

the so-called Gang of Four, led by Mao's wife, Jiang Qing. This marked the end of the Cultural Revolution. It had claimed at least a million lives and brought the nation close to civil war.

### Deng Xiaoping and the Transformation of Chinese Communism (1977–1997)

To repair the damage caused by the Cultural Revolution, China's new leaders restored to power many veteran officials who had been purged by Mao and the radicals. These included Deng Xiaoping. By 1978, Deng had clearly become the country's most powerful leader, although he never took for himself the formal positions of head of either the Communist Party or the Chinese government. Instead he appointed younger, loyal men to those positions.

Deng's policies were a profound break with the Maoist past. He had long believed that Mao put too much emphasis on politics and not enough on the economy. Under Deng, state control of the economy was significantly reduced. Market forces were allowed to play an increasingly important role. Private enterprise was encouraged. The government allowed unprecedented levels of foreign investment. Chinese artists and writers saw the shackles of party control that had bound them for decades greatly loosened. Deng took major steps to revitalize China's government by bringing in younger, better-educated officials. After decades of stagnation, the Chinese economy began to experience high-levels of growth in the 1980s, which became the foundation for what has been called "one of the great economic miracles of the twentieth century."<sup>4</sup>

Deng Xiaoping gathered global praise for his leadership of the world's most populous nation. He was named *Time* magazine's Man of the Year, first for 1978, then again for 1985. But, in spring of 1989, he and the CCP were faced with a serious challenge when large-scale demonstrations arose in Beijing and several other Chinese cities, the result of discontent over inflation and corruption, as well as a desire—especially among students and intellectuals—for more political freedom. At one point, more than a million people from all walks of life gathered in and around Tiananmen Square in the center of Beijing to voice their concerns. A very large contingent of students set up a camp in the Square, which they occupied for about two months.

For quite a while, the CCP leadership, hampered by intensive international media coverage and internal disagreements about how to handle the protests, did little more than roll out threatening rhetoric to dissuade the demonstrators. But China's leaders ran out of patience, and the army was ordered to use force to clear the square during the very early morning hours of June 4. By the time dawn broke in Beijing, Tiananmen Square had indeed been cleared, but with a death toll that still has not been revealed. The Chinese government still insists that it did the right thing in the interests of national stability.

Following the Tiananmen massacre, China went through a few years of intense political crackdown and a slowdown in the pace of economic change. Then, in early 1992, Deng Xiaoping took some bold steps to accelerate reform of the economy. He did so in large part hoping that economic progress would avoid a collapse of China's communist system such as had occurred just the year before in the Soviet Union.

### From Revolutionaries to Technocrats (1997 to the Present)

In mid-1989, Deng Xiaoping had promoted Jiang Zemin, the former mayor and Communist Party leader of Shanghai, to become the head of the CCP. Although Deng remained the power behind the throne, he gradually turned over greater authority to Jiang, who also became president of the PRC in 1993. When Deng Xiaoping died in February 1997, Jiang was secure in his position as China's top leader.



## PROFILES



Portrait of Chinese Communist leaders Mao Tse-tung and Deng Xiaoping. 1959 photograph. Image by © Bettmann/CORBIS

### A Tale of Two Leaders

Mao Zedong (1893–1976) and Deng Xiaoping (1904–1997) had much in common. They were both born in rural China and joined the Chinese Communist Party in their early 20s. They both participated in the CCP's "Long March" in 1934–1935 to escape annihilation by Chiang Kai-shek's Nationalist army. When Mao consolidated his power as the undisputed leader of the CCP in the 1940s, Deng became one of his most trusted comrades.

Throughout the 1950s, Deng rose to the highest levels of leader-

ship in the People's Republic of China due to his record of accomplishments in jobs assigned to him by Mao and his personal loyalty to the Chairman. And both men transformed China in ways that mark them as two of the most important figures in all of Chinese—and perhaps world—history.

But, in some ways, Mao and Deng were very different. Deng had more experience of the outside world than Mao. He had studied and traveled in Europe and the Soviet Union in the 1920s. Mao, by contrast, left China only twice in his life: in 1950 and 1957, both on official visits to Moscow. Deng was a pragmatist—someone who acts to get things done rather than dwelling on abstract ideas. Mao was an idealist who thought about the future in utopian terms and then tried to find ways to make reality fit his vision.

By the mid-1960s, Mao had decided that Deng's pragmatism was threatening his vision for China's communist future. The Chairman launched the Cultural Revolution largely to displace from power those like Deng whom he regarded as taking the "capitalist road" in promoting economic development. Deng was purged in 1966 and sent to work in a factory.

Mao restored him to office in 1973, only to purge him again in the spring of 1976 for similar reasons.

Less than a year after Mao died in September 1976, Deng was brought back to the inner circle of power by moderate leaders who had orchestrated the arrest of the top radical Maoists in the CCP (the "Gang of Four"). Deng, in turn, masterfully (and rather gently compared to Mao) pushed aside most of the colleagues who had reinstated him. By the end of the 1970s, he was clearly China's most powerful leader. He would remain so for two decades until infirmity forced him into retirement.

Deng used his power to lead the country towards spectacular economic growth by taking China in a very un-Maoist direction—some would say he took China down the capitalist road. But one other thing that Mao and Deng had in common was an unshakeable belief that communist party leadership of China should not be challenged. Mao initiated a number of ruthless campaigns to squash dissent. The brutal crackdown on the Beijing pro-democracy protests in June 1989 was Deng's response to those who questioned party rule.

Today both Mao Zedong and Deng Xiaoping are revered in China. Mao's legacy is tarnished by public memories and official acknowledgement of the tragic human cost of his utopian campaigns. But he is regarded as the founder of the People's Republic and for reestablishing China's sovereignty and dignity after more than a century of humiliation at the hands of foreign powers. Deng is, of course, seen as the architect of China's economic miracle. Few people associate him with the 1989 Beijing massacre since that remains a forbidden topic in the PRC.

The most visible monument to Mao is a large memorial hall in Tiananmen Square. Long lines form as people wait their turn to enter the hall to pay their respects to the Chairman's glass-encased embalmed corpse. When Deng died in 1997, his cremated ashes were scattered at sea according to his wishes. His most visible monument is the prosperity of the Chinese people and nation—and the continued iron-fisted rule of the Chinese Communist Party.

Under Jiang Zemin's leadership, China continued its economic reforms and remarkable growth. The PRC became an even more integral part of the global economy. It enhanced its regional and international stature. But the country also faced widening gaps between the rich and the poor, environmental degradation, and pervasive corruption. Overall, China was politically stable during the Jiang era. But the CCP still repressed any individual or group it perceived as challenging its authority.

Jiang Zemin was succeeded as head of the CCP in November 2002 and PRC president in March 2003 by Hu Jintao. The transfer of power from Jiang to Hu was remarkably predictable and orderly. Some observed that it was the first relatively peaceful top-level political succession in China in more than 200 years. Jiang had



This cartoon captures the contradiction between economic reform and political repression that characterized China under the leadership of Deng Xiaoping.

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### technocrats

Career-minded bureaucrats who administer public policy according to a technical rather than a political rationale.

retired after two terms in office, as required by new party rules and the state constitution, and Hu had, for several years, been expected to succeed Jiang.

Both Jiang and Hu also represented a new kind of leader for the PRC. Mao Zedong and Deng Xiaoping had been involved in communist politics almost their whole adult lives. They had participated in the CCP's long struggle for power dating back to the 1920s. They were among the founders of the communist regime in 1949. In contrast, Jiang and Hu were **technocrats**. They had university training (as engineers) before working their way up the ladder of success in the CCP by a combination of professional competence and political loyalty.

Hu Jintao was re-elected to second five-year terms as both CCP leader (in October 2007) and PRC president (in March 2008). He has tried to project himself as a populist leader by placing greater emphasis on dealing with the country's most serious socioeconomic problems, such as

the enormous inequalities between regions and the terribly inadequate public health system. But like his predecessors, Hu has taken a hard line on political dissent and challenges to the authority of the Communist Party.

In 2008, the top leaders of the CCP began grooming Xi Jinping (b. 1953) to succeed Hu Jintao when he retires as head of the party in 2012 and president of the country in 2013. Xi is also a technocrat with a degree in chemical engineering. There is little reason to expect he will deviate significantly from the combination of economic reform and political repression that has been the CCP's formula for retaining power since the days of Deng Xiaoping.

## Themes and Implications

### Historical Junctures and Political Themes

**The World of States** At the time the People's Republic was established in 1949, China occupied a very weak position in the international system. For more than a century, its destiny had been shaped by interventions from abroad that it could do little to control. Mao made many tragic and terrible blunders during his years in power. But one of his great achievements was to build a strong state able to affirm and defend its sovereignty. China's international stature has increased as its economic and military strength have grown. Although still a relatively poor country by many per capita measures, the sheer size of its economy makes the PRC an economic powerhouse. Its foreign trade policies have a significant effect on many other countries and on the global economy. China is a nuclear power with the world's largest conventional military force. It is an active and influential member of the world's most important international organizations, including the United Nations, where it sits as one of the five permanent members of the Security Council. China has become a major player in the world of states.

**Governing the Economy** Throughout its history the PRC has experimented with a series of very different approaches to economic development: a Soviet-style planning system in the early 1950s, the radical egalitarianism of the Maoist model, and the market-oriented policies implemented by Deng Xiaoping and his successors. Ideological disputes over these development strategies were the main cause of the ferocious political struggles within the CCP during the Mao era. Deng began his bold reforms in the late 1970s with the hope that improved living standards would restore the legitimacy of the CCP, which had been badly tarnished by the economic failings and political chaos of much of the previous three decades. The remarkable success of China's recent leaders in governing the economy has sustained the authority of the CCP at a time when most of the world's other communist regimes have disappeared.

**The Democratic Idea** Any hope that the democratic idea might take root in the early years of communist rule in China quickly vanished by the mid-1950s with the building of a one-party communist state and Mao's unrelenting campaigns against alleged enemies of his revolution. The Deng Xiaoping era brought much greater economic, social, and cultural freedom, but time and again the CCP has strangled the stirrings of the democratic idea, most brutally in Tiananmen Square in 1989. Jiang Zemin and Hu Jintao have been faithful disciples of Deng. They have vigorously championed economic reform in China. They have also made sure that the CCP retains its firm grip on power.

**The Politics of Collective Identity** Because of its long history and ancient culture, China has a very strong sense of collective national identity. Memories of past humiliations and suffering at the hands of foreigners still influence the international



Jeff Widener /AP Images.

In an act of outrage and protest, an unarmed citizen stood in front of a column of tanks leaving Tiananmen Square the day after the Chinese army had crushed the prodemocracy demonstration in 1989. This "unknown hero" disappeared into the watching crowd. Neither his identity nor his fate is known.

policies of the PRC. In addition, faith in communist ideology has weakened as the country embraces capitalist economic policies. For this reason, CCP leaders have increasingly turned to nationalism as a means to rally the Chinese people behind their government. China's cultural and ethnic homogeneity has also spared it the widespread communal violence that has plagued so many other countries. The exception has been in the border regions where there is a large concentration of minority peoples, including Tibet and the Muslim areas of China's northwest.

### Implications for Comparative Politics

#### communist party-states

A political system in which a communist party holds a monopoly on political power and controls the government (the state).

The People's Republic of China can be compared with other **communist party-states** with which it shares, or has shared, many political and ideological features. From this point of view, China raises intriguing questions: Why has China's communist party-state so far proved more durable than that of the Soviet Union and nearly all other similar regimes? By what combination of reform and repression has the CCP held on to power? What signs are there that it is likely to hold power for the foreseeable future? What signs suggest that communist rule in China may be weakening? What kind of political system might emerge if the CCP were to lose or relinquish power?

China can also be compared with other developing nations that face similar economic and political challenges. Although the PRC is part of the Third World as measured by the average standard of living of its population, its record of growth in the past several decades has far exceeded almost all other developing countries. Furthermore, the educational and health levels of the Chinese people are quite good when compared with many other countries at a similar level of development, such as India. How has China achieved such relative success in its quest for economic and social development? By contrast, much of the Third World has become more democratic in recent decades. How and why has China resisted this wave of democratization? What does the experience of other developing countries say about how economic modernization might influence the prospects for democracy in China?

Napoleon Bonaparte, emperor of France in the early nineteenth century, once remarked when looking at a map of Europe and Asia, "Let China sleep. For when China wakes, it will shake the world."<sup>5</sup> It has taken awhile, but China certainly has awakened. Given its geographic size, vast resources, huge population, surging economy, and formidable military, China is shaking the world.

### Summary

China has experienced more dramatic changes over the last century than almost any other country. Until 1912, it was an imperial system headed by an emperor. From then until 1949 it was known as the Republic of China, but the central government was never in full control. Warlords ruled various parts of the country. China suffered terribly from a brutal invasion by Japan during World War II. In 1949, a civil war that had been waged for two decades ended when the Chinese Communist Party under Chairman Mao Zedong defeated the Nationalist armies and established the People's Republic of China. From then until his death in 1976, Mao imposed a kind of radical communism on China. This had a mostly disastrous political and economic impact. Eventually, Deng Xiaoping became China's most powerful leader in 1978. He implemented major reforms that helped make China the fastest-growing major economy in the world. But he and his successors have suppressed all challenges to the authority of the Communist Party.

# POLITICAL ECONOMY AND DEVELOPMENT

## 2 SECTION

### State and Economy

When the Chinese Communist Party came to power in 1949, China's economy was suffering from more than a hundred years of rebellion, invasion, civil war, and bad government. The country's new communist rulers seized most property from wealthy landowners, rich industrialists, and foreign companies. Nevertheless, it initially allowed some private ownership and many aspects of capitalism to continue in order to gain support for the government and revive the economy.

In the early 1950s, the CCP set up a socialist planned economy based on the Soviet model. The state owned or controlled most economic resources. Government planning and commands, not market forces, drove economic activity, including setting prices for almost all goods.

In the beginning, China's planned economy yielded impressive results. But it also created huge bureaucracies and new inequalities, especially between the heavily favored industrial cities and the investment-starved rural areas. Both the Great Leap Forward (1958–1961) and the Cultural Revolution (1966–1976) embodied the unique and radical Maoist approach to economic development that was intended to be less bureaucratic and more egalitarian than the Soviet model.

Under Mao, the PRC built a strong industrial base. The people of China became much healthier and better educated. But the Maoist economy was plagued by political interference, poor management, and ill-conceived projects. This led to wasted resources of truly staggering proportions. Overall, China's economic growth rates, especially in agriculture, barely kept pace with population increases. The average standard of living changed little between the mid-1950s and Mao's death in 1976.

### China Goes to Market

In 1962 Deng Xiaoping had remarked, "It doesn't matter whether a cat is white or black, as long as it catches mice."<sup>6</sup> He meant that the CCP should not be overly concerned about whether a particular policy was socialist or capitalist if it helped the economy. Such sentiments got Deng in trouble with Mao. They made Deng one of the principal targets of the Cultural Revolution.

Once he emerged as China's foremost leader in the aftermath of Mao's death in 1976, Deng let the cat loose. He spearheaded sweeping economic reforms that greatly reduced government control and increased market forces. Authority for making economic decisions passed from bureaucrats to families, factory managers, and even the owners of private businesses. Individuals were encouraged to work harder and more efficiently to make money rather than to "serve the people" as had been the slogan during the Maoist era.

In most sectors of China's economy today, the state no longer dictates what to produce and how to produce it. Almost all prices are now set according to supply and demand, as in a capitalist economy, rather than by administrative decree. Many government monopolies have given way to fierce competition between state-owned and non-state-owned firms. But there are still many thousands of **state-owned enterprises**

### Focus Questions

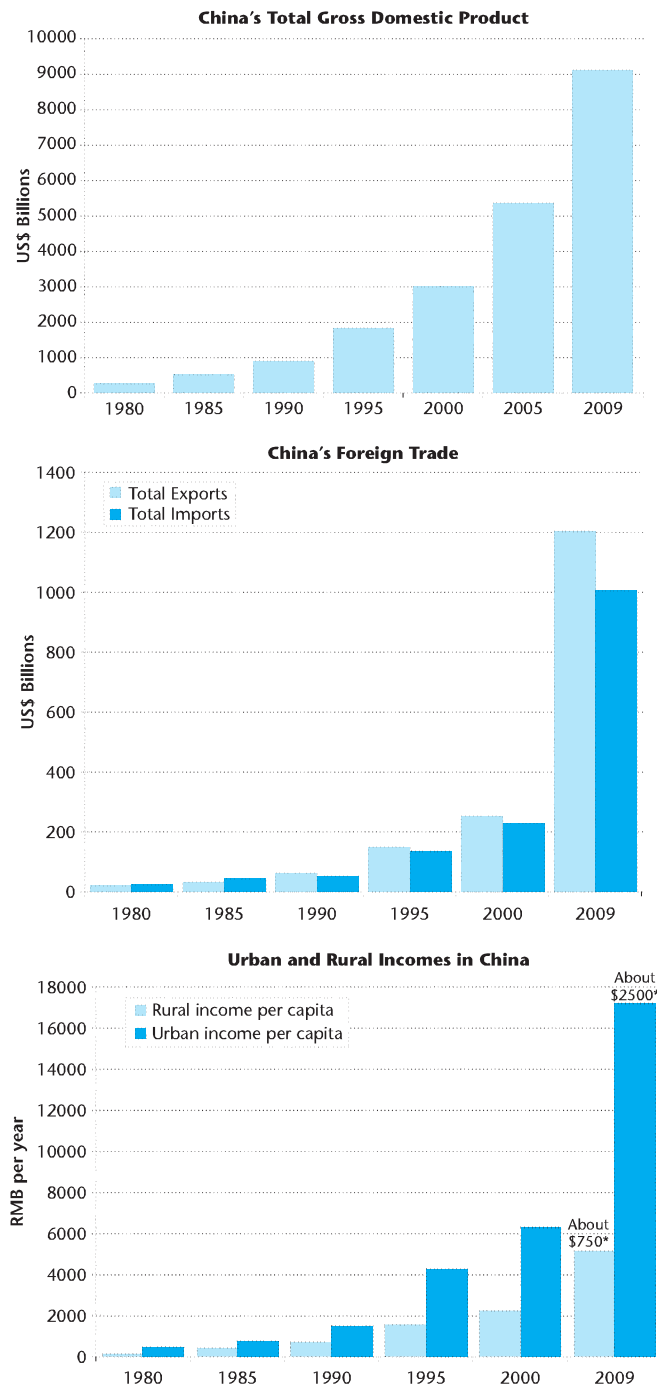
What were the major differences between Mao Zedong's approach to governing the economy and that of Deng Xiaoping?

What have been the major social consequences of China's rapid economic growth over the last three decades?

In what ways has China's economy become globalized?

### state-owned enterprises (SOEs)

Companies in which a majority of ownership control is held by the government.



\*These figures are based on official international currency exchange rates for the US dollar and the Chinese RMB. If purchasing power figures for urban and rural incomes were available, the figure in US\$ would be two to four times higher.

**FIGURE 14.2** The Transformation of the Chinese Economy

The above charts illustrate China's phenomenal economic growth over the last three decades. The third chart also shows the growing inequality between the urban and rural areas.

Source: China Statistical Yearbooks, United States–China Business Council. Chinability.com

(SOEs) with millions of employees in China. Although vastly outnumbered by private enterprises with many more workers, SOEs still dominate critical parts of the economy such as steel, petroleum, telecommunications, and transportation.

But even SOEs must now respond to market forces. Some have become very profitable, modern enterprises. But many others are overstaffed economic dinosaurs with outdated facilities and machinery. The state-owned sector remains a huge drain on the country's banks (largely government-controlled), which are still sometimes required to bail out financially failing SOEs. These large loans are rarely, if ever, paid back. Many economists think that even more drastic SOE reform is needed. But the country's leaders fear the political and social turmoil that would boil up from a massive layoff of industrial workers.

Somewhat ironically, the Chinese Communist Party now strongly encourages and supports private businesses. The private sector is the largest and fastest growing part of China's economy. The CCP even welcomes owners of private enterprises—sometimes called “red capitalists” to join the party.<sup>7</sup>

The results of China's move from a planned toward a market economy have been phenomenal (see Figure 14.2). The PRC has been the fastest-growing major economy in the world for more than two decades. China's Gross Domestic Product (GDP) per capita grew at an average rate of a little over 9 percent per year from 1990 to 2009. During the same period, the per capita GDP growth of the United States was 1.5 percent per year, India's was 4.5 percent, and Brazil's 1 percent. China weathered the recession of 2009–2010 far better than any other major economy.

Nevertheless, China's GDP per capita (a rough measure of the average standard of living) is still very low when compared to that of richer countries. As of 2010, GDP per capita in the United States was \$47,500. In the PRC, it was \$7400, but in 1980, it was only \$250, showing again how spectacular China's economic growth has been in recent decades.

Rising incomes have also led to a consumer revolution. In the late 1970s, people in the cities could only shop for most consumer goods at state-run stores. These carried a very limited range of often shoddy products. Today China's urban areas are shopping paradises. They have

domestic and foreign stores of every kind, huge malls, fast-food outlets, and a great variety of entertainment. A few decades ago, hardly anyone owned a television. Now most households have a color TV. Cell phones are everywhere. In the cities, a new middle class is starting to buy houses, condominiums, and cars. China is even developing a class of “super-rich” millionaires and billionaires.

Despite these changes, economic planning has by no means disappeared. Officially, the PRC says it has a **socialist market economy**. While allowing some degree of capitalism, national and local bureaucrats continue to exercise a great deal of control over the production and distribution of goods, resources, and services. According to the country’s constitution (Article 15), “The state strengthens economic legislation, improves macro-control of the economy, and, in accordance with the law, prohibits disturbance of the socioeconomic order by any organization or individual.” Market reforms have gained substantial momentum that would be nearly impossible to reverse. But the CCP still determines the direction of China’s economy.

### **socialist market economy**

The term used by the government of China to refer to the country’s current economic system.

## **Remaking the Chinese Countryside**

One of the first revolutionary programs launched by the Chinese Communist Party when it came to power in 1949 was land reform that confiscated the property of landlords and redistributed it as private holdings to the poorer peasants. But in the mid-to late 1950s the state reorganized peasants into collective farms and communes in which the village, not individuals, owned the land, and local officials directed all production and labor. Individuals were paid according to how much they worked on the collective land. Peasants had to sell most crops and other farm products to the state at low fixed prices. Collectivized agriculture was one of the weakest links in China’s command economy because it was very inefficient in the way it used resources, including labor, and undermined incentives for farmers to work hard to benefit themselves and their families. Per capita agricultural production and rural living standards were stagnant from 1957 to 1977.

Deng Xiaoping made the revival of the rural economy one of his top priorities when he became China’s most powerful leader in the late 1970s. He abolished collective farming and established a **household responsibility system**, which remains in effect today. Under this system, the village still owns the farmland. But it is contracted out by the local government to individual families, which take full charge of the production and marketing of crops. Largely because farmers are now free to earn income for themselves, agricultural productivity has sharply increased. There are still many very poor people in the Chinese countryside, but hundreds of millions have been lifted out of extreme poverty in the last two and a half decades.

Economic life in the rural China has also been transformed by the expansion of rural industry and commerce. Rural factories and businesses range in size from a handful of employees to thousands. They employ more than 190 million people and have played a critical role in absorbing the vast pool of labor that is no longer needed in agriculture.

### **household responsibility system**

The system put into practice in China beginning in the early 1980s in which the major decisions about agricultural production are made by individual farm families based on the profit motive rather than by a people’s commune or the government.

## **Society and Economy**

Economic reform has made Chinese society much more diverse and open. People are vastly freer to choose jobs, travel about the country and internationally, practice their religious beliefs, join non-political associations, and engage in a wide range of



other activities that were prohibited or severely restricted during the Maoist era. But economic change has also caused serious social problems. Crime, prostitution, and drug use have sharply increased. Although such problems are still far less common in China than in many other countries, they are severe enough to worry national and local authorities.

Economic reform has created significant changes in China's basic system of social welfare. The Maoist economy provided almost all workers with what was called the **iron rice bowl**. As in other communist party-state economies, such as the Soviet Union, the government guaranteed employment, a certain standard of living, and basic cradle-to-grave benefits to most of the urban and rural labor force. The workplace was more than just a place to work and earn a living. It also provided housing, health care, day care, and other services.

China's economic reformers believed that guarantees like these led to poor work motivation and excessive costs for the government and businesses. They implemented policies designed to break the iron rice bowl. Income and employment are no longer guaranteed. They are now directly tied to individual effort.

An estimated 60 million workers have been laid off from state-owned enterprises since the early 1990s. Many are too old or too unskilled to find good jobs in the modernizing economy. They are now the core of a very large stratum of urban poor that has become a fixture in even China's most glittering cities. The PRC has very little unemployment insurance or social security for its displaced workers. Work slowdowns, strikes, and large-scale demonstrations are becoming more frequent, particularly in China's northeastern rust belt, where state-owned industries have been particularly hard hit. The official unemployment rate is about 4 percent of the urban labor force. But it is generally believed to be two to three times as high. If unemployment continues to surge, labor unrest could be a political time bomb in China's cities.

Certainly life has become much better for the vast majority of people who still live in the rural areas. But they also face serious problems. The availability of health care, educational opportunities, disability pay, and retirement funds now depends on the relative wealth of families and villages. Social services of all kinds are much poorer in the countryside than in the cities, although the Chinese government has recently said that it is committed to reducing such inequalities. Rural protests, sometimes violent, have increased significantly in recent years. The protesters have been angry about high taxes, corrupt local officials, pollution, illegal land seizures by developers, and delays in payments for agricultural products purchased by the government.

Economic changes have opened China's cities to a flood of rural migrants. After agriculture was decollectivized in the early 1980s, many peasants, no longer held back by the strict limits on internal population movement enforced in the Mao era, headed to the urban areas to look for jobs. This so-called **floating population** of about 150 million people is the biggest human migration in history. In Shanghai more than one-third of the population of 23.0 million is made up of migrants. Migrant workers are mostly employed in low-paying jobs, but fill an important niche in China's changing labor market, particularly in boom areas like construction.

Migrants also increase pressure on urban housing and social services. In some cities, many now live in "urban villages." These are areas on the fringes of cities where cheap, crowded, and substandard accommodations are available. Because the slum-like conditions sometimes breed crime and other social problems, some cities have taken to locking the gates of urban villages at night to keep residents from

### iron rice bowl

A feature of China's socialist economy during the Maoist era (1949–1976) that provided guarantees of lifetime employment, income, and basic cradle-to-grave benefits to most urban and rural workers.

### floating population

Migrants from the rural areas who have moved temporarily to the cities to find employment.



The futuristic skyline of Shanghai's Pudong district reflect the spectacular modernization of China's most prosperous areas in recent decades.

venturing out. If a stalled economy thwarts the economic aspirations of migrants or if local governments treat them too roughly or unfairly, their presence in Chinese cities could become politically destabilizing.

The benefits of economic growth have reached most of China. But the market reforms and economic boom have created sharp class differences, and inequalities between people and parts of the country have risen significantly. A huge gap separates the average incomes of urban residents from those in the countryside (see Fig. 14.2). Farmers in China's poorer areas have faced years of stagnating or even declining incomes. The gap is also widening between the prosperous coastal regions and most inland areas.

Such inequalities are an embarrassment for a political party that still claims to believe in communist ideals. The CCP has begun to promote the development of what it calls a "harmonious socialist society," which emphasizes not only achieving a higher average standard of living for the whole country, but also a more equitable distribution of income and social services. There is more investment being directed to the rural economy, and, in 2006, the government abolished taxes on agriculture, which had been in effect in some form in China for 2,600 years.

Gender inequalities have also grown in some ways since the introduction of the economic reforms. The social status, legal rights, employment opportunities, and education of women in China have improved enormously since the founding of the PRC in 1949. Women have benefited from rising living standards and economic modernization. But the trend toward a market economy has not benefited men and women equally. Although China has one of the world's highest rates of female participation in the urban workforce, market reforms have "strengthened and in some cases reconstructed the sexual division of labor, keeping urban women in a transient, lower-paid, and subordinate position in the workforce."<sup>8</sup>