

17TH



INSTITUTE OF CHINESE STUDIES

Giri Deshpande
Memorial Lecture

CLASS AND INEQUALITY IN CHINA AND INDIA IN HISTORICAL PERSPECTIVE: IMPLICATIONS IN A CHANGING WORLD ORDER



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REPORT

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Biographical Note



Vamsi Vakulabharanam is Co-Director of the Asian Political Economy Program and Associate Professor of Economics at the University of Massachusetts, Amherst. He previously taught at the University of Hyderabad (2008-14) and the City University of New York (2004-07). His current research focuses on inequality in India and China and the political economy of Indian cities through the axes of gender, caste, class, and religion. In the past, he has also worked on agrarian change in developing economies, agrarian cooperatives, and the relationship between economic development and inequality. Vakulabharanam was awarded the Amartya Sen Award in 2013 by the Indian Council of Social Science Research. His latest publication is titled *Class and Inequality in China and India, 1950-2010*, published by the Oxford University Press in 2025.



Patricia Uberoi is an Emeritus Fellow at the Institute of Chinese Studies (ICS), Delhi. She served as the Chairperson of the Institute of Chinese Studies from 2015-2021. A sociologist by training, Uberoi has taught Sociology at the University of Delhi and the Jawaharlal Nehru University, New Delhi, and retired as Professor of Social Change and Development at the Institute of Economic Growth, Delhi. Her research interests centre on aspects of family, kinship, gender, popular culture and social policy in respect to both India and China. In addition to her monograph on themes of family, kinship and marriage through various genres of Indian popular culture (*Freedom and Destiny: Gender, Family and Popular Culture in India*, 2006), she has edited *Family, Kinship and Marriage in India* (1993), *Social Reform, Sexuality and the State* (1996), *Tradition, Pluralism and Identity* (co-ed., 1999), *Anthropology in the East: Founders of Indian Sociology and Anthropology* (co-ed., 2007), and *Marriage, Migration and Gender* (co-ed., 2008). Her most recent publication is the 4-volume *Asian Families and Intimacies* (co-ed. with Ochiai Emiko, 2021), a compendium of original translations from Asian languages, in which she had sourced and edited Part III, *Transforming Asian Sexualities*.

Executive Summary

- China and India began with very different approaches in the mid-20th century. China undertook radical redistribution through land reforms and collectivisation, leading to historically low inequality, while India focused on moderate reforms and the Green Revolution, which improved food security but largely reinforced regional and class inequalities. The speaker noted that from the 1980s onward, both countries shifted toward market-led growth that widened disparities.
- The trajectory of inequality in both nations took a U-shaped path. In the early decades, strong state-led redistribution brought greater equality; however, with the reforms of the 1980s and 1990s inequality rose again as capitalist elites gained power and markets reshaped the balance of advantage. This does not align with Kuznets' inverted U or Piketty's steady upward trend, but instead demonstrates cycles shaped by policy choices.
- Global economic crises played a decisive role in shaping these outcomes. The Great Depression was a demand-driven crisis that spurred welfare state construction and inequality reduction, while the profitability crises of the 1970s opened the way for neoliberal reforms including deregulation, privatisation and weaker labour protections that created decades of rising inequality across advanced and developing economies.
- Within both countries, new class coalitions gained strength after liberalisation. Whereas urban capitalists and professionals emerged as the dominant groups influencing economic agendas, welfare initiatives in China and India were introduced mainly to contain extreme disparities without challenging the advantages of elites, leaving inequality moderated but intact.
- On the global stage both countries experienced a paradoxical trend of convergence with the advanced economies coexisting with widening inequalities at home. Their rapid rise reduced the overall North South gap yet internally wealth clustered among privileged actors, a process that in turn enabled greater global integration through initiatives such as China's Belt and Road and India's outward liberalisation, embedding both more deeply in global capitalism.

Report

The 17th Giri Deshingkar Memorial Lecture was held on 8 July 2025 at the India International Centre, in partnership with the Centre for the Study of Developing Societies (CSDS) and with *ThePrint* as media partner. This annual Lecture is held in the memory of one of India's leading China scholars and a prominent proponent of the interdisciplinary approach to the study of China. The lecture was chaired by Prof. Patricia Uberoi, former Chairperson and Emeritus Fellow, ICS, and a long-time colleague of Giri Deshingkar, who elaborated on his scholarship and role as a mentor and scholar. Dr. Awadhendra Sharan, Director, Centre for the Study of Developing Societies, also provided an insightful introduction to Giri Deshingkar's life and expansive body of work, highlighting the impact of his contributions.

Giri Deshingkar, fondly remembered as former director of both the Institute of Chinese Studies (ICS) and Centre for the Study of Developing Societies (CSDS), was celebrated not just for his historical understanding but also his expertise in peace studies, development, and nuclear disarmament. He played an important role in encouraging a generation of China scholars in India during the 1980s and 90s. Colleagues and students alike recognised him as an original thinker, a steadfast advocate for intellectual independence, and, as noted by Prof. Alka Acharya, Director, ICS, as one who always encouraged questioning and critical engagement. The lecture series established in 2001, continues to honour his legacy by fostering vibrant scholarly dialogue and upholding the spirit of inquiry that Giri Deshingkar so passionately championed.

The lecture was based on class and inequality in China and India in historical perspective. It was structured into three substantive parts, each addressing major facets of class and inequality in China and India within a unified analytical framework. The first segment traced the trajectory of class structures and inequality in both countries from 1950 to 2010. The second segment explored the methodological implications of this framework for researchers studying inequality dynamics within national contexts. The concluding part considered the reciprocal influences between China, India, and the world economy.

For China, Dr. Vakulabharanam detailed an era of significant social equalisation from 1950 to 1978, marked by moderate economic growth and the dismantling of entrenched elite

structures through comprehensive land reforms and agricultural collectivisation. These policies fostered a notable equalisation of incomes among urban and rural residents, highlighted by an urban Gini coefficient of just 0.16 in 1978. However, the persistence of intra-rural, regional, and urban–rural inequalities remained — rooted in the self-reliant structure of communes and magnified during disruptive periods like the Great Leap Forward (1958-62) and the Cultural Revolution (1966-76).

In contrast, India's experience from 1950 to 1980 was shaped by both ambition and institutional ambivalence. The speaker pointed out that despite gains in economic growth and reduced income inequality, widespread poverty remained unresolved. Land reforms were generally limited in impact, with meaningful change confined to select states such as West Bengal and Kerala, while the Green Revolution — though securing food self-sufficiency — mainly benefited larger landholders, deepening regional and class gaps. The absence of radical redistributive policies meant that large segments, such as smallholders and informal urban workers, saw minimal advancement.

When dealing with post-reform China, Dr. Vakulabharanam drew attention to the initial phase of equalisation in the 1980s, with rising labour income shares following market liberalisation. Yet, after 1985 — and particularly with the Coastal Development Strategy — inequalities widened. Urban capitalists and professionals emerged as dominant groups, while the state often trailed these market forces, only reasserting a stronger regulatory stance after 2012, without fundamentally shifting its pro-market orientation.

For India, the speaker noted that the post-1991 era was characterised by a new coalition of urban capitalists and professionals driving economic priorities. Economic and policy reforms increasingly favoured their interests, and the urbanisation of former rural elites reinforced these advantages. He highlighted that even during 2004–14, when welfare policy gained traction, these shifts were incremental rather than transformative, reflective of a state more attuned to the preferences of its most empowered classes.

Dr. Vakulabharanam underscored the fact that between 1980 and 2020, there were striking structural similarities in the growth trajectories of China and India. In the 1980s, both economies adopted a consumption-led growth model marked by high growth and relatively stagnant inequality, as markets began playing a more prominent role. Post-1991, both

countries undertook aggressive neo-liberal reforms, shifting to an investment- and export-led model that delivered rapid growth but also resulted in sharp increases in inequality.

Around 2005, in response to rising disparities, both states introduced limited welfare measures — China through its “Harmonious Society” agenda and India via “Inclusive Growth” policies — with the objective of moderating the rise of inequality and demonstrating mildly responsive neo-liberal regimes. After 2012-14, growth across both economies slowed and became consumption-driven, but with increasingly plutocratic tendencies and growing wealth concentration.

The speaker noted that while both economies saw a significant expansion of the informal sector, China gained a considerable lead during the 1980s due to better infrastructure, workforce readiness, and a more strategic, gradual approach to market liberalisation — allowing it to grow much faster than India over this period. He delved into the complex drivers and historical patterns of within-country inequality, drawing on the influential frameworks of Kuznets and Piketty to interpret the Indian and Chinese experiences from 1950 to 2010. Addressing the classic question of what causes inequality to rise, Dr. Vakulabharanam first revisited the Kuznets hypothesis from 1955, which posited that inequality follows an inverted U-shape as economies develop — rising during early industrialisation and peaking, before eventually declining. However, two prominent anomalies challenge this narrative: the persistent or rising inequality seen in developed nations since the 1970s, and the atypical trajectories in East Asia since the 1950s. Notably, both India and China display more of a U-shaped pattern over this period, with inequality falling and then rising again, rather than the smooth inverted U anticipated by Kuznets.

Turning to Piketty’s hypothesis, the speaker emphasised a different lens: the trend of a long-term, secular rise in inequality, as documented in Piketty’s exhaustive empirical research from the 1970s to 2014. While Piketty’s work provided sweeping data and global narratives, the speaker noted that its theoretical underpinnings were open to question, particularly the emphasis on exogenous shocks and the omission of specific institutional regimes. This model, for example, struggled to account for the exceptional post-war era of 1945–73, where inequality markedly fell in many advanced economies.

In synthesising these accounts, the speaker suggested that a more nuanced understanding emerges when attention is paid to structural crises, the evolution of capitalist dynamics, and the creation of new institutional regimes. Such turning points offer a richer abstraction for tracking and explaining shifting inequality patterns within countries, illuminating why and how nations like India and China have forged trajectories that diverge from classic Western models.

Dr. Vakulabharanam presented a sweeping overview of global inequality dynamics, emphasising the pivotal role of recurrent crises in reshaping the core centres of capitalism. According to the speaker, such crises serve as catalysts for transformation — a “moulting process” — where established institutional regimes are shed and replaced by new frameworks, alongside macroeconomic theories tailored to the prevailing challenges. Over the past 150 years, these episodes have oscillated between crises of profitability and shortcomings in effective demand. The speaker explained that when major crises in capitalism stem from declining profitability, the aftermath tends to usher in regimes that exacerbate inequality, as policymakers prioritise restoring profit margins and market strength. In contrast, when global crises are rooted in demand deficiencies, the response often constructs mechanisms that foster greater equality, stimulating broad-based consumption and wage growth.

The speaker noted that following the Great Depression of the 1930s, a demand-driven crisis, new institutional arrangements such as the welfare state and Keynesian economic policies led to declining inequality across many advanced economies. Conversely, the profitability crises of the 1970s triggered neo-liberal reforms, deregulation, and weakened labour protections — ushering in a decades-long phase marked by rising inequality. The speaker noted that this cyclical interplay has been central to shaping not only national trajectories but also the broader contours of global economic and social hierarchies.

Dr. Vakulabharanam offered a nuanced perspective on within-country inequality dynamics, drawing from the post-1950 experiences of China, India, and East Asia. He emphasised that, unlike the classic Kuznets inverted-U hypothesis or Piketty’s narrative of ever-rising inequality under capitalism, the trajectory of inequality in these economies has been distinctly U-shaped. In India and many East Asian nations, the decades following the 1950s were marked by declining inequality, driven by state-led initiatives such as land reforms and the

unique policy autonomy available to developing countries during the Fordist-Keynesian era of global capitalism. This phase, extending into the 1970s, fostered relatively inclusive growth and significant reductions in class-based disparities.

China's path, meanwhile, featured far more pronounced equalisation under its socialist framework, with policies up to 1980 dramatically narrowing income gaps through collectivisation and redistribution. However, as China opened up and began integrating with the global neo-liberal capitalist regime after 1980, there was a pivotal shift. The market-oriented reforms and global integration that followed the 1980s triggered a reversal, with both global and domestic dynamics pushing inequality upwards — a trend mirrored, albeit less sharply, in India and across much of Asia.

Drawing lessons from these histories, the speaker underscored that national policy choices and the nature of broader global economic regimes have played decisive roles in shaping inequality patterns. The Asian experience shows that shifts toward neo-liberal orthodoxies — marked by reduced state intervention and a stronger role for market forces — have tended to undermine previous gains in equality. Conversely, eras with robust state action and developmental autonomy not only promoted growth but also fostered more equitable outcomes, suggesting that future strategies seeking to manage inequality must reckon with these broader structural and policy contexts.

Dr. Vakulabharanam articulated a nuanced approach to understanding within-country inequalities, emphasising a non-deterministic class framework that accounts for the intricate interplay between national, local, and global (capitalist core) political economies. He observed that no single direction — national or global — can be presumed, *a priori*, to dominate the shaping of inequality. Instead, the dynamics of inequality are best understood as products of ongoing negotiation and tension between these levels. He argued that to truly comprehend these patterns, it is essential to analyse the political economy at the national and sub-national levels, employing class-oriented frameworks, like the one presented in his lecture. Such frameworks, he suggested, illuminate how local and regional structures interact with broader global currents to produce specific distributions of advantage and exclusion. Importantly, the speaker noted that while national political economies may sometimes resist the influence of global forces, the historical record shows that these spheres often move in tandem, reinforcing each other's impact on internal inequality landscapes. This perspective

invites analysts and policymakers alike to move beyond deterministic models and engage with the contingent, multi-layered realities shaping inequality within countries.

Coming to the evolving relationship between China, India, and the shifting world economic order, Dr. Vakulabharanam focused on the dialectics of inequality and global integration. He observed that the sweep of neo-liberal capitalism — particularly since the 1990s — has produced a striking paradox: while the surge of global integration has led to rising disparities within countries like China and India, it has simultaneously contributed to narrowing the economic gaps between nations, largely due to the rapid ascent of these two economies. This process, the speaker explained, is mutually reinforcing. The increase in within-country inequality — fuelled by liberalisation, market expansion, and shifting patterns of wealth — has itself powered deeper integration with global markets, as both countries increasingly externalise production, capital, and influence beyond their borders. After the global financial crisis of 2008 and amid the continued slowdown in the Global North, China responded with ambitious and systematic initiatives of externalisation — the most prominent being the Belt and Road Initiative (BRI), designed to expand its economic footprint internationally. India, though also looking outward post-crisis, has pursued similar strategies at a smaller scale and with less institutional coherence.

Image Gallery



Image Gallery



Institutional Profile



The **Institute of Chinese Studies (ICS)**, New Delhi is engaged in and committed to interdisciplinary research on China. Apart from the annual All India Conference of China Studies (AICCS), the Institute undertakes various collaborative research programs and multilateral initiatives with prominent institutions in India and abroad, and brings together leading and upcoming scholars through multiple fora. Among its many legacies, it has been conducting the iconic Wednesday Seminar for over 50 years and publishes the *China Report*, a peer-reviewed quarterly journal on China and East Asia, currently in its 60th year of publication.



Since its inception in 1963, the **Centre for the Study of Developing Societies** has been recognised as one of the leading intellectual institutions of the global south. The Centre has accomplished a generational transition by reinventing itself in the 21st century, with a fresh commitment to forging links between the social sciences and the humanities, and to discovering non-European lineages of political and ethical thought in Indian languages. The Centre values its autonomy and the continuing critical presence in the public domain for which it is widely respected. Indeed, it generates research in the hope that it will shape public opinion, influence policy and make meaningful interventions in society. To imagine alternatives in response to our own social, political and economic problems, in diverse cultural settings, is an activity highly valued by all those who work at the Centre.



The **India International Centre (IIC)** is a non-government institution widely regarded as a place where statesmen, diplomats, policymakers, intellectuals, scientists, jurists, writers, artists and members of civil society meet to initiate the exchange of new ideas and knowledge in the spirit of international cooperation. Its purpose, stated in its charter, is ‘to promote understanding and amity between the different communities of the world’. In short, the

Centre stands for a vision that looks at India as a place where it is possible to initiate dialogues in an atmosphere of amity and understanding.



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