

Title	Markets and Income Inequality in Rural China: Political Advantage in an Expanding Economy
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Abstract	<p>When market reform generates rapid growth in an agrarian subsistence economy, changes in inequality may be due to economic growth and structural change rather than to the intrinsic features of markets. The case of post-Mao China is examined using nationally representative survey data gathered in 1996 to address unresolved questions about findings from 1980s' surveys. Well into reform's second decade, political officeholding has a large net impact on household income-comparable to that of operating a private enterprise. Contrary to findings based on earlier surveys and expectations about the impact of growth, cadre household advantages are stable across levels and forms of economic expansion. Returns to entrepreneurship, however, decline sharply with the spread of wage employment. Future declines in relative returns to political position are therefore unlikely to occur due to the further spread of private household entrepreneurship, and theories of change based on this mechanism appear untenable.</p>