

dence of autonomous producers' collectives is obliterated in the name of achieving "communal" control of social production. It is precisely the vague homogeneity of this notion of community that produces this absurdity and so many of the horrors of plan fetishism in command economies.

I do not wish to make a fetish of the market mechanism as I believe many Chinese and East European economists do when they offer the "operation of the law of value" as a magic weapon that can destroy the evils of commandism, bureaucratism, privilege, waste, shortages, etc. What I do hope to illustrate is that in the Chinese context expansion of commodity exchange (particularly contract relations) is producing corresponding demands for greater autonomy, self-management rights, and equality before the law and for a restriction of arbitrary bureaucratic interference. The economic reforms cannot be evaluated in the abstract on the basis of some preconception about planning versus markets in socialist society. This book examines only some of the reforms, those that affect the rural economy, to uncover their concrete impact on relations of production in the countryside. It questions the common assumption that the basic impact of the economic reforms is privatization, atomization, commercialization, and basically capitalist transformation of relations of production. It questions the assumption that the expansion of commodity relations is ipso facto an expansion of capitalist relations. It argues that the economic reforms have made the development of autonomous self-managing producers' collectives neither impossible nor inevitable. Although the study focuses on the character of production relations at the village level, it does touch on the implications of microeconomic practices for the macrostructure of production relations in the sphere of national planning and policy formation. I cannot answer the questions raised by the continuing debate as to the actual nature of the Chinese social formation, but I do believe a careful analysis of the actually evolving character of relations of production is essential to lift the debate out of the muck of murky abstractions drawn from a reality whose concrete features are for the most part very poorly described, let alone comprehended.

## 2 Communication, Cooperation, and Conflict in the Mao Era: A Legacy of Theory and Practice

A common source of distortion in most accounts of policy formation is the failure to situate events in their historical context. Decisions and actions abstracted in this way lose their real meaning and can be easily misinterpreted. In the Chinese case, there has been a failure to grasp how new policies are a response to shared interpretations of past policies and the activity they rationalized. A new development strategy is emerging in China out of a process of questioning and rethinking past activity and the ideas that informed that activity. Out of reflection and discussion have come new ideas and many experiments that did not come simply out of the heads of China's leaders. But to understand the recent actions and thinking of both peasants and leaders, it is necessary to begin by examining, if only briefly, the historical experience that gives them their meaning.

### Mass Line and the Peasant Movement Prior to Liberation

#### *The 1920s*

For about three decades before the Communist Party came to power in 1949, Chinese revolutionaries accumulated experience doing mass work among the proletariat and the peasantry. The positive and negative lessons of these years became a legacy utilized by the party in forging new institutions after 1949, which in China is known as the year of "liberation." Chinese peasants began organizing into powerful peasant associations in the twenties with and without the help of organizers from the Communist Party and the Socialist Youth League. At the height of the peasant movement in the mid-twenties, millions of peasants joined associations in Guangdong, Guangxi, Hunan, Jiangxi, Henan, Sichuan, and other provinces.

This was the period of the Communist Party's first united front with the

Nationalist Party founded by Sun Yat-sen. After Sun died in 1925, the right wing of the Nationalist Party, pressured by alarmed capitalist and gentry Nationalist Party supporters, demanded that its Communist Party allies restrain the rapidly growing labor and peasant movements. The Communist Party's general secretary, Chen Duxiu, and others in the Central Committee panicked in the face of growing Nationalist Party hostility. Mao Zedong was sent to Hunan to rein in the worker and peasant militants in his home province. After a month-long investigation, Mao submitted a "Report on an Investigation of the Peasant Movement in Hunan."<sup>1</sup>

Although the subject of Mao's report for the Central Committee was a field trip made in his capacity as a bureaucrat in the party's Peasant Department in Shanghai, the text was the furthest thing from a typical bureaucratic report. The reason is clear. His purpose was not simply to file a few statistics for the Peasant Department's office records. This was no mere passing on of a few dry facts collected from county party files. Mao was reporting what he had heard and observed in a powerful peasant movement. He was taking the ideas of peasant militants, systematizing them, and passing them on to party leaders. He hoped that they would listen to what peasants were saying by their words and their actions and thereby be inspired to trust the peasantry, throw in their lot with them, and help them organize their own revolution. The method of on-the-spot social investigation pioneered by Mao and other revolutionaries in the twenties is an important legacy that continues to shape policy formation processes in the eighties. The following are a few of the things Mao discovered and reported that had convinced him the peasant movement should be supported.

In one year, the population directly under the leadership of the peasant associations had grown from one million to ten million, nearly half of Hunan's peasants. The rallying call "All power to the peasant associations!" was becoming a reality. The power of the largest landlords and local officials had collapsed under the organized collective weight of the peasant associations. The worst tyrants had been executed, striking terror into the hearts of the entire landlord class. Many landlords and gentry had fled to the cities, and the peasant associations had assumed authority over all important rural affairs. Many rich peasant and even small and medium-sized landlords were frantically trying to buy their way into the powerful peasant associations. Speculation, export, and hoarding of grain had been outlawed, causing a significant drop in market prices. Raising land rents and demanding advance deposits on rented land had been prohibited, and rent reductions were being negotiated for the coming fall harvest. Canceling of tenancies and reletting of land had been prohibited. Interest rates on loans had been reduced, and, in areas where the peasant associations were strongest, usury had virtually disappeared.

The old district and township organs of rural administration, which had levied land taxes and arbitrarily arrested, imprisoned, and tortured peasants in the past, had lost their authority and had been replaced by the authority of the peasant

associations. The landlords' self-defense corps were being disarmed and the peasants were setting up their own militia and spear corps under new organs of rural self-government. The power of corrupt county magistrates and their bailiffs had been undercut, for all decisions were made by a joint council consisting of the magistrate and representatives of revolutionary mass organizations including the county peasant association, trade union council, merchant association, women's association, school staff association, and student association. To retain their positions, the county magistrates were "eager" to cooperate with the mass organizations. The county bailiffs no longer went to the villages to extort fines from hapless peasants, but remained in the towns for fear of the villagers' spears.

One thing that emerges from Mao's 1925 report is the vitality, spontaneity, and relative autonomy of the peasant movement and its mass organizations. The Communist Party at the time of its fourth congress in January 1925 had only 980 members, many of whom were working in cities. Nevertheless, the party and its youth league had an influence quite out of proportion to their numbers. The leaders and organizers of the peasant associations were not all card-carrying Communists, but many had been taught or inspired by members of the party or the league. Communists radicalized the peasant movement and effectively articulated peasant needs and demands. It would be wrong to suggest that the peasant movement of the twenties was entirely spontaneous and autonomous. However, compared with the peasant associations of later periods before and especially after liberation, these early associations had far greater autonomy in their relations with local party organizations.

### *The Jiangxi Soviet*

Mao's investigation and report on the peasant movement in Hunan was an early example of an approach to political communication that would later be identified as "the mass line." Mao's definitive statement on the mass line dates from the early forties, but it has obvious roots in the organizational structure and practices of the Jiangxi Soviet. After the collapse of the first united front in 1927, the party was forced underground. The failure of urban uprisings in Nanchang and Guangzhou finally compelled the party to change its strategy to rural-based guerrilla warfare. In the late twenties and early thirties, fifteen revolutionary base areas were established in the southern provinces of Hunan, Jiangxi, Fujian, Anhui, Guangxi, Guangdong, and Henan. Guerrilla forces in these base areas expanded and became divisions of the Red Army. In the spring of 1929, the headquarters of the Red Army moved to Ruijin, which became the capital of the Jiangxi Soviet Republic, soon the largest and most consolidated of the base areas.

In the Jiangxi Soviet, agrarian policy evolved in the context of simultaneous development of the mass line.<sup>2</sup> The mass line applies to three distinct power relations: between cadres and the masses, between party cadres and the mass of ordinary party members, and between the party as the revolutionary vanguard

and the masses. Elements of the basic concept can be found in Lenin.<sup>3</sup> Mao's most definitive statement of its essence dates from the 1942-43 party rectification movement in Yan'an:

In all the practical work of our Party, all correct leadership is necessarily "from the masses, to the masses." This means: take the ideas of the masses (scattered and unsystematic ideas) and concentrate them (through study turn them into concentrated and systematic ideas), then go to the masses and propagate and explain these ideas until the masses embrace them as their own, hold fast to them and translate them into action, and test the correctness of these ideas in such action. Then once again concentrate ideas from the masses and once again go to the masses so that the ideas are persevered in and carried through. And so on, over and over again in an endless spiral, with the ideas becoming more correct, more vital and richer each time. Such is the Marxist theory of knowledge.<sup>4</sup>

The mass line is a theory of political communication, political organization, and political participation. From the theory are derived a number of defining characteristics of correct and incorrect cadre work styles. According to the theory, the greatest threat to the party's ability to lead the revolution lies in the bureaucratic and subjectivist attitudes and practices of cadres who have become "divorced from the masses." The mass line style of leadership requires cadres to remain close to the masses by living and working in their midst and remaining accessible to them. It condemns aloofness and arrogance, which obstruct communication between cadres and the masses and therefore between the party and the masses. The mass line requires cadres to carry out investigations, hold meetings, and systematically collect the opinions of the masses. The theory implies that this survey of popular views should occur both before and after policy decisions are taken. In fact, it implies that the inspiration for policy initiatives should properly originate with the masses.

Despite appearances, however, the mass line does not mean democracy in the sense of autonomous self-government. Rather, it is government on the people's behalf by leaders who, in the final analysis, are not responsible to the people, but to the party. And yet, cadres are supposed to defend the masses' interests in the event that party directives or party leaders demand actions inimical to people's welfare. The tension arises, in great part, out of the Leninist notion of the vanguard role and character of the party.<sup>5</sup> By definition, the party is composed of the most farseeing and revolutionary elements of the masses. By definition, the vanguard's perspectives on problems and prospects cannot be identical to that of the more muddle-headed masses. The party's most important task is to enlighten the masses. But to do this effectively, party members must first grasp the ideas in these people's heads. They must learn to use the everyday expressions, disorganized ideas, and aspirations of the masses to do effective political education to win mass support for and active participation in implementation of party policies.

The democratic potential and limitations of the mass line were first demonstrated in the Jiangxi Soviet land reform. Three bodies made up of local citizens actually implemented the party's agrarian policies. The confiscation committee surveyed every household to establish the class status of every individual and the size and character of landholdings. The land committee handled the actual redistribution of property. These committees included the head of the local soviet government, leaders of the poor peasant corps and farm labor unions, and representatives of the families of Red Army soldiers. Although committee members were largely inexperienced and uneducated workers and peasants, a core of members received special training in party schools and were therefore viewed as professional land reform cadres.

Results of the investigations and classifications by the confiscation committee were usually posted in a public place for at least two months before actual confiscations and redistributions took place. It was the job of the workers' and peasants' inspection teams to investigate any objections to the process or results of classification or distribution and to redress grievances. These citizens' committees "served as the eyes and ears of the local soviet government and helped the soviets determine whether economic equality and social justice had resulted from land confiscation and distribution" (Kim 1969: 86).

These three bodies were composed largely of local people, including a majority of workers and peasants. However, they were neither spontaneous nor autonomous creations of the local people. They were organized by the Red Army and by experienced cadres sent by higher-level government authorities. The poor peasant corps were also neither spontaneous nor autonomous creations. They were initiated by the party in 1932 as an organizational tool in a campaign to restrict rich peasant power and influence in the local economy and politics. The category "rich peasant" was taken to refer not to those who were merely prosperous but to those who engaged in "exploitation," in other words, those who hired labor, rented land to others, earned profits on rent, or engaged in speculation, regardless of whether this made them wealthy or not. Membership in the "poor peasant" corps was restricted to those who were not "exploiters" and could include newly prosperous peasants whose wealth was the product of their own labor and know-how.

The executive committee of the township poor peasant corps was first elected at a mass meeting. This committee then delegated cadres to organize mass meetings to elect like bodies in the surrounding smaller villages. The poor peasant corps in the villages were also subdivided into smaller groups (*xiao zu*) of poor peasants, farm workers, day laborers, or handicraft artisans.

The poor peasant corps explained government policies in the villages. Leaders of these organizations were summoned to attend village and township government meetings at which new programs were explained. They then called mass meetings in their own villages to arouse enthusiasm and organize support. District (*qu*) soviet governments also summoned leaders of the township poor peas-

ant corps to weekly meetings where directives from the central soviet government were explained and opinions were solicited both on the appropriateness of government policies and on concrete methods for implementation. The township government also sent its own representatives to attend meetings of the poor peasant corps executive. The poor peasant corps served as a transmission belt of government and (through the government) party directives, but also as a line of communication for the articulation of peasant corps members' needs, objections, and desires.

The poor peasant corps served another essential function, which was to train local cadres. Elections to the executive committees of the corps were held frequently, every three months at the township level. The purpose of frequent elections was not just to give people the power and experience of recall, but to enable as many as possible to learn the skills of public administration.

Although the poor peasant corps were initiated by central and local soviet government directives, in Kim's view they were "not tightly controlled" and "attempted to function as fairly spontaneous organizations." For example, the village and township peasant corps executives did not hold regular meetings, which it was felt would be "too mechanical" (Kim 1969: 90).

In the summer of 1933, the central soviet government initiated a land classification campaign, really a reclassification and redistribution to correct problems caused by mistakes in the initial land reform. The stated purpose was to weed out certain landlords who had managed to get themselves classified as rich or middle peasants in the original campaign. Some had apparently infiltrated the soviets and received land in the distribution process. In this second land reform, or rather rectification of the original movement, the poor peasant corps played a key role not only in mobilizing villagers' support for the party's initiative but in actually organizing and administering the reclassification. The local soviet governments worked in conjunction with the poor peasant corps to establish land classification committees that included both government and mass organization cadres. This campaign was highly structured and carefully planned with explicit directives for weekly joint meetings of district- and township-level government and mass organizations to establish implementation schedules and regular inspections. In one sense, the poor peasant corps assumed greater power through their participation in the administration of this second land classification and confiscation. But in another sense, they became much more intimately tied to the soviets and lost the power that derives from a certain autonomy. Such autonomy is essential so that the ability to demand and maintain the right to express particular or conflicting interests and needs is not dependent on the benevolence of those in power.

The land reform process was merely the starting point for a larger program of mass mobilization for rural development initiated in Jiangxi and transferred in whole or in part to each of the other Red bases. The district soviet governments in most of the bases appointed committees to organize self-managed (*minban*) education and health programs, peasant mutual aid schemes, and consumer and

transport cooperatives. Women were organized in women's associations, nursing and stretcher-bearer corps, and weaving and tilling brigades. Youth were organized in the Communist Youth League and its junior affiliates, the Young Vanguard and the Children's Brigades. Mass mobilization did not mean simply the calling of mass meetings of an entire village. In fact, such meetings would backfire if not preceded by extensive one-to-one discussion and smaller meetings. The proliferation of mass organizations with strong grass-roots chapters and representatives' committees provided the organizational context for maximum popular articulation of needs and opinions. Party members formed a "core of leadership" within the various mass organizations even when they did not hold official leadership posts. Through them the party was able to ensure dissemination of directives and obtain feedback about popular opinion on government policies. Through the mass organizations and citizens' committees, ordinary peasants were able to become officials—not the traditional sort of privileged, powerful, and remote type of officials, but official representatives and leaders in their own mass organizations and village soviets. The party's generally positive experience with organizing mass participation in land reform and government in the Jiangxi Soviet reinforced the conviction that close links with the people were essential to the success of the revolution. This is a legacy that continues to influence party policy and practices down to the present.

### *The Yan'an Legacy*

After liberation the Yan'an experience came to be viewed as a model of mass line political communication in action. The sojourn in Yan'an was an extremely creative and rich period. There are many aspects of the Yan'an legacy that cannot be discussed here. I intend only to focus on those aspects most relevant to the emergence of a legacy of concepts and techniques of political communication used to foster rural development policies.<sup>6</sup>

In 1942 the party launched a major effort to transform political communication first within the party and then in the relations between leaders and ordinary people inside and outside the various bureaucracies governing social life in the liberated area around Yan'an. The linchpin in the whole effort was also the starting point, a major party rectification (*zhengfeng*) whose style and content was in marked contrast to past attempts at rectification, which had involved arrests and purges or temporary setting aside of leaders judged to have made serious mistakes. The old approach had been copied from Soviet practice under Stalin. Mao himself had been the target of such a "purification" process in Jiangxi and was well aware of its destructive, divisive effects. Because a major goal of this rectification was to forge greater unity within the party as well as between party and nonparty cadres, a new approach had to be found. The party rectification carried out in the border region in 1942 and 1943 became a model for all future party rectifications and remains

an important legacy of the Yan'an experience.

One has to understand something of traditional Chinese modes of leadership and political communication to be able to appreciate the Yan'an party rectification. Even today, the Chinese have to struggle constantly to overcome traditional modes of political communication based on domination, obedience, dependency, fear of conflict, concern with saving face, and an assortment of devices to protect leaders from the embarrassment of open criticism.

The heart of the rectification process was precisely face-to-face, open, and direct criticism. But because of the weight of traditional modes of communication between superiors and subordinates, such straightforward discussion of faults and mistakes was not possible without first establishing a consensus about the desire for unity. In 1957, Mao drew on the Yan'an legacy with the following observation: "This democratic method of resolving contradictions among the people was epitomized in 1942 in the formula 'unity, criticism, unity.' To elaborate, it means starting from the desire for unity, resolving contradictions through criticism or struggle and arriving at a new unity on a new basis" (Mao 1971: 439).

To achieve this initial basis of unity, the rectification began with a study movement. Everyone was mobilized to study a set of documents that discussed a range of ideological and work-style problems. These documents have been translated and published (Compton 1952) and reveal the predominant role of Mao Zedong in ideological leadership already in the forties, but also the relative independence of the Chinese Communist Party from the tutelage of Stalin and the Comintern in ideological matters.<sup>7</sup> For many new members of the party, this was their first experience with extended study and discussion of Marxism-Leninism and the ideas of Mao. Very quickly this study moved into reexamination of recent party history. After analyzing the roots of past errors, the movement turned to examination of current problems. With a consensus established about the nature of overall problems in past and present practice, party members, organized in small study groups, turned to more pointed criticism and self-criticism of reflections of these problems in their own thinking and activity. This was followed by discussion of concrete measures that could help to improve political communication and relieve the burden on the peasants of having to support such a large administrative apparatus.

This process of cadre reeducation through a mass campaign of study, criticism, and self-criticism is an essential legacy of the Yan'an rectification, which was used again and again in later movements, though not always with such success. The 1942-43 rectification produced a number of important campaigns that are also part of the Yan'an legacy of mass line politics. The campaign for crack troops and simple administration (*jing bing jian zhen*) streamlined government and army bureaucracies, particularly at the highest levels most divorced from the situation in the villages. Many cadres were transferred from overstuffed central offices to lower-level bureaucratic organs. Amalgamation reduced the

number of government departments at district and county levels. While the total number of cadres was not substantially reduced, their location was dramatically altered. Many educated and experienced cadres were transferred to lower levels, where they had no personal local ties and were largely motivated by strong feelings of loyalty to the party. As a result, subsequent decentralization of authority actually strengthened party influence over local affairs.

Nevertheless, this decentralization is real and important. For even when decisions are made by "outsiders," they are made locally and therefore are more likely to be made with a sensitivity for popular feelings, if not actually preceded by democratic consultation to prevent local dissatisfaction or obstruction. A persistent preference for local decision making and distrust of overly centralized bureaucracies is an important legacy of the preliberation experience that continues to influence the shape of development in China. However, local leadership in the Chinese context is a difficult and frustrating responsibility. All local cadres, whether natives or outsiders, are constantly confronted with contradictions between their responsibilities and loyalties to higher authorities and to their constituencies.

The "down to the village" (*xia xiang*) movement coincided with the campaign for crack troops and simple administration. Besides the cadres reassigned to posts in the villages, many students and intellectuals also went to live in the villages. It was recognized that the mutual prejudices of peasants and intellectuals could not be overcome without face-to-face contact and development of working relations and friendships. The sending of students and intellectuals down to the villages to carry out social investigations, assist local leaders to resolve contradictions, and mobilize support for development programs remained a fairly regular feature of political communication in rural development until recent years.

The campaign that undoubtedly had the greatest impact on closing the gap between a large, expensive, and remote government bureaucracy and isolated villages was the production movement. Students, intellectuals, and cadres were mobilized to participate in farming, spinning, weaving, and small light industries to reduce the burden on local peasants. Such participation in productive labor was not new, but the scale of production by normally nonproductive organizations was vastly enlarged after 1943.

The most significant legacy of the production campaign, however, was the cooperative movement. Communist efforts to organize producer, transport, and commercial cooperatives actually go back to the twenties. There were organizations of mutual aid and cooperation in Jiangxi and in many of the Red bases in the early thirties. Consumer and transport cooperatives were also set up by the government in the northwest border region in the late thirties. But because most of these cooperatives were organized almost entirely from above by party and government cadres, the peasants perceived them as "the long arm of the government" reaching into the villages. In 1940, realizing that most of these cooperatives had proved counterproductive, all but a few successful consumer and

transport cooperatives were disbanded. But in 1943, in the face of an economic crisis and as an outgrowth of the rectification campaign discussions, the party launched an unprecedentedly large-scale movement to establish organizations of mutual aid in the villages. This time, however, the model for cooperative relations did not come out of the heads of party and government cadres. Instead, traditional forms of mutual aid that were quite familiar to the villagers were taken as the basis for somewhat different arrangements. These new cooperative organizations were self-managed entities based on a private peasant economy. They were organized on the basis of principles of voluntarism and mutual benefit. There were problems, however, with local cadres trying to please party and government authorities by making exaggerated reports of the size and number of cooperative associations set up in their villages. For this reason, official statistics on the number of such arrangements are not reliable. But it is clear that the numbers were significant, and there is no question that this experience with developing indigenous, self-managing cooperative economic associations on the basis of traditional forms and the principles of voluntarism and mutual benefit proved invaluable in the later postliberation cooperativization movement. Many of the cadres, students, and intellectuals who were sent down to the villages from Yan'an to participate in the production movement in the forties would later play an important role in the early fifties explaining the experience of the peasants in the northwest to peasants in villages all over China.

The mass line was at the heart of each aspect of the Yan'an legacy. In the rectification process, the reduction and simplification of the bureaucratic apparatus, the "to the village" movement, and the production campaign, particularly the cooperative movement, the key to success lay in adequate social investigation and organization of those who would be affected by policies. People were organized first to articulate their needs and then, on the basis of agreement with systematic summaries and analyses of commonly perceived problems, to participate directly in schemes to resolve them.

### **Mass Line and the Peasant Movement After Liberation**

#### *Land Reform*

With the breakdown of the united front with the Nationalists at the end of the Second World War, the party once again raised the age-old peasant demand for redistribution of land. The promise and realization of land reform sealed peasant support for the People's Liberation Army in the civil war, particularly in North China, where, in extensive liberated areas, people's governments were consolidated over a period of several years before the People's Republic was established on October 1, 1949. The most detailed accounts of the land reform process available in English (Hinton 1966; Crook and Crook 1959, 1982) tend to be about

land reform in these liberated areas of North China. Many of these accounts are both moving and impressive. Hinton, for example, describes a painstaking process involving the investigation of local conditions by a work team; rectification and purification of the village peasant association; propaganda work to explain land reform policies through one-to-one and small group discussions; classification of households; "speak bitterness" meetings and ritualized "settling of accounts" with the most hated landlords and local tyrants; confiscation and redistribution of property; and inspection, rectification, and adjustments to correct errors made in the first classifications, confiscations, and distributions. The relatively democratic communication between leaders and led and the specific stages and organizational techniques, as well as the use of representative committees and mass organizations, were all reminiscent of the land reform in the Jiangxi Soviet. Hinton's account reveals how crucial was the role of outsiders in carrying out investigations before and after confiscations of property. Unless these people were able to win the confidence of the villagers, the peasants would not voice their fears, complaints, misconceptions, or hopes.

Hinton's account also reveals the character of the rectification process. Like the Yan'an rectification, it sought to overcome traditional attitudes and habits of passivity, submissive obedience, and avoidance of loss of face. It demanded frank discussion of mistakes and poor work-style. What is different in Hinton's Long Bow village compared with Yan'an is the open-door character of the rectification. All the party members had to "pass the gate," meaning they had to discuss their strengths and weaknesses at a meeting of village representatives. They had to obtain villagers' approval or face suspension or even expulsion from the party and from positions of authority. This was not a matter of carefully orchestrated "thought reform" by an authoritarian party hierarchy. It was a meeting in which peasants were encouraged to look on village leaders as the people's "hired laborers." The sessions recorded in Hinton's diaries were marked by lively discussions, biting sarcasm, humor, threats, and pathetic excuses. Although emotions often ran high, these confrontations were moderated by a common desire not to destroy cadres' sense of belonging and obligation to the village as well as the villagers' respect for the cadres as their advocates in dealing with higher authorities. The peasants could see that their leaders were, after all, human beings like themselves who needed both prodding and support to do the jobs mandated to them. This process involved a powerful use of political communication to prevent mechanical implementation of government policies by tying cadres' fortunes to local sentiments.

The accounts of the inspections, rectifications, and readjustments organized by work teams sent by party or government authorities in many studies of the land reform are quite revealing (Crook and Crook 1959; Hinton 1966; Moise 1983; Lippit 1974). They indicate a deep-rooted democratic tradition in the historical development of the Chinese revolution in the countryside. And yet, at its core the process rested on a fundamentally paternalistic relationship between the party

and government on the one hand and the Chinese peasants on the other. The decision to initiate each inspection or rectification was taken not by the villagers but by higher authorities. Many legitimate grievances were redressed through these investigations and confrontations engineered by the work teams. Many elements of democratic forms of political communication began to emerge that were in stark contrast to the preliberation patterns of domination and subordination. Nevertheless, there were no institutionalized guarantees that such inspections, rectification, or readjustments would occur or that they would be carried out democratically. The rights of the peasants were completely dependent on the benevolence and wisdom of party and government leaders. The use of outside work teams often helped to expose and resolve thorny village conflicts, but it also reinforced the villagers' dependence on outside intervention to redress grievances. It did not encourage villages or groups of peasants to set up their own inspections or to challenge policy implementation, let alone policy formulation, on their own initiative.

The peasant movement of the twenties, when the party was still in its infancy, was more spontaneous and autonomous than that of the forties. A similar contrast characterizes the land reform before and after the turning point in the civil war in which the Communists finally achieved state power. As the Nationalist Army collapsed and the People's Liberation Army pushed southward, land reform followed in the wake of the advancing army. Work teams applied techniques and organizational forms developed in the land reform movement in the liberated areas of the North to southern peasants whose economic situation, social organization, perceptions, and even language were quite different. A subtle but significant change had occurred. Land reform was no longer the basis for military victory, but rather its result. The speed and administrative nature of land reform in the South caused many peasants to identify it as something imported from the outside.<sup>8</sup> Underlying this problem is a tendency to treat "peasants" as a mass, so that applying the mass line can mean taking the ideas and practical experiences of peasants in one part of the country and applying them to peasants in another area despite considerable cultural and even socioeconomic differences.

### *Mutual Aid*

In the first few years after liberation, land reform coupled with tax reforms generally eliminated the most extreme forms of exploitation and gross income disparities. The big dream of most peasants was to acquire more land, hire labor, rent to tenants, lend money, and accumulate enough to be able to guarantee a decent homestead for each son and thereby security for their own old age. But this would have meant a return to the class polarization and exploitative class relations of the recent past. Tax reform played an important role in slowing down the polarization process. Tax revenues were used to assist poor households to make investments in equipment, seeds, fertilizers, animals, chemicals, etc. The count-

less planning and mobilization meetings associated with the organization of the assessment, collection, and delivery of tax grain trained cadres and developed relations and patterns of communication between villagers and their leaders, which were further developed in the movement to establish mutual aid teams (Shue 1980: ch. 3).

Just as in Yan'an, mutual aid teams were built upon traditional forms of labor exchange, of sharing draft animals and other means of production, and of collective labor. However, the mutual aid arrangements that emerged after liberation were generally more permanent, lasting throughout the agricultural cycle, and more open to neighbors who were not necessarily kin or close friends. They were also generally more structured, with a leader chosen either by consensus or a formal election, who might exercise considerable management authority or at least assume responsibility for organizing regular decision-making meetings of the members.

The purpose of mutual aid was to raise productivity and increase the security of members by achieving economies of scale through the sharing of available means of production. Though it was hoped that mutual aid could raise the earning power of poor and middle peasants, there was no attempt to redistribute the wealth or means of production of the members. Quite the contrary, with long-term mutual aid it became necessary to devise ways to calculate the value of differing technology and labor inputs. Out of this need emerged a number of workpoint systems, which became an important legacy that continued to influence peasant experiments with new forms of cooperation in the eighties. It was around these workpoint systems and workpoint-related issues that most of the internal politics of the mutual aid teams revolved. The workpoint systems covered a range of types from time rates to task rates to piece rates to standard rates for each laborer according to the team's estimation of the person's general strength, skills, and output. Most workpoint systems, however, had five interrelated aspects: (1) a method for evaluating and calculating work done, (2) a method for recording work done and settling accounts, (3) a method for determining the actual value of a workpoint, (4) a method for the sharing of draft animals and farm tools, and (5) a method for assigning and coordinating the work to be done (Shue 1980: ch. 4).

It is these systems for articulating and evaluating needs and hammering out compromises in the face of contradictions that are at the heart of the successes and failures of Chinese efforts to establish associations of rural producers. Because of space limitations, one example of such a contradiction will have to suffice to illustrate the sort of problems the mutual aid teams had to resolve. The team had to determine the value of workpoints paid for members' labor. Those whose major asset was their labor power naturally desired to set the value at least at par with the going rate for hired labor in the village. However, if the value of workpoints was increased in proportion to increases in output, households short of labor power but relatively well-endowed with land would be at a disadvantage

and might actually do better with hired labor. If workpoint values rose too rapidly, land-poor households might prosper at the expense of middle peasant households, thereby destroying team solidarity and causing the latter to withdraw to return to independent farming. Thus the value of workpoints was the subject of countless disputes, but it was to the advantage of all the team members to find a mutually equitable figure.

### *Supply and Marketing Cooperatives*

In the early fifties, state trading corporations were established to handle the trade in certain essential commodities such as grain, salt, cloth, oil, and coal. These powerful monopolies drove independent merchants out of these lines of trade and brought hitherto rampant inflation under control. Often these merchants actually became state-paid employees, commonly managers, in new state-owned purchasing stations. In rural market towns (*zhen*) and some townships (*xiang*), supply and marketing cooperatives were organized with the help of government loans and advances from state trading corporations. In 1949 there were already more than 20,000 supply and marketing cooperatives, but they were largely confined to the old liberated areas. By 1952 the number had risen to nearly 33,000, while membership in such cooperatives increased from ten million to exceed 138 million.

The rural supply and marketing cooperatives were supposed to be semisocialist institutions. The peasants were still private entrepreneurs, and they were encouraged to invest in the cooperatives as private shareholders. In theory, shares were limited to one per investor, but in reality, because the cooperatives needed as much capital as they could attract, this rule was not enforced. However, rich peasants were generally unable to gain control of the cooperatives because shares were not transferable and because of the relatively democratic structure of decision making. General meetings of members were held to decide the most important matters. An executive committee of five to thirteen members was elected to a one-year term to handle day-to-day affairs. It was required to report both to the members and to the authorities of the district-level supply and marketing cooperative organization. To prevent bureaucratization and alienation of the executive committee from the membership, a supervisory council of five to nine people who had never served on the executive acted as a watchdog committee. In the larger cooperatives, where general membership meetings were found to be too cumbersome, there was a members' representative committee composed of delegates from the mutual aid teams or (in cases where cooperative members were not all team members) delegates from members of the cooperative organized into small groups (*sheyuan xiaozu*). This committee served as a communication link between the executive committee and the members. It conveyed the needs and opinions of members to the executive while propagandizing the work of the supply and marketing cooperatives to the mutual aid teams or to the members' small groups.

### *Contract Systems*

The supply and marketing cooperatives played many important roles in the fifties. They purchased agricultural produce and handicrafts from the peasants and supplied them with manufactured consumer goods for daily use, raw materials for sideline occupations, and basic means of production such as tools, fertilizer, chemicals, and seeds. Advance purchase contracts (*yugou hetong*) were used by the supply and marketing cooperatives to bring peasant production, particularly grain and cotton production, under the state plan. Peasants who signed advance-purchase contracts to supply the cooperatives with wheat, rice, eggs, medicinal herbs, handicrafts, and so forth received cash advances of one-tenth to one-third of the final output value. These were, in effect, interest-free loans. It was much easier for mutual aid teams and, later, agricultural producers' cooperatives to get these contracts, which encouraged many households to join these cooperative producers' associations. Rich peasants could not get cash advances from the supply and marketing cooperatives and were restricted to a line of credit. This prevented them from using cooperative funds to engage in usury. The offer of advance-purchase contracts greatly affected peasant willingness to sell products to the state. By 1954, 90 percent of grain growers in Central and South China had signed such contracts and had thereby been incorporated into state planning of grain production.

The use of "combined contracts" (*jiehe hetong*), which covered both the sale of products by mutual aid teams to the cooperatives and their purchase of cooperative products such as fertilizer, salt, and tools, also helped to consolidate the monopoly position of the state in rural commerce. Because of this arrangement, mutual aid team members could not use cash advances from the cooperatives to buy products from private merchants competing with the cooperatives. Also because of these contracts, the state trading corporations and the supply and marketing cooperatives could get better market information and do better inventory planning, which also improved their competitive position. Much of the inspiration for the contract responsibility systems of the post-Mao era derives from the generally positive experience with contract relations in the fifties.

### *The Cooperative Movement*

In the fall of 1953, the party announced its "general line for the transition to socialism," which outlined the party's program for elimination of the "rich peasant economy" and gradual development of socialist relations of production. The plan was to progress in carefully calculated stages from relatively small and elementary producers' cooperatives (*chuji hezuoshe*) to larger and more advanced producers' cooperatives (*gaoji hezuoshe*). Elementary producers' cooperatives were a step beyond the mutual aid teams inasmuch as they involved the

pooling of land as well as collective labor. Distribution of proceeds was based on relative contributions of labor and land and other means of production. In other words, the cooperative was a sort of joint-stock operation in which differences in individual members' incomes derived in part from differences in the size of initial individual investments.

In the more advanced producers' cooperatives, the link between formerly private productive assets, including land, animals, and technology, on the one hand, and remuneration, on the other, would be broken. Incomes would be derived solely from workpoints calculated according to the type, quantity, and quality of work performed. The value of each workpoint would depend on the productivity of the collective as a whole.

Peasants were supposed to move to this higher stage voluntarily, and only after experience at the lower stages had convinced them of the likelihood that material benefits would result from further collectivization. By 1955, 650,000 cooperatives had been formed, mainly of the elementary type. Their members included about 15 percent of all peasant households. More than 80 percent of these early cooperatives achieved production increases of 10 to 30 percent. According to the plan, as the cooperatives proved themselves, more peasants would join, and as earnings from collective labor increased, the stage would be set for movement to higher forms (Shue 1980: ch. 7).

This pattern of gradual and voluntary change was broken in 1956 when the cooperative movement suddenly moved into high gear. During this Socialist High Tide, 87.8 percent of peasant families became members of cooperatives in a single year. The major impetus for this rush came from rural cadres responding to Mao Zedong's promulgation of rural surveys describing the successes of cooperatives that had pushed on to the higher stage. Dissemination of a July 1955 report by Mao to a conference of provincial, municipal, and autonomous region party secretaries—"On the Cooperative Transformation of Agriculture" (Mao 1977b: 184-207)—also influenced rural leaders. Although there were misgivings and debate over the party's acceleration of the pace of collectivization, Mao's endorsements of villages that pushed ahead produced a stampede into the cooperatives in 1956.

This shift in policy was justified in terms of class struggle. It was argued that the continued existence of private ownership of land would lead to polarization, with the relatively better off "middle peasants" accumulating land at the expense of their poorer neighbors. So class struggle was directed not against landlords, but against one sector of the working peasantry, which in some areas constituted close to half of the population. Mass support could be generated, nevertheless, because of notions of leveling that had become common among poor peasants during land reform. By pressuring the middle peasants into joining the advanced cooperatives, poor peasants could raise their own standard of living at the expense of their more well-to-do neighbors. Thus class struggle during the socialist high tide pitted not exploiters and exploited against one another, but poor peasants

versus middle peasants in struggles over meager village resources. It has been estimated that, as a result, a majority of those classified as middle peasants still had not regained their precollectivization income levels two decades after joining the cooperatives (Selden 1982a: 73).

Other interventions by central authorities during this period also affected peasant incomes. In late 1953, the state introduced unified purchase and marketing of grain, which eliminated the private grain trade and made it possible to set quotas for compulsory grain sales to the state at below market prices. This move, combined with a fixed agricultural tax, assured urban workers a secure food supply and allowed for accumulation for state investment. It severely limited peasant incomes, however, and the ability of rural collectives to accumulate capital for rural development. Moreover, since many forms of rural sideline production competed with growing urban industries for agricultural raw materials, the state also discouraged their development. This further limited peasant earning capacity (Selden 1982b).

Collective labor increasingly became peasants' only source of income as the scope for legal economic activity was increasingly narrowed to crop production to meet state quotas. They had not only given up legal title to private ownership of the major means of production but were also losing control over the planning and management of rural production.

### *The Great Leap Forward and the People's Communes*

A further push from the center came just two years after the Socialist High Tide in the form of a mass movement to take a "great leap forward" into the communist millennium. In a matter of months cooperatives were merged to become brigades in much larger people's communes made up of one to ten thousand or more households. In the process, leveling tendencies (misnamed egalitarianism in China) became even more extreme. Collective property was transferred between brigades and from brigade to commune level without compensation. Even individual household property like cooking pots was sacrificed in movements to establish communal kitchens or melted down to produce iron and steel. In a massive campaign to increase China's output of steel, peasants built hundreds of thousands of small furnaces to produce largely useless, substandard pig iron. To fire these furnaces, they felled millions of trees, destroying orchards and forests and shade trees and exacerbating ecological problems in an already denuded countryside. Most commentators inside and outside China agree that the Great Leap Forward was largely a disaster though there are disagreements as to the dimensions of the disaster and where to lay the blame (Joseph 1986). Some, however, quite reasonably point out the positive gains inasmuch as many peasants got their first introduction to industrial technology and skills in 1958. This knowledge eventually bore fruit in later attempts to industrialize many rural villages in the sixties and seventies (Crook and Crook 1966; Lippit 1974).

In the early enthusiasm for the communes, attempts were made to militarize labor, with peasants marching to the fields under the leadership of local cadres. Considerable enthusiasm for collective labor on enormous water control and field construction projects was generated by the provision of free food. Peasants only recently liberated from the terror of chronic food shortages were naturally quite impressed by the promise of a new era of solidarity in a situation of abundance. Since it was believed that the larger the unit the more socialist, basic decisions about production were put into the hands not of the producers, but of commune and even county government cadres. All of this occurred in 1958, which afterward came to be known as the year of the "communist wind."

A common interpretation of the Great Leap Forward describes it as a fundamental break with the Soviet model of development.<sup>9</sup> The massive mobilizations of citizens in large-scale construction and production campaigns do have a decisively Chinese character. However, the obsession with developing heavy industry, particularly steel, and the extraction without informed consent of surplus produced by peasants to provide funds and raw materials for urban industries and the use of food exports to finance imports of industrial technology were all quite consistent with the Soviet development paradigm. However, in one respect the Great Leap Forward did represent a significant break with Soviet practice, for it involved considerable decentralization of government authority and a great emphasis on local initiative. The people's communes took over many functions formerly handled by local governments, such as provision of education, health, cultural, and welfare services and facilities. However, decentralization was achieved by greatly strengthening the authority of local *party* cadres. Since there were only 26,000 communes as opposed to the more than 700,000 advanced agricultural producers' cooperatives, it became possible to appoint ideologically reliable party people to fill important commune leadership posts. Thus the very process of decentralization actually strengthened central party control over policy implementation in villages throughout the country.

The Socialist High Tide in 1956 was premature, the product of a campaign engineered from the center. It was really the first attempted "great leap forward," and it did not produce significant increases in either agricultural output or peasant incomes. In fact, in 1957 the party urged many cooperatives to split up into smaller units. Rural trade fairs were restored to encourage production on expanded private plots. Purchasing prices were increased to stimulate peasant enthusiasm for production of grain, cotton, and other products in short supply. It was recognized that the larger advanced producers' cooperatives had produced considerable leveling of middle peasant incomes and many workpoint systems had failed to discriminate between different levels of individual productivity, thereby discouraging individual initiative.

But in 1958, instead of facing the situation squarely and carrying out social investigations, rectifications, and readjustments in the spirit of Yan'an and the land reform, the party turned instead to trying to inspire the people to make a

great leap of faith in the ability of the socialist present to deliver the communist future in their own lifetimes. But faith is a very tenuous foundation for a development program, and it produced massive headaches for serious planners in central and local government departments. Targets for industrial and agricultural output were increased several times as cadres at all levels vied with each other to prove their faith, determination, and loyalty to the party and the socialist cause. As a result, commune and brigade leaders were faced with production quotas often 200 to 300 percent higher than those originally set in 1957. The natural outcome was false reporting and bragging. Decentralization and a movement to send cadres "down to the villages" produced a shortage of statisticians. Statistical records became utterly unreliable, resulting in further inflation of quotas and another round of false reporting. In 1959, the government simply ceased reporting crop production figures except grain, cotton, and soybeans. A mistaken sense of security was generated by an unprecedentedly good harvest in 1958. Much grain was wasted as it rotted in the open for lack of storage space or labor to move it because so many peasants had been mobilized for other projects. There were even eating contests and much distribution of free food to participants in major construction projects.

In the summer and fall of 1958, 90 percent of Chinese peasants were organized into people's communes. The first commune was a relatively spontaneous creation, the result of amalgamation of a number of advanced producers' cooperatives in one district in Henan to facilitate organization of large-scale water control construction projects. Mao heard about this experiment, known as the Qiliying People's Commune, and went out to investigate what the peasants were doing. He was impressed and commented that "people's communes are fine" (*renmin gongshe hao*). This simple remark was repeated by the media, which soon produced a stampede to join the club of the "higher and superior" form of producers' association. This movement involved far more than a simple institutional transformation. Commune cadres, many of them appointees who were not local people, freely confiscated household and cooperative assets, including private plots, livestock and poultry, woodlots, orchards, courtyard trees, farming and sidelines technology, and even household manure. In one village outside Beijing, peasants even told me that they had been ordered to dismantle their brick beds (*kang*) and stoves to provide fertilizer for the fields. Commune cadres freely transferred collective assets from one brigade to another without compensation. Restriction of trade fairs and rural markets, contracts, commodity (including wage) relations, private enterprise, private ownership of means of production, and private acquisitiveness were all rationalized as necessary to create the new consciousness of "communist man" as soon as possible.

At the end of 1958, the party organized investigation teams of top party cadres who reported severe dislocations and peasant dissatisfaction. Villagers were exhausted and frustrated by constant calls for labor and political mobilizations. The investigators reported peasant fears that inflated quotas for sales to the state

would result in widespread shortages and hunger in the spring. In November and December, Mao called for restraint, but in February, at a party meeting in Chengzhou, he again called on the peasants to "go all out" in a further extension of the Great Leap Forward into 1959 (Selden 1978: 467ff). Mao defended the overall strategy and accomplishments of the Great Leap Forward while criticizing "the communist wind" as adventurism and the result of excessive zeal to reach communist society before the material or subjective conditions had been prepared. Mao did not discuss problems of fear, commandism, or the use of "class struggle" labels like "rightist" or "counterrevolutionary" to intimidate those who questioned policies. He insisted that although the timing had been wrong, the strategy would ultimately prove correct and win popular support and that any problems were only temporary. He criticized the transfer of assets from lower to higher levels and from one brigade to another. He argued that the transfer of ownership and accounting to the commune should eventually be made possible by using commune industry profits to close the gaps between the income-earning capacities of different brigades. He also called for greater state investment in commune-level capital construction. The three hard years that followed the Great Leap Forward, however, forced the state to cut investment to an absolute minimum.

In July and August of 1959, the Central Committee met at Lushan for a stormy meeting at which the minister of defense, General Peng Dehuai, spoke for many. In a "letter of opinion," he criticized the Great Leap Forward as being "too early and too fast" precisely because the party had departed from the mass line. He said widespread commandism was the result of the failure to carry out local experiments to test the idea and to transfer ideas and trained cadres from successful centers out to surrounding areas. This was the method that had worked in the land reform and the earlier cooperativization movement. This method had been replaced by the transmitting of Mao's opinions as though they were party directives. The movement had produced widespread fear of labeling inside and outside the party. In Peng's opinion, the failures were the product of "petit-bourgeois fanaticism." Unfortunately for Peng, Khrushchev used a similar analysis to link the failure of the Great Leap Forward to Mao's class origins and the peasant orientation of the Chinese Communist Party under Mao's leadership. Peng argued that "politics in command" could not substitute subjective desires for rational economic analysis and careful planning in conditions of scarcity to achieve and maintain balanced, proportional growth. Peng called for a systematic summing up of the achievements and lessons of the Great Leap Forward so as to clarify the nature of problems and to set to work to rectify the situation.

Mao took Peng Dehuai's letter of opinion as a personal attack and claimed that the mistakes had already been corrected and that General Peng was exaggerating the situation and using it to attack the party (Union Research Institute 1968). Despite high-level support for Peng's views, a month later he was officially accused of conspiring to organize an antiparty clique and removed from his post

as minister of defense. In the winter of 1961, Peng wrote and distributed five "reports of investigations" documenting the impact of the disputed policies on peasants and rural cadres. Because of his links with peasant soldiers, Peng was able to gather from them a great deal of information about conditions in the villages to add to his own firsthand investigations. At a Central Committee meeting in September 1962, Liu Shaoqi and Deng Xiaoping advocated reversing the verdict on Peng Dehuai. By this time the party had actually reversed many of the restrictive policies of 1958. Nevertheless, Mao refused to change his position on Peng Dehuai, who remained in oblivion till January 1967 when he was arrested by Red Guards in Chengdu. Maltreatment in their hands eventually resulted in his death during the Cultural Revolution (Brugger 1981: chs. 8, 9).

The demise of Peng Dehuai, who tried to use party traditions of social investigation and rectification of mistakes through frank and open criticism to correct the errors of 1958, is a negative legacy that greatly undermined the development of democratic forums inside the party after 1959. Political movements launched to overcome opposition to accelerated collectivization undermined communication relations that were crucial to the functioning of the new larger producers' associations. Peasants, especially party members and cadres, who expressed misgivings or hesitations were commonly labeled "rightist" opponents of the transition to higher levels of socialist relations.

### *The New Economic Policy of the Early Sixties*

In the three years following the Great Leap Forward, Chinese agriculture was hit with the worst natural disasters in decades. In the summer of 1960, the Soviet party responded to Chinese criticism within the international communist movement by withdrawing Soviet technicians and blueprints from a whole set of key projects in heavy industry. The Chinese attempted to repay Soviet loans as quickly as possible by shipping large quantities of agricultural produce to the Soviet Union at a time of extreme scarcity. Given these other extenuating circumstances, it is difficult to assess how much of the suffering of the "three hard years" was attributable to dislocations, reductions in sown area, waste, and peasant frustration caused by the Great Leap Forward. Recent vital statistics released by the State Statistical Bureau and analysis by Western economists reveal that in 1960 alone total population declined by eleven million. Estimates in China of the number of famine-related deaths from 1959 to 1961 range as high as thirty million. Malnutrition has been estimated at 15 percent, with one to two hundred million people seriously short of food (Friedman 1983b: 22).<sup>10</sup> Although most of the people who died were undoubtedly peasants, the suffering was not confined to the countryside. When I was a student at Beijing University in 1975, I learned from teachers that when they were students in the "three hard years," they had eaten only two meals a day and were told to study in bed to conserve their energy. Obviously something had to be done to get the economy back on its feet.

The new economic policies of the early sixties were conceived and engineered by opponents of "gigantism" and "egalitarianism" within the central leadership. Chen Yun, Sun Yefang, and like-minded economists gained ascendancy. Under the influence of such hard-nosed realists, the party shifted its strategy from mass mobilizations to sober-minded bookkeeping and use of material incentives to spur production. In May 1961, the party's program for revitalizing the rural economy was outlined in a document popularly referred to as "the sixty articles." The size of people's communes was generally reduced to the boundaries of the former townships. The number of communes was thus increased from 21,600 in 1959 to 74,000 by 1963. This meant that the average commune size was reduced from four or five thousand households to fewer than two thousand.

The communes were, however, still too large to function as collective economic units owned and run by their members. Communes became the lowest level of government administration. Commune cadres remained government-appointed functionaries, more often than not transferred from another locality. The peasants often explained those commune cadre decisions that they felt contravened local needs and interests by pointing out that commune cadres "eat the state's grain" (*chi guojia fan*). In other words, they were paid state salaries and, unlike others, who were paid in workpoints, their livelihood was not dependent on the overall productivity and welfare of the collective.

A more immediately important reform was the restoration of the ownership and self-management rights of the teams, the lowest level of collective ownership within the people's communes. The teams corresponded to natural villages—or parts of larger villages—and many were more or less the same people who had formed the lower-stage cooperatives that had later been amalgamated into larger associations during the Socialist High Tide. Many of these early cooperatives had been relatively democratic, voluntary, and economically successful institutions. Focusing organizing efforts once again on these home-grown grass-roots associations, now known as teams, made a lot of sense. In cases where team size made face-to-face organizing and decision making difficult, teams were divided and reduced from forty or more families to twenty to thirty households. Brigades were instructed to protect and guarantee teams' labor power, land, animals, and equipment. Under no circumstances were commune authorities to be allowed to commandeer labor or property without the consent and compensation of team members. Team production targets were to be arrived at by consultation and to be incorporated in contracts. Targets were not to be imposed from above by anyone.

Private plots that had been confiscated for collective vegetable plots to supply dining halls set up in 1958 were to be restored. It was stipulated that at least 5 percent of a team's cultivated land should be handed over to families for private plots. Households were guaranteed the right to earn up to 20 percent of family income from private sidelines. To stimulate private sideline production, rural markets were revived. Goods were designated in three categories: (1) those that could be sold only to the state at fixed prices, (2) those that could be sold on the

open market once state sales quotas had been fulfilled, and (3) those whose production and circulation was completely unregulated. Category 1 included essential commodities like grain, edible oils, and cotton. Category 2 included many vegetables and fruits, chickens, tobacco, pork, beef, mutton, and fish. Category 3 included eggs, ducks, some vegetables and fruits, and handicrafts. There was considerable freedom to sell a wide range of goods in these rural markets, but prices were not totally unregulated and were allowed to fluctuate only under certain ceilings imposed by local government authorities.

Although the scope for market regulation of the economy was greatly expanded, it is fundamentally misleading to view the new economic policies of this period as abandoning planning. Planning remained, but its character began to change away from Soviet-style command or imperative planning (*zhilingxingde jihua*) toward indicative planning (*zhidaoxingde jihua*) based on regulated price incentives and contract negotiations. Planning was decentralized through contracts between rural units and industrial departments for supply of raw materials and handicrafts and purchases of manufactured producer and consumer goods. Teams, brigades, and communes negotiated purchase and sales contracts with supply and marketing cooperatives and urban retail outlets. Supply and marketing cooperatives once again began signing advance-purchase and combined contracts with producers' collectives. There appear to be many commonalities between the contract relations of the fifties (Shue 1980: 227–45), the sixties (Pfeffer 1963, 1966; Schurmann 1964), and the new economic policies and contract relations of the post-Mao era. Many China scholars writing about the new rural economic policies have pointed to apparent analogies between the new economic policies of the sixties and the eighties, but no one has yet uncovered the extent to which this tapping of historical experience has been a conscious and deliberate process.

The form of decentralization to economic units that characterized the new economic policies of the early sixties was in contrast to the decentralization of the Great Leap Forward, which involved devolution of authority to local government and party authorities (Schurmann 1964). Once again in the early eighties decentralization was being tried along these same lines, and again it was the ideas of Chen Yun, Sun Yefang, and like-minded economists that were behind the transformation.

There are many other parallels that could be drawn between the economic policies of the sixties and eighties. Both periods are characterized by a focus on guaranteeing a steady rise in peasant incomes. The "sixty articles" stipulated that team welfare funds must be at least 3.5 percent of team income and accumulation funds must not exceed 3 percent. In both periods, rural collective industrial enterprises were made responsible for their own profits and losses so that they could no longer remain a drain on peasant incomes by covering their losses with subsidies obscured by general collective accounting.

Probably the most dramatic parallel between the two reform periods is the restoration of the essence of the infamous "three freedoms and one contract"

(*sanzi yibao*) for which Liu Shaoqi paid so dearly during the Cultural Revolution.<sup>11</sup> The “three freedoms” included freedom to till private plots, freedom to sell goods in rural markets, and freedom for rural collective enterprises to manage their operations independently with responsibility for their own profits and losses. The “contract” was an agreement between the team and member households to fulfill output quotas according to a responsibility system. The result of the introduction of these new economic policies in the early sixties was a general restoration of vitality in the rural economy and a consequent rise in peasant incomes and living standards. But in quite a few places, this was achieved at the cost of the collapse of schools, clinics, and enterprises, which could no longer be subsidized out of shrinking collective accumulation funds. Similar results accompanied reinstatement of the “three freedoms” and all sorts of contracts in the late seventies and early eighties.

In 1960, the party tried to carry out an open-door rectification in the countryside to reeducate those local cadres who had pushed too hard in the Great Leap Forward and had failed to protect individual, household, team, and brigade interests, property, and self-management rights. In some places poor and lower-middle peasant associations were revived to assist work teams sent in from outside to organize face-to-face confrontations between villagers and their leaders. The results of this attempted rectification were quite uneven, and rural cadres in many localities were demoralized. Many no doubt felt they were being used as scapegoats for mistakes made by those who gave them their orders.

### *The Socialist Education Movement*

In the aftermath of the Great Leap Forward, Mao Zedong stepped back from active involvement in the day-to-day affairs of the party and government, allowing Liu Shaoqi, Zhou Enlai, Deng Xiaoping, Chen Yun, and others to handle the concrete implementation of the new economic policies. With more time for study and reflection, Mao became increasingly concerned with what he perceived as Soviet revisionism and the danger of a similar development inside China. In 1962, he once again called for a mass mobilization in a political movement to prevent backsliding and slackening of revolutionary consciousness. In sharp contrast to Khrushchev's declaration that in the Soviet Union the era of class struggle was finally over, Mao belligerently declared that the Chinese people must “never forget class struggle.”

In 1962, a Socialist Education Movement was launched in the countryside. Once again students, teachers, office workers, people in cultural fields, and other trusted urban people who were not needed in production posts were coupled with county- and district-level rural cadres in work teams sent into the villages to carry out a rectification. This time the target was not just village cadres who were judged to have failed to implement policies properly. This time the target was “capitalist tendencies” among the villagers themselves. Private livestock and

poultry and equipment for processing or handicraft sidelines were confiscated. After these “capitalist tails” had been “cut off,” “class struggle” was waged in public meetings to denounce recalcitrant cadres and rich peasants.

### *The Movement to Learn from Dazhai*

In 1964, the press once again used a statement by Mao Zedong to encourage a movement to raise the level of accounting. On billboards and walls all over the country from the mid-sixties through the seventies could be seen the rallying call, “In agriculture learn from Dazhai.” The self-reliant collective efforts of this small production brigade were held up as a national model for rural development. In the campaign to study this mountain village in Shanxi, which lasted for over a decade, three key factors were stressed.

First, the Dazhai peasants' struggle with nature occurred in a context of sharp “class struggle.” In this interpretation of the situation, local remnants of the former exploiting classes as well as their representatives in higher levels of leadership had attempted to thwart the consolidation of the collective at every turn. Inside the village there were also sharp struggles to prevent the emergence of “capitalist tendencies.”

The second factor stressed in the movement to learn from Dazhai was that the brigade, rather than the team, was the accounting unit. To understand the significance of this, one has to keep in mind what happened in the “communist wind” and the attempt with the new economic policy of the early sixties to undo the harm done in the push for “bigger and more public” forms of producers' collectives. The popularization of Dazhai brigade as a model for emulation signaled that the early sixties' policy shift was viewed as a temporary retreat. Although material as well as ideological prerequisites for this transformation to a “higher form of socialist relations” were mentioned, it was suggested that the magic weapon in the transformation of Dazhai into a prosperous community had been the realization that consciousness itself can be turned into a material force when “the masses are mobilized.” Ironically, the feat of mobilizing the relatively small Dazhai *brigade* was no greater than mobilizing comparable-sized *teams* in many densely populated southern districts. However, the movement to learn from Dazhai by raising the accounting level to the brigade meant demoralizing attempts to eliminate the gaps between incomes in different villages by taking from the better off to give to the poor. It soon became apparent that the ideological conditions were not ripe for such a transformation as people decided there was little point in working so hard if incomes were not directly related to individual or even team productivity.

This attitude was reinforced by attempts to emulate the Dazhai workpoint system, the third of the movement's three key factors.<sup>12</sup> Though this system was treated as though it were a unique product of the extraordinary socialist consciousness of the Dazhai villagers, in fact a similar system had been used in

many villages during the earlier stage of mutual aid teams. Dazhai brigade members would meet once a year to determine the earning power of each individual. Peasants would make public estimations of the workpoint value of their labor over a single workday. These self-evaluations were then discussed by the other members, using political as well as performance criteria. Once they achieved consensus, each individual then received the designated number of workpoints for each day labor was performed, no matter what the task and without further evaluation of work done until the following year's assessment. In practice, it was extremely difficult for most villages to achieve such consensus. There was a tendency to resolve the problem with a sexist form of "egalitarianism." In Dazhai, as in most villages where the system was tried, able-bodied men consistently received several points more than women even when they performed identical tasks such as accounting or tractor driving in which physical strength was totally irrelevant. When I lived in the countryside in the mid-seventies, I discovered that because most men earned ten points while women earned eight per day, newborn baby girls were often nicknamed "eight pointers" (*ba fer*) because of their likely limited future earning power.

The movement to learn from Dazhai moved into high gear after Chen Yonggui was promoted from being Dazhai's party secretary to become first party secretary of Xiyang county where Dazhai is located. Eventually he became the minister of agriculture and a vice-premier in the national government. In the early seventies, the movement to learn from Dazhai became a movement to build Dazhai-type counties on the model of Xiyang county.

From the Dazhai-Xiyang model, it appeared that further socialist transformation would entail larger and larger units of accounting until a final switch from collective to state ownership. Greater "egalitarianism" in distribution would become acceptable after peasants' ideological transformation away from self-centered individualism toward a selfless ethic of serving the people.<sup>13</sup>

The mid-sixties' Socialist Education Movement and the late sixties' Cultural Revolution put increasing pressure on peasants to eliminate their "capitalist tails," interpreted as remnants of a small producer economy and mentality. Rural markets were severely restricted; household sidelines were discouraged; and attempts were made to "collectivize" or eliminate private plots. The "new economic policies" of the early sixties, which had been welcomed by the desperate peasants at the time, were now condemned as "revisionist" along with their architects. Class struggle became the dominant theme, but unlike its ability to galvanize and unite the majority of villagers in the land reform, this time it served to split one community after another. Old class targets, former landlords, rich peasants, "rightists," and their families were again dragged out as "objects of struggle."<sup>14</sup> Factionalism intensified old cleavages and created new ones, leading to violence in many villages (Hinton 1983a; Perry 1985a). Although factionalism did not affect production in rural areas as severely as in many cities, dogmatic application of the slogan "take grain as the key link" did drastically reduce

production of other crops, forestry, and animal proteins (Lardy 1983, 1985; Howard 1981; Woodward 1978). The rural economy was beginning to stagnate. Great emphasis was placed on recalling the horrors of the "old society," perhaps to counter the disappointment of many peasants over the meager rewards of the new society.

Nevertheless, the first thirty years of the People's Republic, which saw the rise and consolidation of the people's communes, was a period in which some fundamental gains were made. Famine, rampant malnutrition, homeless beggars, child brides and selling of country girls to city brothels, kidnapping and conscription of rural men and boys by labor merchants and armies, widespread violence and crime, epidemic diseases, and many other curses of an earlier age had all been eliminated or very greatly reduced. The cooperatives and the communes provided the organizational basis for the mobilization of vast armies of labor. Peasants built, largely by hand, 80,000 reservoirs with a total capacity of 400 billion cubic meters and irrigation systems for 76.7 million acres of land (Lin and Chao 1982: 124). The people's communes also provided the network for rural health services and a cooperative medical care insurance system. Through the communes, tens of thousands of primary schools were built and staffed and an incomparable grass-roots network of agrotechnical research and testing was established all over the country. Countless roads were built, numerous small power stations were constructed, electricity was supplied to many villages. Commune radio diffusion networks brought many peasants their first sustained contact with the world outside their village. Through their collectives, Chinese peasants were drawn into a nationwide struggle to develop the country.

But these very real advances were bought at a high price. As the superstructure above them grew, the individual producers' role in policy formation and production management became more and more narrowly confined and illusory. Peasants were required to sell a certain quota of their crops to the state at artificially low prices as their contribution to socialist construction, while the state continued to pour accumulated revenues into the producer goods industries in the cities. Just as in the Soviet Union, agriculture was subsidizing the development of industry. Supply and marketing cooperatives, originally collective enterprises owned by their peasant shareholders, had come to operate as state agencies while only partially meeting peasants' needs. Peasant sideline production that competed with state industry was first discouraged and later condemned as capitalist. Rural markets were restricted and castigated as capitalist, leaving peasants with very limited outlets for the products of their spare-time labor and eliminating an essential source of cash. Peasants were pressured to turn their private plots, which in some families had accounted for nearly half of their household income, into little more than kitchen gardens.

Through the process of cooperativization, peasants had lost individual ownership rights over their means of production, including land, animals, carts, and larger farm implements. As the collectives grew and the communication links

between the producers and their leaders became more and more tenuous, peasants increasingly lost their collective control over "their" means of production, the organization of "their" labor, and the distribution of "their" product. Peasants were being "proletarianized" not in the sense of becoming free wage labor, but in the sense of becoming a "community of labor" paid more or less equal wages by the "community" as "universal capitalist" as conceived by Marx in the *Economic and Philosophical Manuscripts* in the passage cited in chapter 1. Naturally, among millions of teams and brigades there were considerable differences in the degree of alienation between peasants and leaders at different levels in the ownership structure. But the general tendency appears to have been toward a loss of effective local control over key decisions about the use and distribution of labor, technology, and products. Increasingly, the key decisions as to what to produce, to whom to sell the product, and for what price were dictated by the state as "collective capitalist." The price paid for the products "sold" to the state as required by the plan was in effect a piece-rate wage paid to a "community of labor," not a truly autonomous producers' collective.

Perhaps these losses would have been worth it if the transformation of the relations of production had actually resulted in spectacular productivity gains as had been promised. But in the years after the Socialist High Tide, output of many staple crops failed to keep up with population growth. The party's theoretical journal, *Red Flag* (May 1, 1983), reported that per capita output of grain actually fell by 3.6 percent between 1956 and 1977. Per capita cotton output fell by 0.2 kilograms and oil-bearing crops by 1.2 kilograms between 1958 and 1979. But most distressing to peasants was the stagnation of their incomes. Between 1965 and 1976, peasants' per capita income from workpoints earned working for the collective increased a mere 10.50 yuan, or less than one yuan per year, enough to buy a single pack of quality-grade cigarettes. And these were the years when earning extra income from private sidelines was most seriously restricted. In 1978, per capita earnings from collective sources averaged only seventy-four yuan, and nearly one quarter of peasant households had per capita incomes of less than fifty yuan. Peasants succinctly expressed their predicament with a common complaint that they were being "roped together to live a poor life." It was time to cut the rope.

### 3 The Evolution of Responsibility Systems

Men make their own history, but they do not make it just as they please; they do not make it under circumstances chosen by themselves, but under given circumstances directly encountered and inherited from the past.

Karl Marx, *The Eighteenth Brumaire of Louis Bonaparte*

A new image of China appeared in the North American media in the post-Mao era. Western journalists reported that China's new leaders were pragmatists, hard-nosed realists who had little inclination to ponder issues raised by Mao Zedong concerning the dangers of capitalist restoration or the power of revolutionary ideology turned into a material force for development. It seemed their one and only concern was to turn China into a powerful, modern state by the year 2000. Therefore they decided to allow the proliferation of private enterprise, competition, material incentives, advertising, Western fashions, and luxury goods such as color televisions, washing machines, and motorcycles, believing that the "capitalist entrepreneurial spirit" and the "revolution of rising expectations" would put vigor into an otherwise sluggish, overcentralized, and bureaucratic economic system.

Westerners, from ordinary newspaper readers to China scholars, generally responded to this news with either approval or condemnation depending primarily on their own opinions about capitalism and socialism. But few questioned the accuracy of the account of how and why this major shift was occurring.

This is not surprising. It is a common characteristic of modern social theory that the autonomy of leaders is exaggerated while the autonomous activity of social actors at the grass roots is downplayed or denied. It seems to be very difficult to conceptualize the interpenetration of activity at the national and local levels. Local situations are, at best, viewed as a reflection of the impact of decisions taken by elites in positions of command. Except for moments of mass protest, ordinary people melt into the background in most accounts of national policy formation.<sup>1</sup>