Truths and Half Truths

China's socio-economic reforms
(1978–2010)

FERDINAND A. GUL AND HAITIAN LU

Oxford Cambridge Philadelphia New Delhi
## Contents

**Preface** ix
**Acknowledgements** xi
**List of abbreviations** xiii
**List of figures and tables** xvii
**Note on transliteration and currency** xix
**Political map of China** xxiii
**About the authors** xxvii

1. **Population and employment** 1
   - Demography shapes Chinese society – population dynamics and economic implications 1
   - Employment reform – from labor system to labor market 14
   - Notes 27

2. **Social security** 33
   - Social security reform – process and challenges 33
   - Pension reform 36
   - Housing reform 42
   - Healthcare reform 47
   - Notes 58

3. **Economic growth versus environmental degradation** 63
   - A legacy of ecological devastation 63
   - Environmental challenges 64
   - Positive government action 79
   - Obstacles to sustainable development 80
   - Notes 83
4  Anti-poverty campaign – the struggle between equality and efficiency  87
  Extent of poverty – dimensions and alternative estimates  87
  Income-earning potential of urban and rural poor  91
  Evolution of income distribution disparity in China since the economic reforms  99
  Notes  108

5  Rural land, peasants, and agriculture  113
  Who owns the land?  114
  Eviction without compensation  118
  Playing ‘cat-and-mouse’ with Beijing  121
  Unprofitable agriculture  124
  A threat of food crisis  126
  Rulers of China, beware!  128
  Notes  128

6  Corruption in contemporary China – an old dilemma with new features  131
  Measuring corruption  132
  Characteristics of corruption  135
  Dilemma of anti-corruption agencies  139
  Corruption in China’s anti-corruption agencies  142
  Beijing’s entrenched dilemma  143
  The way ahead: ‘selective toleration of corruption’ or radical reform?  145
  Notes  147

7  Educational developments and challenges  151
  Basic education  153
  Higher education reform: from elite education to mass production  161
  Notes  170

8  Enterprises, foreign trade, and the financial sector  175
  State-owned enterprise reform  176
<table>
<thead>
<tr>
<th>Contents</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign trade and investment</td>
<td>180</td>
</tr>
<tr>
<td>Financial sector reform</td>
<td>186</td>
</tr>
<tr>
<td>Notes</td>
<td>197</td>
</tr>
<tr>
<td>9  Political reform, civil society, media, and international relations</td>
<td>203</td>
</tr>
<tr>
<td>Beyond socialism and capitalism</td>
<td>203</td>
</tr>
<tr>
<td>Civil society: the lost intellectuals and a conservative middle class</td>
<td>212</td>
</tr>
<tr>
<td>Freedom of speech and media reform</td>
<td>214</td>
</tr>
<tr>
<td>China's rise: a threat to the world?</td>
<td>220</td>
</tr>
<tr>
<td>Notes</td>
<td>223</td>
</tr>
<tr>
<td>Appendix: Chronology of key events in the history of reform (1978-2010)</td>
<td>227</td>
</tr>
<tr>
<td>Bibliography</td>
<td>233</td>
</tr>
<tr>
<td>Index</td>
<td>255</td>
</tr>
</tbody>
</table>