China’s Openness and Reform at 30: Retrospect and Prospect

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Abstract

In 1978 China made a historic decision to adopt a policy of openness and reform. This ushered in a period of rapid economic transformation and social change. After 30 years, China’s record of economic success and modernization is breathtaking and unprecedented, despite environmental costs and social inequality. China’s development is uneven, lagging behind in political reforms, the minimization of social conflicts and the narrowing of regional inequalities. As China faces its future, the road to a true market economy and modernization remains a long and arduous one. Rural-urban disparity, economic and social support for farmers, and an ageing population represent some challenging and intractable concerns. A “harmonious society” has been identified as the vision to lead China forward.

In December 1978 at the Third Plenum of the 11th Party Congress, the Chinese authorities made the momentous decision to lay aside Communist dogmas and address decades of economic and social mismanagement in order to open up the country for foreign trade and investment. This was a turbulent period for China. The decade-long Cultural Revolution had recently come to a close, leaving the country in a shambles. China was at war with Vietnam, but in the same month agreeing to resume diplomatic relations with the United States, China was ready to make a new beginning.

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