the largest insurance company in China, Ping An.

Despite such partial opening for private investment, the reforms under Deng Xiaoping did not achieve to reduce market inefficiencies as wished. Besides the remaining (purposely) dependency on state-owned banks, private investment was held back by an inefficient stock market. Although the stock exchanges in Shanghai and Shenzhen were (re)opened in 1990, they failed to serve as a way for SOE and private companies to gain substantial funding. Research suggests that in the Deng Xiaoping era until 2005, Chinese stock markets were largely inefficient (Marszk 2014).
Thus, the reforms under Deng Xiaoping should be seen rather as a cornerstone for further economic growth and development, than a singular, finished reform program. While the liberalization of the financial sector and regulatory enforcement under Deng Xiaoping allowed to reduce bad loans and stabilize the financial markets, foreign direct investment and private financial services only really gained traction under his successors. Post-2005, the state-owned banks became world-wide lessors, especially to developing countries, which increasingly rely on Chinese state-owned banks for credit (Horn, Reinhart, and Trebesch 2019). Under Deng Xiaoping, though, regulatory reforms led the foundations to such growth, as they cut the close relationship of inefficient SOEs to state-owned banks.

**DISCUSSION OF SOME DATA**

Deng’s reforms go deeper than just pure economic policy. The de-collectivization of companies and encouragement of private economic activity digs at the very foundation of the socialist society. Thus any effectiveness of the reforms should be visible in a change in variables not only on economic topics but also on such as education and gender, too. However, it should be noted that the quality of any data provided by official Chinese ministries is questioned by some. Most critics focus on China’s GDP reporting, but the arguments also hold on other data: lack of transparency in the structure of official bodies and lack of political independence, for example (Owyang and Shell 2017).

**GDP and equality indicators**

The most obvious variable to use to check the success of an economic policy might be GDP. World Bank data in Current USD depicts a 15-fold increase between 1978 and 2005 (World Bank 2020a). In this timespan, China became a major economic power and became second only to the USA. However, it should be noted that economic growth in total GDP accelerated after this timespan, with another 6-fold increase until today. Discussing whether this acceleration is a long-lasting effect of Deng’s policies or his successors’ work is out of the scope of our work. Considering the stagnancy in the pre-Deng era Deng’s reforms were hugely successful in terms of boosting output.

If we want to examine whether economic growth had a positive effect on the people, we have to look into the development of poverty in China. Considering that the reforms started directly after a total breakdown of economy and agriculture, this might be the single most important effect (and a central aim of) the reforms. If we apply the World Bank definition of poverty, we see that between 1978 and 2005 the number of people below the extreme poverty line fell from around 85 percent to 20 percent (Roser and Ortiz-Ospina 2013). Considering the population size of China this can be considered to be the largest single successful attempt at fighting poverty ever. Except for the obvious economic benefits, this development also benefits the country long-term, as this low-level wealth can push first independent economic actions and private investment in education.
However, this development must not mean that people also became more equal. While fighting inequality is a major ideological cornerstone of any communist society, Deng’s reforms had so many capitalist influences embodied in them that he faced inner-party opposition by ideological hardliners. As we saw in Chapter 2, some of his policies were partially made undone by his successors.
The development of Chinese Gini coefficient values as a measurement of income inequality might approve fears that the (somewhat) capitalist reforms stopped the convergence of the working class and capitalists. While the value swung around 0.30 in the 1970s, it rose to values between 0.45 and 0.50 in the 2000s (Shi 2016). According to these values, China rose from a low-to-middle to a middle-to-high unequal country. Additionally, regional disparity rose. The income gap between rural and urban areas rose from 2.5 to 3 times in favor of urban regions (Shi 2016). It is unlikely that the gap will be narrowed anytime soon as major high-growth economic sectors, like communication technology, is clustered around densely populated, urban areas like the Pearl River Delta, Shenzhen, and Shanghai. However, migration patterns seem to change: Recent research suggests that inner-Chinese migration increasingly happens by groups of families, and not by single persons (Fan and T. Li 2018). This further reduces pull effects from the origin regions of migrants. While the rise in GDP growth and increase in migrant population are correlating in time, research examining a possible relation is lacking. A correlation might be possibly explained by the “Hukou” system, which restricts access to social services geographically, and additional restrictions regarding rights to register cars and buy homes. Thus, migrant population might suffer from disenfranchisement and be unable to increase its living quality despite nominally increasing wages. Growing migration under these regulations then increases inequality subsequently.

These numbers indicate that while poverty declined and the economy - as a whole rose, China might increasingly face socioeconomic problems similar to many western countries. In the future, more regions may become detached from overall economic growth, and a class of “working poor” emerge. The northeastern provinces of Heilongjiang and Liaoning are already in a similar situation as the US "rust belt", facing brain drain and a declining population (Leng 2019, Liu 2019).

How can we link these developments to the reforms? One attempt in explaining the success is that the decentralization of the economy allowed more people to benefit from wage increases based on productivity growth, while before excess production would have to be redistributed through the government. A lot of output growth can be explained by productivity increases in privatized companies and permits to sell the new excess production (national and overseas). Another is that the new economic freedom encourages entrepreneurship and thus opens new income potential. Especially the limited opening of the financial sector and ease of opening private companies which are allowed to compete fairly with SOEs might have persuaded people to invest their monetary and human capital into founding companies whose impact on the economy multiplies through its employees and investments. The relative ineffectiveness of the national stock exchanges as a tool to raise money and the continuing dominance of state-owned banks puts this explanation into doubt, though. A certain factor is that the creation of Special Economic Zones provided not only needed foreign direct investment to kick start economic growth in underdeveloped areas, but also business intelligence and technology which China was lacking. Together with the increasingly competitive productivity of China’s economy, it was able to ascend as a serious competitor to any capitalist society on the globe.
Gender

In purely economic terms the reforms can be described as mostly successful, overachieving all expected growth prospects. Even if inequality rose, living quality for the poor rose as well as poverty was reduced massively. Considering the abundant poverty before Deng’s reforms, the living conditions for women indisputably changed for the better. The development of China’s HDI proves this as China rose from a low developed country pre-reforms to a highly developed one in the 2000s (UNDP n.d.).

Yet, looking at the reforms from a gender perspective might show some drawbacks. Considering that the reforms showed a change in thought away from Maoism, new cultural hurdles could have arisen for women in China. With Mao, the Chinese governmental ideology changed from a Confucian to a socialist one. Mao acknowledged that women in China (at least pre-revolution) are subject to a patriarchal system of economic dominance, as a chapter on women rights in his ”Little Red Book” shows (Mao Tse Tung 1927-1955). With the egalitarian approach of Mao came universal access to schooling. The collectivist reorganizing of villages and companies alleviated women’s positioning as well in two ways: First, in collectivized companies all workers got equal pay, which was a rule explicitly aiming at equality between genders (notably, a quote of Mao’s ”Little Red Book” is: ‘Men and women must receive equal pay for equal work in production’) (Mao Tse Tung 1927-1955). Second, further collectivization of daily life, especially in rural areas, alleviated the family burden for women. With communal food intake and childcare and reduced private ownership of goods, women were freed of many deeds which are forced on women in patriarchal societies, such as cooking, house- and child-keeping. It should be noted, though, that most women’s living conditions didn’t generally increase under Mao, especially in the timeframe of the “Great Leap Forward”. All in all, relatively progressive policies regarding women rights were introduced, but as daily life was under strict control in the ”people’s commune” system, it can’t be assumed that women gained much factual freedom.

Deng’s reforms, as far as they focus on reforming the economy, don’t have a clear focus on gender issues. As the reforms changed the Chinese society from a socialist one into a socialist-capitalist hybrid, developments emerged which we can see in western capitalist societies as well. Studies suggest that while chances for women increased, they paid an unfair share of the cost (Summerfield 1994). With a re-privatization of farmland came increasing dependence of women on men, as they got the lion’s share of wealth increases. Private companies weren’t forced by party ideology to pay equally. This led to the feminization of low-paid sectors (Xin 2016). ”Pink-collar work” emerged, which, as experiences in the west show, can negatively impact women’s working choices and earnings. A truly Maoist economy might reduce the negative impact, though, by emphasizing equal pay, albeit China’s economy developed significant gender inequalities in the Reform era. With the segregation of women’s and men’s career paths and the decision of employing based on economic prospects rather than central planning hiring discrimination increased. Similar to western countries, women in “child-bearing” age face an increased risk of rejection, as do older women which are affected by ageism. Adversely to this trend, women increasingly gain importance as entrepreneurs. In 2017, 37.5 percent of all
female billionaires were Chinese (Sorvino 2017). Commonly, this is attributed to the emphasize put on formal education and entrepreneurial spirit in Chinese culture (Tse and Tai 2020). Studies on the topic are lacking, though, and entrepreneurially active women are only a minority of total female workforce in China, as elsewhere. Besides unequal working conditions, increasing social mobility affects women in China disproportionately. Deng’s reforms left untouched the “Hukou” household registration system, which only allows usage of certain social infrastructure (most notably healthcare and education) in one’s home region. As the system is tied to one’s maternal line, women are disproportionately affected.

More gender issues can be found which stem in expectations on women’s life planning and behavior in Chinese society. One example would be the high pressure on marriage and the risk to be stamped as a (morally inferior or faulty) “leftover women”. However it is difficult to link these issues to Deng’s reforms directly, as they partially root in earlier developments and Confucian culture, so they are outside of this paper’s scope.

In general, any analysis of gender issues in China in the last century is difficult due to a lack of trustworthy data. Available data is relatively sparse and suffers from a lack of politically independent research institutions in China. To some extent, the sole acceptance of gender inequality contradicts the party line.

CONCLUSIONS

To sum up, in terms of rising economic growth and living quality, Deng’s reform proved to be a huge success. Relevant variables (GDP, HDI) rose remarkably. China’s economy became effective enough to compete globally and dominate global supply chains.

If we take a look into how this wealth is distributed, we face problems which still wait to be solved. On the lines of regions and gender, wealth is increasingly unequally distributed. The rising mismatch in economic chances between genders can be directly linked to the capitalist restructuring of the economy under Deng. Considering the massive reduction of poverty, though, it is sensible to assume that all genders benefited from the wealth which came with the reforms. Research on Deng’s successors’ policies will have to show whether they manage to reduce inequality and sexism, as simple increases in material wealth will be less and less of a benefit for personal well-being in China.

During the reform era, the conservation of the environment and climate crisis emerged as global topics. We didn’t include these topics into our work as they are beyond the scope of this paper. The reforms don’t explicitly include any relevant environmental policies, but have a very negative impact on the environment most likely, if only because they promoted massive production-based economic growth.
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