Contents

List of Maps, Boxes, Figures and Tables x

Preface xii

Acknowledgements xvii

Romanization and Chinese Measures xviii

List of Abbreviations xix

1 Introduction 1

A land of diversity 2
The impact of CCP policy 11

2 China’s Changing Road to Development: Political History, 1949–78 22

Parameters of policy debate 23
Economic recovery and the adoption of the Soviet model, 1949–55 27
The origins of a Chinese path to socialism, 1955–62 34
The radicalization of politics and the resurrection of class struggle, 1962–78 40

3 China Under Reform, 1978–2000 52

The Third Plenum and the initial reform agenda, 1978–84 52
Economic troubles and political instability, 1985–91 59
Return to economic reform, boom and moderation, 1992–97 68
Managing reform without Deng, 1997–2000 73
Towards the Sixteenth Party Congress 78

4 The Chinese Communist Party 80

Party organization and membership 80
The role of the CCP in the political system 97

5 The Central Governing Apparatus 107

Central government 110
The legal system, coercive control and rights 123
The military and the political system 131

6 Governance Beyond the Centre 141

The organization of local government 141
The province as a unit of analysis 143
## Contents

Regional inequality 149  
Relations between the centre and the localities: the fiscal picture 152  
The consequences for local governance 155  

7 **Political Participation and Protest** 164  
Mao Zedong and participation in theory and practice 164  
Modernization and participation since Mao 166  
Impact on the sanctioned organizational structure of representation 168  
Participation at the grassroots and the role of elections 175  
Non-sanctioned participation 184  

8 **The Chinese State and Society** 194  
The Maoist period: an autonomous state and a state-dominated society 194  
State–society relations under reforms: a negotiated state 203  
Of civil society, corporatism, predation and negotiation 205  

9 **Economic Policy** 212  
Policy-making and implementation 212  
Economic policy 215  
Gradualism or ‘shock therapy’ as a transitional strategy 216  
General policy for economic reform 219  
Agricultural policy 222  
Industrial policy 229  
Financial sector reform 237  

10 **Social Policy** 241  
Social policy and the transition in China 241  
Family planning: problems of policy coordination and policy evasion 246  
Reform in the SOEs: cutting the Gordian knot 248  
Providing adequate healthcare in urban China 254  
Healthcare in rural China 257  
Poverty alleviation 261  
Migration 266  
Improving rural social policy 269  

11 **Foreign Policy** 272  
China and globalization 272  
China and the great power(s) 276  
China and the region 284  
China’s foreign economic relations 286
12 Challenges in the Twenty-First Century 294

The environmental challenge 294
The internal challenge: corruption 299
The external challenge: the information revolution 306
The final challenge: political reform 310

Further Reading 315

Bibliography 320

Index 341
Some years ago, I was in a jeep driving down a mountain road in rural Sichuan and was held up by a long queue of traffic meandering down the hill to a new bridge that was being dedicated. Getting out of the jeep I wandered down to the bridge to witness an elaborate ceremony complete with the lighting of incense and various actions to ward off evil spirits. Somewhat facetiously, I began to ask those waiting what the Communist Party must think about this ceremony as it clearly represented an example of ‘superstitious practice’ so soundly denounced during the Cultural Revolution (1966–76) and still denounced today, albeit with less severity. I was greeted with puzzled faces before one person replied that the man in the exotic robes leading the ceremony was the party secretary. As the most important person in the village, he had no choice but to dedicate a new bridge that would link it to the world outside and bring greater wealth.

The event set me thinking about the relationship between the party, the state and society and between China’s tradition and modernity. Did the party secretary believe in the ceremony and its power to conjure up good spirits to protect the bridge or was he simply going through the motions to increase credibility among the local population? Was the party secretary importing the power of the party into the village community or bringing heterodox beliefs into the party or both? The traditional nature of the ceremony contrasted with the objective of building the bridge that would integrate the local community to the world outside. The bridge provided the link to the market that is the driving force for development in the post-Mao years. Such small events are daily occurrences throughout rural and urban China and they cause us to question any notion of China as a monolith. China comprises a patchwork of local cultures and histories that the Chinese Communist Party (CCP) and its nationalist and imperial predecessors have tried to weld into a unitary entity. While the CCP may have tried to penetrate society more thoroughly than its predecessors, the last 20 years have revealed the residual power of local cultures.

More recently, in 1998 I was walking out of the tranquillity of the cradle of the communist revolution in Yan’an, where Mao had moved his red army in the late-1930s, only to be besieged by the trinket sellers who are the products of China’s economic reform. From Mao Zedong’s China to Deng Xiaoping’s in a few paces. The market responds to the desires of consumers rather than to those of communist ideologues, something clearly seen by the books on sale. While those sold inside
Yan’an, such as Mao Zedong Enters Yan’an, tell the official story of the revolution, the books on sale outside, often under the counter, tell a different tale. They range from Mao Zedong’s notorious womanizing, through the inner-secrets of who destroyed whom in the party’s new headquarters (Zhongnanhai in Beijing), the corruption of a former mayor of Beijing, to unofficial biographies of former general secretaries, Hu Yaobang and Zhao Ziyang. These are the CCP’s hidden histories, those the conservative party veterans do not want their people to know about, but they are the ones that the people with interest and money want to buy. Rather than a revolutionary world full of selfless heroes, they tell stories of betrayal, corruption and greed. Whose history, whose politics? This warns us not to take official pronouncements at face value and to peer behind the public façade to discover the reality of how the Chinese polity really works.

These chapters seek to introduce the reader to the diversity of China, its land and its peoples, and how CCP policy since 1949 has affected them.

A Land of Diversity

As the two anecdotes reveal, China is a very complex land where multiple realities are operating beneath a façade of a unitary nation-state. However, this does not mean as some have claimed that China may fall apart into its regional components as a result of the reforms (Segal, 1994) or that a de facto federalist structure is emerging (Wang, 1995). Rather, we should be careful about any generalization we make and be aware that the same policy will impact on different areas and different groups in China in a variety of ways, sometimes with unexpected results.

China’s land, climate and peoples exhibit a wide range of diversity. China’s land mass is roughly equal to that of the USA (9.6 million square kilometers) but is home to a population of around 1.26 billion (about five times that of the USA), meaning that every fifth child is born in China. However, this population is not spread evenly across the land and while the images of teeming cities full to bursting are correct, there are massive expanses of China where one can roam the hills or desert for days and barely see a soul. While the population density is 126 sq. km for the country as a whole, the figure is 383 sq. km for the eastern coastal regions and only 51 sq. km for the western provinces (Benewick and Donald, 1999, p. 14).

This population spread has always been the case with the predominantly peasant population concentrated along the river deltas and basins of the east, providing the bodies for the development of the mega-cities of Shanghai, Tianjin, Beijing and further west, Chongqing (see Map). By contrast the high Tibetan–Qinghai plateau is home to a sparse, scattered population engaged in pastoral activities. The plateau lies some 4000 meters above sea level and occupies a full 20 per cent of China’s land mass. Radiating out from the plateau are the major rivers of China, Southeast Asia and the Asian sub-continent. The Yangzi, Yellow, Mekong, Red, Ganges and the Brahmaputra all find their source here on this desolate plateau. Beyond the plateau there is a series of smaller descending plateaus and
basins that eventually give way to the major plains of the east such as the Yangzi Delta, the North China Plain and the Northeast (Manchuria) Plain.

The huge oceans to the east, the plateau to the west and the surrounding mountain ranges have protected China throughout its history. This combined with the continuation of some form of the Chinese state over two millennia contributed to an insular attitude to alternative modes of thought and an ethnocentrism that the dominant Han Chinese felt was justified by the heritage to which they were the unique heirs. This insularity is reflected by the name of China itself, Zhongguo, which literally means the middle or ‘central’ kingdom. Yet even here there have been variations. China has witnessed periods of extensive dealings with foreigners such as in the Han (205 BC–AD 220) and the Tang (AD 618–907) dynasties. These were periods of extensive trading when foreign products were well-received in China and when Chinese goods reached far-flung corners of the globe. This trade was even accompanied by the influx of foreign systems of thought. Most noticeable was the increasing influence of Buddhism, which arrived from India from the late-Han period onwards. The later Qing period (AD 1644–1911), despite some attempts to keep foreigners out, and the Republican period (1911–49), were both influenced by foreign trade and the influx of new ideas. The Taiping Rebellion (1850–64) with its strange mix of half-baked Christianity, iconoclasm and traditional notions of peasant rebellion mounted a major challenge to Confucian orthodoxy (Spence, 1996). The May Fourth Movement (1915–19), in part a response to the decision to cede the German concession of Shandong to Japan following the First World War, also witnessed a major attack on the Confucian tradition and revealed an intellectual fascination with a whole host of foreign ideas ranging from liberalism to Marxism to anarchism (Chow, 1960). Indeed, during the reforms of the 1980s and 1990s, the CCP has tried to make use of the more cosmopolitan trading of China’s coastal regions as a key element in its economic programmes. Policy has favoured a development strategy that relies heavily on coastal trade and investment by revitalizing historic links with the overseas Chinese communities in Southeast Asia.

Given that China has such an expansive and varied land-mass, it will come as no surprise that there is enormous climatic variation, much more so for the winters rather than the summers. While most of the country lies in the temperate zone, there are wide variations of climate. The northeast freezes with temperatures dropping as low as minus 25–30 degrees centigrade, and even the capital Beijing can still get the occasional winter day of minus 10–15 degrees, although the average temperature for January hovers just a few degrees below zero. By contrast, Kunming in the southwest province of Yunnan is known as the city of eternal spring, Guangzhou (Guangdong) enjoys winters with around 15 degrees and the island of Hainan has a balmy tropical climate. This north–south climatic divide led the CCP to decree that south of the Yangzi River public buildings would not be heated in winter. I have never been so cold in my life as in the winter of 1976–77 when studying at Nanjing University just south of the Yangzi river. We used to look forward to occasional trips across the Yangzi by ferry to sit in the local post office north of the river that was allowed heating.
The forces of nature have not been tamed as fully as in more advanced countries, and this has resulted in different problems. Rainfall is variable and each summer one is treated to the news that while certain areas have been subjected to flooding (Jiangxi, Zhejiang, Hunan, Jiangsu), other areas are suffering from severe drought (Hebei, Henan, Shanxi). South China depends on the vagaries of the monsoon for its rainfall whereas most of the north and west of China does not receive its effects. Thus, while almost 6 million hectares were affected by flooding in 1997, 20 million were affected by drought (Benewick and Donald, 1999, p. 87). The severity and diversity of these problems may be illustrated by the fact that in 1981 millions of people in north-central China faced quite severe food shortages because of extensive drought; in the western province of Sichuan, 1.5 million people lost their homes because of floods. The water shortages of the north have been exaggerated by the industrial development and urbanization of recent years and the watertable of the North China Plain has been dropping precipitously. This has led to the ambitious government programme to divert water from the abundant rivers of the south to the north.

These climatic and topographic variations have caused a rather varied environment for agricultural production. It is only in the areas around the Yangzi River and the south that the flooded paddy fields are commonplace. In fact, most of China is dependent on dry-field cropping of wheat and millet. The staple for most in the north is noodles and steamed bread rather than the rice that many associate with being Chinese. This dependence on staple grains has meant that traditionally the overwhelming majority of China’s population has settled along the fertile plains and basins that provide suitable arable land. By contrast, the grasslands of Inner Mongolia and Ningxia, the far northwest and Tibet are the home to livestock with vast stretches of land for grazing. The periphery in the northeast and southwest is home to China’s main remaining forest cover. This forestry cover has been declining rapidly, it now only covers 14 per cent of the land mass and perhaps as much as 90 per cent of the remaining coverage is threatened. The current coverage is considered insufficient for economic needs and for everyday use (Xu and Pei, 1997). While the government often blames local practices such as swidden (slash and burn) agriculture in southwest China for the decline in the remaining forests and the subsequent soil erosion and flooding, it is clear that the major culprit in recent times has been the government itself through its massive forestry industry. With the decline of forest cover and the expansion of arable land and urbanization, there has been a decline in China’s great biodiversity and wildlife. Animals such as elephants, tigers and the golden monkey are to be found only in small parts of remote Yunnan, while the giant panda can only be found in declining numbers in a few Sichuan reserves.

These more remote areas are home to most of China’s 55 recognized national minorities (there were 400 to 500 applications to be recognized, Blum, 2000, p. 74). While these minorities comprise less than 10 per cent of China’s total population (still almost 100 million), the remainder being the Han Chinese, they occupy over 60 per cent of the total land mass. This includes the very sensitive border areas of
China including the Xinjiang, Tibet, Inner Mongolia, and Guangxi Zhuang Autonomous Regions that touch against Russia, Mongolia, Kazakhstan, Kyrgyzstan, Tajikistan, Afghanistan, Pakistan, India, Nepal, Bhutan, Myanmar and Vietnam. Yunnan, home to 25 minorities, borders on Myanmar, Laos and Vietnam. China has had difficult relations with virtually all of these countries over time. These peripheral areas have always been important to Chinese security concerns and provide a buffer zone to protect the ‘Han-core’ from possible invaders. Beijing’s concern about these areas is increased by the fact that they possess enormous natural resources and they are the last areas into which China’s growing population can expand (Grunfeld, 1985).

This concern with security from external threat explains in part why Beijing is so concerned with consolidating its rule over the border areas and has adopted various policies to encourage more Han to move into them so that they form the majority population group in many such areas. However, regions such as Tibet and Xinjiang have also been the site of considerable domestic opposition to CCP rule, and tensions have increased because of the settlement policies. Both have experienced sporadic resistance to Beijing’s rule and both are viewed with suspicion by the Centre. In Tibet, many still pledge their allegiance to the exiled Dalai Lama, who fled to India in 1959 after the PLA crushed the Tibetan revolt. In Xinjiang, Beijing fears that people might forge links with radical Islamic groups that have been more active since the break-up of the Soviet Union. However, the Tibetans (7 million) and the Uighurs (8 million), the main ethnic group in Xinjiang, are not united groups internally. With respect to Tibet, the CCP has had some success in trying to circumvent the authority of the Dalai Lama by developing local Buddhist leaders more sympathetic to Beijing. The Panchen Lama, the second most important religious leader, did not flee to India and was used by Beijing to mediate with Buddhist groups domestically. However, the former Panchen’s death in 1989 and the debacle of finding a successor combined with the heavy hand of repression from the late-1980s, seem to have undermined Beijing’s attempts to build Tibetan loyalty. A further blow to Beijing came in December 1999 when the young religious leader the CCP was grooming to mediate on its behalf with the Tibetan community fled to join the Dalai Lama in India. In Xinjiang, Uighur nationalists have carried out various violent attacks in the 1990s, inspired to recreate a pan-Islamic state by the newly independent Central Asian states after the fall of the Soviet Union. However, the Uighurs are a far from homogeneous group.

The tension between Han and non-Han peoples is a legitimate topic for discussion in China, indeed it was legitimated by Mao in 1956 when he referred to it as one of the Ten Great Relationships that marked the post-1949 political landscape. However, in some cases it is the tensions between the different minorities that have their own cultural and historical origins that are more important. In the border areas of Yunnan, some villagers will never have come across Han Chinese. In fact, many minorities in Yunnan such as the Bai (2 million), Miao (10 million) and Hani (1.5 million) are more likely to complain about the way the Yi (7.3 million)
dominate the ethnic minorities’ administrative networks in the province. This they feel enables the Yi to dispense a disproportionate amount of largesse to their own group.

Many of the ethnic groups living in the Yunnan border region are closely related to groups in Myanmar, Laos and Vietnam and indeed the border is quite porous and seems to have become more so since the reforms began. Cross border trade and work is common. While the main roads have border posts and each village has a border office, there is little attempt to stop this casual movement. In the village of Mengla you can see the hills of Myanmar across the fields and the border is secondary to economic activity for many. The local head of the village had a four-wheel drive Toyota jeep with Thai number-plates, indicating the extent of his business travels. When asked about whether he needed to affix Yunnan plates to the car, he replied that as he had been head of the border patrols and knew the local police, he could drive wherever he needed to go in Yunnan with the Thai plates and besides much of his work was over the border. His optimism was not entirely justified as at least once he was stopped by the police on his way to the provincial capital of Kunming. Yet even in such a remote point, decisions made far away in Beijing can exert an enormous impact on the local economy (see Box 1.1).

Many of the minorities, despite their special status, are for all intents and purposes assimilated. This is the case with China’s two largest minorities, the Zhuang (18.7 million) and the Manchu (11.5 million) and to a lesser extent with the Muslim Hui (9.3 million). The Zhuang live primarily in the Guangxi Zhuang Autonomous Region that borders on Vietnam. Despite their distinctive Dai language, a language common to a number of other groups in the southwest, they have effectively adopted a Han lifestyle. It was the Manchus who established the Qing dynasty (AD 1644–1911) and were the last imperial rulers before the Republic

---

**BOX 1.1**

**Decisions Taken on High Can Reach the Farthest Corners**

A walk up the mountains to the remote regions above Yunnan province’s Mengla is like travelling back in time. A bumpy dirt road gives way to narrow, slippery paths that wind up the steep inclines. Life in these villages – among the 200 000 across China that still lack roads – has changed little over the past 50 years. These hills are inhabited by the Hani, a minority people bypassed by reforms. Yet, in the mid-1990s, the main village had experienced a mini-economic boom when it became a main transit point for the shipment for Bauxite brought over the border from Myanmar for refining on the Chinese side. This had led to a widening of the village square, the setting up of a number of roadside restaurants, a Karaoke bar and a brothel as well as a couple of places to stay. It looked as if this business would finally bring the village out of poverty. However, after a couple of years, Beijing decided that such economic activities entailing cross-border movements might endanger its security concerns. As a result the shipments stopped, the road emptied, the restaurant customers dwindled, and the prostitutes had to limit themselves to serving the needs of the local border patrol.
established in 1911. Many have suggested that their survival as imperial rulers derived from the Sinification of their practices. While a Manchu language survives, it is used by very few. The Hui are an interesting group with the largest concentration in the northwest (the Ningxia-Hui Autonomous Region) but they also live in many cities such as Xi’an (Shaanxi), Kunming (Yunnan) and even in Beijing. They speak the national language (Mandarin or guoyu) and are indistinguishable from their Han neighbours except for their cuisine and worship at the mosque.

Last but not least, we should note that the broad classification of Han Chinese conceals great diversity within the group itself. Even the national language is a fairly recent construct and many of the Han Chinese actually speak other languages. These are more commonly referred to as dialects as the written script is the same. In reality they can be as different as English and German. The national language is derived from the language spoken around Beijing. The CCP as a part of its drive to bring unity and to increase literacy both simplified the written characters and promoted the use of the national language in schools and through radio and television. As a result, those who have enjoyed basic schooling can speak some of the national language. Whenever I am in non-Han villages one of the easiest ways for communication is to seek out school-age children and to ask them to act as interpreters for their parents and grandparents, many of whom may only speak a few words of the national language at best. In one village a couple of hours’ bike ride from the tourist destination of Yangshuo, I chatted with one of the village elders through his grandson as interpreter. He was particularly interested in trying foreign cigarettes. My colleague offered him one that he finished in one puff and dismissively discarded. Not a patch on his home-grown tobacco, a whiff of which would seriously damage your health. He seemed blasé in the presence of foreigners, unusual for the mid-1980s. I asked him if many foreigners came to the village. He thought for a second, drew on his cigarette and replied in a matter of fact tone ‘Oh yes, one came here about forty years ago’.

The home language even for many Han is quite distinct, with about 30 per cent (some 350 million) speaking something other than the national language at home. In Guangdong the language is Cantonese (yue) while Minnan is spoken in various dialects throughout Fujian, Gan is spoken in Jiangxi and Wu in Shanghai. Before communications improved it is said that travelling up the Yangzi Valley one would have to change languages at each county town. This may be apocryphal but it indicates how fragmented local Chinese society was until the twentieth century. An important part of the nation-building process for the CCP has therefore been to build a common language. In this it has been fairly successful with, at least, the written script understood by all those who are literate. The official figures claim that 83.5 per cent of the population is literate, with Beijing leading the way at 92.5 per cent and Tibet bringing up the rear at 45.9 per cent. For those who cannot read there has been a continual bombardment of officially approved news through radio and television. In the Cultural Revolution, there were even the communal loudspeakers that dictated the pace of one’s life from when one woke up until one
went to sleep. I remember lying in bed one morning trying to work out what was different and why I felt so relaxed before I realized that someone had cut the wires on the campus speakers. It was bliss to lie in bed and not listen to the blare of early morning wake-up routines.

So long as the leadership speaks with one voice this system has been remarkably successful in providing acceptance for the official narrative. In 1991 I was visiting relatives in Shashi, a town of some 3 million inhabitants a few hours up the Yangzi from Wuhan. They were considered free-thinking liberals in Shashi and thus I was surprised when we talked of the 1989 student-led demonstrations in Beijing and they referred to them as chaos and a counterrevolutionary uprising rather than using the milder phrases used by liberals in Beijing. When I asked them how they knew this, they replied that it was true because they had read about it in the People’s Daily, the CCP’s official media organ, and seen it on Central Television. In the same way, the CCP was successful in getting most of its citizens to believe that the NATO bombing of the Chinese Embassy in Yugoslavia in May 1999 had been a deliberate act of provocation by the USA.

The aforementioned linguistic affiliations and local ties have, if anything, strengthened with the reforms. Within the locality these ties are reinforced by various local festivities and deities and even for many by the local cuisine. There is a clear cultural divide between the north of the country and the south. The southern parts of China were only effectively integrated into China in the later part of the Song Dynasty (AD 960–1279, Blum, 2000, p. 82). The north is the political capital and operates under a more bureaucratic culture, while the south represents the more open and cosmopolitan trading culture. The rise of a nationalist discourse in the mid-1990s and anti-American tracts such as The China That Can Say No (Song et al., 1996) and Behind the Scene of Demonizing China (Li et al., 1996) also led to a rise in publications that stressed local identity and cultural essence. Books appeared on what it is to be Shanghainese or Sichuanese and even related local cooking to identity. The spicy food of Sichuan and the chilly taste of Hunan cooking contrasts markedly with the fish and steamed food of Guangdong or Shanghai, or the noodle soups of Shaanxi. Hunan even had the phrase patronized by Mao Zedong that you could not be a revolutionary if you could not eat peppy food.

It is also in the south that lineage and clan play an important role in rural life, much more important than in the north. In many villages I have visited in the south, large lineage halls have been restored or built anew and clearly form the most important organizing point for political and socio-economic exchange. This reemergence of more overt traditional power structures has made the implementation of party rule more difficult. In such villages the party group is often ineffective and often where effective the party secretary and lineage head are one and the same. A number of officials involved with the programme to introduce direct elections into China’s villages complained that the election is decided by the most important lineage and there is little the party or the higher level administrative authorities can do to alter this.
These local identities are reinforced by religious practice and customs. While China is officially an atheist country, the CCP has had no choice but to tolerate religious practice so long as it is not seen as a challenge to state power. The CCP has adopted a series of secular official celebrations that mark key dates of the revolution or communist tradition (such as 1 October – National Day, or 1 May – International Labour Day) but the most important festivals have to do with Chinese tradition (Chinese New Year – a week in January or February, or Qing Ming, grave sweeping – early April) and local custom. Local religious worship and traditional practices have blossomed since the reforms began but organized religion that stresses an allegiance beyond the CCP is viewed with suspicion and usually repressed. This is the case not only with Tibetan Buddhism because of the presence of the Tibetan government-in-exile under the leadership of the Dalai Lama, but also with Christianity. Not surprisingly it is difficult to get a number of how many people practice these religions but official estimates suggest there to be 15 million Protestants and 4 million Catholics (Benewick and Donald, 1999, p. 76). The Vatican believes the number of followers to be closer to 12 million (see Madsen, 1998). The CCP refuses to recognize the authority of the Catholic Church and cracks down hard on those who profess allegiance, often arresting priests who accept the Vatican’s authority. Instead, practicing Catholics are required to belong to the Chinese Catholic Patriotic Association, an organization that follows the ranks and salary scales of the state administrative system. CCP suspicion of Christianity is compounded by the association of the missionaries with imperialism before 1949. As a result, all missionary activity is banned in China but it is not very hard to find active missionaries both in the cities and in the countryside. The number may exceed 10 000 and there is a large underground trade in bibles. Some missionaries have been involved in rural development projects and the local authorities have tolerated their work as long as they do not become too public with their beliefs.

Buddhism is widespread with anywhere between 70 and 100 million practitioners. There are three main variants: Tibetan Buddhism (with four major sects), Theravada Buddhism and a mixture of Chinese folk traditions and Buddhism. However, practitioners may also follow another religion, such as Daoism, thus making it difficult to assess the true numbers (Blum, 2000, p. 88). Figures are similarly inexact concerning followers of Daoism and folk religion but are in the realm of 250 million (Benewick and Donald, 1999, p. 76). The CCP attitude toward local religion is also ambivalent. It denounces what it sees as ‘superstitious’ practices and in the Cultural Revolution it destroyed not only places of worship but also sought to stamp out practices such as ancestor worship and fortune-telling. However, unless there is a perceived political threat, it now tolerates a wide range of locally based religious worship.

Some of these practices can be quite striking. In Yunnan, I have watched a video of the exorcism of spirits that had possessed the body of a young female researcher from the Yunnan Academy of Social Sciences, and have witnessed ceremonies to welcome young men into manhood (see Box 1.2). The young
anthropologist had been carrying out research in a remote mountain area and the village elder took pity on her when she was about to return to the city possessed by a bad spirit. Normally, he did not care about city folk and did not mind them carrying evil spirits away. He felt that she was a good person and as a result was willing personally to oversee the lengthy process to excise the evil spirits before allowing her to return.

The local party has to make accommodation to these religious practices. Perhaps this is seen best in those areas where overseas Chinese investment has been vital to local economic health and where these investors have allied with the local population to demand the restoration of local lineage houses or temples. In Wuxi, overseas Chinese have donated money to erect an enormous gold leaf Buddha that looks over the local lake. It is the dominant site of the locality. However, it was not constructed without controversy. The local propaganda bureau set the building of the Buddha as one of the three great tasks for completion in 1997, one of the other tasks being to strive to ensure the successful return of Hong Kong to Chinese sovereignty. This caused uproar when reported to the Propaganda Department in Beijing, that claimed that the erection of a Buddha representing a backward superstition could in no way be equated with the ‘glorious task’ of regaining sovereignty over Hong Kong. The Wuxi party authorities were forced
to withdraw it from the glorious three tasks for 1997, but the Buddha was finished the next year!

Should, however, traditional practices link up across localities and be perceived as a threat, the CCP will move swiftly to crack down. This was the case with a qigong (a type of exercise and breathing regime) related sect called the Falungong (Skills of the Wheel of Law) that came to prominence after 10,000 of its followers surrounded the party headquarters in Beijing in April 1999 following criticism of its organization. This woke up China’s senior leaders to the potential of such faith-based movements to inspire loyalty. This concern and the humiliation that senior leaders felt at being caught by surprise led to a draconian crackdown on the organization and a subsequent campaign to discredit it as a superstitious cult. Thousands of its members have been arrested and it has also led to the investigation of a number of similar organizations.

The Impact of CCP Policy

The CCP’s vision of a modern state and its policies have had a marked impact on the physical structure of towns and countryside as well as on people’s lives. The CCP came to power in 1949 with a vision of the future that was inspired by that of the Soviet Union. To be modern was to be urban, industrial and with production socialized. The CCP despised the private sphere and policy through the early 1950s was to eradicate what remained of private industry in the urban areas. Yet, at the same time, there was a suspicion of the cities as carriers of indolence, corruption and other traits that ran against the perceived revolutionary heritage.

The effects of post-1949 CCP policy produced a uniform, drab urban environment. With the exception of a few cities such as Beijing, Xi’an and Pingyao that have an imperial heritage, or Shanghai with its confluence of colonial styles, virtually all other cities have adopted the dour, gray architecture of the Soviet era. City walls in many cities, even including much of Beijing, were ripped down to make way for the new, wider roads and work-unit apartment blocks. Those who favoured urban planning that would have afforded greater protection to China’s historical heritage often were drowned out by those who favoured the Soviet-style plan. In the anti-rightist campaign of the 1950s and the Cultural Revolution (1966–76), defenders were denounced for their bourgeois and/or feudal thinking.

The desire to build up rapidly the industrial base also had a major impact on the urban landscape as the CCP sought to build up the heavy industrial sector. Smokestack factories became a familiar part of many cities with little notion of zoning and protection of green areas. In part the industrialization of the First Five-Year Plan (1953–57) built on the inheritance of the past. The northeast became the industrial powerhouse with its legacy from Japanese control of Manchuria with chemicals, steel and coal prominent. This made the urban northeast one of the privileged areas of the Maoist period, privileges that have steadily eroded since reforms were introduced from 1978.
The second main area for heavy industrial development was Sichuan, especially Chongqing. This had two origins. First, the Guomindang (the Nationalist Party with which the CCP fought two civil wars to gain power) with its retreat to Chongqing after the Japanese invasion of 1937 moved significant industry to the southwest. This inheritance was built upon by the CCP with the post-1949 policy to industrialize the hinterland as well as security concerns. Following the Sino-Soviet split (1960), Mao became increasingly concerned about war with the Soviets and even the possibility of nuclear conflict. This led to the policy to develop the industrial ‘third front’ that was based in Sichuan and the further southwest and built on earlier investment in the northwest (Naughton, 1988, pp. 351–86). There was a massive redeployment of investment, almost 50 per cent, from the mid-1960s to the mid-1970s, to build an industrial base and nuclear facility that could resist Soviet attack. It has provided Sichuan and Chongqing with insurmountable problems of outdated industry in the 1990s.

In the countryside the CCP first abolished the old landlord system and, as a result of peasant expectations and pre-1949 policy, land reform was carried out with land redistributed to the household. However, by the mid-1950s steps were taken towards collectivization in order for the state to extract the funds necessary to feed its industrialization programme. The division of China into 50,000 rural communes brought a uniformity to political administration in the countryside that lasted until the early-1980s when they were dismantled and a return of household farming was promoted. The promotion of the communes brought a far greater uniformity to the visual impression of rural life than the varied topography would suggest. It also allowed the CCP to push nationwide policies while ignoring the law of comparative economic advantage. The most damaging of such policies was the promotion of ‘taking grain as the key link’ to accompany the industrial policy of ‘taking steel as the key link’. The former led many communes to turn ill-suited land to grain production. Slopes were cleared of tree cover and grazing land was plowed under to meet mandatory grain production targets. Not only did this depress local incomes but also caused significant environmental damage.

The other major policy that transformed the physical image of the countryside was the promotion of small-scale industry during the Great Leap Forward (1958–60) as a concerted programme for rural industrialization. The most notorious result was the ‘backyard steel furnace’ that produced a huge volume of steel, much of it useless and having consumed scarce resources. Other experiments such as the creation of small electric power generators and chemical fertilizer plants provided the legacy for an equally dramatic transformation of the countryside in the 1980s and 1990s with the massive growth of township and village enterprises.

The economic reforms introduced since 1978 have also had a significant impact on the physical look of both urban and rural China while binding the two closer together than in the Mao years. The reforms have released the tight grip of the party and state over local society and have allowed space for the return of local enterprise and even limited private entrepreneurship. Cities in contemporary China are certainly livelier and less homogenous than in Mao’s China. The drab
Stalinesque town centres have been transformed in many city centres with the rise of gleaming, glass-fronted skyscrapers housing luxury offices, shopping malls and the ubiquitous McDonalds. These are the new symbols of modernization and much of the old architecture and housing that survived the Maoist blitz has been bulldozed to make way. While it is true that much of the housing was sub-standard, the redevelopment and loss of family homes to move to sterile new apartments far from the city centre have met with resistance and sit-ins.

Often historical heritage has been bulldozed away in the name of a new concept of progress. Kunming was chosen to host the International Flower Exhibition in the late-1990s and this led to a frenzy of development and demolition. As a result, many of the charming old lanes around the Cuihu lake area were demolished to make way for new buildings. When I asked a local official why they preferred demolition to restoration he replied that the old lanes represented the past and backwardness and the foreigners who would come to the Exhibition would think of China as a poor country if they saw them. As a result, communities were broken up and dispersed in the name of modernity. The new buildings represented the future and the modern. Unfortunately, to Western eyes, the building material of choice in southwest China is white tile, making most buildings look like inverted public lavatories covered with opaque deep sea-blue glass.

The new architecture also reinforces the reified view of state power with many new gleaming, marble-decked buildings constructed to house the local party, government and judicial authorities. In Wuxi, an affluent reform-minded city in Jiangsu a couple of hours from Shanghai, I asked local officials about this phenomenon. I wondered aloud whether they thought that such ostentatious signs of state power and public spending were appropriate in the modern world and whether local citizens felt disturbed to see so much expenditure on civic buildings. The local officials were dumbfounded and amused by my question. It had never occurred to them to think about this and when they did they replied that it was indeed appropriate as it was the party that had provided the correct guidance and policies for China to take-off. They may be correct and such graphic demonstrations of state power are a universal phenomenon. Certainly there seemed to be no popular angst about such public extravagance. Interestingly, sitting on the hills overlooking the famous lake of Wuxi is not only the Gold Buddha, representing the return of belief, but also the enormous villa that belongs to one of China’s top capitalists, Rong Yiren, who also served as Vice-President of China, representing the return to credibility of private capital in China. Showing the continued hostility to private entrepreneurship sponsored by the CCP since 1949, one did hear criticisms of the large ostentatious villa built by Rong. So there in one city, the architecture represents three facets of modern China that have to find a new modus vivendi, state power, popular religion and private capital.

The new icons of urban modernity tower above a more varied urban environment that is a product of the reforms. I remember in 1976 the delight with which we greeted a street-seller in central Beijing who was selling homemade toys for a few cents. Now the streets teem with so many vendors that one is more likely to
run away and seek refuge from the hawkers and traders. The gradual release first on rural markets and later for rural produce to be sold in the cities has led to a much more diverse urban streetlife. The markets, restaurants and discos are signs of the new entrepreneurship or official organizations moonlighting to make a bit of extra money. The restaurants and nightclubs are filled with the beneficiaries of reform: the private entrepreneurs, those involved in the new economy, the managerial elites, and the politically well-connected.

The reforms have also changed what is for sale in the stores. In the Cultural Revolution by and large one bought what one could get if you had the money and the correct ration coupons. Entering the department store was not a particularly energizing experience as choice was limited, quality was poor and service distinctly surly. Now film and rock stars are used to promote new products and open stores. Competition has caused even the state-run stores to become more entrepreneurial and to offer service with a grudging smile rather than a scowl. Most of the luxury goods that were kept back in special stores for senior officials and foreigners are generally available for anyone who has money.

Reform has even changed the content of official bookstores such as the Foreign Languages Bookstore on Beijing’s main shopping street. Its transformation has been a bell weather of reforms. In the 1970s and 1980s its main stock was the collected works in foreign languages of China’s leaders, posters of revolutionary icons such as Stalin and Enver Hoxha, and English language textbooks that carried revolutionary parables or stories of friendship between Chinese and foreign citizens. When I visited in November 2000, there was barely a collected work in sight and no revolutionary icon to be found. In their place were Harvard Business School textbooks and manuals on how to make money or manage financial transactions. The posters had been replaced by a wide choice of Western novels, cassettes and CDs introducing the latest sounds and fashions. Learning English by revolutionary parable has been replaced by learning English through business management.

The one-child-per-couple policy has affected shopping. Toy shops and departments are now the icons of happy family life with parents lavishing relatively large sums to pamper the ‘new emperors’ of modern China. As one old party wag commented, they were the hope for greater party accountability in the future. In his view they had been so spoilt and dominated household spending and priorities that there was no way that they would listen passively and unquestioningly to party directives when they grew older! They were more likely to demand results to improve the quality of their life and provide greater accountability.

Not all have money to spend in this new urban China. There have been beneficiaries but there have also been losers – workers in inefficient state-owned enterprises, the aged with no family dependents, and some migrants. The increasing pressure of marketization and the need to cut costs and increase profits, pressures that will intensify with WTO entry, have caused a rapid increase in lay-offs from the old SOEs. While the worst effects for many have been cushioned either through supplemental income from the state or the retention of low-cost housing
Introduction

and medical provision, there is no doubt that it has been a hard transition for some. The favoured northeast and Sichuan of the Maoist period have become the rust-belts of the early twenty-first century. The word ‘yellowing’ (huangle) of enterprises is commonly heard in the northeastern cities that were the former industrial powerhouses of the Maoist era. It is noticeable that provinces such as Liaoning and Jilin that used to be among the wealthiest in the Mao years have become relatively poorer in the reform period. By contrast Guangdong, one of the poorest provinces under Mao, has become the wealthiest under reform. In fact, three of the richest ten people in China in 1996 were from Guangdong (Benewick and Donald, 1999, p. 25).

Many older workers are bewildered by the changes and are unlikely to find work in the new economy where quite different skills are required than those learned by the traditional working class. Official unemployment figures (around 3 per cent) underrepresent tremendously the true levels and the regional variation. In northeastern cities such as Mudanjiang, unemployment may even have run as high as 40 to 60 per cent. Certainly anecdotal evidence would suggest much higher rates. Peddlers in the streets in such towns and the hostesses and prostitutes working in the hotels and clubs tend to be local rather than outsiders as is the case in larger cities such as Beijing.

The impact has fallen unduly heavily on women. In most SOEs, they are the first to be laid off and would be the last to be taken back. In many state organizations, women are being persuaded to take early retirement usually around 45 and, on occasion, even earlier. The chance of finding new, legal employment is slim. The elderly and the single have also been vulnerable. With workplaces shedding their social welfare responsibilities and a new system only slowly coming into place, old age or divorce can appear more threatening than in the days of cradle-to-grave socialist care for the elite of the urban industrial working class.

A rise in the divorce rate has been a by product of reforms and there has been much hand-wringing in the Chinese press. While some see it as a breakdown of social mores, others have heralded it as a positive sign of modernization, pointing to the higher divorce rates in the ‘developed West’. The number of divorces had risen to around two million by 1997, up from less than one million in 1985. This might seem low, but for a society coming out of the Mao years of enforced social conformity and repression of sexual desire (unless you happened to be Mao himself) it was seen as a disturbing increase. The rise in divorce rates also relates to people shaking off political marriages that they undertook during the Cultural Revolution. In those years, rather than feelings of love, correct class background and political stance were more important for finding urban marriage partners. It led to many loveless marriages in urban China for the now 50-somethings, leading not only to rising divorce rates but also to increases in extra-marital affairs as well as the enormous popularity of books like The Bridges of Madison County.

I have sat through many discussions by older urban residents of nostalgia for the old days. Forgetting the famine of the Great Leap Forward and the chaos and violence of the Cultural Revolution, they reminisce of the ‘golden days’ when life
was secure, there was basic healthcare and the streets were safe. For many, reforms have meant bewildering choices, loss of security, rising crime and declining personal safety, and a younger generation who treat their elders with less respect. Many such people have been attracted by the ‘leftist’ manifestos published by former Maoist party veterans. These criticize the ‘capitalism’ and ‘materialism’ and new inequalities of current policy and call for a return to stricter discipline, party control and central state planning. Others have been attracted to a variety of religious and popular movements such as Falun Gong. This is just the tip of an iceberg as many seek to find something that brings meaning to their life in such a turbulent world.

It is the migrants who have received popular and official blame for the increase in crime, dirt, and disease in urban China. While such hyperbole is usually unjustified, migrants are a feature of the post-Mao reforms. There have been previous waves of migration post-1949 but now there are anywhere between 80 and 120 million migrants linking the urban to the rural and who are transforming both landscapes. The decline in farming incomes and the pull of better paid work in the cities have led many young men, and increasingly women, to abandon the harsh conditions of rural labour for higher wages in the cities. The construction boom of the 1990s was a major source of employment as was the expansion of township and village enterprises and the foreign-invested manufacturing enterprises that have mushroomed in the Special Economic Zones. One further link between the urban and the rural has been the rapid expansion through the 1980s and early 1990s of rural industry in the form of township and village enterprises. By 1998, there were some 125 million employees in 20 million enterprises, and in provinces such as Jiangsu and Shandong they employed some 30 per cent of the rural workforce.

However, life in the cities while perhaps not as harsh as in the countryside has not been easy either. Migrants tend to live in sub-standard or shanty-housing or in dormitories provided by their employers. In the former, they often group together in native-place villages. A major problem for the migrants is that their place of registration is still considered to be in the countryside and thus they are denied access to state-sponsored education and medical facilities.

As noted, the migrants have been important to the growth of not only the non-state sector but also the development of the new growth areas of China along the coast. The CCP has promoted this strategy of coastal growth while allowing a progressive running down of the old industrial areas. This began with the promotion of trade as a key component of the new policy and the licensing of the four Special Economic Zones in 1979 that provided a series of incentives for foreign enterprises and joint ventures. They were set up primarily to absorb overseas Chinese investment. The programme expanded from the four zones (Shenzhen, Zhuhai, Shantou and Xiamen) under Zhao Ziyang by the late-1980s to a coastal zone development strategy. Shenzhen the first major zone over the border from Hong Kong was just a small sleepy village when I first passed through in 1976. On the train ride from the border with Hong Kong to Guangzhou one passed through endless
rice paddies, small clustered village hamlets and the occasional water buffalo pulling a plough or swishing its tail while bathing lazily in the river. A decade later, Shenzhen was Asia’s newest metropolis with an urban centre full of towering skyscrapers rising from the former paddies. It is now home to over 4 million people (of whom only 1.2 million have permanent residence permits), had foreign investment of $2.7 billion in 1999 and an urban per capita income of $2500 per annum and a rural income of $980, making it one of the richest places in China.

Very few rural areas have undergone such a dramatic transformation, but official figures state that the incidence of poverty has dropped from 250 million at the start of the reforms to only 32 million by the 1999. As these figures suggest, the reforms have been equally dramatic in their effect on rural China. The communes have been abandoned and farming returned to a household basis. As a result, the wide fields and expanses of land have been divided up into small parcels that are often guarded as crops ripen. The breakdown of communal farming has led to an increase in theft of crops in the countryside.

Migration has also affected the demographics of many rural villages and many who have remained behind have pulled out of farming where there is a viable alternative. While still some 75 per cent of China’s population are registered as living in the countryside, farming families are increasingly reliant on non-farm sources of income. This may come from remittances from migrants or from wage labour in township and village enterprises or from household business. In 1996 over three-quarters of the basic incomes of agricultural workers came from this last source (Benewick and Donald, 1999, p. 28). Even for those who remain in agricultural production there has been a shift away from the Maoist obsession with grain production to other products that fetch a higher price in the urban markets. Generally with the low returns for grain production, most only keep fields to fulfill their quotas. For a country that has such a heavy pressure on the available land, it is disconcerting to see so much good agricultural land being abandoned either because families do not want to farm it or cannot because of migration or redeployment to more profitable non-agricultural work.

The composition of those farming has also changed. In many villages, males have moved in search of off-farm employment as have many women of pre-marriage age. This has left farming in many areas to the elderly and married women. Because of the low status and income from these activities, there has been discussion as to whether we are witnessing the ‘feminization’ not just of agriculture but also of poverty. Many villages seem to comprise only the elderly, children, the sick, and married women dealing with all the household and production affairs.

Migration and other social changes have also led to the increase of sexually-transmitted diseases and HIV/AIDS. Migrant male workers who have contracted sexually transmitted diseases have brought them back to the village where there may be no adequate healthcare. The spread of HIV/AIDS has also been linked to poverty. While HIV/AIDS is now spreading among the heterosexual community and from sexual activity with prostitutes, much of the spread has come from needle-sharing by drug addicts and the sale of blood to ‘blood snakes’ by the
poor. China’s coercive and social systems are ill-equipped to deal with this situation and an epidemic of major proportions is looming.

Yunnan is typical. In rural and small towns in the province, HIV/AIDS first began to spread among intravenous drug users and subsequently to sex workers. In border towns such as Ruili the explosive mix of drugs and prostitution has caused a major epidemic to develop. I have visited villages in the surrounding area that have been devastated by the death of many of the males through contraction. One major problem with tracking the spread of a new disease such as this is that local health workers often fail to recognize it. In addition, there are bureaucratic and systemic imperatives that can lead to the spread of the disease being hushed up (see Box 1.3). Local authorities are worried that any adverse publicity would not only bring opprobrium from higher authorities but also would discourage foreign investment. The same fears have prevented local authorities from investigating and exposing the extent of the spread of HIV/AIDS through the spread of the sale of contaminated blood.

With reforms, rural China has become more varied than in the past, with greater freedom for households to decide on what to produce, where to sell it and how to deploy their labour force. However, reforms have not favoured all in the rural areas, and the extension of household-based farming and markets to areas where they are inappropriate has had adverse effects. For the absolute poor, many of whom live in remote mountainous areas, liberalization and the increased use of market forces have been of little benefit as they have little if anything to sell. In fact, with increased prices for agricultural inputs and the collapse of medical access, their living standards have almost certainly declined. In addition with financial pressures increasing on local authorities many have resorted to raising illegal fees and levies that fall on the poor disproportionately.

**BOX 1.3
Dealing with HIV/AIDS in Yunnan**

In the 1990s, health workers in Yunnan had become so concerned about the level of HIV/AIDS infection among intravenous drug users that they asked a foreign donor organization to support a workshop to promote a range of policies and precautionary measures (such as bleaching and needle exchange) that could help slow down the rapid spread. However, just before the workshop was to be held, the Public Security Bureau intervened to stop the workshop on the grounds that drug use was illegal and therefore could not be talked about publicly. Subsequently, the situation became so bad that the Public Security Bureau was willing to allow the workshop to go ahead. By this time, the health workers felt that the infection rate was now so high among intravenous drug users that such a workshop would be ineffective. They proposed that energy be focused on the next at-risk group, sex workers. Again the Public Security Bureau stepped in to halt the workshop as prostitution was illegal! For drug users, they preferred to rely on lock up, cold turkey and traditional CCP mechanisms of education and campaigns rather than the kinds of measures that have been successful elsewhere.
The CCP’s vision of modernity has also intruded into rural life. Clearly, the CCP still sees the future as urban and industrial. Policy has always privileged these areas but other policies have also impacted on rural life. In particular, the CCP sees nomadic or other traditional farming practices as ‘backward’. As a result, CCP policy has tried to organize nomadic and shifting cultivators into more permanent habitats. More permanent settlements, of course, make it easier to control activities and to pursue unpopular policies such as family planning.

In Yunnan, officials have blamed local communities who engage in swidden agriculture as contributing to the soil erosion that has contributed to downstream flooding. In fact, there is little evidence to support this official viewpoint beyond prejudice. Local Chinese researchers have reviewed this practice and have discovered that it is environmentally sound. By contrast, the main periods of environmental destruction came during the Great Leap Forward and the Cultural Revolution (Interviews, November 1998).

The CCP has to rule over this increasingly diverse society while trying to guide China into further integration with the world economy. This is a daunting challenge. The CCP has also to provide an explanation to its people of where the country is heading and offer some kind of a moral compass. This is hard to do not only because of the diversity but also because ideological orthodoxy appears to run counter to the direction in which the economy and society are heading. It is hard for General Secretary Jiang Zemin, or any other senior leader, to provide a genuine vision of China’s future as at best it would suggest a radically transformed role for the CCP and at worst perhaps no role at all. If the future is an economy increasingly dominated by market forces and integrated with the world economy, is a CCP that still professes commitment to socialism and the state-owned sector while harbouring suspicion of foreign motives the most effective organization to manage this? However much practice may move away from Marxism, the ideology remains a crucial component of the CCP’s self-legitimation (Kelly, 1991, p. 23). To abandon adherence would be impossible.

The gap between official rhetoric and social practice has widened significantly under the reforms and is perhaps even greater than in the Soviet Union and Eastern Europe in the late 1980s. While China’s leaders claim ‘only socialism can save China’ the students laugh that ‘only China can save socialism’. The leadership has adopted a number of linguistic phrases that seek to explain current reality while retaining allegiance to socialism. The latest is that China is a ‘socialist market economy’ while the phrase of ‘Chinese-style socialism’ has been used to cover a multitude of policies that are difficult to describe as being conventionally socialist.

While Chinese society has become less ideological and even more pluralistic, CCP ideology sets limits to how far reform can go. Party leadership has retained its commitment throughout the 1980s and 1990s to socialism however much the definition of its content may have changed. The reforms have not been intended to introduce either democracy or a capitalist economic system but rather to find a way for socialism to survive (on this point see Huang, forthcoming, Chapter 2). This explains the residual commitment to the SOE sector, the slow grudging
approval given to the private sector and the attempts to make foreign investment support the CCP’s socialist objectives. Whether such an approach to development is still tenable is one of the major challenges the CCP faces in the twenty-first century. With the commitment to WTO, there must be serious concern as to whether the socialist core can be retained and even whether certain senior leaders wish to retain it. In a prescient observation Kelly has remarked that one outcome of transition may be the ‘installation of a New Authoritarian regime that dispenses with Marxist state ownership and its attendant social welfare functions but retains the self-legitimating apparatus of Marxist ideology’ (Kelly, 1991, p. 34).

Certainly within society and even among party members there is little faith that socialism can provide a guiding light for China. Socialism is very rarely raised these days in discussions with foreigners and when mentioned is usually met with an embarrassed giggle by those sitting around the table. When bored listening to the development plans of local officials, I would often ask them about the relevance of socialism to their plans. They usually pulled up short and muttered something about social stability, party guidance and that the kind of socialism being pursued was one with Chinese characteristics. The appeal to the primacy of social stability and the appellation of Chinese characteristics seemed to justify most things one wanted to do. I was chatting with a party secretary from an industrial town near Xi’an (Shaanxi province) in the northwest of China; during our discussions he mentioned that he had privatized virtually all of his local industry and I noted that he appeared to be in breach of central party policy that ruled out the use of the word privatization. He upbraided me, stating that despite having studied CCP history for so long I still did not understand basic principles. He explained to me that the basic principle of party work was to rally around Comrade Jiang Zemin as the core of the leadership to ensure social stability. If he did not privatize the SOEs under his jurisdiction he would be faced with a financial crisis that would lead to social unrest. Thus, far from contradicting party policy, his privatization policy was perfectly attuned to it.

Whether such linguistic conundrums can suffice in the future is hard to say. It is clear that many party members and citizens have a highly instrumental view of the party. As long as it has sufficient patronage to deploy and continues to deliver the economic goods there is little incentive to seek alternatives or to rock the boat. This makes legitimacy highly conditional and the party has struggled to provide deeper reasons for attachment, best seen in its promotion of nationalism. One significant legacy of Deng’s reforms is that the overwhelming majority of people do not have to worry about the CCP anymore and it does not interfere directly in their lives. This is an important advance from the Mao years and even those of the 1980s when political campaigns in which all were supposed to participate were commonplace. Withdrawal could be interpreted as lack of support and punishment could be harsh. Now campaigns generally only affect the 63 million party members and even then many do not have to take them seriously.

Some citizens have not been willing to withdraw into a private realm of activity but have joined a variety of religious and spiritual organizations. A very small
number have even joined underground political and labour organizations. Such individuals have clearly transgressed the limits of the permissible and such organizations are broken up and key individuals arrested when discovered. Many more inhabit a gray zone of local religious organizations, clans, lineages, gangs or social organizations that operate at the margins of the politically acceptable.

Providing governance over this diverse people and territory is an increasingly complex challenge. The chapters that follow provide an introduction to how the CCP has governed to date and the challenges it faces in the immediate future. It looks at the organization of the party and the state at the central and local levels, the shifting nature of participation and protest and how the relationship between state and society has changed over time. The final chapters review the key areas of economic, social and foreign policy before looking at important future challenges.
China’s Changing Road to Development: Political History, 1949–78

After 22 years of conflict with its nationalist rivals domestically and Japanese invaders, the Chinese Communist Party (CCP) took control of Beijing in January 1949 and Shanghai in May the same year. By 1950 the Guomindang (Nationalist) forces only retained control of the island of Taiwan. Though CCP leader Mao Zedong told the Chinese people that they had stood up, the country the CCP now controlled in their name was economically backward, predominantly agrarian and contained considerable opposition to communist rule. Victory returned the CCP to the cities they had been forced to abandon following repression by the nationalists. CCP leaders now had to return the revolution to the cities, build an industrial base and a working class whom they were supposed to represent, create new political institutions and train officials to staff them. Pockets of opposition remained from troops loyal to the nationalists with whom the CCP had fought two civil wars (1927–37 and 1945–49, see Box 2.1) and there was armed fighting with Tibetans who resisted incorporation into the PRC. In addition many, especially in the cities and the south, were suspicious of the CCP’s motives and intent. The economy had suffered badly from the dislocation and destruction not only of the civil wars but also the Japanese invasion (1937–45), and the country was suffering from rampant inflation.

Given this inheritance, the achievements by the mid-1950s were impressive. The country, with the exception of Taiwan, was unified, the rural revolution had been completed, inflation was tamed, and solid economic growth achieved. For many older CCP members the early 1950s is remembered as the ‘Golden Age’ of steady progress and social stability. One might have thought that China’s search for a suitable state form to help the nation modernize and take its rightful place in the world would have ended and institutionalization would have been completed. Yet, only a few years later the CCP led its people through a series of disastrous movements that ripped apart the ruling elite, caused social dislocation and famine on a massive scale, and culminated in the Cultural Revolution (see Box 2.2). In fact, even in the early 1950s tensions lay just below the surface that derived from the pre-1949 CCP legacy and the application of the Soviet economic model.

This chapter reviews first the framework of the debates and tensions within the revolutionary inheritance, and then reviews how Mao and the CCP moved from triumph to disaster. from state-building to state destruction.

Parameters of Policy Debate

Two sets of issues framed the policy debates through the 1950s into the 1990s. The first is a set of debates that have been common to all socialist systems operating under a one-party political structure managing a centrally-planned economy. The second is a number of tensions that derived from the Chinese revolutionary experience.

BOX 2.1

Key Dates of the Communist Revolution

- **1911** Uprisings bring down the Qing dynasty and Sun Yat-sen is proclaimed President of the Republic of China.
- **1912** 14 February, Sun steps down and Yuan Shikai, a former Qing official, takes over.
- **1919** 4 May, students protest against their government and the Japanese in response to provisions of the Versailles Treaty.
- **1920** November, ‘Manifesto of the CP’ drafted and the party journal The Communist launched.
- **1921** 23 July, the CCP opens its founding Congress.
- **1923** June, Third CCP Congress agrees to collaboration with the GMD.
- **1925** 30 May, movement breaks out in Shanghai when International Settlement police open fire on demonstrators.
- **1926** July, Chiang Kai-shek with CCP and Soviet support launches the Northern Expedition to unify China.
- **1927** 12 April, Chiang Kai-shek’s soldiers massacre communists in Shanghai and a purge of communists begins in many eastern and southern cities.
- **1928** April, Mao and Zhu De unite to form the Jinggangshan base.
- **1933** January, Party Centre flees to the Jiangxi Soviet.
- **1935** 15–18 January, enlarged Politburo meeting at Zunyi criticizes past military policy and elects Mao to the Standing Committee of the Politburo.
- **1936** December, kidnap of Chiang Kai-shek by his own troops facilitates formation of second united front.
- **1937** January, CCP moves its headquarters to Yan’an.
- **1937** 7 July, Marco Polo Incident provides pretext for full-scale Japanese invasion of China.
- **1939** September, the Rectification Campaign is launched.
- **1945** April–June, CCP Seventh Congress convenes marking culmination of Mao’s rise to power.
- **1946** 10 October, with the fall of Kalgan to GMD troops the CCP announces that civil war is inevitable.
- **1949** January, Beijing falls to CCP troops and Shanghai falls in May. 1 October, Mao Zedong announces the establishment of the People’s Republic of China.
KEY POLITICAL DATES, 1949–78

1950 February, China signs the Treaty of Friendship, Alliance and Mutual Assistance with the Soviet Union. May, Marriage Law promulgated. June, the Land Law is promulgated. October, China joins the Korean War.

1951 February to May, 'Campaign to Suppress Counterrevolutionaries'. August to June 1952, 'Three-Anti Campaign' against official corruption. January to June, 'Five-Anti Campaign' to curb the violation of official regulations by private businesses.

1953 October, First Five-Year Plan launched, although only formally ratified in 1955.

1954 February, Gao Gang charged with trying to seize state power. September, First National People's Congress meets, replacing the Chinese People's Consultative Conference as the highest organ of state power.

1955 July, Mao rejects that collectivization could be subordinated to mechanization.

1956 February, Krushchev’s secret speech denounces Stalin. April, Mao’s talk 'On the Ten Great Relationships'. May, 'Hundred Flowers' Campaign' launched. September, Eighth Party Congress acknowledges success of First Five-Year Plan and approves the second to start in 1958.

1957 February, Mao widens 'Hundred Flowers' Campaign'. 8 June, People's Daily article signals start of 'Anti-Rightist Campaign'. September–October, Third Plenum of Eighth CC adopts radical measures that pave the way for the GLF.

1958 May, Second Session of Eighth Party Congress ratifies plans for GLF. 10 March onward, Crushing of the revolt in Tibet.

1959-1960 July-August, Lushan Plenum, Deng Xiaoping criticizes the GLF. July, Soviet Union withdraws all its technical personnel from China. January, Ninth Plenum of Eighth CC adopts economic adjustment policies worked out the previous summer.

1962 September, Tenth Plenum of the Eighth CC, Mao stresses the continued existence of class struggle. October, Border war with India breaks out.

1963 May, Socialist Education Movement intensifies with publication of the 'Early Ten Points'. November, article by Yao Wenxuan criticizes a play written by Beijing deputy mayor Wu Han claiming it a defense of Peng Dehuai.

1966-1967 16 May, circular marks start of Cultural Revolution. August, 11th Plenum of the Eighth CC adopts the 'Sixteen Point Decision' further radicalizing the political atmosphere.

1967 February, 'Revolutionary rebels' announce the establishment of the Shanghai commune. Mao rejects it.

1969 March, Soviet and Chinese forces clash along the Ussuri River. April, Ninth Party Congress marks the return to top-down rebuilding of party and state.

1970 August, Second Plenum of Ninth CC reveals leadership divisions and subsequently Chen Boda is purged as a 'sham Marxist'.

1971 September, Lin Biao's plane crashes in Mongolia. October, China is admitted to the UN; Taiwan's status revoked.

1972 February, President Nixon arrives in Beijing. August–September, Tenth Party Congress attempts to forge a new leadership. April, Deng Xiaoping reappears to speak at the UN and by January 1975 he is effectively in charge of the government.

1975 January, Four National People's Congress. Zhou Enlai outlines the 'Four Modernizations'. January, Zhou Enlai dies and Hu Guofeng is appointed acting premier. April, Tiananmen demonstrations used to purge Deng Xiaoping. September, Mao dies.

1977 July, Third Plenum of Tenth CC restores Deng to all his posts. August, 11th Party Congress calls an end to the Cultural Revolution.

1978 February–March, Fourth National People's Congress announces a new ambitious economic policy. December, Third Plenum of 11th CC announces shift to economic modernization as core of party work.

The nature of the socialist system (see Kornai, 1992) means that the possibilities for change are limited and the areas of policy debate tend to oscillate along a continuum of a key set of policy alternatives. The main determining features are a centrally-planned economy with predominant if not total, social ownership of the means of production overseen by a hierarchical highly centralized political power structure concentrated within a one-party state and with an atomized society within which the agents of civil society are weak or ineffective. It was only when reformers in the Soviet Union and China began to undermine these pillars that fundamental change has become feasible.

This structure results in recurrent debates on a number of specific questions. In the economic sphere, there is the question of the relationship between the government and the state-owned sector of the economy and the extent of the supplemental role to be played by the collective and private sectors. What is the relationship between consumption and accumulation? How extensive a role should foreign trade play in the development of the national economy? Debates in this field focus particularly on the level of trade with 'advanced capitalist countries'. In addition there have been sharp debates over how best to motivate managers and labourers to work effectively. Should material incentives in the form of bonuses or piece-rates be expanded or should moral exhortation and social recognition be used as a primary form of stimulus?

The cyclical debates have also included the management and administration of the economy. First, in terms of broad economic management there has been oscillation between the role of directive planning and the use of economic incentives to direct the behaviour of economic actors. This is related to specific questions of how much autonomy should be granted and in what functional areas autonomy should be granted to the production enterprises. A further area of debate is
between the division of economic decision-making powers between the central administration and its various local agencies.

In the political sphere, there have been oscillations between the level of authority to be enjoyed by party officials *vivâd-viv* other state administrative cadres and enterprise managers. Just how much specific decision-making power should reside with party secretaries? What is the role of the intelligentsia and technicians in the process of policy formulation and how much academic freedom and in which areas should they be accorded? Last but not least there are debates about the extent to which any institution or organization outside of the party-state should be permitted to exist.

In addition to these generic debates, the specifics of the CCP's rise to power contributed legacies that framed the post-1949 debates. The Chinese revolution had been fought in the countryside and this raised a fundamental question about whose interests the new regime would serve: those of the social force that brought it to power (primarily the peasantry) or in whose name it was brought to power (the proletariat); or as some have suggested its own bureaucratic structures and personnel.

The preference for the proletariat, if not urban China, was clearly understandable from CCP ideology. Even though the CCP had had no effective contact with the proletariat during the years before seizure of power, its leaders never dropped their commitment to an ideology based on its supremacy and leadership over the peasantry, as represented in the Soviet-inspired vision of the future. As soon as conditions permitted, the party reasserted the primacy of urban work over that in the countryside. However, the socialization drive of the new party-state ran against the material interests of both the farmers and the proletariat. This disregard for the interests of the two primary classes the CCP was supposed to represent derives from the party's 'privileged' position in relation to them before 1949. In the absence of an actual proletariat in the revolutionary base areas, proletarian rule in practice meant rule by its vanguard, the CCP. The party adopted the habit of speaking in the name of the proletariat without the nuisance of having to listen to an actual, existing class. This affected CCP rule after 1949 and its autonomy to act. The party often spoke on behalf of all social forces cognizant that it knew best what was in the real class interest. As a result, after the CCP came to power it enjoyed significant autonomy from the specific interests of all social forces.

This autonomy of the CCP was heightened externally by its relationship to the Soviet Union, the head of the communist movement worldwide. The Chinese revolution was distinct from the 'baggage train' governments that followed the extension of Soviet power into Eastern Europe following the Second World War. The revolution was indigenous and Mao made it quite clear that the CCP was not fighting a war to become the 'slaves of Moscow'. Obviously the influence of Marxism–Leninism as an ideology and the practical help of Soviet Russia cannot be denied, but the end product of Mao Zedong Thought was a distinctive approach geared to and influenced by Chinese realities. The CCP was willing to ignore Soviet advice when it ran counter to national interests and to abandon the Soviet approach to development once its internal inadequacies and its inapplicability to the Chinese situation became apparent. This desire for strong independence was enhanced by China's humiliation at the hands of foreigners in the century before the CCP took power.

Last but not least there was a legacy of institutional overlap and tensions between individual and institution. In the revolutionary war, institutions were very fluid and often the military was a more visible expression of communist power than the CCP itself. Individuals held positions in multiple institutions without any apparent contradiction. It was impossible to identify a senior CCP official, for example, as having a military background or representing a military interest as all senior CCP leaders had been military leaders before 1949. This bred a somewhat cavalier attitude to institutions and their use to other policy objectives.

However, in the CCP revolutionary base area of the Shaan-Gan-Ning in the 1940s more attention was paid to organizational development and the drafting of codes and procedures. CCP stress on organizational stability and ideological orthodoxy went, somewhat paradoxically, hand in hand with the accretion of power in Mao's hands. Indeed, it went even further than this, as loyalty to the organization was reinforced through a campaign to promote the individual of Mao Zedong as the font of supreme wisdom in China's revolution, a campaign that built up momentum from July 1943 onwards. At the time, it does not seem to have occurred to other senior leaders that the build-up of a Mao cult negated the stress on collective leadership and loyalty to the CCP as an organization. While his preeminence did not necessarily have to lead to the abolition of inner-party democracy and serious policy discussion, it was the major factor preventing the institutionalization of more enduring political structures after 1949.

**Economic Recovery and the Adoption of the Soviet Model, 1949–55**

The CCP's main aims in 1949 were to revive the war-ravaged economy and to eliminate the remaining domestic opposition. If differences remained within the leadership they were hidden beneath a façade of unity. Before 1949 the CCP held a number of base areas in addition to Shaan-Gan-Ning, and their precarious nature and vulnerability to Japanese or GMD attack meant that the party had to rely continually on the support of the poor peasantry and the local elites (see Box 2.3). This made policy more conciliatory even in Shaan-Gan-Ning than it might otherwise have been with economic moderation and political attempts to placate a wide range of social forces. Post-1949 initial policy followed this approach with populist measures to remove the most obvious inequities of the old system, a moderate economic policy, and harsh treatment of those considered enemies of the state. Over time, policy radicalized and increasing sections of the population, including intellectuals, became the focus of CCP criticism. Gradually, the authoritarian strands of the pre-1949 legacy came to dominate over any proto-democratic proclivities. In addition, personal dominance by Mao Zedong over decision-making
BOX 2.3

Revolutionary Base Areas

Before 1949, CCP forces were organized in a number of base areas that provided sanctuary, allowed policy experimentation and cadres to develop administrative experience. The main base where Mao and the party headquarters were situated was Shaan-Gan-Ning with its capital in Yan’an. The experiences here provided a blueprint for post-1949 society. Policy combined a moderate economic policy and external relations with tough internal party discipline and the ‘mass-line’ campaigning style of politics. Apart from Shaan-Gan-Ning there were major base areas in Jin-Ji-Yu-Lu (Shanxi-Hebei-Shandong-Henan) and Jin-Cha-Ji (Shanxi-CHahar-Hebei) regions. The CCP was successful at putting down local roots only where it showed flexibility in adapting policy to local circumstances, where initially it was good at micro-politics. By contrast, attempts to transform local environments to conform to predetermined ideology were unsuccessful. These different base areas were often ignored after 1949 and especially during the years of the Cultural Revolution (1966–76) when the focus was exclusively on CCP history based around the persona of Mao Zedong. When the reforms began in the late 1970s, these varied experiences became important points for alternative policy experimentation. For example, the programme of village elections launched in the late-1980s under the patronage of then National People’s Congress leader, Peng Zhen, owed much to his own experiences in Jin-Cha-Ji. Peng hoped that ‘democracy controlled’ would keep local elites on board and give them a stake in the new politics to prevent them from going over to the enemy. The experiences of Jin-Ji-Lu-Yu are important because key leaders of the reform period such as Deng Xiaoping, Bo Yibo, Wan Li and Zhao Ziyang spent time there. The precarious and fragmented nature of this particular base area meant that policy had to be even more conciliatory than that in Shaan-Gan-Ning. This paramount emphasis on survival meant that a very flexible economic structure was maintained that built on the pre-existing banking expertise of the area and an agricultural policy that very closely resembled that of the ‘responsible system’ introduced in China during the 1980s (see Goodman. 1994; Saich. 1994a, 1996).

frightened the developmental need to build sustainable institutions. As these tensions mounted and the CCP confronted economic failure on a vast scale during the Great Leap Forward, the façade of unity began to crack.

The principles of ‘New Democracy’, developed by Mao (February 1940) in Shaan-Gan-Ning, with their emphasis on reconciliation and class collaboration were to guide the new state. Naming the new state the People’s Republic rather than a people’s democratic dictatorship symbolized this. Important practical considerations favoured the adoption of a relatively ‘moderate’ policy. On assuming power the communists suffered from a shortage of properly trained, administrative, managerial and technical personnel, and they lacked experience in managing a modern, urban, industrial sector. With priority given to economic recovery it was necessary to ensure that all available scarce resources were not wasted. This foreclosed the immediate introduction of a full-scale socialist transition strategy. The ‘moderate’ mood was summed up in the slogan ‘three years of recovery and ten years of development’. Policy was to benefit not only the workers and peasants, but also the petty bourgeoisie and those capitalists who had supported the CCP. By contrast, landlords, unsympathetic industrialists, those with foreign interests, and those connected with the GMD were to be dealt with harshly.

Policy towards capitalists seemed sympathetic to the revolution provides a good example of the gradualism through which the CCP bound key groups into new forms of state patronage before eliminating them. They were allowed to develop their industries as a prime requisite for the development of a modern economic structure that would then be ripe for socialist transformation. Although this meant the initial maintenance of a mixed economy, only the CCP-controlled state apparatus was capable of providing any real coordination. This allowed the CCP to transform the mixed economy to its own advantage without a major disruption in production and distribution. The state took control over both ends of the production process, providing the industrial enterprises with their raw materials through the national ministries and placing orders with the private entrepreneurs for processed and manufactured goods. The state was therefore able to control what went in and what came out. Once privately owned enterprises were tied up in this way, the CCP began to promote the creation of joint state-private enterprises. This made sense for many of the privately owned enterprises that found it difficult to compete with the state enterprises and that lacked the necessary capital to replace outdated machinery. This movement reached a peak in 1954 and was gradually extended into a programme to ‘buy-out’ the private owners who were paid interest on their shares at a rate determined by the state. This gradualist policy proved to be successful for the CCP and as early as 1952 industrial production was restored to its highest pre-1949 levels.

Social and rural policy attacked gross inequalities of the old system and sought to build or consolidate new bases of support. The two most important pieces of legislation were the Marriage Law and the Land Law both adopted in 1950. The Marriage Law was intended to improve the position of women in Chinese society by according them equality and freedom in their choice of marriage partner. Practices such as infanticide and the sale of children were outlawed.

The countryside was dramatically transformed but radical socialization was postponed. Policy was based on Sun Yat-sen’s view that all had equal rights to land and that land should be given to the tillers. This is not to say that the process was peaceful, and up to 800,000 landlords were killed in the land reform campaign (1950–52), while many more were beaten and humiliated by the villagers they had ruled over previously (Teiwes, 1993). Land reform was modelled on policies adopted in the base areas and was seen as crucial for breaking up the traditional social order and power relationships in the countryside. Further, land reform had the advantage of forcing an identity of interest between the peasantry and the CCP by redistributing land to the rural households. This had been a hard bond for the GMD to break before 1949. The fact that most in the party saw land reform as an integral part of the victory strategy before 1949 meant that it was a stage that could not be skipped over on the march towards socialism. The CCP did not wish to follow the Soviet mistake of a premature rush to rural collectivization before
peasant support and trust had been gained. Finally, the CCP did not have sufficient trained administrative and technical cadres to preside over a collective farming structure. As a result, policy emphasized caution and persuasion and, as before 1949, excesses tended to come from spontaneous outbursts by villagers rather than from directives from above.

The Land Law sought to bring land reform under close party control in an attempt to restrain peasant “enthusiasm”. A fivefold categorization based on property relations was drawn up to enable cadres to unravel the complexities of rural Chinese life. The law sought to ensure land redistribution to the labourers and the poor peasants while not alienating the middle and rich peasants. This was done to minimize the disruption of production. The category of middle peasant was the vaguest but essentially a middle peasant was one who worked the land without engaging in exploitation. The land worked did not necessarily belong to the peasant. Landlords’ land was to be confiscated or requisitioned for redistribution. The blow of being designated a landlord could be softened if the person had supported the revolution. However, the land of the rich and middle peasants, including those designated as prosperous middle peasants, was to be protected. The bulk of land reform was completed in the 18 months after the 1950 autumn harvest. Several hundred million mu of land was redistributed among approximately 300 million peasants, giving them between two and three mu each on average. However, there was considerable variation from region to region, and some areas such as Tibet, with which Beijing had signed a short-lived agreement promising “national regional autonomy”, did not undergo land reform at all. With party organizations weak or non-existent, central leaders did not wish to upset the traditional, religious elite.

It was never likely that the CCP would tolerate a household-based farming system for long. As CCP leaders began to think about pushing ahead with socialism, a rural sector based on private farming and markets was anachronistic. CCP leaders also felt that the small units of land would make rational use impossible, the popularization of new farming techniques difficult, and large-scale capital construction projects problematic. In addition, the CCP leadership took on the Soviet notion that bigger was better, that fast growth regardless of quality was paramount and that to be modern meant to be urban and industrialized.

These factors meant that gradualism was abandoned and the reorganization of the rural sector into larger collective units began and the role of rural markets was curtailed. The Soviet-style emphasis on heavy industry meant that little capital was available for investment in agriculture, yet more efficient agricultural production was necessary to feed the industrialization programme. The solution was to cooperativize agriculture. This process began slowly at first in 1952 with the formation of mutual-aid teams that shared seasonal work and other chores, but gradually gathered pace until the crash programme of communization was embarked on in the late-1950s.

Mao’s view that the ‘peasant masses’ were raw material for mobilization in time of need meant that post-1949 policy soon treated them as the primary source from which to extract resources to feed urban development and the rapidly expanding party-state structure. While the peasants were the immediate beneficiaries of the revolution through the extension of land reform, the need to build up capital quickly led the CCP to take them through the process of collectivization (see Box 2.4). This was resisted by many and communication at best benefited few.

Friedman, Pickowicz and Selden (1991, p. 273) show how by 1952 in the North China Plains extra-village relations once mediated by the market and travel were attenuated by statis restriction, and how the farmers gradually lost out to a party-state that sought to penetrate society in order to attack tradition and any potential oppositional organizations. Increased party penetration through collectivization into rural social structures brought the activities of clans and lineages under greater scrutiny and control than ever before.

Apart from the landlords, the ‘dictatorship of the proletariat’ was unleashed on those deemed by the CCP to be ‘counterrevolutionaries’. These included GMD supporters, industrialists who were not willing to toe the new party line and who were too critical of CCP practice. The tense post-civil war situation may have caused the campaigns to turn into witch-hunts but many party members seemed to accept harsh measures as justified. One senior party official who was detained briefly in 1943 by the CCP and again in the early-1950s defended party actions. In his view there were indeed many spies, traitors and saboteurs around and this justified harsh, extra-legal measures. For him, the system worked as he was released after investigation with his innocence proven. He was less sanguine about his arrest in the Cultural Revolution. However, the system worked less
well for the half a million who may have died in these suppression campaigns. The harshness of CCP action was given further impetus by China’s involvement in the Korean War. Before this, the CCP had little to worry about in terms of organized resistance but war increased the communists’ fears while, at the same time, enabling them to mobilize the patriotic support that had initially helped them to power. This fear that external threat might lead to internal revolt led to the ‘Campaign for the Suppression of Counterrevolutionaries’ that was ruthlessly pursued throughout 1951 until the war reached a stalemate. Two other major campaigns were launched during the early 1950s: the Three-Anti Campaign (August 1951–June 1952) that aimed at the abuse of official position to engage in corruption, waste and bureaucratism, and the Five-Anti Campaign (January–June 1952) that sought to curb the violation of official regulations by private businessmen.

Although the emphasis on the need for reconstruction meant that attention was focused on the solution of immediate problems, one decision was taken that had implications for the longer-term development strategy. In June 1949, Mao outlined the policy of ‘leaning to one side’ that entailed learning from the Soviet Union. This preference was of major significance when, towards the end of 1952, the Chinese economy began to move from rehabilitation to development. This generated the need for greater centralization and the conscious application of Soviet development techniques, certain of which ran counter to the Chinese revolutionary experience. In October 1953, the First Five-Year Plan was effectively launched although it was not formally ratified until 1955.

With the benefit of hindsight it is easy to criticize adoption of a Soviet-style plan, but at the time the inherent problems in the model and the specific problems of applying it to China were not so apparent (see Box 2.5). It was the only socialist model for modernizing an economically backward country and, as far as the CCP leaders were concerned, it had already demonstrated its success. Given the challenges China faced and the economic dislocation, central planning appeared to offer a way to distribute scarce resources rationally and effectively. National planning seemed to imply that the diverse war-torn land was indeed one unified nation. Economic centralization matched the political concentration of power that was taking place and would aid the ‘consolidation of the dictatorship of the proletariat’. Further, to carry out the industrialization programme, China needed a considerable quantity of financial and technical aid. Given the contemporary climate of world opinion it was obvious that the Soviet Union was the only source of supply.

Initially in China application of the model also appeared successful and an infrastructure for industrial development was rapidly established. The concentration on industrial development meant that 88 per cent of the state’s capital investment went to heavy industry. Six hundred and ninety-four major industrial enterprises were to be built, of which 472 were to be set up in the interior regions - 156 of the total were to be constructed using Soviet advice and equipment. Growth rates were high: industrial production grew at 18 per cent per annum, compared to a target of 14.7 per cent; heavy industry grew at 12.9 per cent. However, agricultural production lagged behind with a growth rate of only 4.5 per cent per annum (Xue, [1980] 1982). Agricultural growth was high by international standards and in relation to population growth (2 per cent), but there were worries about how sustainable this might be and whether agriculture could support the further ambitious industrial expansion and urban growth. Application of the plan also facilitated political objectives with the socialization of the means of production through the nationalization of industry and the collectivization of agriculture.

It was not long before the kinds of problems that have plagued other Soviet systems also began to emerge in China. The concentration on heavy industry soon led to the creation of bottlenecks in the system as well as imbalance in the economy. The obsession with heavy industry and the fixation on growth rates and gross output figures led to neglect of the quality of production and ignored considerations of whether anyone would actually want to buy what was produced. The incentive structures within the system were weak and this meant that worker and management enthusiasm was low. Over time, rates of return on capital declined as did labour productivity. Last but not least, consumption was repressed as funds were accumulated for capital construction.

The Chinese economy was considerably weaker than that of Soviet Russia when each chose to launch its respective first five-year plan: Soviet output per capita in 1927 was about four times that of China in 1952; in agriculture, Chinese output was about one-fifth that of Soviet Russia. Some wondered how long the unbalanced growth and privileging of heavy industry could be continued in the Chinese context. Indeed by 1956 Chinese repayments of Soviet loans began to exceed the value of new monetary aid, meaning that China would have to find an effective way to generate investment capital (Lieberthal, 1995, p. 99).

The adoption of the Soviet model of development also meant, to a large extent, the adoption of Soviet management techniques and the creation of a Soviet-style society. While the Soviet model may have had some superficial resonance with

---

**BOX 2.5**

**Key Features of the Soviet Model of Development**

The Chinese economy is organized by five-year plans that dictate production and investment. The model and the plan evolved under Stalin’s leadership and attempted to build up the heavy industrial sector by a planned concentration of resource and investment allocation. This heavy urban bias disadvantaged the peasants as they had to be squeezed to yield up the money for investment in the heavy industrial programme. Because the socialist revolutions did not happen in the advanced industrial societies, as envisaged by Marx, the new socialist states would have to accumulate the capital for investment that should have been done by the capitalists. This process was called ‘primitive socialist accumulation’. This suited collectivization of the rural areas and required a high degree of centralization. Devising, managing and implementing the plans meant that a good deal of power and prestige passed to the technocrats and managers.
notions of order in traditional China, it was at variance with other traditions, as well as running counter to the CCP’s own experiences in the revolutionary base areas before 1949. Finally, the Soviet approach to development would lead to the formation of two new elites that proved to be anathema to the populist strain in Mao’s thinking. First, there was the new technocratic elite of managers and economic professionals, from whom China’s current rulers are drawn, who were needed to design and implement Soviet-style plans and, second, a new political elite of party professionals.

The striking growth rates were not sufficient to allay these concerns and increasingly China’s leaders felt that new methods were needed if China was to break out from its economic backwardness. In particular, unless agricultural production could be boosted the accumulation necessary for industrial development could not be met and the rapidly growing population could not be fed. Instead of shifting development priorities to a major programme of agricultural modernization, Mao chose to expand agricultural output by exploiting traditional farming methods at breakneck speed together with a dash for industrial growth. The resultant strategy was the ‘Great Leap Forward’ (GLF) and its disastrous implementation led not only to massive famine in China but also severe splits about the way forward within the senior ranks of the Chinese leadership.

The Origins of a Chinese Path to Socialism, 1955–62

Although it was not until 1958 that the CCP made a radical break with previous economic practice, there had been earlier signs of disillusionment and the years 1955–57 were crucial for the rupture. The socialization of industry had moved apace and in 1955 the pace of collectivization of agriculture picked up dramatically. In the economic sphere the main debates concerned the speed of development, the relationship of socialization to technical transformation, and the question of whether the economic process should be decentralized and, if so, how. Mao’s view concerning agricultural transformation was signalled in a July 1955 speech in which he rejected the approach that collectivization should be subordinated to mechanization. Mao felt that China’s conditions meant that technical transformation would take longer than social transformation and in 1956 he put forward his 12-Year Plan for Agriculture that proposed socialization as the necessary prerequisite for a rapid increase in production. It was a while, however, before Mao’s economic thinking gained the support of a majority within the leadership. His plan was shelved with the relatively moderate political climate of 1956, only to be revived again in 1957.

The Eighth Party Congress (September 1956) acknowledged the success of the First Five-Year Plan and approved proposals for a second plan to start in 1958. The new plan again accorded agriculture the lowest priority for allocation of funds but more emphasis was placed on light industry to meet consumer demands. Some decentralization was also introduced to curb the powers of the central ministries, but the plan still lay within the Soviet orbit and assumed that socialist transformation required a developed industrial base. Mao as shown in his views on agricultural development was moving away from this approach, and it is clear that a serious divergence of opinion was emerging. Given the Mao-centric nature of the Chinese political system, it was clear that once Mao decided openly to throw his weight behind his views, policy would have to shift.

The ground for a major shift in strategy was prepared with decisions taken at the Third Plenum of the Eighth Central Committee (CC) (September–October 1957) that adopted the radical measures that paved the way for the Great Leap Forward (GLF). The decision was taken to decentralize power to the regions rather than to enlarge the power of initiative for individual enterprises as proposed by Chen Yun, a revolutionary veteran like Mao and key economic planner, although limited decentralization of power was allowed to be carried out within individual units. Chen’s strategy would have facilitated the use of material incentives to promote production and may have led to a decrease in the influence of the party in the production process. In fact, this approach formed the starting point for reforms introduced in the late 1970s. Mao feared that such a policy approach would encourage an incentive structure that would encourage the growth of ‘spontaneous capitalist tendencies’. Decentralization to the regions only would allow greater flexibility but ensure continued party control and conformity with central planning. It would allow for mobilization techniques to promote production enthusiasm rather than the use of material incentives. These decisions paved the way for the adoption of the radical approach to development embodied in the GLF.

Two other factors contributed to the radicalization of policy. The first was that Mao had already begun to push social transformation in the countryside, sweeping aside the objections of those who felt that steady mechanization must come first. In July 1955, Mao called for one-half of all households to be in cooperatives by the end of 1957. In practice the speed of transition was even quicker, with all households so organized by the end of 1956 and communication completed even more swiftly.

Second, significant criticism of the practice of CCP-rule surfaced. The external origins derived from the death of Stalin and Kruschev’s February 1956 ‘secret speech’ denouncing Stalin’s crimes and attributing them to the cult of the individual. The internal causes derived from resistance by workers and peasants to the rapid pace of socialization. Mao was not willing to go as far as Kruschev in his denunciation of Stalin – to do so may have reflected badly on himself – but accepted that he had made mistakes. It did cause him to think about leadership and he outlined his own methods on correct leadership in the Ten Great Relationships (Mao 1956, in Schram, 1974, pp. 61–83). He reaffirmed that a balance must be struck between democracy and centralism and argued that these would be ‘long-term coexistence and mutual supervision’ between party and non-party people. This theoretical position, together with Mao’s reaction to the 1956 uprising in Hungary and his desire to shake up a party apparatus that he felt was becoming increasingly conservative and institutionalized, led to the launching of the Hundred Flowers’ Campaign. Mao felt secure that the intelligentsia basically supported his revolution and that, while he decried the nature of the criticism unleashed in
Hungary, what was needed in China was not repression of complaint but the encouragement of open criticism of the party apparatus.

The Campaign was launched in May 1956 and widened in February 1957 when Mao invited intellectuals to raise criticisms and suggested that the party, some of whose leaders were frustrating his plans for social transformation, was not above criticism from those outside. The depth of criticism was, however, unexpected and ranged widely, even calling into question the legitimacy of the party and the revolution itself. Mao was bitterly disillusioned with the intellectual elites and on 8 June 1957 the Campaign was brought to a swift close when the *People's Daily* published an editorial denouncing the ‘rightists’ who had abused their freedom to attack the party and socialism. This marked the start of the ‘Anti-Rightist Campaign’ under which hundreds of thousands of intellectuals were investigated, demoted, fired or imprisoned.

Perhaps more alarmingly, the socialization drive of the new party-state had begun to run against the material interests of both the workers and the peasants. Evidence suggests that peasant withdrawal from the cooperatives in the winter of 1956–57 was extensive and was dubbed a ‘small typhoon’ (Teiwes, 1987, p. 140). Recent work by Perry shows how the socialization of industry was not universally approved of by the new working class (Perry, 1997). By early 1957 reforms had led to a decline in real income for workers and loss of input into decision-making, leading to an increase in strike activity in Shanghai and other industrial centres. Those protesting, on the whole, were rejecting the process of socialization. Thus, while the immediate causes were economic, the ultimate consequences could have quickly become political. This must have alarmed Mao and the Party Centre and perhaps provides an additional explanation as to why the leadership not only launched a crackdown on ‘rightists’ but also rallied behind a policy to press ahead quickly to complete socialist transformation.

Radicalization in the political sphere was soon followed in 1958 by the ‘Great Leap Forward’ in the economy marking a radical break with the Soviet model of development. The GLF represented a return to the mobilization techniques for development used in the Yan’an period. The GLF was based on the premise that the enthusiasm of the masses could be harnessed and used to promote economic growth and industrialization. Mao wanted to fast-forward the development process and an express aim of the movement was to overtake Britain’s output of major industrial products within 15 years. Better agricultural production would increase the amount of capital that could be accumulated for investment. The strategy rejected the notion that high-level development of the productive forces was a necessary prerequisite for socialist transformation; its theoretical foundations lay rather in Mao’s notion of ‘permanent revolution’. Permanent revolution would prevent the institutionalization and bureaucratization of the revolution, with continuing or new contradictions resolved by a series of qualitative changes as a part of the process of realizing Mao’s developmental goals. Mao questioned the value of administrative planning copied from the Soviet Union and came down heavily against a detailed planning of economic activities by the central government. The advantages of local initiative, such as the innovation and improvement of basic agricultural implements, were to be brought into play. Local initiative was not to be stifled and the gains from mass mobilization were not to be underestimated. This would leave ample possibilities for the people to be mobilized for capital works and for engaging in the transformation of the social relations of production.

An integral part of the strategy was the policy known as ‘walking on two legs’. This promoted the dual use of modern, large-scale, capital-intensive methods of production and traditional small-scale methods. Mao hoped that this combination would tap the huge reservoir of hitherto unexploited resources in the rural areas so that they would be capable of providing their own industrial goods, consumer and agricultural tools. The most notorious result of this approach was the ‘backyard steel furnaces’ that produced a huge volume of steel, much of it useless. Other more successful small-scale projects were the creation of small electric power generators and chemical fertilizer plants. This use of intermediate technology remains the greatest legacy of the movement and many of the small-scale production plants formed the basis of the rural industrial take-off of the 1980s.

Hand in hand with the GLF strategy went the programme of communication that created much larger collective units. By the end of 1959, the 750,000 cooperatives (higher stage agricultural producers’ cooperatives) had been amalgamated into just 24,000 people’s communes. The communes carried out not only agricultural work but also were responsible for industrial work, trade, education, military affairs, health, village administration and social welfare. Communal living was introduced in some areas to release more labour for production.

While the GLF was not quite the wild act of voluntarism that it is often portrayed as in the West (Lippit, 1975), the campaign style with which it was pursued and the dominating radical political atmosphere very quickly pushed it to excesses. Most communes and industrial units falsified production figures to show that they were more ‘red’ than their neighbours. This contributed to setting even higher targets in subsequent plans. It is clear that although many people doubted the exaggerated figures, they were afraid to speak up for fear of being criticized. Planning was rendered totally ineffective. The imbalance within the structure of the national economy, combined with inevitable bottlenecks, meant that stoppages in production occurred and many enterprises overextended their productive capacity.

The communication programme also encountered major problems and resistance. Many peasants resented communal living and the confiscation of private plots. Other problems arose from the unwieldy size of the communes and the lack of competent personnel to administer them. Two external factors further contributed to the failure of the strategy. First, during the summer of 1960 the Soviets withdrew their aid following the Sino-Soviet split. Second, floods and droughts were extremely severe. This latter factor enabled Mao and his supporters to shift the blame for failure onto natural disasters claiming that they were 70 per cent responsible. Foreign observers have always blamed the strategy itself and the
post-Mao leadership has been less charitable about the catastrophe blaming the strategy for 70 per cent of the damage.

From 1959 production in all sectors began to fall. Between 1958 and 1962, China's gross national product fell by about 35 per cent. Paradoxically, national consumption at the aggregate level fell only marginally, as the share of national income devoted to investment dropped off sharply. Nonetheless, in many rural parts of the country acute shortages of food caused famine on a massive scale and at least 30 million people died as a result (From Pieter Bottelier, on the faminies see Becker, 1996). It was obvious that a different strategy had to be found to restore production and, in particular, assure food supply for the population. Serious opposition first began apparent at the Lushan plenum (July–August 1959) and the main critic was the Defense Minister, Peng Dehuai. Peng attacked across a wide range of issues and particularly criticized the speed with which the program had been implemented, the exaggeration of figures that made planning impossible, and condemned the commune programme. In addition, Peng criticized party practice, claiming that democracy in the party and the party's relations with the masses were being severely hampered by the 'petty-bourgeois fanaticism' characteristic of the GLF. While the strategy was abandoned in 1960 and Mao accepted some blame, such a direct challenge to his rule was intolerable. Peng was denounced as the leader of an 'anti-party clique' and replaced as Defense Minister by Lin Biao. The plenum, in accordance with a prior agreement, replaced Mao as President of the Republic by Liu Shaoqi to whom powers of policy implementation increasingly passed. This situation was uncomfortable for Mao but ultimately deadly for Liu.

Liu had been the most enthusiastic supporter of the Mao cult in the 1940s but had presided over the removal of Mao Zedong Thought from the Party Statutes in 1956. In the 1950s Liu had favoured a policy that promoted agricultural mechanization before the social transformation proposed by Mao. In the early 1960s, together with Deng Xiaoping, he presided over policies of economic liberalization designed to restore economic health after the ravages of the Great Leap Forward.

Economic policy focused on how to provide correctives to and reversals of the disastrous GLF policy. The period also contained some policy experimentation that formed the initial point of departure for the post-Mao reforms. At the time, the policies promoted provided the basis for the conflicts that broke out in the Cultural Revolution.

The most pressing problem was how to revive agricultural production, and a series of adjustment policies were adopted throughout 1961. The order of priority for economic development was changed with agriculture taking priority over light industry and with the formerly favoured sector of heavy industry placed last. This meant that in rejecting the GLF strategy the Chinese did not resurrect the Soviet development strategy, and a lower growth rate for industry was anticipated than was put forward in either the First Five-Year Plan or the GLF. Further, the communes were reformed and more flexibility over production was granted. Private plots abolished under the radical atmosphere were returned to the farmers who were once again allowed to sell their goods in rural markets. Also, the number of small enterprises assuming responsibility for their own profits and losses was increased. These changes were encapsulated in the slogan of 'three freedoms and one guarantee'. The communes were not abolished but were greatly reduced in size and the socio-economic functions they had acquired during the GLF were reduced. The basic organization was codified in September 1962 in the 'Regulations of the Work in the People's Communes' (the 60 Articles) and it remained essentially unchanged until the reforms of 1978–83. The number of communes was increased from 24,000 to 74,000 making them more manageable units and the three-tier structure of commune, brigade and team was reaffirmed with the team functioning as the basic accounting unit. The size of the teams was decreased so that it comprised only 30 or 40 households. The team became the most important unit in the countryside as it could make the final decisions concerning both the production of goods and the distribution of income.

When provided with an alternative, the farmers tended to reject advanced collective structures. Dali Yang (1997) has shown that after the famine when local leaders and farmers sought any strategy for survival, they chose non-sanctioned ones, especially household-contracting for agricultural production. This system took the household as the key economic unit with it undertaking certain production guarantees with local administrative authorities. While Mao was willing to decentralize certain powers to the production team, re-empowering the household was unacceptable. By contrast, many farmers opted for the household when they had the choice. Rejection of the collective continued even after the crackdown on household contracting began in November 1961; the practice was criticized as representing the 'spontaneous capitalist tendencies of the peasantry'. As late as May 1962, 20 per cent of all rural households adopted a household-based system of responsibility; by the summer this figure rose to 30 per cent. Mao and his supporters at the policy-making centre consistently rejected this preference for household farming and associated market factors as a retrograde step that could lead China astray ideologically. To accept this would have marked a major defeat for Mao and his view of the transition to socialism. This battle over households, markets, and socialism was rejoined in the reform debates and policies of the 1980s, and has led Selden (1995, p. 250) to conclude provocatively that

We must now read the entire history of the PRC at one important level as the persistent – ultimately successful – effort from below to restore the role of markets that socialist party leaders had accepted during resistance but sought to suppress once they were in power.

In the industrial sector a policy of financial retrenchment was introduced to help rationalize production. Thousands of construction projects were stopped or scrapped and investment for capital construction was lowered by 80 per cent. Material incentives were revived as the main stimulant for increasing production and managers were given greater freedom to determine policy in their own
The workforce was greatly reduced as the 20 million or so farmers who had joined the industrial workforce were returned to the countryside. To prevent future urban drift the residence system was tightened to keep the rural dwellers in the countryside and to make it difficult for workers to change jobs and virtually impossible to change cities. In return, enterprises and work units would provide cradle to grave care for their employees.

The recovery programme was an impressive success with growth, from a low base, averaging 15 per cent per annum from 1962 to 1996 (information from Pieter Bottelier). However the economic recovery and the manner in which it was achieved led to policy divisions resurfacing. By 1964, Mao and supporters felt that economic readjustment was complete. While there had been undeniable economic gains, they were attained by increasing the urban–rural difference and by increasing the differentials between various groups in society. The programme had proved especially advantageous to skilled workers and technocrats and the social and political tensions that resulted led some to question whether the programme should be continued. The new priority given to agriculture was not disputed but there were differences over the substance of specific policies. The main source for disagreement stemmed from continued debate over the GLF. Nobody proposed a complete return to the strategy and Mao acknowledged that a more cautious approach to planning was necessary. Even so, Mao was not willing to see all the GLF policies abandoned in favour of ones less concerned about the means through which economic development was to be achieved.

The Radicalization of Politics and the Resurrection of Class Struggle, 1962–78

In the early-1960s, Mao found himself unable to direct the policy-making process and referred to himself as a ‘dead ancestor’. His attempts to preserve something of the GLF experiment appeared thwarted but a speech in January 1962 signalled that he would not remain in the political wilderness. Like his policy nemesis Liu Shaoqi, he stressed the importance of democratic centralism, but unlike Liu he spoke at great length of the importance of democracy and the continued use of the mass line (see Box 2.6). Mao felt that this approach had been abandoned during the years of economic retrenchment. Crucial for later developments he put forward the idea that class struggle did not gradually die out in socialist society but continued to exist, a point reiterated at the Tenth Plenum of the Eighth CC (September 1962). Using Yugoslavia as an example, Mao claimed that it was possible for a socialist country to change its nature and become revisionist. Mao’s insistence on the continuation of class struggle did not predict the massive upheavals of just a few years later and he made it clear that class struggle should not interfere with economic work but proceed simultaneously. Mistakes made by rural cadres were to be treated as ‘contradictions among the people’. Out of the plenum grew the Socialist Education Movement (1962–65).

While the leadership supported the new campaign, it is clear that Liu Shaoqi and Deng Xiaoping were more inclined to control the movement keeping the party in charge and not to let it run out of control and damage the economic revival. Mao and his supporters felt frustrated by what they saw as deliberate attempts to stop mobilization of the masses to weed out corruption and to keep rural cadres on the revolutionary path. By January 1965 Mao had decided that Liu had to be removed (Snow, 1972, p. 17) and the movement radicalized, paving the way for the Cultural Revolution and the death and humiliation of most of Mao’s former ‘comrades-in-arms’.

In January 1965 a Central Work Conference issued a document that signalled an important shift in the targets of the movement. The document proceeded from the premise that the struggle between socialism and capitalism was present in the

BOX 2.6 Mao and the ‘Mass Line’

Articulated by Mao in the 1940s, the ‘mass line’ was to be the fundamental organizing principle of the party to ensure that leaders and masses remained united. In his most celebrated statement on the subject, Mao ([1943] 1965) defined the ‘mass line’ when he instructed that:

In all 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... Such is the Marxian theory of knowledge.

This approach to mobilizing the masses to reach an objective, with its rejection of bureaucratic practices, gave the party a distinctive style that did much to bring it to power in 1949. Thereafter it helped to consolidate that power by mobilizing the population in a host of campaigns. These were directed at human targets such as ‘counterrevolutionaries’ and landlords, but also natural ones: pests and diseases and the Chinese earth itself. The intention was that through involvement many Chinese would undergo attitudinal change and learn to ‘take the attitude of being the masters’, whether by attacking former ‘exploiters’ or by learning through participation in water conservancy campaigns that the forces of nature could be tamed.

In theory, the ‘mass line’ is about consultation, education, persuasion and eliciting an enthusiastic response. It is not, however, concerned with democracy. Through the ‘mass line’ it was hoped to combine the benefits derived from consultation with those at lower levels and those of a tighter centralized control over policy formulation. Mao and his colleagues were Leninists and the party was the ‘revolutionary vanguard’, not simply an agency for implementing the wishes of the people. The weakness of the ‘mass line’ was, ironically, that it reflected in part a traditional view that the masses would accept the leadership’s interpretation of their true interests if only these were explained properly.
party itself. Consequently the principal target became ‘people in positions of authority in the party who take the capitalist road’. The document undermined the capacity of the party to control the movement by adjudging that the masses represented the most effective supervision of cadres and ‘peasant associations’ were permitted to seize control temporarily if they decided a local administration had been ‘usurped’ by capitalist elements. As Mao became convinced that the source of the troubles lay at the heart of the party itself, the lines were drawn for the battles of the Cultural Revolution.

The Great Proletarian Cultural Revolution is the most complicated and one of the most misinterpreted events in the history of the People’s Republic of China. Attempts to understand it have not been helped by simplistic explanations that it was a two-line struggle between socialism and revisionism. It is not even clear what Mao really wanted from the movement and he changed his mind on crucial issues during its course (see Box 2.7). Lieberthal (1995, p. 112) has neatly summarized a number of factors that underlay Mao’s thinking. He certainly wanted to get rid of Liu Shaoqi, who died in desperate circumstances in 1969, but seemed to have no other successor in mind. He also seems to have wanted to shake up the bureaucracy, which he did by shattering the central party and state administration leaving the army and radical forces to fill the vacuum. He seems to have seen the movement as one last attempt to keep the revolutionary fires burning, giving the younger generation a feeling for the revolutionary enthusiasm that Mao’s own generation had enjoyed. On the policy front there was stalemate on all major areas, although with the exception of education, arts and literature, the early years of the Cultural Revolution did not seem to resolve anything.

What the Cultural Revolution did result in was a shattered social fabric with students required to turn on their teachers, children encouraged to denounce their parents, and authority in all its forms held up to ridicule. It unleashed many of the social tensions that had built up under CCP rule and revealed the frustrations of many with the bureaucracy. For a brief period of time even the leading role of the party was called into question as revolutionary committees were formed to fill the political vacuum left by the collapse of the existing administrative structures. A set of temporary organizations emerged at the centre to keep the country running, such as the Central Cultural Revolution Small Group, led by Jiang Qing, and the Working Group of the Central Military Commission. Citizens were exhorted to adulate Chairman Mao and his disjointed sayings became the justification for all policy initiatives and actions. More radical elements in the Cultural Revolution even seemed to eschew any intermediary organizations and envisioned a system that comprised ‘Mao in Holy Communion with the masses’. For many the Cultural Revolution resulted in a loss of respect and legitimacy for the CCP as an institution. Once the People’s Liberation Army (PLA) put the students back in their place, many became cynical towards the party and authority and alienated from the political process, a legacy that has persisted to this day. Certainly at the lower levels much of the struggle in the 1970s was comprised of personal revenge rather than principled struggle, though on occasion the two could coincide. Chinese politics since 1969 has been dominated by the fall-

**BOX 2.7**

**Changing Views of the Cultural Revolution**

’All revolutionary intellectuals, now is the time to fight! Let us be united, hold high the great red banner of Mao Zedong thought, rally ourselves around the party CC and Chairman Mao, break the controls of revisionism and all its plots and tricks, so as to wipe out resolutely, lock, stock and barrel, all the monsters and freaks and all the Krushchev-style counterrevolutionary revisionists and to carry out to the end the socialist revolution.’ (Nie Yuanni et al., Philosophy Department, Peking University, 25 May 1966)

’I say to you all: youth is the great army of the Great Cultural Revolution! It must be mobilized to the full. We believe in the masses. To become teachers of the masses we must first be the students of the masses. The present great Cultural Revolution is a heaven-and-earth shaking event.’ (Mao Zedong, 21 July 1966 in Schram, 1974, p. 254)

’The Great Cultural Revolution wreaked havoc after I approved Nie Yuanzi’s big character poster at Peking University, and wrote a letter to Qinghua University Middle School, as well as writing a big-character poster of my own... It all happened within a very short period, less than five months... No wonder the comrades did not understand too much. The time was short and the Peking University poster was broadcast, the whole country would be thrown into turmoil. Since it was I who caused the havoc, it is understandable if you have some bitter words for me.’ (Mao Zedong, 25 October 1966 in Schram, 1974, p. 271)

’The Great Cultural Revolution is not a mass movement, but one man moving the masses with the barrel of a gun.’ (Wang Rongfen, student, Beijing Foreign Languages Institute, 24 September 1966 in Schoenhals, 1996, pp. 149–50)

’Slapping the “Gang of Four” is yet another signal victory in the Great Proletarian Cultural Revolution... The victorious conclusion of the first Great Proletarian Cultural Revolution certainly does not mean the end of class struggle or of the continued revolution under the dictatorship of the proletariat... Political revolutions in the nature of the Cultural Revolution will take place many times in the future. We must follow Chairman Mao’s teachings and continue the revolution under the dictatorship of the proletariat to the end.’ (Hua Guofeng at the 1st Party Congress, 1977, pp. 49 and 52)

’The “Cultural Revolution”, which lasted from May 1966 to October 1976 was responsible for the most severe setback and the heaviest losses suffered by the party, the state, and the people since the founding of the PRC. It was initiated and led by Comrade Mao Zedong.

[Mao’s erroneous ‘left’] theses must be thoroughly distinguished from Mao Zedong Thought. As for Lin Biao, Jiang Qing, and others who were placed in important positions by Comrade Mao Zedong, the matter is of an entirely different nature. They rigged up two counterrevolutionary cliques in an attempt to seize supreme power and, taking advantage of Comrade Mao Zedong’s errors, committed many crimes behind his back, bringing disaster to the country and the people. Irrefutable facts have proved that labeling Comrade Liu Shaoqi a “renegade, hidden traitor, and scab” was nothing but a frame-up by Lin Biao, Jiang Qing, and their followers.

Chief responsibility for the grave “left” error of the “Cultural Revolution”, an error comprehensive in magnitude and protracted in duration, does indeed lie with comrade Mao Zedong. But after all it was the error of a great proletarian revolutionary.’

out from this momentous movement and even the reforms under Deng Xiaoping’s tutelage would not have taken off so quickly without the excesses that had made most tired of the politics of mobilization and class struggle.

Feeling frustrated by the party bureaucracy, Mao turned to an explosive cocktail of the mobilization of students as Red Guards, younger more radical party members who gathered around his wife, Jiang Qing, and crucially PLA officers loyal to Defense Minister Lin Biao. The movement began in the realms of culture with criticism of veiled attacks on Mao by those who were opposed to Peng Dehuai’s dismissal and who were critical of the GLF. Very quickly calls for more proletarian literature led to a major attack on the party establishment.

The ‘16 May Circular’ of 1966 drawn up by Mao and issued in the name of the Central Committee (CC) radicalized the movement. The target was identified as ‘the representatives of the bourgeoisie who have infiltrated the party, government and the army’ and they were described as ‘counterrevolutionary revisionists’ who wanted to ‘overthrow the dictatorship of the proletariat and replace it with that of the bourgeoisie’. While the PLA waited in the wings, Mao unleashed the students who had begun agitation following promulgation of the Circular. In August Mao gave them and their Red Guard groups his blessing.

In August at a CC plenum from which opponents were excluded, the ‘16-Point Decision’ was adopted and this reflected further radicalization. The aim of the movement was now the ‘overthrow of those persons within the authority taking the capitalist road’. An important part of this struggle was the elimination of the ‘four olds’, the old values and customs that the ‘capitalist roaders’ manipulated to enable them to dominate the masses. Clearly if the highest levels of the party were affected they could no longer be relied on to supervise the purification of the lower levels. This meant that it was up to the masses to liberate themselves; under no circumstances was action to be taken on their behalf and the party ‘work teams’, sent by higher levels for investigation, were criticized for trying to control the movement. Those who held ‘incorrect’ views were to be persuaded of their errors by reason rather than by force, but in the following months the battling Red Guard groups honoured this more in the breach than the observance. Finally, the decision referred to the electoral system set up by the Paris Commune that appeared to challenge the whole idea of the ruling vanguard party. The new political organizations that evolved in the struggle were to become ‘permanent’ mass organizations for the exercise of political power.

Following the publication of this decision, debate and fighting between Red Guard groups and their opponents increased and the movement quickly fragmented and became increasingly unruly. Even Mao very quickly became aware of the need to bring the situation under control and to rebuild some kind of party and state structure. Yet, the Red Guards could not be wished away as easily as they had been created. Many opposed the resurrection of a system that they felt was in essence similar to that which they had been trying to destroy. Even among those groups that supported the return of a modified party and state system, there was considerable disagreement about precisely what form it should take.

With the ‘masses’ divided and the party-state structure in disarray, the process of restoring order fell to the PLA. Mao had already ensured army support through the appointment of his loyal supporter, Lin Biao, as Defense Minister. The result was military Maoism. Mao, with his infallible capability to map out the correct road to socialism, provided the system with its legitimacy, while the PLA provided the institutional continuity and necessary force to deal with ‘class enemies’. For a while, it appeared as if Mao wished to extend the PLA’s supposed tradition of plain-living and unquestioning loyalty to society as a whole.

Not all in the PLA were happy about this new role. Local PLA commanders were often faced with the difficult task of deciding who were the revolutionary forces. Often they chose to side with the old, local bureaucrats whom they had known for years rather than with the more unruly ‘revolutionary rebels’. This put local commanders in conflict with their own central military command. Not surprisingly, the student and other groups who had been promised a new system were disillusioned by these events. Mao had destroyed their faith in the party-state system and now his use of the military destroyed their faith in Mao as the invincible leader.

To run the country, Mao soon rejected the radical ideas of the Paris Commune as the new organizational form and instead the revolutionary committee was proposed. Not all authority was to be considered bourgeois and these committees were to comprise a ‘three-in-one alliance’ of revolutionary mass organizations, leading members of the local PLA units, and revolutionary leading party-state cadres. The first such committee was set up in Heilongjiang province. By September 1968 the last of the provincial revolutionary committees was set up and in April 1969 the Ninth Party Congress was convened, marking the abandonment of the attempt to rebuild the system from the bottom up. The need to rebuild was also spurred by the March clashes with Soviet troops along the Ussuri River. This must have convinced Mao of the need to restore order. It also prompted him to improve relations with the USA that culminated in President Nixon’s February 1972 visit to Beijing.

While proclaimed as a Congress of ‘unity and victory’, the unity was fragile at best and it was difficult to see what the ‘victors’ had won. The turmoil had done nothing to solve the policy differences and actually created new problems. The Congress set in motion party rebuilding but differences existed within the leadership about the kind of party it should be, where the new cadres would come from and about the correct role for the PLA. The PLA was the one group really to benefit from the Cultural Revolution and it had acquired a new and vital governing role. Active soldiers headed all but four of the revolutionary committees and almost half of the CC members were from the PLA. The preeminence of the PLA was reflected by the appointment in the new constitution of Lin Biao as Mao’s chosen successor.

However, rebuilding the party apparatus would mean that Lin would have to supervise the removal from power of his own support base. While the PLA had been important during the phase of destruction, Zhou Enlai and the revolutionary veterans were to play a greater role in reconstruction. Before the military could
agree to withdraw they required assurances that the 'left' and the mass organizations would not carry out reprisals for the brutal way in which some had been treated. This was achieved with the removal from power of Chen Boda and his 'leftist' supporters in 1970. Chen had represented the most radical voice at the centre but he was unceremoniously dumped and criticized as a 'sham Marxist'.

The leadership group around Mao and Zhou could now turn their attention to reducing the influence of Lin Biao and the military. Between December 1970 and August 1971 the provincial party apparatus was rebuilt but the military actually consolidated its position during this process. In addition to the fear of reprisals, PLA reluctance to return to the barracks stemmed from the new-found power of centrally directed units such as the air force and navy that had not exercised political power previously and seemed unwilling to part with it. The death of Lin Biao while attempting to flee to the Soviet Union after an alleged coup d'etat and the purge of his military supporters at the centre decreased military influence. Recent research reveals that Lin and his generals never had any intention of challenging Mao and certainly did not plan a coup, while Mao decided relatively late that Lin should go. The Lin Biao that emerges from recent accounts is sickly and passive and did not rouse himself even when he knew that Mao would purge him (Teiwes and Sun, 1996, and Jin, 1999). A series of campaigns was launched against Lin, calling on the military commanders to accept party leadership, with the party rather than the army being once again portrayed as the symbol of national unity.

The question of what kind of party should rule China was resolved less easily and indeed today still remains the core political issue. As the influence of the radicals was curbed and military influence decreased, increasing numbers of officials who had been purged during the Cultural Revolution returned to senior positions. The best example was Deng Xiaoping who had been criticized as the 'number two person in authority taking the capitalist road'. In fact, it appears that Mao had always intended to bring Deng back once he had been taught a lesson.

This process of rehabilitation gained momentum at the Tenth Party Congress (August–September 1973). The Congress reflected an attempt to put together a leadership that could command sufficient support to allow economic development not to be disrupted, but at the same time could maintain some of the revolutionary momentum of the Cultural Revolution. In this context the Congress abandoned the attempt to resolve the question of succession by appointing a specific individual in favour of appointing a collective leadership by electing five vice-chairs. However, it was clear that the system was excessively dominated by a 'supreme leader', the institutions attacked in the Cultural Revolution possessed no legitimate authority in the eyes of many, the people who staffed the institutions were severely divided about the way forward thus paralyzing decision-making, and many urban residents had become cynical about the whole political process.

By 1974 Mao and his supporters felt the pendulum had swung too far and they appeared ready to launch a new campaign to consolidate the gains of the Cultural Revolution. On 2 February 1974 the People's Daily called on people to 'dare to go against the tide and to advance into the teeth of storms' and a campaign of mass criticism unfolded. Premier Zhou Enlai, who was critically ill, was one of the main targets, together with those such as Deng Xiaoping who had returned to power under his and even Mao's protection. Initially, the conflict was contained and another attempt at ensuring collective succession was made at the Fourth National People's Congress (January 1975). At the Congress, Zhou Enlai outlined the policy of the four modernizations (agriculture, industry, science and technology, and national defense), a policy that he had first presented in 1964. The policy envisaged a two-stage programme with the first objective being to build an 'independent and relatively comprehensive industrial and economic system' by 1980, with the second objective being to bring the national economy to the front ranks of the world by the year 2000. The Congress appointed a coalition that seemed to represent the opposing groups within the leadership. However, it was a very fragile coalition and it fell apart shortly afterwards.

The new economic policy ran counter to the sketchy ideas that Mao and his more radical supporters had begun to develop during the 1960s and 1970s. It is difficult to say that their ideas amounted to a coherent theory of economic transition but it is possible to piece together a nascent strategy that had a number of specific policy consequences (see van Ness and Raechel, 1983, and Christensen and Delman, 1981). In the 1950s Mao had already made clear his dislike of Soviet-style administrative planning and favoured decentralization to local-level governments. This he felt would provide greater flexibility but would ensure policy coordination and offer the opportunity for mass mobilization for capital construction works and to transform the social relations of production. Mao also rejected decentralizing economic powers to the production units themselves as well as an incentive strategy based on material incentives.

In his major critique of Soviet economic thinking, Mao proposed a break with the idea that socialism was an independent mode of production (Mao, in Roberts and Levy, 1977). In his view, socialism was a transitional mode between capitalism and communism. As we have seen, Mao did not see socialism as a phase of harmonious and peaceful development, but rather it was racked by contradictions between the economic base and the superstructure and class struggle still persisted. In contrast to his more orthodox Marxist colleagues, Mao felt less constrained by 'objective laws of economic development' and adopted a more voluntaristic approach as witnessed in the GLF and the Cultural Revolution. Such an approach would both allow humans to overcome physical and other constraints on development and could prevent the revolution from stagnating and even a capitalist restoration taking place.

These ideas were developed by the group later denounced as the 'Gang of Four', in particular Yao Wenyuan (1975) and Zhang Chunqiao (1975). They sought to explain how a socialist economy might regress back to a capitalist one. They identified 'bourgeois rights' and the persistence of capitalist factors, such as commodities, differential wages, as providing a material base for the reproduction of capitalism. Such factors also provided the source of power for a new bourgeoisie to emerge and prosper. Further, the division of labour created an 'intellectual
aristocracy’ who ruled over the production units, denying the workers access to real power. In their view, it was necessary to enforce the ‘dictatorship of the proletariat’ to prevent capitalism from being restored and a new bourgeoisie from taking power. Their wrath turned on the policy of the ‘four modernizations’ and in one of their memorable phrases they claimed they would rather have ‘a late socialist train’ than ‘a capitalist one that ran on time’. To prevent capitalist restoration there would have to be many ‘cultural revolutions’ to eradicate the remaining capitalist factors.

Their solution had direct policy consequences that affected the lives of hundreds of millions. Intellectuals and those engaged in management were viewed with particular suspicion and were required to undertake regular manual labour and even to spend many years in the countryside to ‘learn from the peasants’. This policy even extended to the foreign students in China. Each week the institute leaders would devise manual labour tasks for us students to engage in. We pulled down trees, moved rocks from one end of the campus before moving them back again the next week. We also did a stint on a people’s commune just outside of Yangzhou, where the Grand Canal meets the Yangzi. We were a drag on the production of the commune and the local farmers had to be bribed to take us on with a few. little household items. Perhaps the most important impact of this policy as with the ‘revolutionary travels’ of the Red Guards was to expose to the urban elite just how poor and backward China really was. It convinced many of the need for drastic reforms.

To prevent the power of a new management class from developing, workers’ control of the enterprise was to be secured through worker participation in management. This did not mean, however, that the workers ran the factories, but it did provide various institutional mechanisms through which their voices could be heard. In particular, the ‘Gang of Four’ sought to reduce and even eliminate the material privileges that could sour the ‘new bourgeoisie’. Grades on salary scales were to be limited to reduce income differentials and piece-rates and bonuses were to be curtailed or even eliminated. In the countryside private plots were criticized as was production outside of the plan as the ‘tails of capitalism’. On the communes, while more moderate voices wanted to keep accounting at the team level, the ‘Gang of Four’ wanted to raise it to the level of the brigade as this would make the countryside appear more socialist. These and other measures would eradicate the material base for the ‘new bourgeoisie’ from emerging. This policy put the collective above the individual and was accompanied by an egalitarian distribution policy and austerity in consumption. Austerity was promoted by campaigns to be frugal and adopt plain-living (something Mao’s wife, Jiang Qing, never took to apply to herself) and was reinforced through an intricate system of rationing. Combined with the emphasis on ‘self-reliance’ in production under which most areas produced for their own needs, it meant that consumption was limited to a small number of basic goods.

Finally, the ‘Gang of Four’ acknowledged a negative view of the role of international trade in development. The principles of ‘self-reliance’ extended to foreign trade with it playing at best a residual role and all efforts were made to restrict the import of bourgeois ideas. In particular they attacked Deng Xiaoping’s plans to import technology on a large scale and to pay for it through the export of China’s minerals. They accused Deng of being a traitor and of turning China into an ‘appendage of imperialism’.

Given such divergent views it is not surprising that the political coalition soon fell apart. Two main factors accelerated the collapse of this attempt at conciliation. First, the ill-health of the older generation of China’s leaders brought the question of succession to the forefront of Chinese politics. Second, concrete economic plans had to be drawn up for the new Five-Year Plan to be implemented beginning in 1976. This brought the differing approaches to development strategy into sharp focus. While Zhou, Deng and their supporters started convening meetings and conferences to draw up programmes for their growth-oriented policies, their opponents launched a series of theoretical campaigns directed against those whom they saw as ‘whistling away’ the gains of the Cultural Revolution. The latter group enjoyed little influence in the crucial apparatus such as the military and the economic planning system, but instead dominated the education and propaganda systems. Policy practice and party rhetoric began to diverge dramatically. While Zhou and Deng sought to rally production and begin the import of new technologies, their opponents began campaigns using historical allegory to attack what they saw as ‘class capitulation at home and national capitulation in foreign affairs’.

Not for the first time in a communist system, it was the death of the ‘supreme leader’ (Mao in September 1976) that offered a window of opportunity for a radical break with the past. Developments unfolded swiftly and on 6 October 1976 the PLA elite squad, under instructions from the veteran military leader Ye Jianying, arrested the ‘Gang of Four’ (Jiang Qing and her closest supporters). The ‘Gang of Four’ had sought to devise new organizational forms that would be able to combine more traditional Leninist concepts with those thrown up by the Cultural Revolution. In practice they used hierarchical means to bring about democracy, and invoked obedience to encourage initiative (White, 1982, p. 6). The organizational forms experimented with failed to gain legitimacy. This fact, combined with the ‘Gang of Four’s’ suspicion of the party and lack of support within its top leadership, meant that they fell back all too readily on the invocation of Mao’s name as a source of legitimacy. While they were able to manipulate Mao’s vague directives and pro-Zhou and Deng demonstrations in April 1976 to cause Deng’s second purge, their grip on power was tenuous. In January 1976, after Zhou had died, it was neither Deng nor one of the ‘Gang of Four’ who was named acting premier but the little known Hua Guofeng. This indicated that while Mao may have had reservations about Deng, he was not willing to give free rein to his wife and her supporters.

With the arrest of the ‘Gang of Four’, the challenge of coming to terms with this economic and political legacy first fell to Hua Guofeng, who pursued a policy of ‘Maoism without Mao’. For the economy, Hua favoured the ‘quick fix’ approach setting ambitious planning targets and using the selective import of high-level technology to transform the ailing situation. The basis for this transformation was to be the 1976–85 Ten-Year Plan presented to the Fifth NPC
Deng enjoyed higher military status and prestige than Hua. No matter how much they may have sought to cooperate, there was no room in the Chinese political system for two dominant leaders. Indeed, Hua gave up the premiership in September 1980 and his position as party chair in June 1981. The quaint poster that was widely distributed of the aged Mao handing the youthful Hua a piece of paper with Mao’s inscription ‘With you in charge, I am at ease’ smacked far too much of the Emperor passing on the Mandate of Heaven to his chosen successor.

By the late-1970s, it was becoming clear to the group of veteran leaders around Deng Xiaoping that solution of the economic, political and social problems required a major overhaul of the system. While the aggregate figures for the economy do not justify the official CCP verdict that the Cultural Revolution represented ‘ten lost years’, they mask increasing problems and imbalances in the Chinese economy. After a mild economic recovery in the early-1970s, the growth rate declined, and by 1976 the decline began to assume crisis proportions. In 1976, the average growth rate of the national income dropped 2.3 per cent and the growth of total production was, at 1.7 per cent, below the rate of population growth. In part, the serious Tangshan earthquake of 1976 can explain these poor results. However, it is more plausible to explain the seriousness of the results in terms of the paralysis that gripped China’s economic decision-making in the years prior to 1976. This economic downturn was combined with a longer-term dissatisfaction about stagnating living standards on the part of much of the population. The government’s consistent over-concentration on accumulation at the expense of consumption meant that rationing, queuing and hours spent on labourious household chores were the daily fare for most urban residents. In the countryside, the attacks on private plots of land and free markets as ‘capitalist tails’ had caused farmer resentment by undermining alternative sources of income. Although the collective functioned effectively in some regions, many farmers saw it as an alien entity that made unfair demands on their time without supplying just returns. It seems no exaggeration to conclude that China’s population had probably had enough of tightening their belts in return for the promise of a bright future.

Behind all this was a ticking population time bomb. Mao’s 1950s view that a larger population would increase China’s strength had meant that the population had boomed from 540 to 930 million by the time of his death. Unemployment and underemployment were serious problems, and it was clear that a major overhaul was required to resolve the problems, and the Third Plenum of the 11th CC (December 1978) began to articulate a new policy course.
## Index

Accountability, xv, 92, 167, 177, 179, 181, 197, 208, 259, 274, 294, 300, 312, 314; *see also* Transparency

Afghanistan, 5

Agriculture, 33, 38, 55, 60, 196, 260

Agricultural Bank of China, 238, 264–266

Agricultural Development Bank, 238

All-China Federation of Trade Unions, 171; *see also* Unions

All-China Women’s Federation, 171–172, 247

An Jun, 304

Anhui, 60, 148, 160, 268–269, 303

Angola, 277

Anti-Ballistic Missile Treaty (1972), 281; *see also* Arms control

Anti-Rightist Campaign, 11, 36, 126, 189

APEC, 284

ARF, 284

Arms control, 281; Nuclear proliferation, 281, 285; *see also* National missile defense

ASEAN, 284

Asian Financial Crisis, 74, 76, 120, 215, 234, 237–238, 311

Asset Management Company (AMC), 236, 238–239

Authoritarianism and neo-authoritarianism, 20, 82, 107, 185, 196, 199–200, 206–207, 213, 310, 313

Bai nationality, 5

Bangladesh, 241

Bank of China, 238

Bankruptcy, 231, 235–236

Base areas, *see* Revolutionary base areas

Beijing, 2–3, 7, 11, 13–14, 22, 90, 103, 146, 150–151, 156, 175, 250b, 267–268, 296–298, 309

Benxi, 299

Bhutan, 5

‘Big Democracy’, 103

Biodiversity, 4

Birth rate, 245; *see also* Family planning

Bo Yibo, 28b, 54, 65, 67, 91, 202

Brahmaputra River, 2

Budget, 119, 154

Budgetary Law, 154

Bureau of Internal Trade, 122

Bureaucracy, xiii, 42, 44, 59, 75, 91, 98, 100, 123, 160, 166, 201–202, 212–213, 219, 229, 270

Burma, *see* Myanmar

Bush, George H. W., 277, 282

Bush, George W., 278–279, 281

Cambodia, *see* Kampuchea

‘Campaign for the Suppression of Counterrevolutionaries’, 32

‘Campaign to Criticize Lin Biao and Confucius’, 96b

Capital (Beijing) Workers’ Autonomous Federation, 170

Carter, Jimmy, 282

Central Asia, 277

Central Advisory Commission, 62, 91

Central Cultural Revolution Small Group, 42


Central Party School, 91–92, 147

Central planning, 25, 32, 52, 63, 67

Centre for Biodiversity and Indigenous Knowledge, 297

Chen Boda, 46, 85b

Chen Shui-bian, 79, 282–283

Chen Xitong, 93, 147, 267, 294, 304, 305b

Chen Yun, 35, 52, 54, 57, 59, 61–62, 67–68, 72, 85, 91, 152, 202

Cheng Kejie, 305

Chi Haotian, 93, 137–138

Chile, 277

China Construction Bank, 238

342
Index 343

China Development Bank, 238
China Development Union, 129
China Environment News, 297
China Family Planning Association, 174
China Securities Regulatory Commission, 252
Chinese Communist Party: Central Committee, 86–89;
Party Congresses: 8th Congress, 34, 109;
10th Congress, 46, 98;
12th Congress, 59, 61, 89;
13th Congress, 60, 72, 101, 103, 231, 237; 14th Congress, 69–70, 71, 145;
15th Congress, 73, 78, 86, 104, 146, 204, 221;
16th Congress, 78, 313–314;
Party Statutes, 64, 100;
Plenums: 3rd Plenum of 8th CC, 35, 202;
10th Plenum of 8th CC, 40;
10th Plenum of 10th CC, 50;
3rd Plenum of 11th CC, 51–52, 55, 100, 111; 5th Plenum of 11th CC, 58;
4th Plenum of 13th CC, 67;
3rd Plenum of 14th CC, 72, 221;
4th Plenum of 14th CC, 104;
6th Plenum of 14th CC, 168;
4th Plenum of 15th CC, 77;
1st Plenum of 15th CC, 86;
2nd Plenum of 15th CC, 86; 3rd Plenum of 15th CC, 86; 4th Plenum of 15th CC, 86; 5th Plenum of 15th CC, 77, 86; and society, 1, 8, 12, 19–20, 31, 52, 99, 100, 102, 117, 166, 313; and state, 1, 25, 30, 64, 73, 92, 99, 101, 106, 111, 114, 117, 161, 179, 313; see also Politburo, Standing Committee of the Politburo
Chinese People’s Political Consultative Conference, 111–112
Chongqing, 2, 12, 144, 151, 176
Civil society, xiv, 25, 103, 167–168, 196, 201, 204, 206–207, 210, 311–312; see also Mass organizations,
Non-Governmental Organizations, Government Organized
Non-Governmental Organizations
Clinton, Bill, 273, 275, 278
Coast–inland gap, xv, 2, 61, 288;
see also Regional inequalities
Cold War, 217, 272
Collectivization/communes, 12, 17, 29–30, 31b, 37, 39, 48, 55–56, 143, 196, 198, 201, 222, 242, 244
Commission for Legal Affairs, 126
Computer Management and Supervision Office, 308
Congress (USA), 273, 282, 290
Conservatism and neo-conservatism, 82, 206
Constitution, see State Constitution
Corporatism, 207–209
Corruption Watch, 304
Counterrevolution, 304
Dalai Lama, 5, 9, 145
Dalian, 298
Decentralization, 35, 72, 152, 288–289
Decollectivization, 56
Deflation, xiv
Democracy Wall Movement, 57–58, 84, 100, 167, 189–191, 203
‘Democratic centralism’, 82, 165
Democratic Progressive Party, 282–283
Demographics, xv, 17, 246–248, 258
Demonstrations, see Social unrest
Deng Liqun, 58, 61, 189
‘Dictatorship of the proletariat’, 31, 33, 48
Discipline Inspection Commission, 91–92, 303–304

Divorce, 15
Dong Furen, 117
Dongguan, 268
Dossier (dang’an), 199
Drought, 4
Dumping, 291

Education, xiv, xv, 7, 95, 104, 150, 152, 157, 245, 258
Egypt, 290
Enterprise Law, 64, 231
Environment, 19, 294–299
Export-Import Bank of China, 238
Extra-budgetary funds (EBFs), 153–154, 157, 161

Factions, 66, 82, 84, 92, 102, 304, 310–311; see also ‘Shanghai faction’
Falungong, 11, 16, 76, 78, 103, 129, 168, 186, 188, 204
Family planning. 14, 172, 174, 246–248, 267; see also Birth rate, China Family Planning Association, State Family Planning Commission
Famine, 38–39
Financial sector, xii, xiv, 221, 237, 249; see also Banking sector, Taxes
‘Five-Anti Campaign’, 32
‘Five Guarantees’, 245
Ford Foundation, 270
Foreign Direct Investment (FDI), 17, 55, 72, 145, 150, 215, 217, 273, 286–289, 292, 298
‘Four Basic Principles’, 58, 60, 63, 77, 100, 111, 167, 237, 303
‘Four Modernizations’, 47–48, 64, 135
‘Four Olds’, 44
Friends of Nature, 174–175, 297
Fujian, 7, 148, 176, 180, 182, 204, 283

Ganges River, 2
Gansu, 150
Gateways (kou), 108
Gender, 89, 91, 95
General Auditing Administration, 147
Global Village Environmental Culture Institute, 298
Globalization, 272–273, 306, 313
Government Organized Non-Governmental Organizations (GONGOs), 174, 206; see also Non-Governmental Organization
Gorbachev, Mikhail, 65, 69, 192
Gradualism, 29–30, 216–219
Great Leap Forward (GLF), 12, 15, 19, 28, 34–38, 40, 47, 55, 58, 133, 143, 165, 196, 198, 202, 222, 228, 295
Guangdong, 3, 7, 90, 142, 144, 146, 148–151, 176, 204, 209, 252, 257, 259, 288, 301
Guangzhou, 3, 16, 142
Guangxi, 5, 151, 303, 305
Guanxi, 84
Guizhou, 144, 150–151, 154, 157, 258–259
Gulf War (1991), 277
Guo Boxiang, 93
Guomindang (GMD), 12, 22, 27, 31, 282–283
Hainan, 3, 287
Han nationality, 3, 5, 7
Han dynasty, 3
Hani nationality, 5
Healthcare, xv, 152, 157, 241, 245, 248, 254–261, 301
Health insurance, 249, 269
Hebei, 4, 182
Hefei, 60
Heilongjiang, 45, 149, 224, 252
Henan, 90, 144, 182, 184, 297
Highway Law, 117
Hohhot, 245
Hong Kong, 16, 142, 204, 281, 283–284, 286–287, 289, 292
Household registration (hukou), 196–197
Household responsibility system, 12, 17–18, 30, 39, 55–56, 62, 148, 158, 178, 220, 222, 224, 228, 245–246, 258
Housing, 75, 249, 301
Hu Jintao, 79, 83, 90, 93
Hu Qiaomu, 61
Hu Qili, 67
Hu Yaobang, 58, 60–63, 65, 66, 71, 82, 84, 93, 97, 102, 120, 136, 191–192
Hua Guofeng, 49–51, 54, 58, 93, 99, 220
Hui nationality, 6–7
Human rights, 77, 129–131, 190, 272, 275–276, 278, 280, 308
Human Rights in China (NGO), 280
Human Rights Watch, 280
Hunan, 4, 149, 159
Hunan, 4, 159
Index

Hundred Flowers’ Campaign, 35, 58, 103, 165, 167, 189
Hungarian uprising (1956), 35, 189

Ideology, 19, 26, 52, 54, 62–63, 94, 106, 139, 147, 167–168, 185, 189, 206, 229, 241, 243, 276–277, 284, 300, 305
Illegal taxes, levies and fees, see Taxes
Illiteracy, see Literacy
Incentives, 25, 33, 39, 55, 57
India, 3, 5, 227, 241, 279, 284, 290, 309
Individual enterprises (getihu), 237
Indonesia, 76, 227, 241, 284
Industrial and Commercial Bank, 238
Inflation, xii, 59, 64–65, 67, 72, 220–221, 232
Information revolution, 306–310; see also Internet, Telecommunications
Inner Mongolia, 4–5, 151
Institutions, 82, 91, 99, 109, 114, 123, 201–202, 210, 212, 215, 217
Intellectuals, 36, 64–65, 71, 85b, 100, 102, 112, 168, 171, 185, 190, 192, 195, 206
International Monetary Fund (IMF), 287
Internet, 290, 307–309; see also Information revolution, Telecommunications
Insurance, 291
Iraq, 277
Iran, 281

Japan, xiv, 11–12, 27, 234, 281, 284–285, 289, 292
Jia Qinglin, 304, 305b
Jiang Chunyun, 91
Jiang Qing, 42, 44, 48–49, 190, 200
Jiangsu, 4, 16, 144, 150, 176, 207, 229, 255
Jiangxi, 4, 7, 255, 304, 307b
Jilin, 15, 149, 250b
Jin-Cha-Ji, see Revolutionary base areas
Jin-Ji-Yu-Lu, see Revolutionary base areas
Jiujiang, 255
Jiusan Society, 169
Joint Venture Law, 287
Kampuchea (Cambodia), 284
Khrushchev, Nikita, 35, 78, 98
Kim Il-song, 285
Kim Jong-il, 285
Kim Young-sam, 285
Korea, North, see North Korea
Korea, South, see South Korea
Korean Peninsula, 279, 285
Korean War, 32, 133
Kunming, 3, 7, 13, 297
Kyrgyzstan, 5

Labor Contract Law, 287
Land Law, 29–30
Land reform, 12, 29–30, 196, 201
Language, 6–7, 141, 145, 204
Laos, 6
Law on Criminal Procedure, 127
Law on Wholly Foreign Owned Enterprises, 287
Leadership Small Group, 108
Leading Group for Poverty Alleviation, 263–266
Leading Group on Developing the West, 151
Leading Group on Finance and Economics, 77
Lee Teng-hui, 139, 278, 282
Lei Feng, 132
Legal system, 102, 123–131, 203, 206, 214, 216, 274, 302, 313; see also Rule of Law
Legislation Law, 114
Li Fuchun, 202
Li Lanqing, 256
Li Ruihuan, 90, 112
Li Xiannian, 67–68, 202
Li Yining, 117
Liang Congjie, 175
Liaoning, 15, 129, 149, 158, 160, 259, 301
Lin Biao, 38, 44–46, 58, 133–134
Lin Youfang, 305b
Literacy, 7
Liu Huaqing, 137
Liu Shaoqi, 38, 40–42, 58, 93, 189
Long March, 132
Lushan Plenum (1959), 38, 133
Luo Gan, 120
Index

Macao, 142, 283
Manchuria, 11; Manchus, 6
Mao cult; see Personality cult
Mao Zedong Thought, 26, 38, 103, 132, 164, 237
Marriage Law, 29
Marx/Marxism, xv, 19, 26, 32b, 85b, 123, 139, 196–200, 205, 294
Mass campaigns, 164, 166, 195
‘Mass line’, 40, 41b, 164, 166
Mass organizations, 164, 166, 173
May Fourth Movement, 3
Mekong River, 2
Miao nationality, 5
Microfinance, 265, 266b, 270
Middle East, 277
Migration, 5, 16–17, 145, 150, 197, 266–269, 280
Milosevic, Slobodan, 77
Min River, 287
Ministry of Agriculture, 267
Ministry of Civil Affairs, 183, 245
Ministry of Finance, 153, 250b, 252, 254
Ministry of Foreign Economic Relations and Trade, 289
Ministry of Justice, 126
Ministry of Information Industry, 308–309
Ministry of Labor and Social Security, 250b, 251–252, 258, 267
Ministry of National Defense, 93
Ministry of Public Security, 308
Ministry of Supervision, 147
Missile defense, see National missile defense
Mongolia, 5
Most-Favored Nation trade status, 278
Mutual-aid teams, 30, 31b,
Myanmar (Burma), 5–6

Nanchang, 245
Nanjing, 300
‘National minorities’, 4, 95, 141, 204
National missile defense, 279–281, 285, 314
National People’s Congress, xiii, 28b, 49, 59, 64, 73, 77, 111–119, 117, 145, 237, 288, 296, 301–302

National Transfer Office, 139
Nationalism, 8, 20, 83b, 139, 275, 311
NATO, 77, 139, 275, 278–279
Nepal, 5
‘New Democracy’, 28
New Party, 283
Ningxia, 4, 7, 144, 259
Nixon, Richard, 45, 273
Nomenklatura system, 106, 127, 141
Non-Governmental Organizations (NGOs), 104, 164, 171–172, 274, 297; see also Civil society, Government Organized Non-Governmental Organizations

North China Plain, 3
North Korea, 281, 285–286; see also Korean Peninsula, Korean war
Northeast (Manchuria) Plain, 3
Nuclear proliferation, see Arms control

Olympic Games, 284
One-child policy, see Family planning
Organization Department, 146
Owners’ committees, 177

Pakistan, 5, 279, 281, 290
Panchen Lama, 5
Paris Commune, 44–45
Participation, 164–166
Parties, 80, 112, 169, 283; see also China Democracy Party, Jiusan Society
Party School, see Central Party School
Pearl River, 287
Peng Dehuai, 38, 44, 133
Peng Ming, 129
Peng Zhen, 28b, 60–61, 115, 178
Pension system, xv, 188, 248–254, 258–259, 301; see also Welfare
People First Party, 283
People’s Bank of China, 74–75, 221, 238–239
People’s Liberation Army (PLA), xii, 5, 42, 44–46, 62, 66, 73, 79, 131–140, 204, 281, 283, 305b
Personality cult, 27, 38, 42, 52, 80, 85b
Pingyao, 11
Pinochet, Augusto, 277
Policy implementation, xiii–xiv, 213–214
Policy making, 42, 212–213
Politburo, 62, 79, 86, 89–91, 114, 146
Politburo Standing Committee, see Standing Committee of the Politburo
Pollution, 279, 295–299
Population, 51, 295–296; see also Family planning
Poverty, 17, 71, 261–266, 270
Private sector, 110, 152, 215, 237, 242, 254
Privatization, 74, 77, 106, 161, 209, 217, 223, 229, 232, 234, 249
Protests, see Social unrest
Public Security Bureau (PSB), 18b
Putin, Vladimir, 279
Qian Qichen, 278, 283
Qiao Shi, 74, 85, 91, 115
Qing dynasty, 3, 6
Qinghai, 150
Quotas, 17, 55–56, 158–159, 201, 209, 222, 224, 247–248
Red Guards, 44, 48, 125, 134, 190, 202
Red River, 2
Regionalism, 8
Regional inequalities, 149–152, 155–157, 241, 258; see also Coast-inland gap, Urban-rural gap
‘Regulations of the Work in the People’s Communes’, see ‘Sixty Articles’
Religion, 9, 16, 204; Buddhism, 3, 9; Buddhism, Theravada, 9; Buddhism, Tibetan, 9, 30, 127; Catholicism, 9; Christianity, 3, 9, 10b, 280; Confucianism, 3, 311; Folk, 1, 9; Islam, 5, 145, 277; see also Falungong
Residence system, 40
Revolutionary base areas; Jin-Cha-Ji, 28b, 115, 178; Jin-Ji-Yu-Lu, 28b; Shaan-Gan-Ning, 27–28, 85b, 195–196
Rong Yiren, 13
Rule of law, 126, 311; see also Legal system
Russia, 5, 206, 216–217, 279, 281, 284, 312; see also Soviet Union
Secession movements, 5, 22, 127, 141, 144–145, 204, 268, 278; see also Tibet, Xinjiang
Sexually Transmitted Diseases (STDs), 17; HIV/AIDS, 17, 18, 260
Shaan-Gan-Ning, see Revolutionary Base Areas
Shaanxi, 20, 156–157, 180, 182
Shandong, 16, 90–91, 144, 151, 158, 180, 229, 252, 295
Shanghai, 2, 7, 11, 36, 90–91, 94, 103, 144, 146, 150–151, 154, 176, 180, 229, 249, 255, 267, 287, 289, 301, 309
‘Shanghai faction’, 79, 85
Shantou SEZ, 16, 142, 287, 301
Shanxi, 4, 7, 295
Shenyang, 298, 301
Shenzhen SEZ, 16, 115–116, 136, 142, 151, 184, 245, 255, 287–288
‘Shock therapy’, 216–219
Sichuan, 4, 12, 91, 144, 149–151, 158, 183, 205, 252, 269
Singapore, 284
‘Sixteen-May Circular’, 44
‘Sixteen-Point Decision’, 44
‘Sixty Articles’ (‘Regulations of the Work in the People’s Communes’), 39
Social change, xv, 61, 79, 167, 184, 203, 205, 261
Social unrest, xv, 20, 68, 76, 104, 122, 150, 158, 160, 185, 227, 229, 252, 258, 267, 310, 312–314; Protests, 60, 159, 186–187, 204, 252, 301; see also Secession movements, Strikes, Tiananmen Square demonstration
Socialism, 19–20, 25, 32, 34, 47, 63, 69, 74, 124, 126, 167, 190, 242, 311
Socialist Education Movement, 40
Solidarity (Poland), 58, 130, 170, 191–192
South China Sea, 276, 284
South Korea, xiv, 234, 285, 288; see also Korean Peninsula, Korean war
Sovereignty, 274–276, 283–284, 313
Soviet Union, 12, 19, 25–26, 32, 37, 45, 69, 78, 83b, 98, 123, 139, 141, 145, 189, 192, 206, 216–217, 222, 242, 274, 276–277, 306–307; see also Russia
Special Economic Zones (SEZs), 16, 68, 287, 288; see also Shantou, Shenzhen, Xiamen, Zhuhai
‘Spiritual Civilization’, 61, 63
Stalin, Joseph, 32b, 35, 98, 189, 200
Standing Committee of the Politburo, 67, 72, 86, 90–91, 108; see also Politburo
Standing Committee of the NPC, 114, 231
State Council, 114, 116, 119–123, 142, 181, 231, 239, 251, 308
State Development and Planning Commission, 120, 227, 264
State Economic and Trade Commission, 120, 139, 239, 252
State Environmental Protection Agency, 297
State Family Planning Commission, 174, 246–247
State Grain Bureau, 226
State Industrial and Commercial Bureau, 252
State Information Security Appraisal and Identification Management Committee, 308
State Planning Commission, 120
State Price Bureau, 226
State Secrecy Bureau, 308
Steering Committee on National Information Infrastructure
‘Strike hard’ campaigns, 127, 129
Strikes, 176, 185–186
Suharto, 76, 99
Sun Yat-sen, 29
Supreme People’s Court, 113, 301
Supreme People’s Procuratorate, 113, 125
System (xitong), 108
Taiping Rebellion, 3
Taiwan, xiv, 22, 77, 79, 93, 139, 141, 204, 276–279, 281–284, 286–288, 308, 314
Tajikistan, 5
Tang dynasty, 3
Tariffs, 290
Taxes, 75, 152, 154–155, 156, 160, 221, 228–230, 250b, 260, 265, 289;
Illegal taxes, levies and fees, 18, 75, 104, 156–157–160, 185, 187
Telecommunications, 289, 294; see also Information revolution, Internet
‘Ten Great Relationships’, 5, 35
Thailand, 6, 144, 284, 290
‘Third Front’, 12, 151
‘Three-Anti Campaign’, 32
‘Three Emphases’, 78
Three Gorges Dam, 116, 302
‘Three Representatives’, 78–79, 97, 105, 168, 311–312
‘Three Stresses’, 105
Tianjin, 2, 90–91, 150
Tian Jiyun, 92
Tibet, 4–5, 7, 30, 90, 127, 141, 144–145, 150, 204, 278, 280, 308–309;
Tibetan government-in-exile, 9;
Tibetan uprising (1959), 5;
Tibetans, 5, 22, 204; see also Dalai Lama, Panchen Lama, Religion, Secession movements
Tibetan-Qinghai Plateau, 2
Totalitarianism, xiii
Township and Village Enterprises (TVEs), 16, 158, 217, 225, 228, 259, 264, 297, 299
Township elections, 183
Transparency, 264, 274, 312; see also Accountability
Uighurs, 5, 204; see also Xinjiang
Union Law, 171
Unions, 170–171, 280; see also All-China Federation of Trade Unions, Capital (Beijing) Workers’ Autonomous Federation
UNITA, 277
United Front, 111, 169
United Nations (UN), 130, 272, 274, 276–278, 294
UN Commission on Human Rights, 130, 280
UN Subcommission on the Prevention of Discrimination and Protection of Minorities, 130
UN World Conference on Women, 171
Ussuri River, 45
Urban residents’ committees (jumin weiyuanhui), 176–177
Urban-rural gap, xv, 196, 241–242, 244–245, 257, 266, 270; see also Regional inequalities
Vatican, 9
Vietnam, 5–6, 284
Index

Village committees, 177–179
Village elections, xv, 8, 97, 115, 161, 175, 177, 179, 181–182, 306
Voluntarism, 37, 54

Wan Li, 28b, 115, 148
Wang Dongxing, 135
Wang Shiwei, 85b
Wei Jianxing, 79
Wei Jingsheng, 57b, 190–191
Welfare, xii, xv, 150–151, 173, 198, 223, 230, 232–233, 241–246, 269, 313; see also Pension system
Wenzhou, 236
Workers' representative congresses, 175
Working Group of the Central Military Commission, 42
Workplace (danwei), 198
World Bank, 156
World War I, 3
Wu Bangguo, 91
Wu Jichuan, 309
Wuxi, 10, 13
Xiamen SEZ, 16, 142, 287, 301, 304, 305b
Xi'an, 7, 11
Xinhua News Agency, 310
Xinjiang, 5, 141, 144–145, 150–151, 268, 277–278, 299, 309; see also Secession movements, Uighurs
Xu Caihou, 93
Yan'an, 1, 36, 132–133, 165
Yang Baibing, 136–137
Yang Shangkun, 67, 71, 136
Yangzi River, 2–4, 116, 287
Yao Wenyuan, 47
Ye Jianying, 49, 135, 189
Yellow River, 2
Yeltsin, Boris, 279
Yi nationality, 5
Yinchuan, 245
Yugoslavia, 40, 77, 278–279
Yunnan, 3–5, 7, 9, 10b, 18–19, 144, 150–151, 175, 205
Zeng Qinghong, 79, 83, 86
Zhang Chunqiao, 47
Zhang Mingliang, 183
Zhang Wannian, 137
Zhang Zhen, 137
Zhejiang, 4, 180, 209, 229, 236, 258–259
Zhenjiang, 255
Zhou Enlai, 47, 49, 54, 96b, 169
Zhuang nationality, 6
Zhuhai SEZ, 16, 142, 287