



SCHOOL OF
ECONOMICS AND
MANAGEMENT

Master's Programme in Economic Growth, Demography and Development

Deng Xiaoping's Meta-Discursive Ideology for economic development in the Reform Period and the Departure from Mao Zedong Thought

A qualitative content analysis of Deng Xiaoping's speeches and public
discussions from 1975 to 1982

by

Sara Bellamqaddam, sarabellamqaddam@gmail.com

[Abstract]

The rise of China and 1978-market reforms contrasts other post-socialist economies process of institutional and economic change. President Deng Xiaoping announced China's continued commitment to socialism, yet his leadership is by some viewed to be the most radical social and economic transformation in contemporary Chinese history. One of the most extraordinary aspects of the Chinese reform period is the fact that the Chinese Communist Party (CPC) maintained its political hegemony despite radical institutional change. This essay aims to grant an explanation to how Deng's discourse positioned reforms to nuance the considerable and large academic coverage of concrete policies in the reform period. Also, this essay will provide systematic insight into how Deng discursively managed to balance between radical changes in the economy, breaking with Mao Zedong Thought and maintaining the CPC's hegemony. This essay is a qualitative content analysis of speeches and discussions based on state-centered analysis, Cheung's interest theory and the theory of induced institutional innovation. The overarching findings for how Deng positioned reforms are: *China taking its chance*, *China putting in the effort* and *China finding its place in the world*. The main results for how Deng framed the departure from Mao Zedong Thought are: *Mao Zedong Thought allows change in politics* and *Mao Zedong Thought is not Mao the person*. The findings of this essay bring forward nuanced interpretations of highly contentious concepts: institutional change, gradualism, pragmatism, self-reliance, open door policy, Marxist universal principles, Mao Zedong Thought and Chinese characteristics.

Programme Code: EKHS21

Master's Thesis (15 ECTS)

June 2022

Supervisor: Sylvia Schwaag Serger

Examiner: Sara Torregrosa Hetland

Word Count: 15 953

Acknowledgements

I would like to express my gratitude to my supervisor, Sylvia Schwaag Serger, who guided me throughout this project, offered deep insight into the analysis and shared her knowledge in the subject. I also wish to acknowledge the help provided by the Asia library and the School of Economics and Management's library in Lund.

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1 Introduction

1.1 Background

In 1982, President Deng Xiaoping announced China's goal to become a "moderately well-off society". In 2021, the task came due (Kallio 2016). One of two anniversaries in the quest of economic development was to be fulfilled with the 100-year mark of the establishment of the Chinese Communist Party (CPC) in 2021. The fulfilment of a moderately well-off society would legitimise the CPC's rule and signal the priority which economic development has been granted since 1978. The second anniversary will occur in 2049, the 100-year mark of the foundation of the People's Republic. By then, China will accomplish the rejuvenation of a "modern socialist nation" as a superpower in military, political and economic terms (Kallio 2016). Deng's leadership promised China a 50-year period to catch up to the contemporary middle-developed market economies (Nee & Lian 1994). According to Deng, these ambitions could only be met by opening up to the world and by carrying out reforms (Qing 2010).

Deng is frequently credited as the "Architect of Modern China", launching the economy towards modernisation and development. Ang (2021), a professor in political science, states that the content and function between political leaders' speeches are different between the Western and Chinese setting. In the West, politicians deliver speeches with persuasive and accessible content to gain public support and voters. Chinese political leaders' speeches are complex and diffuse party-discourse that function more as policy communication rather than building the public opinion. This difference lies in the Chinese system and its absence of political competition. Since the CPC has political hegemony, speeches are often addressed to the polity rather than the public, and thus speeches can be understood as instructions for officials and policy-makers. Lower-level officials and policy-makers are tasked with interpreting the grand vision, and then implementing and refining the content of the speeches into policy adapted to the local and present conditions (Ang 2021).

Since 1978, has China transitioned from a planned economy under Mao Zedong into a hybrid model which combines market forces and state elements (Lipsky et al. 2021). This transition is mostly attributed to President Deng, in power 1978-1997, and his Deng Xiaoping Thought (Tisdell 2009). During China's socialist era under Mao and Mao Zedong Thought, essentially all productive assets were state-owned. Since 1978, the composition of ownership has shifted toward private ownership in goods-producing sectors. Some economists deem this shift to be the main driver of China's dramatic growth (Naughton 2017). Interestingly, the CPC secured its political hegemony whilst carrying out "the greatest program for economic reform in history" according to economist Steven Cheung (cited in Coase & Wang 2012:x).

In 1982, Deng Xiaoping Thought was enshrined in the constitution at the CPC National Congress, alongside Mao Zedong Thought and later Xi Jinping Thought (Qing 2010). “Building socialism with Chinese characteristics” became the new meta-discursive ideology for economic development and thereof replaced the methods of Mao (Qing 2010, Tisdell 2009). Nevertheless, Tisdell (2009) asserts that one cannot be certain that Deng’s overreaching goals for China were different to Mao’s. Like Mao, Deng believed that the main ambitions were to maintain the CPC’s hegemony and attain high growth rates. It was only Deng’s method for achieving such goals that was radical (Tisdell 2009). Deng argued there was no inherent contradiction between socialism and market economic logic. Deng challenged the then-dominant dualistic notion of socialism being equal to planned economic system and capitalism entailing market economy. He instead suggested that a combination of the two modes of production would grant China more productive forces and initiate take-off (Qing 2010). Deng was convinced that the domestic and international prerequisites were different in the late-1970s from 1949, hence the national strategy had to reform (Tisdell 2009).

Guided by economic pragmatism and gradualism, Deng viewed the past political philosophy of class struggle to be an obstacle to China’s advancement (Tisdell 2009). The years following Mao’s death, the socialist ideology was re-purposed or pushed aside in order to give economic development main priority (Coase & Wang 2012:41). The new national priority required massive institutional change. Planning, gradual implementation and trial-and-error strategies made up the foundation of Deng’s development method (Tisdell 2009). The main features of Deng’s reforms include an emphasis on merits and professionalism, modernisation and science, promoting producers’ economic incentives, reliance on market forces for economic production and organisation, investment and production becoming dictated on economic rather than political grounds, and opening-up (Tisdell 2009).

1.2 Purpose and Problem Definition

Firstly, the Chinese political process where meta-discourse is reformulated to concrete policies has been labelled “directed improvisation” by Ang (2021). Since Deng had no economic blueprint, he disclosed vague aspirations for China which urged officials and policy-makers to experiment and formulate reforms gradually. This chain of political and policy communication requires in-depth analysis if foreign observers are to explore past and present political and economic institutional change in China (Ang 2021). Therefore, the purpose of this essay is to grant greater understanding to how Deng positioned reforms and institutional change to contrast the considerable and large academic coverage of concrete policies in the reform period. Also, this essay has the purpose to systematically provide insight to the meta-discursive ideology Deng put forth in a time of swift institutional and ideological transformation.

Secondly, Deng considered economic development to be conditioned on ideological and political continuity and the CPC’s hegemony. Yet radical shifts in economic institutions and in individual economic behaviour were necessary for China’s pursuit of growth (Coase & Wang

2012:40). Deng was tasked with gradually detangling Chinese economic institutions from command-economy logic and Mao Zedong Thought, whilst maintaining a stable political environment (Naughton 2018:103). In the perspective of economic and institutional theory, China's reform period urges Nee and Oppen (2012:38) to call for a reassessment and further understanding of institutional change in economic development. This essay is in large an attempt to undertake one part of this challenge: by systematically providing insight to how Deng discursively managed to balance between political continuity and radical changes in the economy.

1.2.1 Research Questions

This essay has the purpose to answer the following research questions:

- How did Deng Xiaoping position market reforms and opening-up policies in his speeches and public discussions from 1975 to 1982?
- How did Deng Xiaoping frame the break from Mao Zedong Thought whilst maintaining the Chinese Communist Party's political hegemony in his speeches and public discussions from 1975 to 1982?

The research questions aim to analyse and systematically showcase how Deng's discourse positioned institutional change whilst keeping a unified and clear political ideology in a time of great uncertainty in China. This essay hopes to grant greater understanding of the thought patterns which balanced the need for ideological and political continuity against the need for dramatic shifts in economic policy to ensure development for an underdeveloped country. Also, by revisiting the period of fierce intellectual debates in China, this essay aims to pinpoint how Deng's departure from Mao Zedong Thought, the most radical social transformation in contemporary China, was framed and later accepted as the ruling ideology (Qing 2010).

1.3 Limitations and Delimitation

The first limitation of this essay is the sole focus on President Deng Xiaoping's statements in speeches and public discussions. Whilst only taking interest in Deng is feasible, it is neither representative of China's actual reforms nor the overall leaderships' discourse in China. To draw more overreaching conclusions concerning this period would require considerably more time, resources and knowledge. At the same time, as is shown in previous sections, there is broad agreement in academia that Deng exuded the main discursive, political and symbolic role in the Chinese reform period. Therefore, the selection of Deng's discourse is considered to generate the most accurate results when approaching the research problem.

Another limitation is the essay's perspective on institutional change, since it does not take into account the bottom-up entrepreneurial wave affecting institutional change nor self-reinforcing dynamism in individual and collective behaviour (Nee & Oppen 2012:258). However both Nee

and Opper (2012:258) and Huang (2008:89) argue that even though the bottom-up institutional change was impactful, the government acted as a catalyst for changing economic behaviour.

This essay's final limitation is the fact that the analysis is based on translated material. Chinese is a complex language where intricate formulations and double-meanings can be lost in translation. However, given that the rise of China even at the time attracted major international interest one could assume that all official speeches and public discussions are written and translated in a way that will decrease the risk of content losing its meaning.

This essay's delimitation regards the research design. This essay is not a comparative analysis, so comparisons between Western and Chinese discourse of market creation and opening-up, or between Deng Xiaoping Thought and Mao Zedong Thought will not be entirely compatible with each other. As previously mentioned, this period was marked by an intellectual debate and diverging opinions of China's future economic structure. Therefore, the research questions specifically focus on Deng's discourse regarding China's gradual marketisation and opening-up. Deng's discourse will be contrasted with the ruling ideology domestically which was Mao Zedong Thought.

2 Theory

This section introduces previous research in an attempt to contextualise the research problem and place this essay within a larger academic field. After the previous research, an overview of this essay's theoretical framework is offered.

2.1 Previous Research

Bolesta (2007) states that China's reforms and transition into a market economy resembles both Japan's development under the Meiji Dynasty and Germany under Bismarck. Furthermore, he categorised China as a "developmental state", along with many other economies throughout history, with state-designed development and state-interventionism in the market. Bolesta (2007) reduces "Chinese characteristics" to simply equal interventionist governments that are reluctant to prioritise liberal democracy, not specifically Chinese political thought patterns. Furthermore, Bolesta (2007) places most developmental states, with their interventionist role in market exchange, in between planned economic and market economic logic.

Contrarily, North (2003) asserts that characteristics of economic development inherently derive from political institutions as regulations and constitutions, as well as from cultural and societal norms. Who the institutions are created by and for influence all aspects of the economic system. North (2003) and Dunford (2020) argue that the distinctive characteristics of Chinese market institutions stem from a particular Chinese ancient moral and civilizational culture. Roland (2008:148) finds it impossible to understand Chinese economic development without acknowledging the specificity of Chinese politics, culture and history. To simply adopt a foreign economic institutional arrangement would fail. He views the success of China's economic growth to originate from it experimenting with institutions and reforms, as well as from the highly centralised and decisive decision-making by the CPC.

"The achievement of self-reliance" is an important ancient Chinese ideal that under Mao was expressed as national economic self-sufficiency. Tisdell (2013) investigates Deng's policies to establish whether self-reliance was systematically discarded with the 1978-market reforms and open-door policy. He finds that the Chinese economy became interdependent on international trade during the reform period, yet the economy continues to be less dependent than most other advanced economies. Even though Tisdell (2013) asserts that the principal remains in effect, it has shifted from collective or commune reliance to individual and family reliance due to the Household Responsibility System (HRS) from 1982. Conversely, Chai (2011:165-166) states that present-day China diverges greatly from self-reliance promoted by Mao, both domestically with the HRS, and internationally with increased reliance on global trade.

Research finds that organisation of economic activity drastically changed under Deng's leadership. Roland (2000:63-64) claims that the reforms altered the unitary form of organisation and centralised planning, to a multidimensional form of decentralised activity with the HRS. However, along with Deng's gradualism, this shift should be viewed as precautionary, not simply letting the market be "free" (Tisdell 2009). Qing (2010) further investigates the dismantling of Mao's institutional arrangements and economic organisation, by analysing Deng's speeches using the same book as this essay. She found that Deng consistently contributed to the meta-discursive ideology by embedding stability into the market reforms and the restructuring of economic activity. The discourse of stability thereby made sense of any party or public opposition against decentralisation, marketisation and opening-up.

2.2 Theoretical Framework

This section will firstly introduce the theoretical perspective on institutions and state-centered analysis underlining this essay. Secondly, Cheung's (1986) interest theory is presented to offer a theoretical approach to changed beliefs and behaviour in Chinese leadership during the reform period. Lastly, the theory of induced institutional innovation is introduced as the main theory for the analysis. This theory aims to explain market transition in post-socialist economies and contribute to further contextualisation of Chinese institutional change in the reform period (Hayami & Ruttan 1984, Nee & Lian 1994, North 1990, 2005).

2.2.1 State-centered Analysis and Institutional Definition

This essay conforms to the definition of institutions as "the rules of the game" and the foundation of political, social and economic exchange (North 1992). Economically, institutional change shapes the direction of economic performance: growth, stagnation or decline (North 1991). The following analysis builds on the perspective that the polity is the enforcer of the rules of the game, and that the polity has the ability determine these rules. Hence, the polity is the primary determinant of economic performance. This theoretical perspective constitutes state-centered analysis, which views political actors as the key function in institutional change and economic development (Nee & Oppen 2012:4). In this perspective, departing from centrally planned institutional arrangements to market allocation occurs firstly in formal rules changing, and this can be rapid. The polity is the enforcer of the formal rules of the game and thus significant re-arrangements of institutions are within its power. In contrast, informal rules are a source of friction seeing as they are out of reach of the polity and often change slowly (Nee & Oppen 2012:4).

In China, the informal rules of the game (i.e. customs and traditions of exchange) aligned with in the new formal rules. Before 1949 and Mao's regime, the traditional Chinese economy had market-based organisational forms and individuals exercised entrepreneurial and competitive behaviour (Naughton 2018:62). As wars, civil war and socialism befell, informal rules changed

and “market characteristics” were hobbled and made irrelevant. Naughton (2018:62-63) depicts the era of Mao to have suppressed these characteristics. With Deng’s leadership and reform, China saw a return to the traditional features of exchange. Small-scale business, entrepreneurship and exchange customs retrieved rapidly and allowed for a robust potential to adapt to new economic opportunities (Naughton 2018:61).

2.2.2 Cheung’s Interest Theory

Cheung (1986) attempts to explain how institutional change in the early reform period took place by applying his theory of institutional change as accumulated information combined with interest (Coase & Wang 2012:163, McCloskey 2015). The cost of institutional change rises from two sources: 1) the cost of information for discovering an alternative institutional arrangement, and 2) the cost of negotiating change. The cost of negotiation is particularly centered around compelling members of society whose interests and current gains are expected to decrease with the change (Coase & Wang 2012:163). In Cheung’s theory, institutional change is a matter of calculation based entirely on material interest. As a part of the elite acquires information about better institutions (to that group of elites’ benefit), these elites spend resources trying to compel other parts of the elite whose interest are against such an institutional change (McCloskey 2015). Here, there is no theory of ideological persuasion, no fundamental change of beliefs nor mutual gain in the realm of ideas. There is only cost and benefit calculations based on material interests that determine institutional change (McCloskey 2015). Similarly, Dai and Renn (2016) and Yuyan (2019) also characterise institutional change to be an instrumental rationale driven only by cost and benefit, not ideology.

Cheung’s theory is simple, analytically pure and has logical rigour, yet the theory was developed unsystematically and has one major weakness (Coase & Wang 2012:164). It treats institutional change as a singular event where society is changed in one sweep. China’s continental dimensions and regional variety makes it hard to argue that institutional change occurred in one sweep. Rather, institutional change took place unevenly and gradually according to Coase and Wang (2012:164). Whether institutional change gains momentum or is rejected depends on how actors regard the outcomes and how they evaluate the rise of new constraints and opportunities. The polity is the primary contributor to uncertainty in whether institutional change prevails or fails. This is because the polity holds the coercive capacity and regulatory power to alter costs and incentives that all other actors must adjust to (Coase & Wang 2012:164).

Both McCloskey (2015) and Coase and Wang (2012) credit Cheung’s theory for having partial explanatory power regarding institutional change during Deng’s leadership. However, Coase and Wang (2012), North (2005), and Hayami and Ruttan (1984) all turn to the theory of induced institutional change as a more applicable and encompassing theory of institutional change in regard to this period and presented research problem.

2.2.3 Theory of Induced Institutional Change

North (2005:2) provides a descriptive theory for the deeper determinants of how institutions evolve and how economies change. In this theory, economic change depends on adaptive efficiency, namely society's effectiveness to create institutions that are fair, productive and broad-based. Most importantly, adaptive efficiency involve institutions that are flexible enough to be altered in response to changing political and economic conditions. North (2005:3) identifies intentionality as the most critical variable in the process of economic change. This theory depicts economic growth as irregular events throughout history. This, because leaders' intentions are not rooted in the interests of the population or because leaders' understanding of their actions have been imperfect. Such circumstances lead to outcomes not matching intentions. That is, when changes in the formal rules do not have the expected outcomes in the system, or in individual and collective behaviour (North 2005:3). In this essay, intentions can be understood as the expected or wanted results from reforms and institutional change.

North (2005:2) describes the process of economic change as the following. The reality of a political and economic system is never known to anyone, however individuals construct beliefs about that reality. These beliefs are a model of how the system works as well as a normative model of how the system should work. Either the beliefs are consensual and broad-based within society, or they are at variance and reflect a fragmentation in how the system is perceived. Political and economic decision-makers hold the dominant beliefs and over time these beliefs lead to an institutional system that determine the political and economic performance. The consequential matrix of institutions enacts constraints on the choice of institutional alterations available when economic and political actors seek to change or innovate institutions (North 2005:2). In North's (2005:2) theory, the polity in socialist economies moving toward marketisation had a decisive, but path-dependent, role in economic and institutional change (Nee & Lian 1994). Hence, institutional change is often gradual. However, in response to domestic competition between political or economic actors, or international competition with other economies, more radical shifts in institutional arrangements can occur (Nee & Lian 1994, North 2005:3). For example in China and the former-USSR, an irreversible pattern of declining factor productivity and economic performance in the 1970s and 1980s, coupled with dynamic technological and economic progress in market economies contributed to induced institutional innovation (North 2005:3).

In post-socialist economies, cultural endowments mainly ideology, exert a significant influence in the set of choices in institutional innovation. Ideology makes some institutional innovations less costly to implement and impose high costs on others (Hayami & Ruttan 1984). This perception of ideology in institutional change contrasts Cheung's theory of ideology being inferior to material interests. Likewise, North (2005:3) places the rise and fall of socialist economies (i.e. their process of economic change) in a framework of influence as follows: perceived reality → beliefs → institutions → policies. The key to understanding socialist economies' process of economic change are: 1) the way beliefs are modified in response to changed perceived reality as a consequence of implemented policies, 2) the adaptive efficiency of the institutional system to change when outcomes do not match the intentions and 3) the

limitations of what changes in the formal rules can be implemented to correct perceived failures (North 2005:3).

Engels and Marx constructed a belief system inspiring socialist leaders to a perceived reality and normative model of how society should work. Marx's fundamental principles functioned as guiding principles, but they had no specific blueprint for institutional arrangements. In China, civil war allowed a radical shift in the institutional system and Mao founded the People's Republic. A complex system arose from gradual accretion of the ideological building blocks, and it resulted in perceived success with heavy industry, and perceived failures with agricultural inefficiency and famine. Periods of perceived failures lead to a reconstruction process to correct the perceived failures within the given belief system of Marxism. External conditions as economic and technological competition with other economies, and tensions between competing ideologies likewise drove institutional change within the limits of the prescribed ideology – Marxism-Leninism and Mao Zedong Thought (Naughton 2018:65, 87, North 2005:3).

In essence North's description of the process of economic change in post-socialist economies is a theory of induced institutional innovation where institutional change is treated as an economic response to changes in the general equilibrium of resource endowments, technology and cultural endowments (Hayami & Ruttan 1984). This theory will serve as the main theoretical framework in an attempt to understand the incentives, motivation and constructions in Deng's discourse to set China on a path to perceived success in a time of great uncertainty and underdevelopment.

3 Method and Source Material

This section describes qualitative content analysis, how the material will be analysed and presented, as well as this essay's methodology, knowledge claims and any ethical considerations. After this, there is a section that motivates how the chosen material is indeed the most convincing evidence to answer the essay's research questions as correctly as possible (De Vaus 2001:9) Later on, this section discusses the material collection strategy and information evaluation.

3.1 Qualitative Content Analysis

The chosen method to answer the research questions is qualitative content analysis. Qualitative content analysis is the subjective interpretation of text content through systematic classification processes of coding and identifying patterns or themes. The coding process include operationalisation of coding schemes on manifested content. This analysis has for the first coding cycle used "values coding" which seeks to apply codes of attitudes, beliefs and values to explore a person's worldview (Onwuegbuzie et al. 2016). The second cycle consisted of "patterned coding" which is used to uncover relationships or patterns in previous codes by grouping these together. This cycle was also accompanied by 'theoretical coding' which incorporates theme generation by identifying themes and categorises within the themes (Onwuegbuzie et al. 2016). Finally, the data has been analysed for patterns within categories, outliers, and correlations across categories.

A quantitative content analysis cannot note what's not being said, prepositions and latent content, although it has high reliability. Also, quantitative content analysis risk results neither reflecting the material nor the essay's goal of contribution to the academic field. Moreover, a quantitative method's defective information evaluation, thin contextualisation, weak validity and small-scale operationalisation of complex concepts leads to the decision to conduct a qualitative content analysis.

The research questions' abstract formulation has been operationalised through in-depth exploration and preparation in subjects as modern socialism, institutional change, reform and development. These terms have been explored, defined and put in a framework, in order to create, classify and analyse themes and categories meaningfully. However, attention should be paid to the interpretive and holistic scope of this essay since there is no deterministic nor one-layered definition to studied concepts.

This essay incorporates a social constructivist worldview in more ways than one, according to Creswell's description (2018:7-8). Since the objective was to analyse the notion of reform in Deng's worldview, the essay considered social and historical aspects, asked open-ended questions and explored how I as the researcher affected the results. The social constructivist knowledge claims denounce the idea of objective, linear and singular belief-systems. Hence, the essay considers heterogeneity within Deng Xiaoping Thought and the inherent contradictions and complexity of perceived reality. This method is complex, time-consuming and non-linear. However, it grants deep evaluation of suitable discussions and interpretations endorsed by the research questions. The chosen method, along with social constructivist knowledge claims, gratefully aided the essay's interpretative and philosophical characteristics.

Moreover, a researcher's every presumption and decision affect all aspects of this study. The selection of data reflects the researcher's background and value system; therefore its acknowledgment is crucial (Onwuegbuzie 2016). The coding process must be transparent, therefore diary-formed notes have been consistently written. This increases the research's credibility and aids truthful descriptions of the process of analysis. Noteworthy, reliability is unavailable in qualitative content analysis conducted in constructivist knowledge claims. The only reliability ensured is transparency and validity. This essay depends on content validity. Content validity entails consideration of all definitions and perceptions which point to the studied phenomena (Bjereld et al. 2008:112). Any capability of generalisation depends on material selection, analysis execution and validity claims. This essay's generalisability was pursued through pragmatic case selection strategy based on intuition and interpretation (Flyvbjerg 2006).

There are no conflicting interests nor ethical considerations. However, aligning with the social constructivist knowledge claims and worldview it is important to acknowledge that my identity as a Swedish student with no ties to China most likely affect the result. How I affected the results would be hard to define, but my limited experience in Chinese civilisation and culture is potentially such an aspect.

3.2 Source Material

The research design's strategy to ensure sceptic approachability to the material was to evaluate plausible rival hypotheses during the selection of speeches and public discussions. To evaluate plausible rival hypotheses in practise means that the material was chosen with an alternative interpretation of the content (De Vaus 2001:12). For this study, such preparation included an alternative perspective of Deng being rather discontent with any form of socialism and wanting to gradually 'Westernise' China than aiming to re-construct Chinese socialism.

To obtain the most relevant evidence the essay required expressions of Deng's values, ideals and thoughts regarding the 1978-market reforms. Since the essay analysed the philosophical underpinning of Deng's reform-discourse speeches, instead of reports, offered data correlating

with the purpose of this essay. Speeches are often shorter, less technical and more discursive than reports.

The analysed material is a collection of speeches and public discussions from the book *Selected Works by Deng Xiaoping, 1975-1982, Volume 2* published by Foreign Languages Press in 1995, and is also used by peer-reviewed Qing (2010). The period 1975 to 1982 is selected since it corresponds to the research questions when Deng breached ideological taboos and promoted dramatic reforms. This period also reflects a critical conjuncture in a time of political fragmentation and economic uncertainty creating a demand for new institutions and conditions for restructuring and rebuilding institutions (Nee & Opper 2012:227). Nineteen out of sixty texts have been selected for the analysis. The collection of material is showcased in Appendix A, and in total has 33 736 words been analysed. The strategy of selection was pragmatic case selection, which entails that the material was selected through experience and intuition. This strategy motivates this study's contribution to earlier research, its usefulness in a broader context and enlightening in a pragmatic sense (Flyvbjerg 2006).

In regard to information evaluation have comparison between different online archives of translations been conducted. This is important since this study's result would reflect Deng's discourse incorrectly if the translated data would be incorrect. The selected sources' legitimacy has been approved upon through professors' and medial staffs' guidance. For the introduction, solely books and peer-reviewed articles provided by the Lund University online library service have been utilised. These sources have been inspected to minimise the risk of authors' conflicting interests and in order to avoid deceptive information due to funding and influence.

4 The Chinese Institutional Settings

This section offers a contextualization of the Chinese institutional settings under Mao Zedong and socialism as well as the institutional legacy from Mao's rule and socialism. The Chinese institutional settings are further presented with the aftermath of Mao's death and the departure from Mao Zedong Thought. This is followed by a description of dual reform and its function to overcome ideological animosity. Lastly, reforms are defined, and the specificity of Chinese reform are explained.

4.1.1 Mao's Institutional System in the Socialist Period (1949-1978)

Mao Zedong Thought was the ideological backbone for the Chinese economy's institutional system from 1949 to 1978. Mao was inspired by the Marxist-Leninist revolutionary ideology that put the working-class at the centre of history. But he developed a version of Marxism-Leninism that was adapted to the Chinese conditions. There are two major differences between the thought patterns of orthodox Marxist-Leninism and Mao Zedong Thought. Firstly, instead of depicting the urban working-class as the driver for revolution, Mao constructed rural areas and farmers as the most important driver for socialist development (Wällgren 2017:17). Secondly, the discursive distinction between "the people" (USSR) and "the masses" (China) allowed for a distinctive feature of Chinese institutional adaptiveness. "The people" encompasses all inhabitants of a socialist nation, whilst Mao discursively constructed "the masses" that enabled an adaptive ability to swiftly classify threats and enemies to the CPC and within China (Harris 1978:317, Wällgren 2017:18).

Mao's leadership was marked by policy instability, since political struggles and fragmentation hindered policy-coherence, and because Mao himself confused his own struggles with the economy's (Naughton 2018:89). An assessment of China's economic performance under Mao is contentious in academia, however Coase and Wang (2012:6) acknowledge that there is a wide disparity between the actual economic performance and what the masses were promised in the name of socialism. This is primarily because economic institutions aimed to maximise resource-flows to industrialisation (to maximise the potential development leap) but as the economy accelerated it was then forced to retrenchment years later (Naughton 2018:89). Economic retrenchment was mainly due to rural unemployment, inability to secure food surplus, slow creation of productive employment of labour surplus, anti-market policies hindering quality improvement and pricing policy dwindled consumption growth (Naughton 2018:89, 91).

4.1.2 The Legacy of Socialism and Mao Zedong Thought

In 1976, Mao died and years of policy-instability motivated CPC-officials to re-evaluate past political and economic efforts (Naughton 2018:87). The post-Mao polity with its new leader Hua Guofeng faced a political dilemma. On one hand, the CPC remained committed to socialism and loyal to Mao Zedong Thought. Yet, the unsatisfactory economic performance under Mao's leadership had broken down the ideological legitimacy of socialism. Nonetheless, Mao's passing continued the idolisation and personal cult around him. After his death, Mao was still an esteemed leader by the general public and political elites. Interestingly, since Mao had appointed Hua Guofeng as premier, the Hua leadership was convinced that the leadership's legitimacy depended on continuing and defending Mao Zedong Thought (Coase & Wang 2012:23). Thus, the principle of the "Two Whatevers" was put forth in 1977. This principle referred to Hua's statement: "we will resolutely uphold whatever policy decisions Chairman Mao made, and unswervingly follow whatever instructions Chairman Mao gave" (Atwill & Atwill 2021:329).

On the other hand, Hua and the CPC desperately needed to change Mao's economic policies, especially the ongoing Cultural Revolution and the deposing of Deng. Deng opposed Mao by not endorsing the Cultural Revolution in the mid-1970s, and consequently had been stripped of his political status. He was labelled a "capitalist-roader" and was deposed from his position as the General Secretary of the Central Secretariat of the CPC (Coase & Wang 2012:7-8). However, by standing up to Mao, and by holding the position as premier in 1974-1975, Deng gained trust among CPC-officials and the general public. The support for Deng as a strong leader for the post-Mao era increased since China faced an uncertain economic future (Coase & Wang 2012:23).

Mao's legacy of political fragmentation, institutional inefficiency and ideological deadlocks influenced the future reform period significantly. Firstly, there was a dissatisfaction with the socialist system among CPC-officials. While there was not a fundamental rejection of the Maoist system, there was indeed a willingness to revise and experiment. Secondly, fundamental political divisions allowed CPC-officials to blame Mao and appointed new top-leaders to correct the past failures. Lastly, reformers in the 1970s acknowledged the deep-rooted issues in the Maoist model and became more enlightened with alternative economic models (Naughton 2018:89).

4.1.3 The Break from Mao: Socialist Modernisation and the 1978 Communiqué

Between Mao's death in 1976 and the Third Plenum in 1978, Chinese leadership broke with the class-struggle doctrine that Mao had pursued (Coase & Wang 2012:36). This break was further consolidated with Deng returning to the CPC-leadership. The communiqué from the Third Plenum is widely recognised as a historical breakpoint for the CPC and the start of the reform period. The communiqué acknowledged the issues in the Maoist model and promoted

material interests and economic development. Coase and Wang (2012:36) state that if it was not for the shift in the 1978 communiqué, Deng's famous mantra "let some people get rich first" would have been unthinkable at the time. The communiqué manifested the pursuit of socialist modernisation and economic development, yet it did not contain an economic blueprint. Under Deng's leadership, the CPC instead took a pragmatic approach and experimented with reforms (Coase & Wang 2012:40).

The CPC-leadership made several distinctive shifts in moving away from the Maoist model. By promoting the idea of socialist modernisation, the CPC steered the government away from the radical ideology of continuous revolution in Mao Zedong Thought (Coase & Wang 2012:36). Also, China re-opened to the world and thereby welcomed foreign technology and capital investment, as well as revised market logic and practises (Coase & Wang 2012:36). The institutional integrity of the Maoist economic system was cracked as China started granting partial autonomy to small-scale economic units. The institutional changes gradually allowed a self-reinforcing mechanism where institutions for market allocation replaced the traditional planning system. In this process, State-owned enterprises (SOEs) improved their efficiency since they were granted more autonomy and started competing with the non-state sector. Despite SOEs improved efficiency, the largest contribution to a more dynamic economy came from the entry of new small non-state firms (Lin & Tsai 2004).

4.1.4 Dual Reform: Overcoming Ideological Animosity

It was only in 1992 that the ideological animosity regarding market reforms and opening-up had dwindled within the CPC (Coase & Wang 2012:163). Between the death of Mao and the early 1990s, the CPC undertook a calculated discursive project to maintain political stability whilst altering the economic system and institutional arrangements. Mao was respected in the CPC and in the general public, therefore obvious rejection of the Maoist thought patterns would have undermined Deng's legitimacy. Instead, the CPC praised Mao whilst undoing radical policies and pursued economic development. Deng stressed Mao's forgotten principle "seeking truths from facts". Although Deng was heavily critiqued for his misreading of "seeking truth from facts", it was indeed an attempt to justify why a break from Mao Zedong Thought did not oppose the guiding principles of Mao. Deng's interpretation of the principle meant viewing practise as the only criteria for testing truth, and consequently the CPC was released from the shackles of Mao's ideology (Coase & Wang 2012:40).

Coase and Wang (2012:163) argue that focusing on "dual reform" is the only way to correctly understand Deng's reforms. The two distinct forms of reform were: the "four marginal revolutions" and interventionist state-led economic efforts. By reviewing dual reform it is possible to trace the interplay between the two distinct reforms themselves and the interaction of competing political ideas. Also, dual reforms uncover the dynamics of changing beliefs within the CPC, especially beliefs related to socialism and the state-market dualism. Dual reform allowed the CPC institutional adaptiveness to the rapidly changing economic reality

where political beliefs of the dissatisfactory economic performance in state-led efforts could be readjusted (Coase & Wang 2012:164).

The four marginal revolutions encompassed individual entrepreneurship, private farming, township and village enterprises and Special Economic Zones (SEZs). These economic experiments were initiated by marginalised actors in Mao's economic system and firstly existed at the periphery of the economy without politically challenging the CPC's hegemony. Thus, the marginal revolutions' economic liberalisation enjoyed partial political freedom (Coase & Wang 2012:164). The marginal revolutions gave birth to a dynamic private sector, allowed for foreign and domestic entrepreneurship and freed 800 million farmers from governmental micro-management (Coase & Wang 2012:65). Coase & Wang (2012:65), and Nee and Oppen (2012:5), share the belief that the marginal revolutions launched China in the course of rapid economic development and market transition.

The marginal revolutions gained popular support and evaded immediate political resistance. As time passed, and as success was definite, the marginal revolutions served as a catalyst for changes in the CPC's political ideology (Coase & Wang 2012:165). The marginal revolutions gradually carried the CPC's socialism away from its traditional dualistic notion of market economy being the opposite of socialism. Instead, the CPC became tolerant to economic reform. One of Mao's guiding principles was the elimination of the market. Thus, socialism followed the principle of "the planned economy as primary, market adjustments as auxiliary" in the early reform period (Coase & Wang 2012:165). But this principle became less significant as rapid expansion of the private sector improved living conditions and thereby the CPC accepted the market. "Market economy" was a politically sensitive label so the CPC used the phrase "commodity economy". By using the Marxian term the lines between increasing market allocation and the socialist doctrine began to be distorted (Coase & Wang 2012:165).

State-led reform gradually became more open to market forces and the private sector as a result of the marginal revolutions. This shift in state-led reform was critical for Chinese economic development since the CPC controlled the policy-agenda and most economic resources (Coase & Wang 2012:165). Contrarily to the marginal revolutions, were state-led reforms constrained by political ideology since the CPC had to remain committed to socialism. The CPC could not afford to free the socialist economic core since it was deemed vital for political stability and since it legitimised the CPC's hegemony. However, institutional changes in the marginal revolutions were tolerated despite being incompatible with socialism because the CPC believed that as long as they controlled the SOEs, their hegemony and legitimacy would remain (Coase & Wang 2012:165-166).

Successful institutional changes originating in the private sector were often adopted and adapted to fit the state-sector. It was not by design, but the dual reform's structure allowed the CPC an adaptive institutional arrangement for navigating in the market transition. Dual reform allowed capitalist experiments at the periphery of the economy and thus reduced the political risk of reform since market forces and private entrepreneurship were deemed politically dangerous. This reform structure left the CPC's loyalty to socialism uncompromised (Coase & Wang 2012:166). In contrast, the strategy of marketisation was privatisation in post-socialist

economies of the USSR and East European economies. Instead for privatising shares of the economy, China saved and strengthened the state sector, and returned to a mixed economy that before Mao had benefitted China (Coase & Wang 2012:65).

Both Coase and Wang (2012:65) and Lin and Tsai (2004), view ideology and beliefs to be crucial for institutional change in economies transitioning from socialism. In the USSR and East European economies, the socialist ideology had already collapsed at the time of transition. Differently, the CPC had substantial power and the ambition to improve rather than replace the system (Lin & Tsai 2004). However, the specificity of the Chinese approach can also be appointed to cultural differences, according to Lin and Tsai (2004). Asian cultures values pragmatism which in the case of ideology and institutional change lets improvement in an incremental manner twists the ideology to fit reality instead of subscribing to the ideology's institutional-package (Lin & Tsai 2004). In Western societies, Schultz (1977) found that for the past three centuries, institutional changes were initiated and shaped by the dominant beliefs at that time. The market transition in the USSR and other East European economies was accompanied by adopting big bang-approaches and subscribing to the prevailing "capitalism triumphalism" ideology's institutional-package (Lin & Tsai 2004).

4.1.5 Defining Reforms and the Specificity of Chinese Reforms

This essay conforms to the notion that reforms are deliberate policy measures that change the rules under which economic actors operates. Under Deng's leadership, reforms consisted of lowering entry barriers, reducing planners' monopoly-power and allowing for adaptive politics responding to individual economic behaviour. The market-orientated reforms increased the scope for impartial competition by lowering entry to markets and sectors, and by reassuring more transparency and fairness in pricing policy and access to goods (Naughton 2018:97). Seeing as reforms cause an immediate disruption in the economy, the benefits of any reform will lag. Also, radical reforms may lead to a system-collapse, whilst moderate reforms can be taken back. The CPC's approach was thus to carry out gradualist reforms. Gradualism meant conserving command economic institutions when possible, re-purposing institutions with high concentrations of expertise and attempts to minimise any opposition to change (Naughton 2018:100).

Reforms were implemented by respected senior members who already understood the system and all its flaws. Similarly to North (2003), does Naughton (2018:98) notice that the well-informed and senior members gave the reforms legitimacy and credibility, and reduced the cost of negotiation. The state-led reforms were consistently weighed against their ability generate growth and economic development. Deng's leadership firmly held the opinion China could not let benefits of reforms to lag, instead reforms would have to occur along with increased growth rates (Naughton 2018:98).

The CPC took an experimental approach by lessening political restraints on economic behaviour in rural areas in an attempt to rehabilitate the economy after the Cultural Revolution (Naughton 2018:100). Therefore, HRS was implemented and replaced Mao's commune system

that on average consisted of 5 000 households per commune. The new system was a system based on household production and incentivised rural entrepreneurship. In 1979, only 1% of rural households adopted the HRS and by 1982, HRS accounted for 80% of all rural activity (Huang 2008:86). Hausman, Pritchett and Rodrik (2005) argue that initial triggers causing growth does not have to be fundamental institutional changes, instead the triggers can be quite humble and small-scale. These authors (2005) continue by claiming that the rural reforms under Deng were meek whilst still triggering growth. However, viewed in the Chinese context with the baseline of past institutional arrangements, these reforms were anything but meek. The reforms triggered rural marketplaces and entrepreneurship. Moreover, the distortion of commune systems symbolised the departure from socialism and represented “directional liberalism” (Huang 2008:86). In Deng’s perspective, rural reforms were a more than a marginal improvement from the Cultural Revolution. Deng himself called the rural reforms “nothing but revolutionary” in a speech in 1984 (Huang 2008:85). These marginal shifts in reform were far from the neoclassical mode of operation, yet they were enough to incentivise the population to pursue entrepreneurial activity (Huang 2008:86).

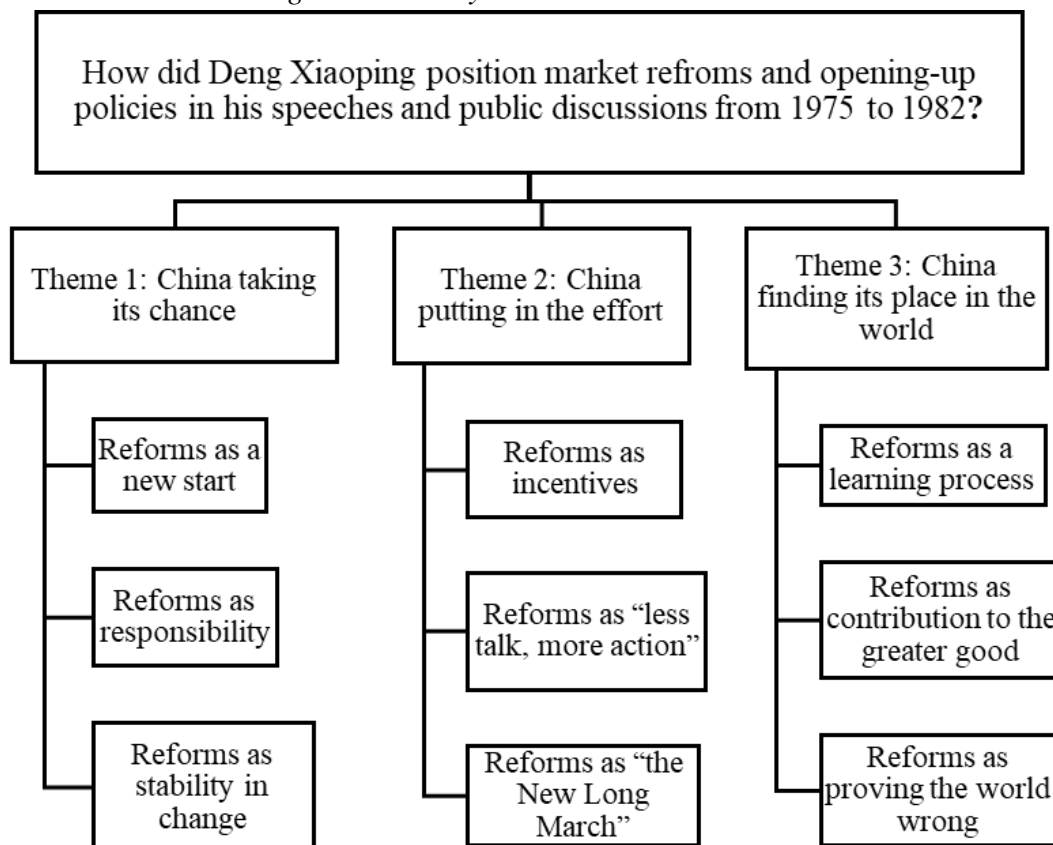
5 Analysis

This section firstly presents the results of the qualitative content analysis by showcasing the themes and categories that have been constructed to answer the research questions. The analysis has been conducted in two parts; therefore, the results are presented in two parts. The two separate parts of analysis aims to answer one research question each. Lastly, this section contains a discussion of the results of the analysis. The discussion provides reflection and attempts to relate the results to the theoretical frameworks and previous literature.

5.1 Analysis: Part I

In the first part of the analysis, three themes are presented to answer the research question: How did Deng Xiaoping position market reforms opening-up policies in his speeches and public discussions from 1975 to 1982? The themes and categories are showcased in Figure 1.

Figure 1. Themes and categories in Analysis Part I



5.1.1 Theme 1: China Taking its Chance

Reforms as a new start: This finding depicts Deng positioning reforms as a turning point in Chinese history. Deng often highlights that China finds itself in a time of great promise and is “in a great era serving as a link between the past and the future and are undertaking a great cause that has not been undertaken by our predecessors” (speech 12). The great cause here is a two-staged development of the economy. Firstly, by 1980 China will have built a comprehensive and independent economic and industrial system. Secondly, by the millennium-shift China will become a powerful socialist country with modern industry, agriculture, national defence and science and technology. This goal constitutes the “four modernisations” frequently referred to by Deng as he calls on the CPC and the people to partake in “the most fundamental revolution from the viewpoint of historical development” (speech 15).

Deng positions the four modernisations as a new form of revolution. He acknowledges that revolution is about class struggle but that there is more to the word revolution. This new revolution aims to liberate productive forces and raise living standards, and if China does not accomplish this then ‘revolution is just empty talk’ (speech 13). Likewise, if the economy remains stagnant and the economy remain backwards, then China cannot claim to be building socialism. This analysis finds evidence of Deng often taking his time asserting the need for reforms by pointing to the need for transformation in production, forms of management in enterprises and state administration to reach modernisation.

Lastly, Deng frames the CPC’s current undertaking as a measure to overcome past institutional deadlocks that wasted time and resulted in backwardness. For example, “as we have wasted a lot of time, we now have to develop rapidly” (speech 10) and “developing the economy is a new endeavour for us, for which we must pay a price” (speech 15). These quotes highlight the discourse of reforms being the turning point for China’s decades of backwardness, and the necessity of giving the economy a new start in the pursuit of development. In regard to opening-up, Deng takes personal responsibility for China’s closed door and emphasises that it is time to open the door and gain what has been lost in the past.

Reforms as responsibility: This finding showcases how responsibility is depicted in relations to achieving the four modernisations. Regularly, Deng urges the Chinese workers to be the main driver of increased production since their hard work, discipline and knowledge is the only way to achieve actual progress. Trade unions are in Deng’s thought pattern an informational channel that should educate workers to realise their responsibility and ensure that workers are “loving their enterprises as they do their own families” (speech 8). This discourse shows that Deng is asking for a more dynamic relationship between the worker and workplace, where “every worker and peasant is aware of his responsibility for production and tries to find ways of solving related problems” (speech 9).

Rather contradictory however, Deng also assigns trade unions the task to make sure workers fully support and maintain a highly centralised leadership within each enterprise where the manager should assume the overall responsibility of output. This rhetoric partially exemplifies Deng’s decentralisation, since he wishes to let those who know best be empowered enough to

make decisions, rather than the CPC and its five-year plans. Deng critiques the current institutional arrangements for hollowing out any responsibility for production and thus de-promoting improvements in efficiency. Deng express more responsibility for each worker and more decision-power, responsibility and accountability for enterprise-owners to match the responsibility that Deng and his leadership has to govern China in the coming institutional revolution. This, since the four modernisations can only be fulfilled if ‘the interests of the state, the collective and the individual are truly co-ordinated’ (speech 8).

Reforms as stability in change: As China finds itself with favourable conditions to achieve the four modernisations, Deng without fail stresses that “leadership by the Party is the key to the success of the four modernisations and of the current readjustment” (speech 18). Linking any future progress to the CPC’s hegemony, in effect conditions economic readjustment and development on political continuity and stability. Deng furthers this notion by claiming that one of the most important tasks for CPC-officials is to see themselves as a part of the masses, draw strength from the mass-viewpoint and never stand against them. Interestingly, it becomes clear that Deng’s emphasis on reforms being either divorced from or in line with reality is determined on the extent to which reforms are rejected or supported by the masses. For example, Deng makes a point out of critiquing the CPC’s definition of maintaining a unified leadership as “doing everything according to unified standards” (speech 18). Instead, Deng defines a unified leadership as policies that are “that are truly grounded in reality and supported by the masses” (speech 18). Rigid conventional thought patterns among CPC-officials harm the longevity of the party and thus the CPC must re-commit to represent and act in favour of the people.

Another part of this discourse is ensuring his people that institutional re-arrangements, economic re-construction and the tweaked national ideological line will not change in the coming decades. As China sets off to achieve the four modernisations, the people can rest assure that the CPC will remain committed to development and increased standards of living. It can be interpreted as if Deng is worried that the coming years of large-scale economic reforms will lead to national unrest or displeasure. Seeing as reforms will result in “certain construction projects must be discontinued, and some enterprises should either cut production, switch to other products, be amalgamated with others, suspend operations or simply close down” (speech 18). Deng wants to attest that any individual sacrifice or negative change is done for the good of the nation and economy as a whole.

5.1.2 Theme 2: China Putting in the Effort

Reforms as incentives: This finding summarises Deng’s discourse where he links reforms to increased incentives. Incentives are promoted by ensuring that reforms will lead to true development. This is exemplified in statements such as “we should encourage people. But I must stress that we need true, not false encouragement [...] our efforts should produce practical results [and] we should act according to realistic principles” (speech 11). To establish incentives which guarantees individual expectations to match institutional outcomes, Deng regularly proposes that “economic work should be done in accordance with economic law” (speech 11),

and that statistics presented to reflect the nation's development "must be genuine and not be exaggerated" (speech 11).

Deng also discursively links reforms to incentives by ensuring that through reforms the actual contribution will be the determinant of a worker's salary. This thought pattern is found in the socialist principle "distribution according to the quantity and quality of an individual's work", however Deng discursively re-constructs the principle as "to each according to his work" (speech 4). This discursive shift is argued by Deng to more accurately reflect salary since the former socialist principle "judged mainly on the basis of a person's politics rather than on the basis of his work" (speech 4). This principle resulted in salary 'to each according to his politics' rather than 'to each according to his work'" (speech 4).

Deng links reform and incentives in his explicit pronouncement that "money awards should be given to those who have made special contributions, including inventors and innovators [...] who have scored major achievements" (speech 4). This seemingly huge political signal for entrepreneurs is visible with the at times contradictory policy "to place moral encouragement first, material incentives second [...] however material incentives cannot be dispensed" (speech 4). This analysis finds that this rather contradictory discourse is explained by Deng that in order to "encourage people to make progress" (speech 4) his reforms must contain "real encouragement" (speech 11). This, since past institutional arrangements have for too long rewarded political, not economic, efforts and thus resulted in disappointing economic results.

Reforms as "less talk more action": This finding concludes Deng's rhetoric effort to unify politics and economics by signalling that under his leadership, "political work should be carried out through economic work and a political problem should be settled from an economic angle" (speech 11). Deng states that "political work" means realising the four modernisations. Seeing as Deng is consistent in believing that "it is impossible for us to accomplish the four modernizations by empty talk" (speech 11), he discursively constructs the need for institutional change where the ideological line should be based on economic development. In accordance, the discourse of "less talk, more action" (speech 5) is understood as Deng taking a stance against empty ideological rambling about class struggle and instead asks for more focus on production, growth and development. For example, Deng frames true development to be the opposite of "conducting campaigns" (speech 5). The only political campaign China needs is development "accomplished through routine and chiefly economic work" (speech 5). In an effort to contextualise this discourse, Deng seems to suggest that China used to base policy on empty talk and in disregard to economic laws, thus China suffered.

"Less talk, more action" is further exemplified with Deng publicly urging the lead-economic advisor Rong Yiren, a previously labelled capitalist, to only prioritise economic principles in pursuit of profit and foreign exchange. Rong is asked to disregard the party-line and to follow one rule: "accept only those tasks which you consider reasonable and refuse any unreasonable ones which the government assigns to you; [...] You will not be blamed should you deal with some affairs wrongly" (speech 10). In a larger perspective, Deng pledges that "quality of leadership [...] should be judged mainly by [...] adoption of advanced methods of management, by the progress of its technical innovation, [...] productivity of labour, its profits" (speech 9).

Interestingly, Deng often attributes the economic perspective values such as “flexible”, “open-minded” and “broad outlook” in an attempt counterbalance political opposition that critiques him for deviating from the rigid walls of the dominant ideology.

Reforms as “the New Long March”: The following finding draws attention to values and thought patterns which Deng attaches to reforms by calling the road toward the four modernisations “the New Long March” (speech 8 and 9). The road ahead is described to require hard work and courage. The only way the Chinese people will succeed is to hold on to the revolutionary spirit. If they do so, the people will experience “comparative prosperity” (speech 14). In many speeches, Deng is realistic and blunt, he often acknowledges China’s severe backwardness and low GDP. This is often followed by an explanation of what workers’ short-term future conditions will look like. “As our country is still backward, the workers’ conditions cannot be improved overnight, but only gradually on the basis of increased production” (speech 8).

Deng signals a shifting perspective on income inequality when he asks his people to “allow [...] some workers and peasants to earn more and enjoy more benefits sooner than others, in accordance with their hard work and greater contributions to society” (speech 9). The underlying argument for such a shift from socialism is that “if the standard of living of some people is raised first, this will inevitably be an impressive example to their neighbours” (speech 9). Although, this can be interpreted as “let some get rich first” Deng often balance this discourse with saying that any income inequality is short-term. If China is to realise the four modernisations, the Chinese people must retain their morality and socialist principles since the “revolutionary spirit is a treasure beyond price” (speech 9). However, as this analysis has brushed upon earlier, Deng rarely disregards material interests and economic incentives. Reform is framed as revolution and “revolution takes place on the basis of the need for material benefit. It would be idealism to emphasize the spirit of sacrifice to the neglect of material benefit” (speech 9).

Henceforth, reforms are positioned to imply hard work, a revolutionary spirit and short-term inequality. Once China has tread through the decades of “the New Long March” “comparative prosperity” awaits them. Such prosperity differs from other states’ perspective on prosperity. “The four modernizations we are striving to achieve are modernizations with Chinese characteristics [...] different from yours (Japan’s). By achieving the four modernizations, we mean achieving a comparative prosperity” (speech 14).

5.1.3 Theme 3: China Finding its Place in the World

Reforms as a learning process: This finding recognises Deng’s consistent honesty regarding China’s lacking experience in development, institutional change and growth. A majority of the analysed speeches contains passages where Deng describes just how technologically, economically and institutionally underdeveloped China really is. For example, Deng makes sure his people understand that ‘compared with developed countries, China’s economy has fallen behind at least 10 years, perhaps 20, 30, or even 50 years in some areas’ (speech 7). Deng

announces that it is time for China to learn advanced technology and institutional arrangements from the outside world, as well as to accept a great deal of foreign assistance. Correspondingly, this finding identifies openness “as a starting point in our development” (speech 7). This discourse pinpoints the thought pattern behind Deng’s gradualism. Reforms “will have to be less than perfect to start with, then be gradually improved upon [...] in short, it is better to have some laws than none, and better to have them sooner than later”.

The Maoist national ideal of self-sufficiency is challenged when Deng claims that opening-up to the outside world does not equal “blindly worshipping foreign things” (speech 7). Instead “China cannot develop by closing its door, sticking to the beaten track and being self-complacent” (speech 7). When Deng discusses the urgency of China opening its doors to the outside world it is followed by attempts to ground the new stance on international relations by comparing China’s GDP per capita and level of development to western countries. Interestingly, at times Deng also looks to Japan’s and Singapore’s development experience of foreign investments to motive China’s new position on relatively less national self-sufficiency. The geographical and cultural proximity between Japan, Singapore and China may very well be a rhetorical attempt to encourage the Chinese people to picture themselves and the nation successfully developing to the same degree and through the same route as their Asian neighbours.

The analysed speeches indicates that Deng positions China not only to lack the adequate technology and investment to achieve the four modernisations, but Chinese development hinges on foreign-inspired economic re-construction. For example, ‘we must learn to manage the economy by economic means. If we ourselves don’t know about advanced methods of management, we should learn from those who do, either at home or abroad’ (speech 9). Yet, Deng clearly frames that reforms are to be implemented to be with “Chinese characteristics”. China may come to learn and get inspired by foreign economic systems, however Deng reassures his people that “in building socialism, each country should adopt policies commensurate with its particular conditions” (speech 17). The particular Chinese conditions are various, although most prominently Deng views any condition to be timebound. Time has a central role in his discourse, for example “changes coming with each passing day” (speech 5), demands China to be flexible, adaptive and responsive enough to achieve the four modernisations.

Reforms as contribution to the greater good: This finding highlights Deng positioning reforms to be a necessary effort in contributing to the greater good. The greater good seems to consist of two parts, one is “to do more for our friends in the third world” (speech 19) and the other is to help the “emancipation of the working class throughout the world” (speech 8). Framing reforms, and Chinese development, into a greater narrative of making the world a better place is spelled out in quite simplistic terms. Deng links Chinese development and contribution to the greater good in terms of causality: China’s GDP per capita is low thus China cannot afford to help other poor countries. However, if the domestic market grows “trade and other economic exchanges with other countries will expand” (speech 14) and accordingly more contributions could be made to the Third World. The sense of mission in Deng’s discourse to develop China

in order to help other underdeveloped countries is rooted in Deng classifying China as a poor Third World country “in the real sense of the term” (speech 6).

Deng expresses misgivings about the China that will emerge once the four modernisations are achieved. Right now, China is disadvantaged on the global arena, part of the Third World, do not seek hegemony and is without any ability to constructively partake in international affairs. However, the China Deng’s reforms will shape may disconnect China from the Third World. This may intuitively not make sense since if China develops to an upper-middle income economy then naturally China would be separated from the concept of the Third World. However, Deng places values such as anti-hegemony, loyalty, peacefulness and socialist to the concept of the Third World. On the other hand, the developed world is attributed values as hegemonic, arrogant, overlord and capitalist. For example, “if it (China) remains a socialist country, China will not practise hegemony and it will still belong to the Third World. Should China become arrogant, however, act like an overlord and give orders to the world, it would no longer be considered a Third World country” (speech 6). Therefore, Deng urges his people to always keep the fight against injustice and oppression in mind when proceeding in building socialism and achieving the four modernisations. In addition, Deng urges the Chinese workers to support both the world proletariat and all suppressed nations in the world. In many of the analysed speeches Deng alludes to the thought pattern that the “world proletariat” is synonymous to the Third World’s inhabitants as a whole, rather than all nations’ working classes.

Reforms as proving the world wrong: This finding presents Deng positioning reforms as a method to showcase socialism’s superiority in a world which for a long time has worked against China and socialism. Also, in Deng’s discourse, the world is finally ready to allow a socialist nation to modernise and develop. Firstly, China’s large size in land and population is disproportionate to the very small role it plays on the global arena, according to Deng. This imbalance is “far from being commensurate with the standing of a great nation such as ours” (speech 15). Secondly, only institutional change in the economic system would bring the international communist cause pride and legitimacy. Deng wants to be clear that China is not only a socialist country, but also a poor one. Hence, the only way to prove to the world that socialism is the superior ideology is to increase the rate of growth in the productive forces. This is argued seeing as “from the historical materialist point of view correct political leadership should result in the growth of the productive forces and the improvement of the material and cultural life of the people” (speech 6). If China does not succeed, Deng ponders if the socialist ideology and the communist cause is legitimate.

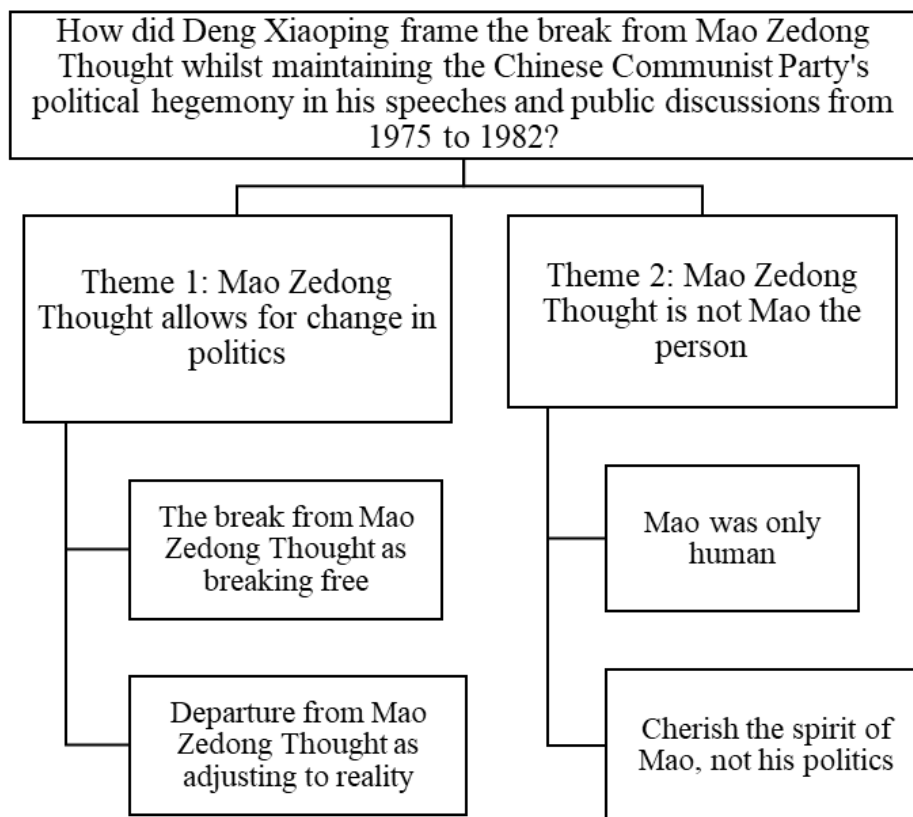
Deng’s narrative is based on the idea that historically anti-Chinese bias and suppression has forced China into isolation. However, “in the 1960s when opportunities to increase contact and cooperation with other countries presented themselves to us, we isolated ourselves. At last, we have learned to make use of favourable international conditions” (speech 13). The favourable conditions are to Deng apparent. It is apparent since the CPC has evaluated of advantages and disadvantages, and now China should be determined to open its door. Yet, Deng makes reservations for “old-line colonialists” (speech 19) who are still active in global governance and are reluctant to let Third World countries develop. Therefore, “while pursuing the policy of

opening to the outside world, we must stick to the principle of relying mainly on our own efforts [...] on the basis of self-reliance” (speech 19).

5.2 Analysis: Part II

In the second part of the analysis, two themes are presented to answer the research question: How did Deng Xiaoping frame the break from Mao Zedong Thought whilst maintaining the Chinese Communist Party’s political hegemony in his speeches and public discussions from 1975 to 1982? The themes and the following categories are showcased in Figure 2.

Figure 2. Themes and categories for Analysis Part II



5.2.1 Theme 1: Mao Zedong Thought Allows for Change in Politics

The break from Mao Zedong Thought as breaking free: This finding is centered around Deng positioning the departure from Mao Zedong Thought as a way of abandoning inherited ridged and backward political thought patterns. It seems as though the goal for the nation is aligning with Mao’s goals. However, the reforms’ institutional effects are acknowledged by Deng as a break from Mao Zedong Thought. The method and implementation of reforms have been discursively constructed as “theory must be tested in practise” (speech 6). This implies gradualism, realism and experimentalism. However, for Deng the main obstacle for achieving the four modernisations is the rigidity of people’s thinking. In fact, the historical materialist

principles of Mao Zedong Thought are the foundation for why Deng breaks with the previous developmental methods carried out by Mao. These principles emphasise that “the world is changing every day, new things are constantly emerging and new problems continually arising” (speech 6) and as such, political thought patterns must change accordingly. Speaking directly to fellow CPC-officials, Deng is in this discourse able to re-frame and swiftly manoeuvre any political opposition blaming him for deviating from the principles of Mao Zedong Thought.

The most frequent phrase used by Deng to deliver the message that China needs to break free is “emancipation of the mind” (speech 9). This principle must be given top-priority if China is to achieve the four modernisations. Deng positions economic development guided by Mao Zedong Thought and Marxism-Leninism to be conditioned on breaking free and emancipating the CPC-officials’ minds. This, because with rigid political thought patterns the officials are not doing the ideology any justice. Again, Deng puts forth arguments with the purpose to overcome discrepancy between the implemented reforms and Mao’s ideological legacy. Instead of using words as “following”, “inheriting” or “passing down” the guiding principles, Deng positions the break from Mao Zedong Thought as China’s attempt to “hold the banner high of Mao Zedong Thought” (speech 6). By readjusting and accepting that Chinese development requires more political and ideological leeway, Deng claims that “the principles and policies now laid down by the Central Committee are examples of truly holding the banner high” (speech 6). If the CPC would remain stuck in the fixed thought patterns then “one is being false or formalistic in ‘holding the banner high’” (speech 6). The purpose of breaking free is framed as helping China to “turn our thoughts to the future and smoothly shift the focus of the Party’s work” (speech 9) and this means giving economic development top priority.

Another discourse Deng brings forth within this finding is that the CPC must break free in order to legitimise its hegemony. The CPC must start to accept and promote China as a nation of competing ideas where the leadership remains legitimate because it is in line with the current most broad-based thought patterns. Thus, “in dealing with ideological problems we must never use coercion but should genuinely carry out the policy of ‘letting a hundred flowers bloom, a hundred schools of thought contend’” (speech 6). One way in which the CPC must break free is in acting in line with economic laws, which here is interpreted as aligning with the capitalist global economic system. Deng demands that CPC-officials open their minds to studying “three subjects: economics, science and technology, and management” (speech 6). This demand is seemingly Deng’s strategy for uniting the universal principles of Marxism with the reality of Chinese modernisation. This strategy is also a way to unite the CPC’s work and counterbalance Mao’s legacy of political fragmentation. A unified leadership would in effect unite the nation, according to Deng.

Departure from Mao Zedong Thought as adjusting to reality: This finding brings attention to Deng’s discursive attempt ensure continuity despite the reforms’ radical break from Mao Zedong Thought. Mainly, the discourse is centered around “holding the banner high for Mao Zedong Thought”. By holding the banner high Deng aims to *credit* to the thought patterns of Mao’s ideology, not follow it. Deng explicitly says that if politics and economics remains in the fixed confines of Mao’s ideology, then the CPC would “debase Mao Zedong Thought” (speech 6). The principle of the Two Whatever is by Deng framed as the opposite of holding

the banner high. Deng proceeds by asking the question: “if we could only act as Comrade Mao suggested, what could we do now?” (speech 6).

The main discourse for justifying the break from Mao Zedong Thought in accordance with this finding is that the present conditions were absent in Mao’s time. Deng often urges the CPC to “rethink”, “act in light of the present”, “find solutions” and “proceed from reality” if the CPC does not, then the four modernisations are out of reach. Interestingly, Deng frames Mao’s politics (just as his own) to be a product of reality. For example, Deng claims that Mao’s position on isolation or openness to the outside world depended on the actual conditions for China at that time. Forced isolation and political extremists’ stance on foreign exchange inhibited Mao from opening China, but “while Comrade Mao was still living we thought about expanding economic and technical exchanges with other countries” (speech 6). Statements like these, all point to Deng’s rhetoric trick to convey that with Mao dead then who is to be certain that Deng is departing from Mao’s politics in the present conditions?

Lastly, Deng puts forth the idea that Mao Zedong Thought should be treated as an ideological system that “from generation to generation” (speech 2) will be developed under new historical conditions. This is consistently described as “understanding Mao Zedong Thought in an integral whole” (speech 2, 3, 9). The whole in which Mao’s ideology should be understood within is the universal principles of Marxism-Leninism and the international communist movement’s cause. Almost without fail, Deng uses the word “guide” to describe what relationship to Mao Zedong Thought China should have. In his discourse, “guide” implies an effort to understand Mao’s thought patterns “instead of just citing a few specific words or sentences” (speech 3). Deng makes several attempts to revive the notion of Mao Zedong Thought being an extension and applied system originating from Marxism-Leninism. Thus, it seems as if Deng suggests that the break from Mao actually might be an opportunity to re-connect with Marxism-Leninism.

5.2.2 Theme 2: Mao Zedong Thought is Not Mao the Person

Mao was only human: This finding brings together the discourse Deng uses to frame that Mao was human, and as such he made mistakes. Primarily, Deng often steer criticism away from Mao’s personal shortcomings and Mao’s most disastrous policies and campaigns. Intuitively, bashing and reminiscing failures of his predecessor could increase support for Deng among the masses in their yearning for change. However, Deng walks a thin line since he must secure political continuity and stability for the sake of achieving the four modernisations and the CPC’s continued hegemony. Therefore, Deng employs several discursive methods for positioning his leadership as the start for positive change, and for protecting and paying tribute to Mao’s legacy.

The most interesting and obvious thought pattern employed within in this finding is that neither Deng, the CPC nor the Chinese people should emotionally exaggerate Mao’s mistakes since it would “impair the prestige of the Party and the socialist system and undermine the unity of the Party, the army and our people” (speech 18). This suggests that Deng is aware that it is important to praise Mao in order to legitimise the CPC continued hegemony. On the other hand, Deng also implies that departure from Mao Zedong Thought is necessary for upholding the

CPC's hegemony because the CPC desperately needs to re-connect with the masses. The CPC must anchor their work within the masses because the Cultural Revolution weakened the people's support. Generally, Deng constructs a discourse where the ties between the CPC and the people need to be strengthened if economic readjustment is to succeed.

Mao is framed to have been self-perceptive and always aware of his own mistakes, for example "he (Mao) said that no one can avoid making mistakes in his work unless he does none at all" (speech 2). Also, just as Deng re-connected Mao Zedong Thought with Marxism-Leninism, he draws attention to that "Marx, Engels, Lenin and Stalin had all made mistakes" (speech 2). There is a sense of discourse that all great leaders or revolutionaries take a chance, with the best intentions, and that their courage at times result in failure. Similarly, Deng will also take a huge plunge by reforming the institutional arrangements and the economic system. Hence, the discourse mainly revolves around framing Mao's politics to have been done with the best intentions, and that "we should regard his contributions as primary and his mistakes as secondary [...] in accord with the facts" (speech 18). As Deng often suggests, the Chinese people should collect all the facts and then make an evaluation of the positive and negative. The discourse presented here can be summarised that in the holistic perspective Mao affected China more positively than negatively.

The harshest criticism for past failures is attributed to "left-policies", "the Gang of Four", "we", "incorrect leadership" and the Cultural Revolution. All these phrases can be traced back to Mao, yet Deng makes a point of not mentioning Mao by name as he delivers his most adverse statements. The Cultural Revolution is at times acknowledged as a failure of Mao's making, yet Deng holds his position of making evaluations based on careful consideration and facts. For example, Deng addresses the tragedy by constructing a discourse that he cannot fully condemn the Cultural Revolution until "serious research" (speech 9) and "a scientific appraisal" (speech 9) has been conducted. Instead, he urges the people to be patient and wait for a "correct analysis of this period in history after some time has passed" (speech 9).

Cherish the spirit of Mao, not his politics: This finding is rooted in the discovery that Deng frames Mao's politics to indeed not fit the present conditions for the nation, yet the ideals Mao imposed on Chinese society is an invaluable asset for the people to cherish as they ascend into the future. Deng often praises Mao because of the values he embodied and the spirit he left behind. The persistent commendations Deng offer Mao's legacy almost always revolve around the values Mao inserted in the societal consciousness and in informal institutions. These values are "broad spirit of democracy and of voluntary observance of discipline" (speech 3), "hard work" (speech 19), "a new China" (speech 9), "revolutionary spirit" (speech 15), and "following our destiny" (speech 9). Deng is confident that one of Mao's largest contributions is that he encouraged these values "among those working at the lower levels and, on this basis, it established a high level of centralism" (speech 3). This statement alludes to the thought pattern that Mao's political status was founded on and justified by his success in implementing broad-based values in the masses.

Deng usually takes his time asserting that without the values Mao exuded, the nation would have perished, China's enemies would not have been defeated and China would not be able to

progress. Similarly, the central values and ideals of Mao Zedong Thought have “nurtured our whole generation” (speech 9). One interesting phrase within this discourse is that “Mao Zedong Thought will forever remain the greatest intellectual treasure” (speech 9). Here, Mao Zedong Thought is not ideology, politics nor a policy framework, it is an intellectual treasure. The ideals and values Deng wishes to attribute Mao and his Mao Zedong Thought are highly philosophical and interpretative that in large could resemble religious, moral or ethical belief systems.

Deng connects the spirit of Mao to the goals of China today. Primarily, he emphasizes the idea that China is on a winning streak and capable of overcoming any hurdle it sets out to surpass. Mao led China from victory to victory defeating capitalism, feudalism and imperialism thanks to the revolutionary spirit. Deng says that if the Chinese population hold on to its revolutionary spirit then China will overcome yet another challenge: achieving the four modernisations. Deng reformulate ideals connected to Mao’s spirit and legacy, for example by discursively constructing modernisation and development within the discourse of revolution. “The four modernizations represent a great and profound revolution in which we are moving forward by resolving one new contradiction after another” (speech 9). This can be interpreted as Deng’s attempt to extend the spirit of Mao long after his death, and through the reform period.

5.3 Discussion

This section has been divided into three parts, each one corresponding to parts in the theoretical framework. The analysis’s findings are reviewed against the main theories along with literature presented in the section for previous research.

5.3.1 State-centered Analysis and Institutions as the Rules of the Game

The state-centered perspective and institutions as the rules of the game are traceable in Theme 2 in Analysis Part I, *China putting in the effort*. Deng argues that institutional change is the main driver of economic performance, and that the polity (the CPC), is the main insurer of economic performance and main actor in institutional change (North 1991, 1992). These thought patterns are widespread in the speeches and are of great importance in Deng’s discourse. In *reforms as “less talk more action”*, Deng frames the CPC’s most significant task to be institutional change and economic progress. In *reforms as incentives*, reforms function as a political signal proclaiming that the rules under which economic actors operate will change. Ensuring that effort pay off relates to the perspective of institutions being the rules of the game and that the state will ensure that the rules (reformed institutions) have the expected outcomes (improved salary and living standards).

Just as Nee & Opper (2012:4) suggest, Deng’s discourse has revolved around proclaiming that the formal rules will be changing, and rapidly so. Institutional change in informal rules is out of reach for Deng according to the definition of institutions as the rules of the game. However as presented in *reforms as responsibility* and *reforms as “the New Long March”* Deng’s

discourse also encourages and discourages certain individual behaviour and thought patterns. These findings challenge Ang's (2021) assertion that Chinese political leaders speak to the polity rather than the people. Deng attempts to reform or re-instate certain informal institutions in an effort to speed up the at times slow institutional change in informal rules. Deng often turns to workers, peasants, intellectuals, innovators and urban youth in attempts to inspire certain actions. As showcased in *reforms as responsibility*, Deng claims that the four modernisations depend on his people listening to him, not just that the polity implements the necessary reforms.

5.3.2 Cheung's Interest Theory

Cheung's negotiation cost for institutional change arises from 1) the cost of information for discovering an alternative institutional arrangement and 2) the cost of negotiating change. The first cost in Cheung's theory is traceable in Deng's discourse regarding institutional changes being based on market reforms and opening-up. Deng gained information about the riches and technological advancements in the West. This discourse is visible in *reforms as a learning process* where Deng blatantly acknowledge the technological divide and income-gap between Chinese institutional arrangements and Western ones. The cost of information was most likely lower in China during the analysed period, 1975-1982, than in periods of highly consolidated political leadership. Since China was hobbled by political fragmentation and uncertainty, politicians were more open to alternative institutional arrangements.

The cost of negotiation is particularly centered around compelling members of society whose interests and current gains are expected to decrease with the change (Coase & Wang 2012:163). The cost of negotiating change is traceable in Deng's discourse where he compels the people and CPC-officials to institutionally transform the system. Deng reduces this cost in *reforms as a new start* by promising that the new institutional arrangement will bring China technological and economic progress. In *reforms as proving the world wrong*, Deng assures that evaluations based on costs and benefit, not on ideological sweettalk or shifts in thought patterns, attest that it is clear that China should open up. However, just as McCloskey (2015), and Coase and Wang (2012) proclaim, this analysis finds that Cheung's theory only partially explains Deng's discourse in his attempts to decrease the cost of negotiation. In *reforms as a contribution to the greater good* there is ideological sweettalk where reforms and the break with Mao Zedong Thought is framed to be in favour for socialism, the world proletariat and the Third World.

The high cost of negotiation to put socialist modernisation into practise and open up to the outside world is often framed as the necessity to overcome ridged political thought patterns that hamper progress. Deng's stance against ridged thought patterns is visible in *reforms as "less talk more action"*, *reforms as a learning process*, *the break from Mao as breaking free* and *departure from Mao as adjusting to reality*. The most central discourse is that Mao Zedong Thought should be understood as an integral whole that must be adjusted to reality and be applied to the particular conditions China faces at the time.

In Cheung's theory, political opposition to institutional change arises when parts of the elite are worried that their material interests will suffer. However, Deng's discourse is rather unforgiving

to elites' interests. Whilst he makes substantial effort arguing in favour for CPC-hegemony and political continuity, Deng claims that institutional change will happen no matter what, and that CPC-officials from now on must earn their political status. This is visible in *reforms as a new start* where economic development is prioritised above all, and in *reforms as "less talk more action"* where politics is to be based on economic progress. These findings highlight Deng's discourse that CPC-officials' status and material interests will remain, but only if they adjust to reforms and handle their politics in accordance with economic laws.

5.3.3 Theory of Induced Institutional Innovation

The discourses that are the most compatible with the theory of induced institutional change is *break from Mao Zedong Thought as breaking free's* "emancipation of the mind" and "holding the banner high for Mao Zedong Thought", and *departure from Mao Zedong Thought as adjusting to reality's* "Mao Zedong Thought should be understood as an integral whole". These discourses aim to argue that any and all policy must proceed from current reality, or as North's theory suggests, the reality which Deng and the CPC perceive. Deng argues that any valid solutions to China's problems and any method for achieving the four modernisations must be formulated against the conditions China finds itself in. This also provides with Deng leeway in breaking from Mao's dominant beliefs. Just as in North's theory, the perceived need to achieve the four modernisations is a catalyst for changed ideology and later in policy. However, Deng frames his change in ideology to be an extension to the present conditions just as Mao developed Mao Zedong Thought from Marxism-Leninism.

In *reforms as proving the world wrong*, Deng's grand narrative resembles North's theory since Chinese leaders perceived the outside world as hostile towards China. Deng's discourse suggests that due to these external conditions Mao constructed beliefs and an ideology claiming that China must be nationally economic self-sufficient. Similarly to Tisdell (2009), the analysis finds that the principle of self-reliance and economic self-sufficiency is discursively in effect, however latently the principle has been re-interpreted to reflect China's shifting external relations. Deng seems to have noticed a shift in international relations and thus China should change its closed-door policy, beliefs about self-reliance, and undertake changes in ideology. Henceforth, the findings of this analysis align with Lin and Tsai (2004) who argue that the specificity of the Chinese approach was pragmatism. Similarly, this analysis finds that ideology and institutional change allowed improvement in an incremental manner where Deng twisted the dominant beliefs to fit reality instead of treating Mao Zedong Thought as a ridged institutional-package.

The analysis support North's (2005:2) theory that a shift in the general equilibrium of technology and cultural (i.e. ideology) endowments can increase the range and speed of institutional change in socialist economies moving toward marketisation. In *reforms as a learning process* and *reforms as proving the world wrong*, Deng frames international competition in growth and technology to cause a need for reinterpretation of the dominant beliefs and wide-spread alterations in institutional arrangements. Similar to what Nee and Lian

(1994) and North (2005:2) indicate, Deng's awareness of increased international competition has affected the range and speed of institutional change. Increased range and speed of China's institutional change is connected to this analysis's re-interpretation of Naughton's (2018:100) description of gradualism in Deng's political work. Naughton (2018:100) placed emphasis on the fact that Deng's gradualism meant preserving and re-purposing command-economy institutions. This essay has widened the idea of gradualism to also encompass the discourse that time is of the essence, and that international competition will not wait for China. China did not have time to wait for proper and complete institutional re-arrangements, instead laws would be passed that were less than perfect.

Hayami and Ruttan (1984), and North's theory (2005:2) state that cultural endowments, mainly ideology, exert a significant influence in the set of choices in institutional innovation for China during the analysed period. Ideology makes some institutional innovations less costly to implement and impose high costs on others (Hayami & Ruttan 1984). The constraints that the cultural endowment and dominant beliefs of Mao Zedong Thought imposes on Deng's call for reform is shown in *the break from Mao Zedong Thought as breaking free* and *departure from Mao Zedong Thought as adjusting to reality*. These findings showcase Deng discursive aerobics in trying to manoeuvre this path-dependent constraint and reduce the cost of implementation.

The analysis's findings correspond to North (2003) who claims that all institutional changes are path-dependent since political actors always are confined to act within the given frames of cultural and societal norms. *Mao was only human* and *cherish the spirit of Mao, not his politics* showcase that Deng's discourse is constrained by dominant beliefs in formal and informal institutions. In effect, Deng had to spend a considerable amount of effort trying to discursively justify the need to step outside the ridged confines of the current dominant beliefs. At the same time, Mao's and Mao Zedong Thought's institutional path-dependence for China also served as an invaluable source for ensuring political stability, ideological continuity and keeping the CPC's hegemony intact. In line with Qing's (2010) qualitative content analysis of Deng's speeches this analysis finds that Deng used the discourse of stability, for example in *reforms as stability in change*. This analysis furthermore finds that discourse of stability was used for two purposes. Firstly, to counterbalance unrest within the CPC and in the people during radical transformation, and secondly as the primary method Deng used as he tries to maintain the CPC's hegemony.

6 Conclusion

This section summarizes the main findings from the analysis and discussion in relation to the essay's purpose and concludes if and to what extent the research questions were answered. This is followed by an attempt to highlight some practical implications of the essay's findings and suggestions for future research.

One of this essay's purposes was to grant greater understanding to how Deng positioned reforms and institutional change, and the meta-discursive ideology Deng put forth during the early reform period. This purpose corresponds to the first research question and was answered in Analysis Part I. The main discourse positions reforms as the only realistic way to improve China and the lives of its inhabitants. Also, reforms are positioned as everyone's responsibility to find solutions. To secure legitimate political hegemony, CPC-officials must adapt to the new system and accept material interests as a central part of aligning with the masses. The Chinese people must work hard, have a revolutionary spirit and accept short-term income-inequality. Improved material welfare or "comparative prosperity", is promised on the basis of accountability and discipline. The phrase "comparative prosperity" is found to equal the phrase "moderately well-off society" that is mentioned in the background.

In the reform period, Deng urges China to be forgiving for eventual institutional missteps and try all possible solutions. This, since time is of the essence. Some institutional changes may be successful, and others might fail. Therefore, the primary feature of China's institutional change is adaptiveness. This essay's findings suggest that the academic mainstream characteristic of Deng's leadership – gradualism – is more nuanced than previously presented in academia. Gradualism does not just imply gradually repurposing command-economy institutions through institutional change. Gradualism is also about accepting imperfect institutional arrangements and adjusting them piecemeal as China acquire more competence and growth. This notion can be summarised as the idea of instantly (and piecemeal) improving a dysfunctional system rather than acquiring all the information and resources to completely transform a dysfunctional system to a functional system.

This essay has in large been an attempt to systematically provide insight to how Deng discursively managed to balance between political stability with radical reforms in the economic system. Deng identifies institutional change to be the main driver of economic performance, and that the CPC is the main insurer of economic performance and institutional change. As such, Deng ties China's economic development to the CPC's continued hegemony. Within this discourse, reforms are the only way for the CPC to keep its hegemony seeing as Deng views political hegemony to only be legitimate if political actors govern in line with the masses' interests. Whether reforms are or are not rooted in reality is determined on the basis if reforms are in line with the masses' interest. Just as in North's theory of induced institutional

innovation, Deng deems successful economic reform to be conditioned on reality and on having broad-based support.

Another thought pattern Deng expressed in order to balance the need for ideological and political continuity against the need for dramatic shifts in economic policy revolves around putting China in a historical perspective where reforms are a means to an end to fulfil China's destiny. In order to fulfil its destiny, China must change. The political struggle and high cost of negotiation to put socialist modernisation into practise and opening-up is often framed as the necessity to overcome ridged political thought patterns that hamper progress. To achieve socialist modernisation, China needs to look to the outside world as well as make evaluations based on facts and on China's ability to employ these foreign methods. In the process of evaluation, institutional arrangements and policies would be applied to the Chinese present conditions. This essay finds that the meta-discursive ideology of drawing inspiration whilst remaining true to reality is the essence of "Chinese characteristics". If China can overcome backwards thinking and ridged thought patterns, the gains are monumental. China would contribute to the Third World and bring the international communist movement pride. Bringing the international communist pride entails showcasing socialism's superiority as societal system. However, without reforms, economic development and intellectual openness, socialism will remain a laughingstock and continue to face prejudice in international relations.

Deng found himself in an intellectual debate on how the CPC should continue their political hegemony in a post-Mao China. With Deng's rise as the primary leader of the CPC, he in many ways broke with the institutional arrangements govern by Mao Zedong Thought and lead China through a radical ideological, political and social transformation. The essay's second purpose is to grant a greater understanding of how Deng discursively managed do to this. This purpose aligns with the second research question and has been answered in Analysis Part II. The main findings suggest that Deng attempted to re-connect his politics with the universal principles of Marxism and the ideals Mao imposed on China, not Mao's specific statements and policies. Deng's discourse treats Mao as a spiritual treasure for the people and Mao Zedong Thought as an intellectual treasure rather than an institutional-package.

Deng's break from Mao Zedong Thought can be explained as either: 1) Asian pragmatism where ideology is twisted to fit reality, or 2) Deng's belief that Mao Zedong Thought can only be cherished if it is adjusted to the current reality. Either way, Deng's discourse aligns with North's theory of induced institutional innovation. The analysis identifies the central notion that as most conditions are always changing, great socialist leaders have had to make decisions based on reality and so should Deng's regime. Looking to international competition in technology, modernisation and development, Deng frames the need for re-interpretation of Mao Zedong Thought to be vital if China is to catch up to the rest of the world.

This essay's findings bring forth questions for the academic field in development policy, as well as a few practical implications for developing countries. The analysis indicate that China developed on its own terms, relied on its own effort and with a clear goal. Deng's many discourses share two common features: economic development would for the coming 50 years be the primary national goal, and every policy political actors pursued during these decades

would serve to fulfil this goal. With this discourse and through the “directed improvisation”, Deng ensured that all future Chinese presidents would act in accordance with his main goal. By directly positioning his leadership as the catalyst for Chinese development, and indirectly positioning himself as the “Architect of Modern China”, Deng ensured policy-coherence for future decades. Deng’s discourse embodied North’s (2005:3) most critical variable: intentionality. Chinese leaders would for the coming half a century act with the intention to achieve the four modernisations. Academia’s policy suggestions, and mainstream development theories are sequential and at times based on trends in ideology and beliefs. In large, findings of this essay proclaim the importance of political coherence, as well as national self-determination as underdeveloped countries ascend on the route to development. This is not to say that global governance, international development work or aid is wrong or ineffective. However, this essay finds that Deng’s discourse and policy communication set China’s national agenda and at the centre it revolved around economic development adapted to Chinese conditions. This prompts the question: to what extent should developing countries accept foreign ideological institutional-packages, and to what extent should they endogenously reform imperfect institutions piecemeal rather than fully replacing their system?

Building on the findings of this essay and in line with the two main limitations, future research is welcomed that explore if political signals and general reform instructions conveyed in Deng’s discourse is reflected to lower level policy-makers. Likewise, similar research aiming to correlate political signals presented in this essay with changed individual economic behaviours (for example entrepreneurship and market exchange) in the Chinese population during this period. This sort of research would further explain if this essay’s findings had practical implications for Chinese development and modernisation policy, and in individual behaviour. Furthermore, this essay welcomes research in the academic frontier that trace, analyse and explain thought patterns and meta-discursive ideology in current policy and development. This would further the understanding between development actors and prevent eventual misunderstanding that occur due to cultural relativity. As such, similar qualitative content analysis and categorisation of President Xi Jinping’s discourse on the Belt Road Initiative (BRI), the Asian Infrastructure Investment Bank (AIIB) and his slogan “the Chinese Dream” could be a significant contribution for making current interactions in international relations and global governance easier between the West and China.

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Appendix A

Table showcasing the collection of material for the qualitative content analysis. All speeches and public discussions can be found in *Selected Works of Deng Xiaoping, 1975-1982* (1995), with page references given in the table.

	Title	Date	Format	Level	Page reference
1	The Whole Party should take the overall interest into account and Push the Economy Forward	Mar, 1975	Speech at a meeting of secretaries in charge of industrial affairs from the Party committees of provinces, municipalities and autonomous regions.	Domestic	pp. 16-19
2	The ‘Two Whatever’s’ do not accord with Marxism	May, 1977	Excerpt from a talk with two leading comrades of the Central Committee of the Communist Party of China.	Domestic	pp. 51-52
3	Mao Zedong Thought must be correctly understood as an Integral Whole	Jul, 1977	Excerpt from a speech at the Third Plenary Session of the Tenth Central Committee of the Communist Party of China.	Domestic	pp. 55-60
4	Adhere to the Principle ‘To each according to his work’	Mar, 1978	Excerpt from a talk to leading members of the Office of Research on Political Affairs under the State Council.	Domestic	pp. 112-113
5	Realise the Four Modernisations and never seek Hegemony	May, 1978	Excerpt from a talk with an economic and trade delegation of the government of the Democratic Republic of Madagascar.	Foreign Visit	pp. 122-123
6	Hold the banner of Mao Zedong Thought and adhere to the Principle of Seeking Truth from Facts	Sep, 1978	Excerpt from remarks made on hearing a work report by members of the Standing Committee of the Jilin Provincial Committee of the Communist Party of China.	Domestic	pp. 137-139

7	Carry out the policy of Opening to the Outside World and learn advanced Science and Technology from other countries	Oct, 1978	Excerpt from a talk with a press delegation from the Federal Republic of Germany.	Foreign Visit	pp. 143-144
8	The Working Class should make Outstanding contributions to the Four Modernisations	Oct, 1978	Speech at the Ninth National Congress of Chinese Trade Unions.	Domestic	pp. 145-149
9	Emancipate the Mind, Seek Truth from Facts and Unite as One in looking to the Future	Dec, 1978	Speech and the keynote address for the Third Plenary Session.	Domestic	pp. 150-163
10	We should make use of Foreign Funds and let former Capitalist Industrialists and Businessmen play their role in Developing the Economy	Jan, 1979	Excerpt from a talk with Hu Juewen, Hu Zi'ang, Rong Yiren and other leaders of industrial and commercial circles.	Domestic	pp. 166-167
11	Some Comments on Economic Work	Oct, 1979	Excerpt from a talk at a forum of the first secretaries of the provincial, municipal and autonomous regional committees of the Communist Party of China.	Domestic	pp. 201-207
12	All Democratic Parties and Federations of Industry and Commerce are Political forces serving Socialism	Oct, 1979	Excerpt from a speech at a banquet given by the National Committee of the Chinese People's Political Consultative Conference and the United Front Work Department of the CPC Central Committee.	Domestic	pp. 209-212
13	We can Develop a Market Economy under Socialism	Nov, 1979	Excerpt from a talk with Frank B. Gibney, Vice-Chairman of the United States, Paul T. K. Lin,	International	pp. 235-239

			Director of Canada, and others.		
14	China's Goal is to achieve Comparative Prosperity by the end of the century	Dec, 1979	Excerpt from a talk with Masayoshi Ohira, Prime Minister of Japan.	Foreign Visit	pp. 240-241
15	To build Socialism we must first Develop the Productive forces	Apr, 1980	Talk with Kenneth David Kaunda, President of the Republic of Zambia.	Foreign Visit	pp. 310-311
16	To build Socialism we must first Develop the Productive forces	Apr, 1980	Talk with the delegation from the Party of the National Liberation Front of the Democratic People's Republic of Algeria.	Foreign Visit	pp. 311-312
17	To build Socialism we must first Develop the Productive forces	May, 1980	Talk with Aimed Ceca Toure, President of the Republic of Guinea.	Foreign Visit	pp. 312-313
18	Implement the Policy of Readjustment, ensure Stability and Unity	Dec, 1980	Speech at a Central Working Conference.	Domestic	pp. 350-368
19	China's Historical Experience in Economic History	May, 1982	Remarks at a meeting with the Liberian Head of State, Samuel Kanyon Doe.	Foreign Visit	pp. 397-399