

AGENCY FOR INTERNATIONAL DEVELOPMENT WASHINGTON, D. C. 20523 BIBLIOGRAPHIC INPUT SHEET	FOR AID USE ONLY
---	-------------------------

1. SUBJECT CLASSIFICATION	A. PRIMARY	Social Science
	B. SECONDARY	Development Planning

2. TITLE AND SUBTITLE
 People's Communes and Rural Development in China

3. AUTHOR(S)
 Stavis, Benedict

4. DOCUMENT DATE November 1974	5. NUMBER OF PAGES 182p.	6. ARC NUMBER ARC CH-301.35-5798
-----------------------------------	-----------------------------	-------------------------------------

7. REFERENCE ORGANIZATION NAME AND ADDRESS
 Cornell University
 Center for International Studies
 Ithaca, New York 14853

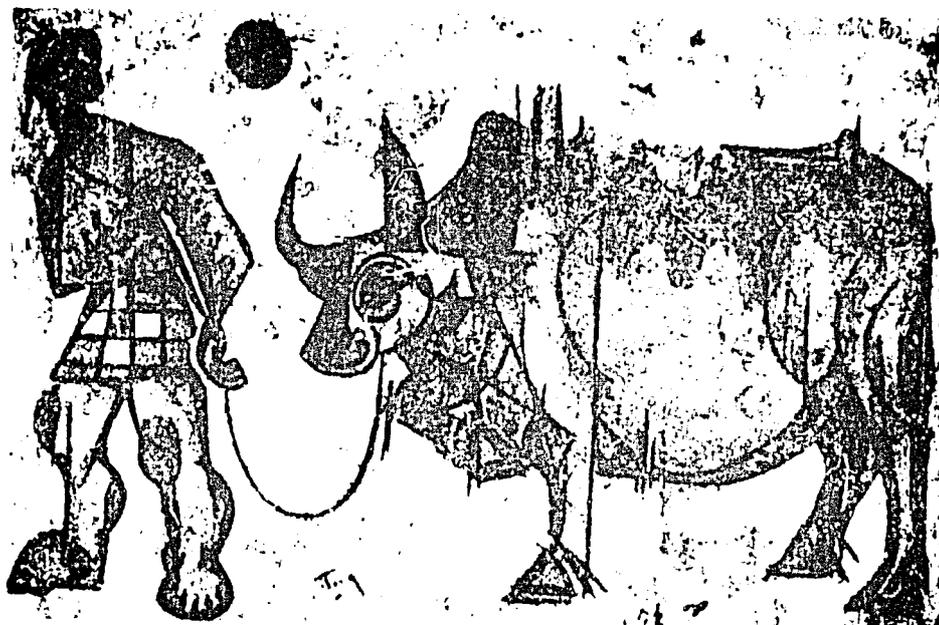
8. SUPPLEMENTARY NOTES (Sponsoring Organization, Publishers, Availability)

9. ABSTRACT
 This paper has three major sections. The first, Chapter 1, specifies the growth in agricultural production and the changes in welfare of China's rural inhabitants. It considers non-material, psychological factors as well as changes in the material standard of living. The following four chapters constitute a section describing in some detail rural local institutions in China, with an emphasis on the 1962-72 period. Chapter 2 outlines the historical and social developments that led to the formation of rural people's communes, relating these to the production teams and brigades which comprise the sub-units of a commune, and to the country and national governments above. Chapter 3 explains the division of responsibility, primarily with regard to economic functions, among the component parts of a commune. Chapter 4 describes the management of each level in the commune, including formal distribution of power, managerial personnel, and financial operation. Chapter 5 focuses on political leadership, which provides a dynamism and coherence for the rural local institutions. The third major section of this paper is Chapter 6, which examines how the improvements in rural welfare and productivity are related to both central and local institutions. Those readers with a special interest in the relationship between rural local institutions and rural development may wish to leap ahead to Chapter 3G, Chapter 6B, and to the conclusions in Chapter 7.

10. CONTROL NUMBER PN-AAB- 201	11. PRICE OF DOCUMENT
12. DESCRIPTORS Agricultural Production, Social, Standard of Living, Local Institutions, Communes, Economic, Political	13. PROJECT NUMBER 298-11-995-037
	14. CONTRACT NUMBER AID/ASIA-C-1102
	15. TYPE OF DOCUMENT Research Study

CORNELL UNIVERSITY

RURAL DEVELOPMENT COMMITTEE



Special Series on Rural Local Government

**PEOPLE'S COMMUNES AND
RURAL DEVELOPMENT IN CHINA**

Benedict Stavis

PEOPLE'S COMMUNES AND RURAL DEVELOPMENT
IN CHINA

Benedict Stavis

China-Japan Program
and
Rural Development Committee
Cornell University

Rural Development Committee
Center for International Studies
Cornell University
Ithaca, New York 14853

Published by the Rural Development Committee, Center for
International Studies, Cornell University, Ithaca, New
York 14853. November 1974.

Copies may be obtained by writing to the Rural Development
Committee. A charge will be made for the cost of reproduc-
tion.

FOREWORD

This monograph was written as part of a comparative study of Rural Local Government organized by the Rural Development Committee of Cornell University. The study aimed at clarifying the role of rural local institutions in the rural development process, with special reference to agricultural productivity, income, local participation and rural welfare. An interdisciplinary working group set up under the Rural Development Committee established a comparative framework for research and analysis of these relationships.¹ A series of monographs, based in most cases on original field research, has been written by members of the working group and by scholars at other institutions and has been published by the Rural Development Committee. An analysis and summary of the study's findings has been written for the working group by Norman Uphoff and Milton Esman and has been published separately.

This study of Rural Local Government is part of the overall program of teaching and research by members of the Rural Development Committee, which functions under the auspices of the Center for International Studies at Cornell and is chaired by Norman Uphoff. The main focuses of Committee concern are alternative strategies and institutions for promoting rural development, especially with respect to the situation of small farmers, rural laborers and their families. This particular study was financed in large part by a grant from the Asia Bureau of the U.S. Agency for International Development. The views expressed by participating scholars in this study are their own and do not necessarily reflect the views or policies of USAID or Cornell University.

Special Series on Rural Local Government

1. THE ELUSIVENESS OF EQUITY: INSTITUTIONAL APPROACHES TO RURAL DEVELOPMENT IN BANGLADESH, by Harry W. Blair, Department of Political Science, Bucknell University, and Visiting Fellow, Rural Development Committee, Cornell, 1972-73.
2. PEOPLE'S COMMUNES AND RURAL DEVELOPMENT IN CHINA, by Benedict Stavis, China-Japan Program and Rural Development Committee, Cornell.
3. LOCAL INSTITUTIONS AND EGYPTIAN RURAL DEVELOPMENT, by James B. Mayfield, Department of Political Science, University of Utah, Salt Lake City.
4. PANCHAYATI RAJ AND RURAL DEVELOPMENT IN ANDHRA PRADESH, INDIA, by G. Ram Reddy, Department of Political Science, Osmania University, Hyderabad, India.
5. THE DYNAMICS OF INSTITUTIONAL CHANGE AND RURAL DEVELOPMENT IN PUNJAB, INDIA, by S.S. Johl, Department of Economics and Sociology, Punjab

¹The members of the working group were Ron Aqua, Douglas Ashford, John Blackton, Harry Blair, Milton Esman, Mohinder Mudahar, Norman Nicholson, David Robinson, Benedict Stavis, and Norman Uphoff.

Agricultural University, Ludhiana, India, and Mohinder S. Mudahar, Department of Agricultural Economics, Cornell.

6. RURAL ELECTRIFICATION AND DECENTRALIZED DECISION-MAKING IN RAJASTHAN, INDIA, by Susan G. Hadden, Department of Political Science, Oakland University.
7. RURAL LOCAL GOVERNMENT AND AGRICULTURAL DEVELOPMENT IN JAVA, INDONESIA, by Gary E. Hansen, East-West Technology and Development Institute, University of Hawaii.
8. LOCAL INSTITUTIONS AND RURAL DEVELOPMENT IN JAPAN, by Ronald Aqua, Department of Government, Cornell.
9. LOCAL INSTITUTIONS AND RURAL DEVELOPMENT IN MALAYSIA, by Stephen Chee, Faculty of Economics and Administration, University of Malaya.
10. BASIC DEMOCRACIES AND RURAL DEVELOPMENT IN PAKISTAN, by Norman K. Nicholson, Department of Political Science, Northern Illinois University, and Visiting Professor, Department of Government, Cornell, 1972-73; and Dilawar Ali Khan, Department of Cooperation and Credit, Pakistan Agricultural University, Lyallpur.
11. AGRICULTURAL GROWTH AND LOCAL GOVERNMENT IN PUNJAB, PAKISTAN, by S. Javed Burki, International Bank for Reconstruction and Development.
12. LOCAL GOVERNMENT AND RURAL DEVELOPMENT IN THE PHILIPPINES, by Santiago S. Simpas, Ledivina Carino, and Arturo G. Pacho, College of Public Administration, University of the Philippines.
13. LOCAL INSTITUTIONS AND RURAL DEVELOPMENT IN SOUTH KOREA, by Ronald Aqua, Department of Government, Cornell.
14. LOCAL GOVERNMENT AND RURAL DEVELOPMENT IN SRI LANKA, by John S. Blackton, Department of Government, Cornell.
15. RURAL LOCAL GOVERNANCE AND AGRICULTURAL DEVELOPMENT IN TAIWAN, by Benedict Stavis, China-Japan Program and Rural Development Committee, Cornell.
16. LOCAL GOVERNANCE AND RURAL DEVELOPMENT IN THAILAND, by Marcus Ingle, Maxwell School, Syracuse University.
17. LOCAL GOVERNMENT AND AGRICULTURAL DEVELOPMENT IN TURKEY, by Douglas E. Ashford, Department of Government, Cornell.
18. LOCAL GOVERNMENT AND RURAL DEVELOPMENT IN YUGOSLAVIA, by Zdravko Mlinar, Department of Sociology, Political Science and Journalism, University of Ljubljana, Yugoslavia.
19. LOCAL ORGANIZATION FOR RURAL DEVELOPMENT: ANALYSIS OF ASIAN EXPERIENCE, by Norman T. Uphoff and Milton J. Esman, Department of Government and Center for International Studies, Cornell.

Table of Contents

	Page
INTRODUCTION, SOURCES AND ACKNOWLEDGMENTS	1
CHAPTER 1 - PERFORMANCE OF THE AGRICULTURAL SECTOR	6
A. Growth of Grain Production	8
B. Rural Income	16
C. Standard of Living	21
1. Food Consumption	21
2. Other Consumer Goods	25
3. Security	26
4. Inequality	28
5. Dignity	29
CHAPTER 2 - BACKGROUND OF THE COMMUNE	34
A. Political and Ideological Role of the Commune	34
B. Institutional Background of the Commune	37
1. Natural Villages and Their Integration	38
2. Local Government Administration	39
3. Organs of Economic Cooperation	42
4. Merger of Economic and Political Organization: The People's Commune	44
CHAPTER 3 - THE FUNCTIONS OF DIFFERENT LEVELS OF RURAL LOCAL GOVERNMENT	49
A. Principles of Commune Organization	49
B. Private Sector and the Family	53
C. Production Team	60
1. Planning Production	61
2. Managing Production	64
3. Labor Management	64
4. Making Investments	65
5. Distribution	67
6. Team Members Away from Home	72
7. Incentives and Scale of Accounting Unit	74
8. Summary about Production Teams	76
D. Brigade	77
1. Coordination of Agricultural Production	77
2. Provision and Creation of Agricultural Inputs	78
3. Investment in Agricultural Diversification	79
4. Brigade Social Services and Public Administration	79
5. Brigade Accounting Units	81
E. Commune	81
1. Leadership	81
2. Making Agricultural Plans	82
3. Organizing Cooperative Construction Projects	83
4. Supplying Agricultural Inputs and Services	84
5. Industrial Development	85
6. Social Services	86

(Chapter 3 E. Commune, continued)

7. Redistribution of Income within the Commune	88
8. Summary on the Commune	89
F. State Government at Local Level	90
1. Offices Concerned with State Power	90
2. Offices Concerned with Marketing and Finance	91
3. State Services	91
G. Summary	92

CHAPTER 4 - MANAGING, STAFFING, AND FINANCING RURAL LOCAL INSTITUTIONS 96

A. Production Team	98
1. Formal Structure of Authority	98
2. Formal Leaders	99
3. Financing Team Administration	101
B. Production Brigade	101
1. Formal Structure of Authority	101
2. Brigade Leaders	102
3. Brigade Finances	103
C. Commune	104
1. Commune Communist Party Committee	104
2. Non-Party Organs of Power	106
3. Commune Managers	108
4. Commune Finances	110
D. Some Characteristics of Rural Management and Managers	111
1. Administrative Density	111
2. Distribution of Power in Choosing Leaders	114
3. Educational Qualifications	115
4. Patterns of Supervision and Communication	115

CHAPTER 5 - POLITICAL LEADERSHIP

A. Ideology of Continuing Class Struggle	119
B. Communist Party Leadership	121
1. Formal Powers	122
2. Why Do Party Members Support the Center's Policies?	123
3. Leadership Style: The Mass Line	124
C. Supplementary Leadership	127
D. Limits to Central Power	

CHAPTER 6 - INSTITUTIONAL POLICY AND AGRICULTURAL DEVELOPMENT	136
A. Role of Central Political Authorities	136
1. Projecting a Vision of Change	136
2. Supply of Crucial Economic-Technical Inputs and Services	137
3. Planning and Coordination	148
B. Role of Rural Local Institutions	149
1. Agricultural Productivity	150
2. Integrating Agricultural Services	157
3. Income Distribution	158
4. Welfare Services	160
5. Pattern of Economic Development	160
C. Emerging Problems in Agricultural Development	161
1. Agricultural Productivity	161
2. Regional Inequalities	162
3. Inequalities Within the Village	163
4. Bureaucratic Organization	164
5. Government Authority	165
CHAPTER 7 - CONCLUSIONS	166
A. Characteristics of Rural Local Governance	166
1. Scope	166
2. Linkages	167
3. Institutionalization	167
4. Autonomy	168
5. Participation	168
B. Political Foundation of Rural Local Administration	170
BIBLIOGRAPHY	171

LIST OF TABLES

Table	Page
1.1 Grain Production in China.....	9
1.2 Areas of Modern Agriculture in China, Late 1960's (million hectares).....	14
1.3 Estimates for Area, Yield, and Production of Food Grains, 1957-1971.....	15
1.4 Indicators of Growth in Food Production, 1930's-1973.....	24
3.1 Ratio of Incomes from Private and Community Lands.....	56
3.2 Cash Profits for Land Used for Different Purposes, Taiwan Province, 1970-1971.....	57
4.1 Examples of Commune Level Managers.....	109
4.2 Rural Managers, Hypothetical Commune, circa 1965...	113
6.1 Domestic Production and Imports of Chemical Fertilizers, 1949-73 (1,000 metric tons).....	139
6.2 Various Computations for Source of Crop Nutrients 1972.....	140
6.3 Chinese Contracts for Chemical Fertilizer Factories, 1973.....	141
6.4 Major Mechanical Irrigation Systems, 1965.....	142
6.5 Extension of Specific Varieties of Very High Yield Rice.....	145
6.6 Supply and Marketing Cooperative Personnel in Heilungkiang.....	148

LIST OF FIGURES

Figure		Page
1.1	Regions of Modern Agriculture in China (late 1960's).....	13
1.2	Production Expenses, According to Income.....	17
1.3	Percent of Income from Private Plot.....	20
1.4	Rural Personal Income, late 1960's.....	22
3.1	Matrix of Authority.....	95
4.1	Patterns of Communication and Supervision.....	117
5.1	Political Stand Taken by Households of Different Classes of South Yangyi Village (1957).....	132
6.1	Relation Between Agricultural Cooperation and Grain Production.....	151
6.2	Investment Rates of Communes at Different Income Levels.....	154
6.3	Distribution of Income, Liuling, 1961.....	159

INTRODUCTION, SOURCES, AND ACKNOWLEDGMENTS

Approximately 650 million people live in rural mainland China. They constitute about one-fifth of the world's total population. These people are not rich by American standards, to be sure. They live primarily on a grain diet; they have few mechanical sources of energy to supplement the labor of their own bodies. But for the past twenty five years, almost none of these people have gone to bed hungry. They have clothing for protection and modesty, if not fashion, and housing as never before. They have jobs; there is virtually no unemployment. There are no "marginal people" eking out an existence by begging. They enjoy fairly good health, and stand up straight and tall, proud to be themselves. Their lives are secure; floods and droughts no longer bring widespread famine and social dislocation; warlords, local bullies, secret societies, landlords do not have power over life and death. Virtually all (not just the well-to-do) have enough stability in life to marry and enjoy children and family. Compared to the situation before the communist revolution in 1949 (or "liberation" as they say in China), life in rural mainland China today is greatly improved, and undoubtedly better than in some other regions of Asia. From the point of view of welfare of rural inhabitants, China must be credited with considerable success.¹ This improvement in welfare is related both to growth in economic production (both industrial and agricultural) and to changes in distribution of income. It is also related to a restructuring of the role and character of political institutions at every level. In this paper I will try to specify the type of political and economic organization, especially at the local level, which has accompanied this success.

This paper has three major sections. The first, Chapter 1, specifies the growth in agricultural production and the changes in welfare of China's rural inhabitants. It

¹This paper is limited to a discussion of the mainland provinces of China. The province of Taiwan is not included because it has been under separate administration for most of the time since 1895. A separate paper focusing on Taiwan, which I have written, is being published in this same series. See Rural Local Governance and Agricultural Development in Taiwan, B. Stavis (Cornell University, 1974).

considers non-material, psychological factors as well as changes in the material standard of living. The following four chapters constitute a section describing in some detail rural local institutions in China, with an emphasis on the 1962-72 period. Chapter 2 outlines the historical and social developments that led to the formation of rural people's communes, relating these to the production teams and brigades which comprise the sub-units of a commune, and to the country and national governments above. Chapter 3 explains the division of responsibility, primarily with regard to economic functions, among the component parts of a commune. Chapter 4 describes the management of each level in the commune, including formal distribution of power, managerial personnel, and financial operation. Chapter 5 focuses on political leadership, which provides a dynamism and coherence for the rural local institutions. The third major section of this paper is Chapter 6, which examines how the improvements in rural welfare and productivity are related to both central and local institutions. Those readers with a special interest in the relationship between rural local institutions and rural development may wish to leap ahead to Chapter 3G, Chapter 6B, and to the conclusions in Chapter 7.

In analyzing rural local institutions, this study focuses on the People's Commune in settled agricultural regions of China. It does not include areas in Central Asia, where livestock is the primary economy. Nor does this paper refer to specialized areas based on fishery, lumbering, or the like. Our study also excludes the state farm system of organization, the precise extent of which is not certain but which is definitely quite small. Because this study is generally restricted to regions that are ethnically Han Chinese, it does not include discussion of administration of regions with national minorities. These restrictions mean that this paper refers to roughly 80 percent of China's non-urban population. These people have settled on roughly one-half of China's land area.

In any study of China, there are many sources of data, each with their own limitations. A study such as this must necessarily piece together data from many sources, bearing in mind what biases or limitations they possess.

The most important sources are Chinese newspapers and magazines. The Chinese press, to some extent, serves different functions to the Western press. It is published by the government (at various levels) and is designed (among other purposes) to mobilize rural administrators and peasants. It does not report the typical or the sensational; rather it reports success in overcoming problems. Careful reading of both the problems and recommendations can yield

tremendous data on rural China. Fortunately, much of the Chinese press is available in translation for persons not knowing the Chinese language.

A second crucial source of information comes from travels in China. I travelled in China for three weeks in the spring, 1972. Many others have travelled in China also and have published much information. I have also been fortunate to have had access to unpublished diaries from several people who have travelled in China recently.

There is a third type of data which is sort of a cross between the first two, namely, reports about rural China written by Chinese journalists and published in Chinese magazines, primarily for external readers. Over the years, Peking Review and China Reconstructs have periodically carried extensive reports on rural conditions. Such reports are supplemented by books by Chinese and other journalists who have been able to live in one place for a while and gather different types of information than that available to travellers on guided tours.

Yet another source of data is government regulations. Unfortunately, very few of these have been published after 1960 in the public press. Most of the documents available to us are recounted from memory by defectors, were stolen by Nationalist Chinese raiders, or were smuggled out by profiteers.

I have also interviewed a number of people who formerly lived in mainland China. Some were middle-level government officials; others were commune or production team leaders; some were urban students who had been sent down to live in the countryside; a few were peasants. This has provided much data to me. Other scholars have done similar interviewing and have published studies to which I refer. Because a disproportionate number of these people came from Kwangtung Province, my description and analysis may be somewhat slanted towards conditions in that southern province.

These are, of course, the standard sources that most western scholars use in analyzing China. Thus most of the secondary material I cite is also based on these same types of sources. Considering the diversity of the sources, it is a bit surprising but certainly reassuring that most of the data seem coherent (to me and other scholars). Most of the contradictions in data can, in part, be explained by the obvious fact that China is a huge country with enormous local differences. A brief bibliography lists some of the more important sources.

This study is part of a broader project undertaken by the Rural Development Committee, Cornell University. The study seeks to understand how and under what circumstances rural political and administrative institutions influence patterns of agricultural development and rural welfare. The project is especially concerned with autonomy, participation, linkages, institutionalization, and scope of rural local institutions as independent variables. Conclusions will be based on detailed, empirical, descriptive reports on 15 regions, mostly in Asia. This paper is one of these case studies. The project is supported financially by the United States Agency for International Development (U.S.A.I.D.).

It is a pleasure for me to give thanks to many people who have helped me with this research. Professors Norman Uphoff and Milton Esman at Cornell have helped me conceptualize the basic themes of this monograph. Certain sections of this monograph draw on research done in previous years. Michel Oksenberg has been extraordinarily generous with his suggestions and critiques over several years. Carl Riskin, Tom Bernstein, and David Mazingo have also read many drafts of several earlier pieces of research. Morton Fried, William Hinton, John Despres, Jack Chen, Yuan-tsung Chen (other others) have given me many valuable suggestions. Richard Sorich has drawn my attention to innumerable articles and ideas which have influenced my research. Byung-joon Ahn, Kang Chao, John Montgomery, and others have made helpful comments. In addition to helping me shape the broad themes of the monograph, Professor Uphoff has given me substantial editorial assistance, helping me express more precisely my analysis.

Research in Hong Kong for interviewing has been supported financially by the National Science Foundation (1972) and Cornell University Rural Development Committee (1973). Both times, the University Service Centre provided crucial logistical support and assistance in locating people to interview.

Topics addressed in this monograph relate to other work I have done previously, to which readers are referred if they would like more extended treatments of some of the problems dealt with here; the work includes Political Dimensions of the Technical Transformation of Agriculture in China (New York: Columbia University, Ph.D. dissertation, 1973); China's Green Revolution (Ithaca: Cornell China-Japan Program, 1974); and Making Green Revolution: The Politics of Agricultural Development in China (Ithaca: Cornell University, Rural Development Committee, 1974). I am delighted to express thanks to Cornell's China-Japan

Program and Center for International Studies for support while writing these monographs.

While I am deeply indebted to these individuals and institutions for intellectual and financial support, none of them can be considered responsible for my errors of fact or of interpretations. I assume sole responsibility for those.

Finally, I wish to express my gratitude to Grove Press for permission to quote the long passage from Edgar Snow's Red Star over China, on page 27.

CHAPTER 1

PERFORMANCE OF THE AGRICULTURAL SECTOR

In a broad sense, I believe that development of the rural sector in China has been successful, when compared with both China's past and with many other Asian countries. Rather than attempt either comparison here, however, I will offer as concrete data as possible concerning productivity, income, and welfare in China's rural sector. Before specifying the extent of success in the past 25 years we must first look at the technological character of China's agricultural system at the time of liberation. This is an obvious requirement, but many observers--and even some Chinese leaders--have failed to do this. China is an old, settled country, with a continuous historical and cultural experience going back for thousands of years. By the middle of the 20th century, China's agricultural system was very efficient in its use of available factors of production and with existing technology. In fact, we hypothesize that it was so efficient that it had reached its potential productivity, and could not grow (on a sustained basis) beyond that plateau without modern inputs. Virtually all the land which could be cultivated was, in fact, under cultivation. Virtually all the land which could be irrigated by gravity irrigation systems was, in fact, irrigated. (This amounted to roughly one-third of the land in the 1930's.)¹ Virtually all the crop nutrients that were available in the traditional economy were being put back into the soil. This included nightsoil, animal manure, etc. (In some very poor regions, potential fertilizers such as dung and straw were burned as fuel, because no other fuels were available.) Chinese farmers after hundreds and thousands of years of experience, had selected seed varieties that were very suitable for the cultural practices and available inputs. High efficiency in production does not, of course, mean a high living standard. Population pressure on available resources was great; even the modest surpluses of the farmers were extracted by landlords; there was little personal and family security, as we will mention later.

¹Benedict Stavis, Political Dimensions of the Technical Transformation of Agriculture in China (New York: Columbia University Ph.D. dissertation, 1973), pp. 18-25; 341-45.

If this vision of China's agricultural sector is accurate, there are three important implications. First, agricultural production could not grow dramatically until modern inputs were supplied. Of crucial importance were new sources of energy to control water, new sources of crop nutrients, and new seeds to take advantage of the increased availability of water and nutrients. In addition selective mechanization was needed to reduce labor requirements in peak seasons to permit more rapid completion of work and increased cropping intensity rations. Until these modern inputs became available, China's agriculture could, at best, grow at about the same rate as labor input. I estimate that the plateau for China's food production under traditional technology was about 185 million metric tons.²

This means that changes in rural local institutions could have only a modest impact on agricultural production. Rural local institutions might facilitate investment, but until the levels of production went up, there would be little surplus available for investment anyway. Rural local institutions could increase the supply of labor but the effect would be limited because labor inputs had reached the point of diminishing returns.³ The central question for agricultural production was technological change and the availability of modern inputs.⁴

²The thesis that China had, by the mid 1950's fully utilized the traditional sources of growth is drawn out carefully by Dwight Perkins, Agricultural Development in China, 1368-1968 (Chicago: Aldine, 1969), p. 11. In 1958 production exceeded the plateau. This level of production could not be sustained, however, without modern inputs. Soil fertility was depleted; excessive irrigation led to soil salinity; people got tired from working too hard. A drop in production followed. The fact that production at levels over the level of 185 million tons could not be sustained until modern inputs became available tends to confirm the hypothesis that there was a technological plateau; I do not consider it to be a proof that production could rise above the plateau.

³This in fact seemed to happen in the 1950's, when total labor supply more than doubled from 1950 to 1959, but production went up much less. Peter Schran, The Development of Chinese Agriculture, 1950-1959 (Urbana: University of Illinois Press, 1969), p. 75.

⁴This broad generalization requires some qualification. In many regions of China, especially mountainous areas, increased labor input can play a crucial role in reclaiming land

The second important implication is that because it had developed for hundreds of years and had reached high levels of efficiency, China's agricultural system was delicately balanced between labor, water, cropping patterns, animals, etc. It operated close to the level of survival, with very little slack or surplus. Any disruption caused by bad weather or changes in rural local institutions could severely disrupt the system. This also meant that social organization could play a crucial role in alleviating problems caused by such disruptions. Government could acquire, transport and distribute even the small surpluses to aid deficient areas hit by disaster. Third, because agricultural techniques had evolved over centuries to fit the peculiar needs of each locality, a managerial system was needed for rural China which would be highly sensitive to the differences in the micro-agricultural ecology.

A. Growth of Grain Production⁵

In the following discussion I will refer primarily to food grain production, which in China includes cereals (rice, wheat, sorghum, millet, maize, etc.) and tubers (potatoes). In reality, of course, the agricultural sector supplies many other products, such as pulses (various types of beans), oil-bearing crops (peanuts, soy beans), vegetables, fruits, animal and fish products, dairy products, and many industrial crops such as cotton and other fibers. Tobacco, tea, medicinal herbs, sericulture and many other products are included in the agricultural sector. In China as in other countries, these subsidiary crops have much higher profits and provide a major part of rural cash income because government policy keeps the price of food grains low. My emphasis on food grain production stems from both the inherent importance of food grains and from the fact that more data are available about them. The exclusion of the other crops from discussion here means that I can say rather little about the levels and changes in actual cash income in rural areas.

In Table 1.1 statistics for food grain production in

and constructing new irrigation systems. The situation in fertile river valleys, already under intensive cultivation for centuries, however, is quite different.

⁵This is a distillation from my monograph Making Green Revolution (Ithaca, New York: Cornell Center for International Studies, 1974), Chapter 1, to which the reader is referred for greater detail.

Table 1.1 Grain Production in China

Year and Period	Grain-equivalent production, million metric tons	Index 1961-65=100	Increase %	Compound growth rate for period
Recovery from War				
1949	134			
1950	143		6.7	1949-52; 7.5%
1951	155		8.4	
1952	166		7.0	
First Five Year Plan				
1953	170		1.5	
1954	176		3.5	
1955	182		3.4	1952-57; 2.3%
1956	188		3.3	
1957	186		-1.1	
Great Leap, Crisis, and Recovery				
1958	205		10.2	
1959	170		-17.1	
1960	150		-11.8	1957-63; -0.3%
1961	160	88	6.7	
1962	170	94	6.2	
1963	182	100	7.1	
Period of Rapid Technological Change				
1964	195	108	7.1	
1965	200	110	2.6	1963-67; 6.0%
1966	220	121	10.0	
1967	230	126	4.5	
Period of Stagnation				
1968	(234)	128	1.7	
1969	(237)	130	1.3	
1970	240	132	1.3	1967-73; 1.4%
1971	246	135	2.5	
1972	240	132	-2.4	
1973	250	136	4.2	

Sources for Table 1.1:

- 1949-65: Kang Chao, Agricultural Production in Communist China, 1949-1965 (Madison: University of Wisconsin Press, 1970), pp. 227, 246.
- 1966: Han Suyin, China in the Year 2001 (New York: Basic Books, 1967), p. 54.
- 1967: Anna Louise Strong, "Letter from China," January 1, 1968.
- 1968-69: These are arbitrary figures that produce smooth rates of growth to 1970.
- 1970: Edgar Snow, "Talks with Chou En-lai: The Open Door," New Republic, Vol. 164, No. 13 (March 27, 1971), p. 20.
- 1971: First reports were 246 million tons. "New Leap in China's National Economy," Peking Review, No. 2 (January 14, 1972), p. 7. A revised figure of 250 million tons was reported in "China Reaps Good Harvest in 1972," Peking Review, No. 1 (January 5, 1973), p. 13. The change is probably due to rounding, because later a Chinese economist again used the figure 246 million tons. Chung Li-cheng, "China's General Principle of Developing the National Economy," Peking Review, No. 33 (August 17, 1973), p. 6.
- 1972: First estimates put the total grain output at 240 million tons. "China Reaps Good Harvest in 1972," Peking Review, No. 1 (January 5, 1973), p. 12. Before the end of the year, Chou En-lai told a visiting Scandinavian group that agricultural production for 1972 was about four percent lower than for 1971. "Economic Growth Declines in China," New York Times (December 5, 1972).
- 1973: The Chinese press reported: "Total output last year outstripped the 250 million tons of 1971, an increase higher than the average annual increase since the founding of the People's Republic of China." (By Chinese figures, the compound growth rate from 1949 to 1972 was 3.7 percent.) "All Round Rich Harvests in China," Peking Review, No. 1, January 4, 1974, p. 8.

China are offered. For the period before 1958, the table is based on estimates developed by Kang Chao, which are somewhat higher than official statistics, on the presumption that the Chinese underestimated sown area. For the years after 1958, the table uses whatever official or unofficial reports the Chinese have made on their food grain production. Close examination of the production statistics and reference to our propositions about China's agricultural development up to 1949 suggest certain periods and sub-periods of development as shown in Table 1.1.

Mobilization of Traditional Resources

For the first years after the victory of the revolution, food grain production grew very rapidly at 7.3 percent, reflecting the termination of disruptions associated with over a decade of international and civil war.

From about 1952 to 1957, during China's first Five Year Plan, food grain production increased slowly at an average rate of growth of 2.1 percent, about the same rate as population increase. This growth was associated with an increased utilization of traditional resources, especially labor, and the repairing of irrigation systems so that the pre-war system could be brought back into full use. By 1957, the traditional resources were again fully utilized, and agriculture could not grow above this plateau of 185 million metric tons without technological change.

Transition

From 1958 to 1963, China's food grain production first went up sharply, then dropped into a deep depression and recovered. While bad weather was one of the reasons for the sharp decline, a more important factor was an attempt to increase agricultural production beyond the limits of traditional agriculture without supplying modern inputs, and by universally popularizing techniques that were inappropriate to many regions. The Great Leap Forward failed to force the pace of agricultural growth simply by organizational and ideological intensification. China's agricultural balance was upset, and it took until 1963 for China to recover.

Technical Transformation

From 1964 to 1967, China's grain production rose very rapidly above the 1957 plateau, at an average of 6.0 percent

each year. This is the period in which China rapidly adopted modern agricultural inputs.⁶

Since 1968, China's grain production has grown at only 1.4 percent annually. The stagnation after 1968 may have several causes which we will consider later.

For the 15-year period 1956 to 1971 (both good years) there is a compound annual growth rate of 1.9 percent. This was probably very close to the population growth rate, and would suggest that per capita food grain availability in 1971 was close to that of 1956. (Note that this does not include meat, vegetables, dairy, etc., for which data are scarce.) China appears to have kept up with population growth, and this is no small achievement in a country as vast as China. Compared with the major populous Asian countries, it is an indication of success. But in itself it is not spectacular success either.

Distribution of Agricultural Development Over Space

The rapid growth in food production in the 1960's was to some extent concentrated in certain regions, which the Chinese call "High and Stable Yield Areas." These are areas where it was relatively inexpensive to develop irrigation systems able to provide the precise regulation of water needed for modern agriculture. In addition to irrigation equipment and power supplies, these areas have received complementary inputs of fertilizers, seeds, and other machinery.

I estimate that by the late 1960's these "high and stable yield" areas with modern agriculture and mechanized areas constituted about one-fifth of the cultivated area in China. Table 1.2 shows the locations and sizes of these areas of modernized agriculture. The impact of these areas on food grain production is shown in Table 1.3. In rough terms, the areas with modern agriculture accounted for about 42 percent of the increase in grain production since 1957. The rest of the increase came from the other areas, which experienced some improvements in technology and some intensification in cultivation but did not or could not basically alter their production functions.

⁶From 1960 to 1962 there was a major debate in China on agricultural development. At the Tenth Plenum of the Eighth Central Committee of the Communist Party of China, in September 1962 a decision was reached and announced to emphasize the technical transformation of agriculture. See my Making Green Revolution, ibid., Chapter 3.

Figure 1.1. Regions of Modern Agriculture in China (late 1960's)

- China's primary agricultural land
(30% or more of the land in these
regions is in cultivation.)
- Regions where agriculture is basically
modernized (late 1960's)
- Regions with mechanized irrigation,
high yield varieties, and chemical
fertilizer.
- Regions which are basically mechanized

Source:
For primary agricultural lands: People's
Republic of China Atlas, Washington D.C.,
U.S. Government Printing Office, 1971.
For modernized regions: Table 1, below.

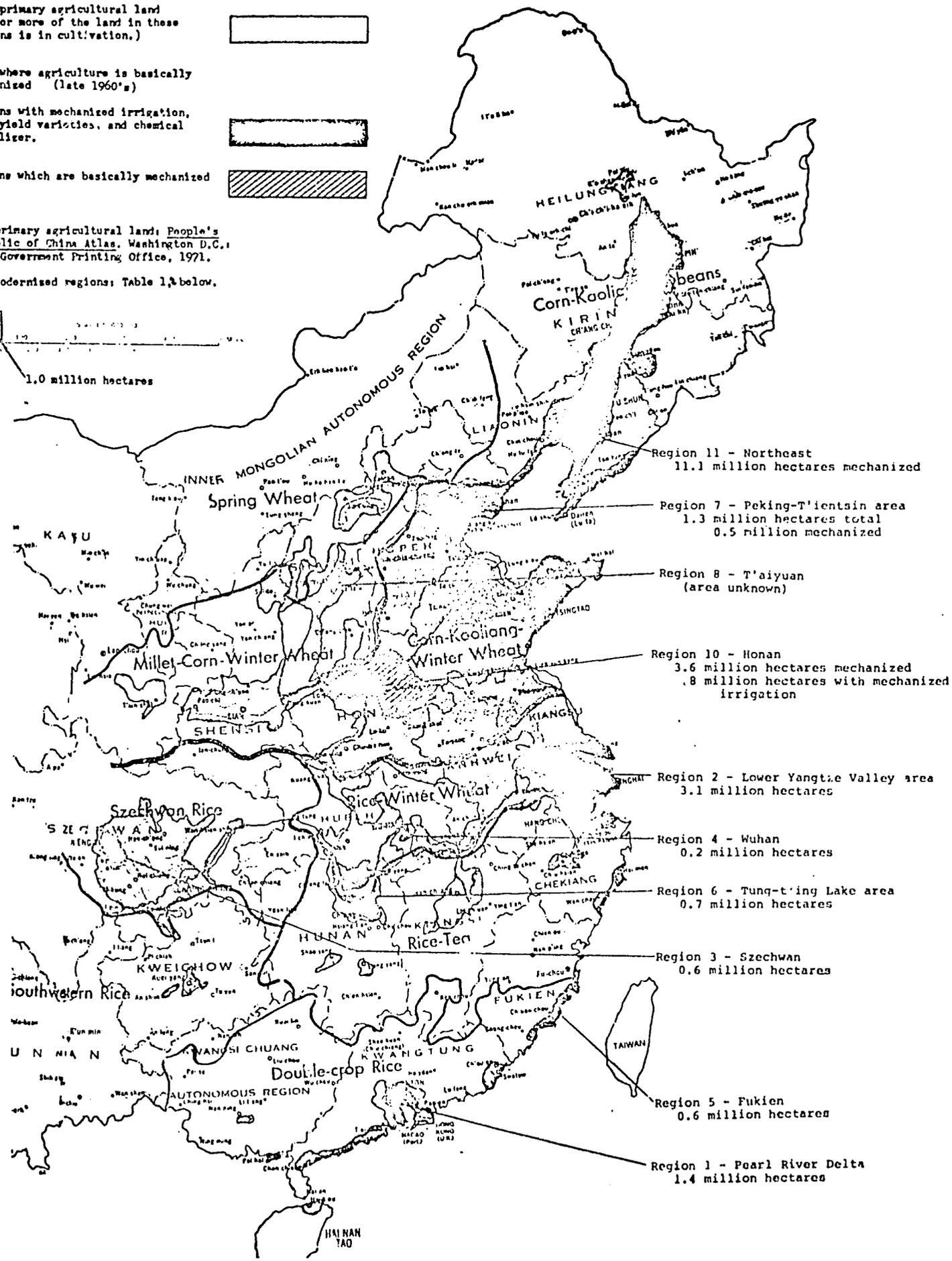
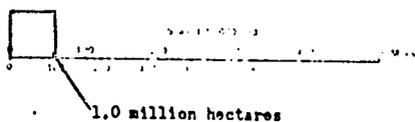


Table 1.2. Areas of Modern Agriculture in China, Late 1960's (million hectares)

Area	Total Sown Area	Mechanical Irrigation	Very High Yielding Seeds	Area Plowed By Tractors
<u>Rice Areas</u>				
1 Kwangtung-Pearl River Delta	1.4	0.4	1.5	
2 Shanghai-Nanking area	3.1	3.1	0.71	
3 Szechwan	0.6	0.6	tested	
4 Wuhan	0.2	0.13	tested	
5 Fukien	0.6	0.6		
6 Hunan, Changsha, Tung-t'ing Lake	0.7	*	tested	
Rice Area Subtotal	6.6			
<u>Wheat and Other Crop Areas</u>				
7 Peking-Tientsin area	1.3	1.3	0.08 in Peking	0.5 in Peking
8 Shansi-Taiyuan	*	*		
9 Changchun, Kirin	0.2	*	reported	
10 Honan, Chengchow Loyang	3.6	0.8 [#]	tested	3.6
11 Northeast	<u>11.1</u>	<u> </u>	<u>reported</u>	<u>11.1</u>
Total identified in these areas	22.8	6.9	2.3	15.8
Total estimated in 1971		9.0	7.7 (mid 60's)	21.0

* It is known that modernized agriculture exists in this location but the extent is not known.

Estimated, other figure reported.

Sources: This table is a summary of detailed data which are presented in Making Green Revolution. It does not include small pockets of modernized agriculture near cities outside of the major high and stable yield regions.

Table 1.3. Estimates for Area, Yield, and Production of Food Grains, 1957-1971

	1957 ¹				1971 ²			
	Sown Area (million hectares)	Yield (Tons/hectare)	Production (million tons)		Sown Area ³ (million hectares)	Yield (Tons/hectare)	Production (million tons)	
Rice	32.2	2.69	87	regular high-stable	27.6 6.6	3.0 4.2	83 28	111
Wheat	27.5	.86	24	regular mechanized high-stable (and mechanized)	7.5 17 3.0	1.1 1.5 2.9	8.3 25.5 8.0	42
Coarse Grains	50.6	1.04	53		58.6	1.2		70
Potatoes	10.5	2.09*	22*		10.5	2.3*		24*
TOTAL	120.8	1.54	186		130.8	1.89		247

-15-

Sources

1. Figures for 1957 are official Chinese figures given in Ten Great Years.
2. Estimates for 1971 are based on figures contained in Making Green Revolution. Increments in yields are based on field surveys conducted by Chinese agricultural scientists and economists.
3. We assume an expansion of sown area of 10 million HA. It is assumed that of this, expansion of rice planting (through expansion of areas of multiple cropping) account for 2 million HA. In 1971 alone, it was reported that early rice acreage expanded 1.8 million HA. Steve Washenko "Agriculture in China: Priorities and Prospects," Current Scene Vol. IX No. 10 (October 7, 1971), p.3. The remaining 8 million HA are presumed to be planted to coarse grains.

* Potatoes have been converted to grain equivalent by multiplying actual yield and production by 0.25.

From the point of view of percentage increases in yields, estimates developed from Table 1.3 show that in high and stable yield areas, the growth of food grain production has been well above the total average annual growth rate of 1.9 percent, probably between 5 and 6 percent per annum. This means, of course, that in other areas food grain production has been growing less rapidly at roughly 1 percent per year, or less than population growth. It would appear that China has not found a way of making backward areas develop their agricultural productivity at a high rate. Institutional changes alone, in the absence of modern inputs, have not been able to increase production more rapidly than the increase in labor inputs.

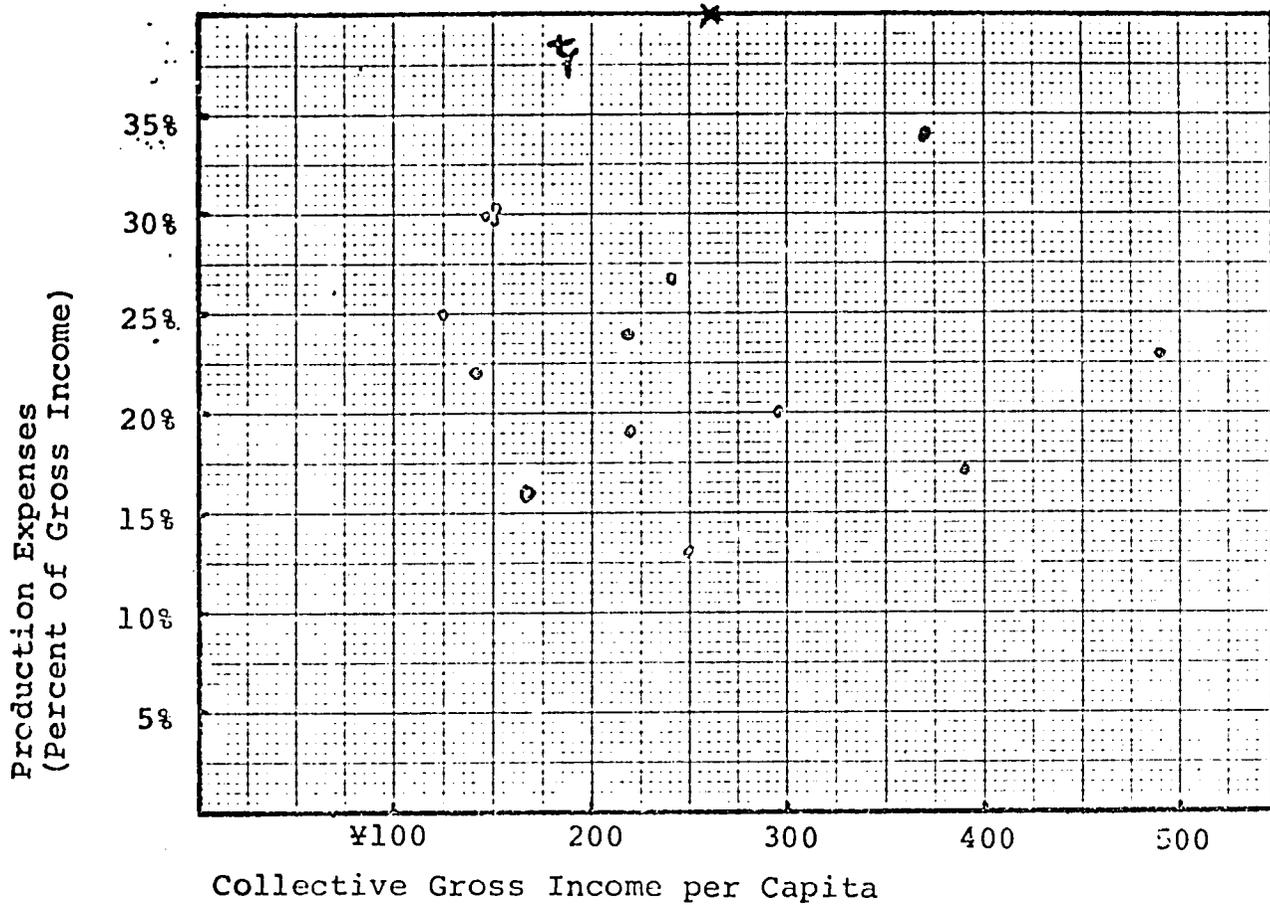
B. Rural Income

While food grain production is one crucial dimension of rural development, it is not the only one. Another important factor is the income of people in rural areas. The level and trend of income is somewhat different from that of food grain production. From the early 1950's to the late 1960's, net rural income per capita has roughly doubled, from ¥ 70 to about ¥ 150.

Three factors make the trends in rural income different from the trends in food grain production. First, there is the issue of costs of production of food grains. If taxes and increased production costs absorbed all the increments in income resulting from higher production, then the rural people would experience no increase in income. Data from a few communes, however, indicates that this is not happening. Production costs (shown in Figure 1.2) seem to be mostly between 15 and 30 percent. There is no clear indication that communes with higher incomes spend more for production expenses. However, in a few locations where agriculture is modernizing, production costs go almost to 40 percent. This indicates that the problem of increasing production costs may eat more and more into productivity gains in the future.

A second factor strongly influencing rural income is the extent of diversification of agriculture. Government policy has been to keep the price of food grains very low (roughly ¥10 per 100 catties). At official exchange rates this is about \$0.05 per pound. Rice at the supermarket in the U.S. today is about \$0.50, or ten times as much. The agricultural planning system in China strongly encourages the communes to emphasize food production until self-sufficiency is reached. Once a locality can divert resources

Figure 1.2. Production Expenses, According to Income



- o: Shahid Javed Burki, A Study of Chinese Communes, 1965 (Cambridge: Harvard University Press, 1969,, p. 11, 20.
- o: Jan Myrdal, Report from a Chinese Village (N.Y.: Pantheon, 1965), p. 199.
- +: "In a Production Team," Peking Review No. 13 (March 25, 1966), pp. 15-16.
- x: "A Visit to the Tungting People's Commune (IV)," Peking Review No. 16 (April 20, 1973), p. 27.
- Y: Huatung Commune, 1972. Notes from Ward Morehouse.

(land and labor) to higher-priced subsidiary crops such as fruits, vegetables, oil and fiber crops, animal husbandry, sericulture, beekeeping, or local handicrafts and industry, the cash income of the farmers goes up rapidly.

The significance of diversification can be shown with available data from a few locations. In Lienchiang County, Fukien, income in 1962 was low, averaging ¥66 per capita from collective sources. In this area, agriculture was not very diversified. Food grains supplied from 60 percent to 75 percent of the income of the production teams. Differences in income between teams were explained largely (over 75 percent) by differences in food grain productivity.⁷

In contrast, in Liuling brigade, Shensi, where agricultural techniques had begun to change by 1961 (there was mechanical irrigation for a collective vegetable plot and there was machine plowing), average collective income was about ¥127 per capita; food grains supplied only about 36 percent of the total collective income. Other plant products (fruits, vegetables, and tobacco) supplied 32 percent and animal husbandry supplied 9 percent.⁸

In one commune in Tungkuan County, Kwangtung, where there was extensive mechanization of irrigation and other processes, diversified activities provided the key to rapid growth. From 1957 to 1964, total collective income went up 2.2 times, with three-quarters of this accounted for by increases in diversified activities. These activities included animal husbandry (pigs, beekeeping, sericulture, fish farming), increased cultivation of non-grain crops (such as peanuts, sugar cane, jute, soya, sesame, bamboo, medicinal herbs, and fruit), some manufacturing (of bamboo farm implements, charcoal, bricks, and tile), and increase in local food processing. In 1957, grain supplied 55 percent of the commune income; by 1964 grain supplied only 38 percent of commune income.⁹

⁷"Statistical Tables Relating to the Hu-Li Brigade of the P'u-k'ou Commune," C. S. Chen and C. P. Ridley, Rural People's Communes in Lien-chiang (Stanford: Hoover Institution Press, 1965), p. 198.

⁸Jan Myrdal, Report from a Chinese Village (New York: Pantheon, 1965), p. 198.

⁹Wang Chen-hua, "Diversified Undertakings Promote Development of Grain Production," JMJP, October 21, 1965. SCMP 3577, p. 15.

In Tachai, the national model for agriculture, economic diversification (fresh and dried fruit, fish ponds, pig raising, and small factories) contributed only 18 percent to total collective income in 1968. This went up to 40 percent by 1972.¹⁰ In a rapidly developing area near Tungting Lake, a team's grain production doubled from 1962 to 1972. In 1972, its income from diversified products doubled compared to 1971.¹¹

No national data are available to prove conclusively that agriculture has diversified significantly during the period that grain production went up; or to demonstrate that diversification occurred in localities where grain production reached "high and steady" yields. However there are strong tendencies working in this direction, namely that it is easier for a locality to switch land to high-value crops if food grain yields have increased enough to reduce the area sown to food grains. This means that the benefits of China's green revolution and its effect on rural income are greater than the simple increases of grain production described above.

A third factor making estimation of rural income difficult is the fact that a significant percentage of income is derived from private activities, for which very few statistics are available. (In Chapter 3, I discuss the organization and role of the private sector.) The private sector generally contributes around 20 percent of total rural income, and the scant data available (in Figure 1.3) suggest that the private sector may be more important in wealthier localities. (It is not clear whether these figures refer to the total produce of private plots, or to the cash income only.)

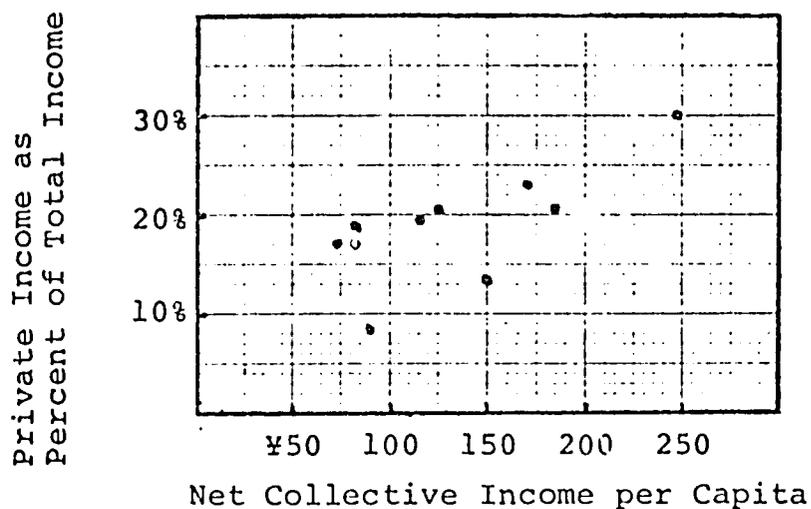
Despite these problems we will attempt to ascertain rural income in the 1950's and the 1960's, both to impute the level of income and to characterize the changes over time. For the 1952-55 period, average peasant (per capita) consumption has been estimated at ¥68. (This was ¥49 worth of crops and ¥19 in cash.)^{11a} Unfortunately the surveys that were done in the 1950's have not been published in a manner that would permit analysis of the distribution of income in different localities. However, the median income was a little lower than the average.

¹⁰"Tachai Year-end Report, Yields High Despite Drought," Peking Review No. 52 (December 29, 1972), p. 14.

¹¹"A Visit to the Tungting People's Commune (IV)," Peking Review, No. 16 (April 20, 1973), p. 27.

^{11a}Peter Schran, Op. Cit., p. 134.

Figure 1.3. Percent of Income from Private Plot



Source: Shahid Javed Burki, A Study of Chinese Communes, 1965 (Cambridge: Harvard University Press, 1969), pp. 40-41.

For a comparison I have examined data from 21 localities in China, generally from the mid to late 1960's. (In some cases the data refer to communes, in others to brigades or teams.) Although the data are few, it is possible to draw some conclusions. The median income (personal disposable income including cash and rations) from collective sources is about ¥110 per capita. The most frequently encountered level of income was ¥80-100 per capita. A few wealthy localities brought the average up to ¥126. We would infer from Figure 1.3 that income from private plots would be about 20 percent of total income so that the median total net income in rural areas would be about ¥137 and the average would be ¥158.¹²

¹²Alexander Eckstein has estimated that the Chinese gross national product per capita was ¥189 in 1966 and ¥228 in 1970. If we assume that 30 percent of the GNP is used in investment and depreciation, then ¥133 in 1966 and ¥160 in 1970 would be available for consumption. Rural incomes should be expected to be lower than urban incomes, so these aggregate computations are very close to the results from the analysis of our sample. This suggests that the sample is reasonably representative. See Alexander Eckstein, "Economic Growth and Change in China: A Twenty-Year Perspective," China Quarterly No. 54 (April/June 1973), p. 232.

These data indicate that rural income roughly doubled in 15 years. This is an average compound growth rate of 5 percent. Prices of consumer goods have been roughly constant, or have declined somewhat, so no correction need be made for inflation. In fact, it is possible that a correction should be made for deflation.¹³

There is no adequate way of giving a dollar value for this level of income because the price ratios between different commodities in China and the U.S. are so different. In terms of the official exchange rate of ¥2.0 = US \$1.00, the average per capita income is about \$75. But the cereal consumption of the average peasant (roughly 400 pounds valued at about ¥40) would cost over \$100 at a U.S. supermarket at current prices. More complicated problems in comparison arise quickly. Is there any way of imputing shadow values for housing? What about the physical security provided the Chinese peasant by social organization, and so expensive for many Americans? Likewise, are the frequent meetings and discussion which are free (and virtually unescapable) in China in any way analagous to psychiatric and social services, for which a shadow value must be computed for strict comparability? Or should deductions be made for psychic discomfort induced by lack of freedom of movement? The mind boggles at such questions. Attempting to put a dollar value on the life style in rural China is clearly impossible. I think it more fruitful simply to describe it, and this is attempted in the following section.

C. Standard of Living

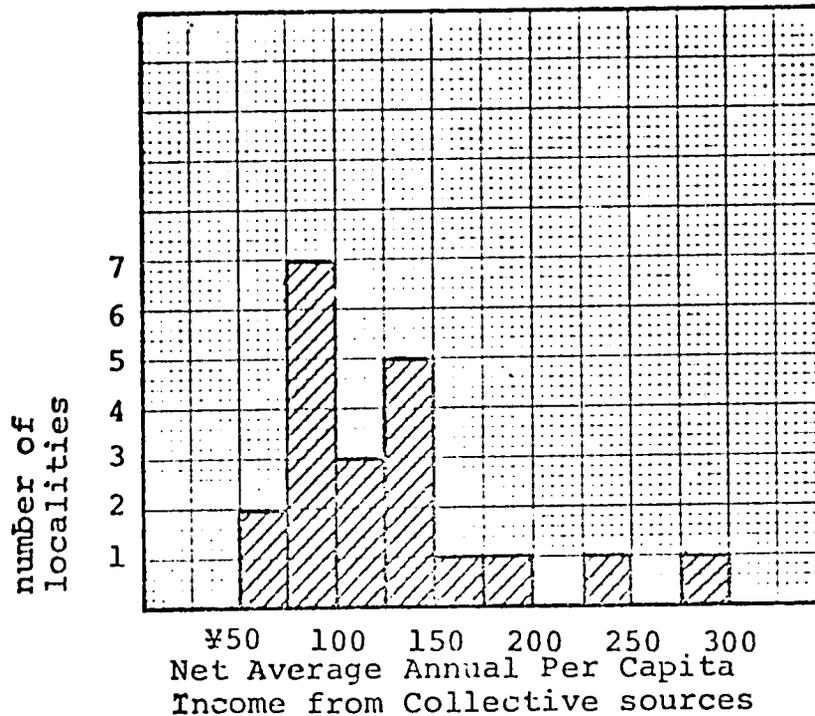
China's standard of living today is quite modest; but when compared to the poverty of previous years, it is a substantial improvement. Our comparisons will be made to the early 1930's, a brief period of stability in China's history, which was punctuated by civil and international war from 1841 to 1949.

1. Food consumption

In China, food grains provide the great bulk of the diet. This was true in the traditional economy and remains

¹³The meaning of this growth is not clear because of price ratios in China. The first things people buy--food and clothing--are priced very low, but other commodities (e.g. radios, bicycles) are priced high, so even with a growth in cash income the amount of non-essential goods that can be purchased does not go up very much.

Figure 1.4. Rural Personal Income, late 1960's



Sources:

(The number in parentheses after the source indicates the number of locations noted in the source.)

Shahid Javed Burki, A Study of Chinese Communes, 1965 (Cambridge: Harvard University Press, 1969), p. 20, 41. (13)

"In a Production Team" Peking Review No. 15 (March 25, 1966) p. 15-16. (1)

Jan Myrdal, Report from a Chinese Village (New York: Pantheon, 1965), p. 199. (1)

"A Visit to the Tungting People's Commune (IV)," Peking Review No. 16 (April 20, 1973), p. 27. (1)

Huatung Commune, 1972. Notes curtesy of Ward Morehouse.

C.S. Chen and C.P. Ridley, Rural People's Communes in Lien-chiang (Stanford: Hoover Institution Press, 1969), p. 37. (data for 1962) (1)

Shashiyü, 1971 (1)

Stavis Diary; data for 1971. (2)

true today. In the 1930's, optimistic estimates by John Buck put total production of food grains (gross production, unprocessed) at about 300-305 kg. per capita (see Table 1.). In 1973, the gross production was about 310 kg. per capita. (Of the 300 kg., approximately two-thirds are available for human consumption; the rest is for seed, industrial uses, animal husbandry, waste, and processing losses. This means that about 0.57 kg., with about 2,100 calories, are available per capita per day.)

There is, unfortunately, no accurate measure of comparison for other elements in diet. Surveys in the early 1930's showed that animal sources supplied, on the average, 76 calories per adult per day. The average ranged from 17 to 196 in different regions. Dietary surveys in 1959 revealed that animal products supplied many more calories for the surveyed population. Adult peasants in the Shanghai suburbs were getting 558 calories per day from animal sources; college students, workers, and soldiers were getting more, up to 856 calories per day. These figures were undoubtedly higher than the national rural average, and may have been higher than was sustainable, as there was a sharp decline in hog production after 1959. The figures do suggest, however, that animal sources probably supplied more calories in 1959 than in the 1930's. While no comparable dietary surveys are available for the 1970's, the hog production has increased, so that there are now .255 hogs per capita, over twice the level of the 1930's and some what over the level of 1959. Thus the level of animal proteins and fats has undoubtedly gone up substantially for the average Chinese diet.

In the 1930's, vegetable oils, vegetables (other than potatoes), fruits, and sugar supplied a total of 132 calories per day per adult, on the average. There are no statistical data available for the 1970's that would permit precise comparison, but residents and visitors to China report a very ample supply of fruits and vegetables, although strongly influenced by locality and season.

An indication of improved nutrition (as well as improved sanitation and medical care) is the increased size of children. One-month-old infants now average 3.25 kg., compared to less than 3.0 kg. before liberation. In Wuhan, 10 year old children in 1973 averaged 5 cm. taller than children of the same age in 1956; boys were 2.5 kg. heavier. In a minority locality, seven-year-olds are 3.0 to 5.0 kg. heavier than before liberation and 10 cm. taller.¹⁴

¹⁴"Happy Children," Peking Review, No. 24 (June 14, 1974), p. 22.

Table 1.4. Indicators of Growth in Food Production, 1930's-1973

	1930's	1957	1959	1972
total population (million people)	552-592 ^a	640 ^c		785 ^d
total grain production (million metric tons)	167-189 ^a	187 ^c		240 ^e
total grain production/ capita (kg/capita/yr)	300-305	290		305
total hogs (million)	57 ^b	146 ^f		200 ⁱ
hogs/capita	.103	.230		.255
calories/capita/day	average peasant 769 (range 17-196)		college students: 740 ^h workers: 789 soldiers: 856 Shanghai peasants: 558	

Sources:

^aJohn Buck, Owen Dawson, Wu Yuan-Li, Food and Agriculture in Communist China (New York: Praeger, 1966), pp. 65, 69.

^bJohn Buck, Land Utilization in China (New York: Paragon, 1964), pp. 363, 246.

^cKang Chao, Agricultural Production in Communist China, 1949-1965 (Madison: University of Wisconsin Press, 1970), pp. 251, 305.

^dProduction Yearbook, 1972 (Rome FAO), corrected by subtracting population of Taiwan Province.

^eSee above Table 1.

^fChen Nei-ruenn, Chinese Economic Statistics (Chicago: Aldine, 1967), p. 340.

^gJohn Buck, Land Utilization, p. 413.

^hWang Ch'eng-fa, Fang Yun-chung, and Lu I, "New China's Research Achievements in Nutrition in the Past Decade," Jen-min Pao-chien (People's Health), Vol. 1, No. 10, October 1, 1959. JPRS 2,968, pp. 1-40.

Table 1.4. Sources (continued)

^hW(erner) K(latt), "The State of Nutrition in Communist China," China Quarterly No. 7, July-September 1961, p. 127.

ⁱNumber given to Henry Munger by Chinese agricultural officials, summer, 1974.

2. Other Consumer Goods

In terms of clothing, the situation in China today is entirely adequate and reflects improvements over the 1930's. In the 1930's, a "medium-small" farm family, with about five people, had on the average only 3.8 coats, 3.0 trousers, and 1.0 skirts. One member of the family (presumably a child in most cases) lacked clothing.¹⁵ It was not unusual for a family in northern China to have only one padded jacket, so only one person at a time could venture out of the house into the cold winter. By the 1970's, everyone had clothing to provide protection from the elements and to assure modesty. The clothing is often patched and re-sewn; but no one is naked or in rags.

From the point of view of housing, comparison is difficult. A major portion of present-day housing was built decades or centuries ago and continues in use. There is, of course, much new housing, but I am unaware of statistics or surveys which would indicate changes in square feet per capita, or decrease in the number of people per bedroom (which would suggest more privacy). Almost everyone in China has adequate shelter from the elements, but privacy is unusual (and not demanded in the culture). It is common for entire families to sleep in one room. Outdoor toilets are the rule. Running tap water is unusual; water is usually drawn from a well or carried from a cistern by shoulder pole. Household heating in northern China is still provided by burning coal or wood under the k'ang (raised platform, which serves as bed for the entire family). Generally, lighting is by oil, although roughly one-fourth of the rural households now have electric illumination.¹⁶ Stove fuel may be wood, straw, or kerosene.

¹⁵John Buck, Land Utilization in China (New York: Paragon, 1964), p. 439.

¹⁶Benedict Stavis, China's Green Revolution (Ithaca: Cornell University China-Japan Program, 1974), p. 43.

The typical rural household can now possess certain objects which were unimaginable in the 1930's. Flashlights have replaced oil or candle lanterns in enabling people to find their way around from place to place after dark. Vacuum flasks enable tea to stay hot all day, after boiling water in the morning. Many households now have radios to bring entertainment and news; bicycles to increase mobility; and sewing machines, to reduce the labor needed to make clothes. Clocks and wrist watches are widespread. Toilet paper, tooth paste and tooth brushes, soap and detergent, previously almost unknown in rural areas, are freely available. Writing paper and pens are no longer rare.

In rural China television is rare. There are some collectively owned television sets concentrated in suburbs of major cities. Local theatrical groups and movies provide most of the entertainment.

Transportation in rural areas is primarily by bicycle. This is supplemented by fairly extensive bus systems. Because the motorcycle is unknown as a means of providing fast, flexible personal transportation, if a man gets a job in a factory or mine more than a couple of miles from home, he may be unable to commute, and may instead have to live in a dormitory and visit his wife and family on weekends. For transporting agricultural produce, fertilizer, etc., carts with rubber tires, towed by animal, tractor, or man, have replaced the shoulder pole, which had transformed man into a beast of burden.

3. Security

Because the discussion up to now has stressed the average standard of living in the 1930's and the 1970's, it has obscured the most important change in standard of living during this period, namely security of life. During the 1930's and for decades and centuries before, life was subject to severe disruption caused by flood or drought. The agricultural economy was marked by an efficient but delicate balance between people, land, and cropping systems. There was very little slack. The slightest disruption caused by insufficient or excessive rainfall, locusts, war, or anything else could upset the balance. Famine would result.

Edgar Snow has movingly described what happened in a drought-stricken area in north China in 1929, where somewhere between 3 million and 6 million people starved to death.

Have you ever seen a man -- a good honest man who has worked hard, a "law-abiding citizen," doing no serious harm to anyone -- when he has had no food for more than a month? It is a most agonizing sight. His dying flesh hangs from him in wrinkled folds; you can clearly see every bone in his body; his eyes stare out unseeing, and even if he is a youth of twenty he moves like an ancient crone, dragging himself from spot to spot. If he has been lucky he has long ago sold his wife and daughters. He has also sold everything he owns -- the timber of his house itself, and most of his clothes. Sometimes he has, indeed, even sold the last rag of decency, and he sways there in the scroching sun, his testicles dangling from him like withered olive-seeds -- the last grim jest to remind you that this was once a man!

Children are even more pitiable, with their little skeletons bent over and misshapen, their crooked bones, their little arms like twigs, and their purpling bellies, filled with bark and sawdust, protruding like tumours. Women lie slumped in corners, waiting for death, their black blade-like buttocks protruding, their breasts hanging like collapsed sacks. But there are, after all, not many women and girls. Most of them have died or been sold.¹⁷

Such catastrophes did not strike every place in every year. But they did occur in most regions occasionally. They occurred more than occasionally in certain regions, such as the North China Plain on the edges of the Yellow River, known as "China's Sorrow" because of the frequency of disaster.

In the course of a life, very few Chinese peasants escaped experiencing such a calamity. At some point, everyone would experience famine. Everyone would have close relatives who starved to death, or sisters or cousins sold into virtual slavery. Everyone lived in the shadow of the fear that his family might be shattered by the pressures of famine. Thus the average standard of living during the 1930's fails to communicate what every peasant knew, namely that life was uncertain, that family and social relations could evaporate like a drop of water on a parched plain.¹⁸

¹⁷Edgar Snow, Red Star Over China (New York: Grove, 1961), pp. 226-227.

¹⁸Insecurity was typical in urban China also. In seeking an explanation for the strength of Secret Societies among transportation workers in Tientsin before liberation, Kenneth Lieberthal writes "... the most valuable item which the

One of the remarkable achievements of the Communist government has been the elimination of insecurity. Everyone in China is now assured of life. The government has stockpiled large quantities of grain and has expanded means of transportation, so that even under the most disastrous natural calamity, famine will not result and life can continue. Diets may be reduced, to be sure, but there is no longer the threat of starvation, of disruption of the family, of selling daughters into slavery.

4. Inequality

Another factor makes the figures for national averages in the 1930's misleading, namely that there was great inequality between people in China, with a few living high above the average and many living below. From the point of view of ownership of resources, a very substantial proportion of people living in rural China in the 1930's were without resources or had inadequate resources and were subject to constant, serious exploitation. Exactly how many were included in this category and the extent of exploitation can be crudely estimated from some survey data from the 1930's. About 15 percent of farm work was performed by hired labor in the 1930's.¹⁹ While some of the hired laborers owned or rented a little land, probably a good portion of them were landless. About 19 percent of rural (not restricted to farming) families owned no land but had tenancy agreements; another 18 percent owned some land but not enough and therefore rented some land.²⁰ Other surveys show that farmers who rented some or all of their land constituted from 46 percent to 56 percent of the farmers.²¹ Thus we can conclude that perhaps 10 percent of farm households were hired laborers; roughly 20 percent of the farm families owned no land and rented land for farming; perhaps another 20 percent owned a little land but not enough, so they rented additional land. Thus one-half of the farms owned inadequate resources and were subject to labor exploitation. Of the remaining half, most owned and farmed their own land, but a few, under 5 percent, owned surplus land and rented it out to others.

Secret Society could offer to a potential member was security."
"The Suppression of Secret Societies in Post-Liberation Tientsin," China Quarterly No. 54 (April-June, 1973), p. 247.

¹⁹John Buck, op. cit., p. 293.

²⁰Ibid., p. 368.

²¹Ibid., p. 196.

From the point of view of nutrition, the extensive statistical data compiled by John Buck (the sample included 17,351 people) can not clarify the extent of inequality because the data averages the diets of people in each locality. However, in 29 of 136 localities (21 percent) of the localities surveyed, the average caloric intake was below what Buck considered necessary (2,800 calories per adult equivalent, about 2,160 calories per capita). Since the survey excluded areas with extreme famine, obviously a greater percentage of localities were suffering food deficiency.²² It is unfortunate that Buck's data do not permit inferences about distribution, but it is clear that malnutrition was not rare.

An attempt has been made by Victor Lippit to quantify the extent of exploitation of the 50 percent who did not own adequate resources. He has estimated that over 16.9 percent of the total national income was transferred from poor people to the rich. This includes 10.7 percent in rents, 3.4 percent in surplus value from hiring labor, and 2.8 percent in interest payments by poor farmers in debt. In addition, there was income siphoned off from poor people through special taxes, banditry, extortion, etc., which Lippit did not try to estimate, but which clearly raise the level of exploitation well above the 16.9 percent.²³

5. Dignity

Another dimension of standard of living, which is not included in economic data, is the dignity of the individual, his pride in himself. During the 1930's and for decades if not centuries before, there were two major factors undercutting the dignity of Chinese farmers. The first was the distribution of political, social, and economic power within the village. Landlords often employed rent collection agents, who often used physically brutal methods to collect rents from the roughly one-half of the farmers who rent some or all their land. It was not unknown for peasants unable to pay the rent to have fingers chopped off or daughters carried away. Local government and police offered no protection, of course, as these institutions were controlled by the landlord. Again, these factors did not occur in every place at every time, but they shaped the environment of the Chinese peasant.

²²Buck, op. cit., p. 409.

²³Victor Lippit, "Economic Development and Welfare in China," Bulletin of Concerned Asian Scholars, Vol. 4, No. 2 (Summer 1972), p. 79.

A second factor relating to pride was nationalism, Since 1840, China was under constant attack and humiliation from the western powers. While this would be sufficient cause for discomfort anywhere, it was especially upsetting in China because of the Chinese self-perception of their culture and society as central in human civilization. Throughout the late nineteenth century and the early twentieth century, the Chinese were forced to think of their country as the "sick man of Asia." Most likely this disturbed urban intellectuals more than farmers. But the widespread peasant support for the anti-foreign Boxer Movement around 1900 and the vast, enthusiastic support peasants gave to anti-Japanese guerilla movements in the 1940's confirm that peasants too have national pride.²⁴ When Mao Tse-tung proclaimed the creation of the People's Republic of China in 1949, his first sentence was "The Chinese people have stood up," suggesting that China was no longer supine before the western powers. This statement resonates with Chinese everywhere, summarizing their national pride and the distress caused by centuries of national humiliation.

These two types of affronts to human dignity have been eliminated in China over the past two and one-half decades. The indignities and brutalities inherent in the traditional rural social structure were eliminated by land reform and agricultural cooperation, which eliminated the wealthy landlords as a social class, and extricated the poor and landless peasants from a role of dependency. The humiliation of being the sick man of Asia is also gone. As early as 1950, when Chinese troops assisted North Korea, it was clear that China had a new strength and unity, and could no longer be invaded with impunity by Western powers. Chinese scientific and technological achievements including development of nuclear weapons and earth satellites, have reinforced Chinese pride. Although China is still quite poor compared to the few highly industrialized regions of the world, it is no longer marked by shame. There is confidence and pride in the nation and its achievements.

There are other sources of dignity which deserve mention. One is availability of health services. Since 1949, and especially since 1964 there has been a tremendous expansion of health services in rural areas. Where accident and illness would previously go untreated or treated by the

²⁴Chalmers Johnson argues that the ability of the Communist Party to harness peasant nationalism was crucial for communist success. Peasant Nationalism and Communist Power: The Emergence of Revolutionary China (Stanford: Stanford University Press, 1962).

crudest traditional medicine, modern western medicine, supplemented by traditional practices, is available. Increased educational opportunities also bring dignity. Leaving aside whether education leads to higher paying jobs, the simple fact is that in the context of Chinese culture, literacy has a very high value. Previously only a few were literate. Now the majority is literate.

Economic improvement and security have permitted more people to share in one of the most important values of Chinese culture, a stable, happy, family life. In traditional China a family was considered important, but not everyone could have one. Many men did not have enough money to pay the bride price, and did not have enough land to support a family. For poor men, it might take years of saving and waiting to reach a position where they could consider marriage. Thus in the 1930's about 18 percent of men aged 25-29 were still single. Roughly 10 percent never married.²⁵ Even after marriage, there was a high probability that the family would be exploded by famine or other natural disaster. Since liberation, these restrictions on marriage have disappeared. A man no longer needs a bride price or a lot of land. Anyone can marry. Moreover, the general economic security assures that a family will remain together. Children will not be sold off. Medical care is available to reduce the incidence of maternal deaths in childbirth. Thus more people can share more fully and more securely the joys of a family.

Another way dignity has increased has been new marriage customs. Before liberation there were stringent restrictions on marriage. Most marriages were arranged by parents for their children when children were very young. As the children grew up, they grew into marriage, with virtually no choice concerning this important dimension of life. Since divorce was considered improper in the cultural setting, many women suffered tremendous ill-treatment including physical abuse. Their alternative was suicide by drowning in a well, an alternative which was not at all rare. After liberation a marriage law was passed, which guaranteed free choice of spouses and provided for divorce when necessary. These new laws have greatly increased freedom and dignity in a manner especially relevant for women.

There is one dimension on which personal dignity has suffered, namely certain reductions in personal freedom. Three restrictions on personal freedom seem most important. First, there is little freedom with regard to occupational

²⁵Buck, op. cit., p. 378.

choice. People are assigned to jobs by the government. They may be able to influence their assignment by demonstrating interest and aptitude in a particular job, but they lack freedom to go out and try a job that they desire. Similarly they lack freedom to become capitalists, to invest in land or factories and seek profits. They can not seek to escape manual labor. Likewise there is little freedom with regard to location of residence. Most people live where they were born, or are transferred from urban to rural areas. A person has very little freedom to move from rural area to an urban area. If it is done, it is often illegal, and requires a person to live off a "black market." Finally, there are severe limits on political freedoms. One cannot organize and mobilize people to oppose the communist government without incurring severe risks. There is, however, opportunity for political discussion within the framework of improving or modifying the system. (It should be pointed out that a small number of people, perhaps 1-2 percent, suffer more serious deprivations of liberty. Some class enemies are in prisons or in labor camps. Others remain at home and work as everyone else does, but are "under supervision," meaning that their movements and contacts with other people are carefully checked.)

D. Summary

From the 1930's to the 1970's, China's population went up about 50 percent. During this time, the economic standard of living has improved somewhat for just about everyone. Diets have improved and consumption of light manufactured goods has increased. To have provided an improvement in the standard of living in the context of increasing population has been no simple task for China. It represents modest success in expanding and diversifying production. I believe that the greater success has been in organizing a distribution system that assures security and reasonable equality. Chinese people are now confident that life will continue, and this is a tremendous change. The standard of living has been improved by non-economic factors also, including various re-arrangements in social organization to assure dignity to almost everyone on many dimensions.

Despite all this improvement, life in rural China is still fairly difficult. Farming is still based on back-breaking manual labor (as it always has been), although mechanization is starting to reduce labor intensity in some areas. There are many other physical discomforts, including exposure to a wide range of temperature, rain and sunshine, mud and smoke (from cooking fires). Because there are severe limitations on freedom of movement, there is no way of telling how many people in rural China would prefer

to live elsewhere. There has been a certain tendency for illegal migration to the cities, but this has involved primarily young people who were brought up in cities and then sent to the countryside. They were not accustomed to rural conditions and lacked social relations there.

In this monograph we cannot, of course, try to explain all the reasons for successful development in China. We will focus on rural local organization, to see what pattern of institutions has accompanied these changes. We will also try to evaluate whether these institutions have been helpful, necessary, or counterproductive for development. This focus leaves out questions such as central investments, national tax policy, foreign trade, training of personnel, and many other national policies which are also closely related to development.

CHAPTER 2

BACKGROUND OF THE COMMUNE

Since 1958, the People's Commune has been the crucial unit of local government. Communes are large organizations, typically involving from 10,000 to over 50,000 people. There may be up to 100 natural villages. The commune is subdivided into brigades (ta tui). The brigades are generally groups of villages or large single villages. There are often 10 to 20 brigades in a commune. Each brigade may have 1,000 to 2,000 members.

The brigades are made up of production teams (sheng-ch'an tui). There may be 10 to 20 teams in a brigade (so that a single commune might have 50 to 200 teams). A production team is often based on a natural village, hamlet, or neighborhood of a large village. It will have 100 to 300 members (20 to 60 families). The cultivated area of a production team varies greatly, according to population density, availability of land, and cropping patterns. In wheat-growing north China a production team may have roughly 20 to 50 hectares. In highly productive, densely populated rice areas, a production team may have 10 to 20 hectares. Production teams on city suburbs, which grow labor-intensive vegetables, may have only 5 to 10 hectares.

The main purpose of this monograph will be to describe how the commune has actually functioned for the greater part of its existence, namely from about 1961 to the present (1974). Before doing that, however, it is useful to put the commune and the rural sector in general in the context of overall plans and practices for development of China. Thus the first part of this chapter will try to show some of the ideological and political background for the establishment of communes in 1958. The second part of this chapter will explain how the commune emerged from the actual institutions of rural China, including institutions with a history of thousands of years and other institutions with a history of a few years.

A. Political and Ideological Role of the Commune

China is a revolutionary country. The Communist Party of China led a massive revolution in 1949, and is committed

to leading the country in the direction pointed out by its ideology of Marxism-Leninism. While the ideology is not very specific about the concrete forms development will take, it clearly specifies two broad goals: (1) change in the character of social relations, so that they emphasize equality between people, no exploitation, and a collectivist ethic; (2) economic development.

In the early and mid 1950's the Chinese Communist Party considered that the model of the Soviet Union offered the correct concrete example of how these goals could be achieved. The primary elements of this model (as adopted by the Chinese) were strict discipline, hierarchy, and Party control. This was considered necessary to eliminate bourgeois and feudal remnants of the pre-revolutionary society and to establish firmly new socialist organization and morality. In economic policy, the Soviet model emphasized rapid industrialization, with an emphasis on heavy industry and urbanization. The rural sector was to be squeezed to supply a surplus for industrial development.

By the mid 1950's many Chinese began to have reservations about the suitability of the Soviet model in China. (Eventually they had reservations about its suitability even in the Soviet Union, but we will not explore that dimension here.) The problems were numerous. The Soviet pattern of rigid hierarchical organization seemed too congruent with Chinese traditions, so that it appeared that many undesired patterns of traditional China--such as separation of mental from manual work, aloofness and unresponsiveness of government, lack of participation among the masses--were being maintained and in fact were increasing. From the economic point of view, the logic of emphasizing heavy industry and urbanization and attempting to squeeze the rural sector seemed highly questionable in a country that was 80 percent rural, where a policy of urbanization could help only a minor fraction of the population, and where agricultural production was so low that there was virtually no surplus to be extracted.

In about 1957 the Chinese leadership decided that China would have to find its own road to socialism, a road that better suited its culture and economic condition. The establishment of the communes in 1958 was one element of this attempt. As originally conceived, the commune was an organizational device that would liberate the enthusiasm of the masses and permit production in the agricultural sector to advance rapidly. It was to generate mass enthusiasm, reduce social differences, instill socialist morality throughout rural China. All this would be achieved by self-reliance, i.e. with little need for state investment in agriculture. Most important, from an ideological point of view, the

communes would capture the momentum of social change generated in land reform and collectivization and permit China to advance directly (in an uninterrupted revolution) into an era of communism. From a Marxist point of view, China would become the most advanced society because it was moving through socialism into communism.¹

This vision of rural transformation was inappropriate. On the technological level, it proved impossible to generate rapid, sustained advances in agricultural production simply through more effective and extensive mobilization of labor. Modern inputs (including fertilizer, pumps, high yielding varieties, machinery, etc.) were needed also. From a social point of view, China's peasants simply were not willing to accept a communist economy, i.e. an economy in which each person received income according to needs, with no relationship to how much work each person did.

In 1961-62 the leadership revised its method for leading China to socialism and eventually communism. In broad economic terms, the new strategy was to emphasize development of the rural sector. Agriculture was to become the base of economic development, and the rural sector would have to benefit from development; it could not simply be squeezed for the benefit of urban industries. From the political-social point of view, it was recognized that the transition to socialism and communism would require a long historical process, and in the interim an organizational form would have to be developed which accurately reflected the political reality of rural China, namely that many traditional values remained strong, that there was some basis for collectivism as long as the units of organization were not too large, that there was much socialist consciousness and ethics but that it was tempered with pragmatism and concern for self. The commune system was revised in 1961-62 to reflect this reality, but to also provide a mechanism for gradually transforming the social reality.²

This paper will be primarily a description of the commune system as revised after 1961-62. Some scholars feel that such an emphasis is inappropriate. They believe that the commune in its earlier stage reflected Mao's vision of an ideal society. Changes afterwards were compromises with

¹Byung-joon Ahn, "Adjustments in the Great Leap Forward and their Ideological Legacy, 1959-62," in Chalmers Johnson, ed., Ideology and Politics in Contemporary China (Seattle: University of Washington Press, 1973), p. 258.

²Ibid.

the realities of peasant values, compromises which Mao recognized as necessary but hoped were temporary. Thus these scholars consider the earliest phase of the communes to reflect a goal or target, towards which there is constant pressure and some movement. According to this perspective, the early stage of the commune is the one which merits closest analysis.

My own view (and the way this monograph is structured) is to consider the early stage of the communes as a critical learning experience in China for everyone concerned with rural policy, from peasants to Chairman Mao. Patterns of organization, labor management, and distribution of services and income were tested. Many proposals failed to satisfy the needs and values of peasants and were dropped. After four years of experimenting and testing, a new commune system was adopted in about 1962, and this system has remained quite stable in the following decade, with some significant modifications after the Cultural Revolution in about 1968. The period from 1958 to 1962 shows the learning process that inevitably must accompany the creation of new institutions, reveals a great deal about how policy is made in China and does indicate some of the targets for the future; but this monograph will emphasize the system which was finally adopted after 1961-62, that is, the system which has been in effect for the past decade.

B. Institutional Background of the Commune

A complex, effective organization such as rural communes in China cannot be created instantly from an institutional vacuum, simply because it meets some ideological and political need. Although communes were set up suddenly throughout China in a matter of weeks, they emerged from a specific institutional setting. Some elements of this setting were thousands of years old; other elements were created in the previous few years. Not until the commune took a form that acknowledged the concrete realities of rural China's institutional patterns could the commune become an effective organization.

In Marxist analysis political, economic, and social power are inseparable. Thus it is logical that the communes were formed by the merger of previously existing institutions of political power and economic cooperation. Specifically, the people's commune was created by the merger of (1) rural local government at the township (hsiang) level and (2) Higher level Agricultural Producer Cooperatives. In this section we will examine the background of these two elements which eventually became merged into the commune organization.

1. Natural Villages and Their Integration

The basic unit of settlement in China is, and has been, the natural village surrounded by farm land. There are roughly one million villages, with an average population of roughly 500 people (100 families). However, there is great variation in the size of villages in China. In densely-populated, highly-productive river valleys of south and central China, a village can be several thousand people. In dry, less productive, mountainous regions of north China, a village might have 100 people (20 families) or less, perhaps spread out into three or five hamlets, each with just a few houses. In some regions, where there were few serious natural disasters which forced people to leave home in search of food and land, and where the process of family growth could continue for several generations, most people in a village would be relatives of one or a few family groupings. This pattern was particularly common in south China. In regions subject to frequent natural disaster, where families and whole villages frequently dispersed in search of food, the villages were much less coherent socially. There might be a core of families who lived in a village for generations, but there might be many families who moved to the village in the past few decades. Often these newcomers owned less land and worked as hired laborers. This pattern of settlement was more common on the North China Plain.

The village was substantially self contained. Disputes were mediated by village elders. Cooperation for water management and crop watching (protection against bandits) was arranged within the village. Most food and other products were grown or made in the village.

While the village was largely self-sustaining, it was not isolated from the surrounding villages. Probably within a few kilometers of each village was a market town, where farmers could sell the portion of their crops which they would not consume at home and where they would purchase specialized products. Available at a market town would be items such as soya sauce, spices, cooking oil, meat, special vegetables, cloth for making clothing, and handicraft items, including baskets, pots, ornaments, building materials for houses. Also available would be specialized services, carpenters, barbers, craftsmen, etc. A typical market town would serve about 20 villages with a total of 7,000 people. Very few people would live more than 5 kilometers from the market. It is estimated that in 1949 there were about 60,000

market towns.³ The market was open only for a few hours on specific days. Merchants and peddlers moved from market town to market town on a fixed schedule, so that each market town would have a market on a specific cycle, perhaps every third, fourth, or tenth day of each month.

The market town was the focus for inter-village co-operation. Gentry from the villages served by the market town would meet in the market town's tea houses, interact socially and plan irrigation projects if necessary. The market town would be the center for temple activities and various festivals. Marriages were generally arranged within the social network of the market town.⁴

2. Local Government Administration

During the imperial period, the main task of local government was to collect taxes. To do this effectively required land records, census data, and social stability; so these became subsidiary functions of local government. Local government also had the responsibility of supervising the water distribution system, and sometimes mobilizing labor to repair it. It sometimes maintained granaries to reduce starvation at times of crop failures. Local government also sometimes provided police power to enable landlords to continue to collect rents. In short, the purpose of local government was to maintain the existing patterns of social, economic, and political relationships.

During the Ch'ing dynasty (1644-1912), the lowest level of local administration was the county (hsien) level. A county is quite large, with an average population of roughly 300,000 people. (The counties had less population in previous years.) It can have 500 natural villages. The county magistrate was appointed by imperial government in Peking from a pool of officials who had passed examinations in the Confucian classics (or who purchased their rank). A county magistrate might have been assisted by several hundred (up to a thousand) clerks, runners, servants, and secretaries to keep land records up to date, to collect taxes, to carry messages, and to arrest miscreants.⁵

³William Skinner, "Marketing and Social Structure in Rural China," Journal of Asian Studies, Vol. 24, Nos. 1-3, esp. I, p. 33.; II, pp. 227-228; III, pp. 363-399.

⁴Ibid., I, pp. 32-43.

⁵Ch'u T'ung-tsu, Local Government in China Under the Ch'ing (Cambridge: Harvard University Press, 1962), Chapter 3.

Beneath the county was a bewildering variety of local administrative divisions, the bottom rung of which was often the pao-chia (for police) or li-chia (for tax collection). These ended up by forming groups of roughly ten individuals who would be responsible collectively for tax payments and behavior of each other. The manner in which these small groups were administered varied tremendously from time to time and place to place. Generally speaking, governments sought to avoid using the natural patterns of social organization (village and market town) so that administration would not be dominated totally by the local elite. Only the strongest governments, however, could create alternative patterns of organization. Sometimes the li-chia system for tax collection was based on the natural village, while the pao-chia system was based on an arbitrary grouping of villages.⁶ The result of this was that the local administrative pattern was quite fluid.⁷

During the period of nationalist rule (especially during the 1930's and 1940's), efforts were made to expand the functions of local government. County government was given some responsibility to build roads, recruit people to join the army, and provide some form of village self-defense. Plans were made to democratize county government by having elected councils determine basic policies. However, perhaps to prevent democracy from going too far, some of the most important functions of county government--collecting taxes and administration of police--were removed from the county administration and came under direct provincial administration.

As rural development became more important under the nationalist administration, the sub-country administration system had to be rationalized. Counties were divided into about ten districts (Ch'ü), which were field offices for county administration. In 1949 there were about 19,000 districts.

Also during the nationalist regime townships (hsiang or chen, sometimes translated "administrative village" or "village") were denoted to be the major unit of rural administration and inter-village cooperation. In some regions, the township was established on the basis of the market towns and surrounding villages; for example, in Szechwan a

⁶ Franz Schurman, Ideology and Organization in Communist China (Berkeley: University of California, 1968), p. 410.

⁷ Hsiao Kung-chuan, Rural China, Imperial Control in the Nineteenth Century (Seattle: University of Washington, 1960), esp. pp. 7, 29.

county had 30 to 40 townships.⁸ In other regions, however, the township was much smaller, but were slowly merged. In Honan there were 20,850 townships in 1935; these were consolidated into 1,240 townships by 1948.⁹ In 1949 there were about 280,000 townships in all of China, averaging 140 per county. The average township had four villages.

The functions of township administration are not clear. They collected certain local taxes which went for the salaries of the administrators who collected the taxes. Major taxes were collected by agencies of the provincial government. The townships organized corvee labor for road and water control construction projects. In theory, the township government was elected indirectly by subordinate units, the Pao and Chia. In most places the township administration was dominated by landlords, gentry, and secret societies.

After liberation in 1949, the existing administrative system was used, but it was also modified. The Communists planned a broad program of social and economic transformation, including transferring power from the land owners, the gentry, the secret societies to the poor people who had no or very little land. Land reform and eventual state control over the marketing of food grains were crucial policies in this regard. Thereafter came the establishment of cooperative agriculture. We need not list all major policies of the Communists or specify how they were administered to make obvious the fact that the functions of local government were vastly expanded beyond population registration, tax collection, and police administration.

To carry out their policies, the Communist leadership used all existing organs of administration, including county, district, and township.¹⁰ Communist Party committees were first established at county levels. The new Communist leaders of the county soon appointed personnel to the district offices. As Communist power became more secure, as new recruits came into the Party, and as the tasks of government became more complex, it became necessary and possible to carry out administration on the basis of a smaller unit. Thus the Communist leadership appointed personnel to the township level, who were legitimated at mass

⁸ Skinner, op. cit., II, p. 222.

⁹ Ibid.

¹⁰ A. Doak Barnett, Cadres, Bureaucracy, and Political Power in Communist China (N.Y.: Columbia University Press, 1967), pp. 313-338; Roy Hofheinz, "Rural Administration in Communist China," China Quarterly, No. 11 (July-September 1962), pp. 140-160.

rallies. The township was the unit of administration for land reform, which began in about 1950 in most places.

During 1955-57, many townships were merged, so that their total number was reduced from 280,000 to 80,000. The new unit was called a big township (ta hsianq). Probably in some cases, the big township became coterminous with the former district. In many cases the big township became coterminous with the basic marketing areas. Skinner hypothesizes that in most places the new big township was based on the marketing area.¹¹

In most places in China, it was the big township which merged functions with the units of economic cooperation (which will be described immediately below) to become communes.

3. Organs of Economic Cooperation

Communes represented the merger of government power at the big township level with units of economic cooperation, namely the Higher Level Agricultural Producer Cooperatives (Higher APC) which were formed in 1955-56. In this section we will examine the origin of these agricultural cooperatives.

Agricultural cooperation began with land reform. Soon after liberation, poor and landless peasants were organized and mobilized by Communist cadres to seize land and other property (houses, draught animals, farm tools) from landlords and rich peasants and redistribute these resources. Land reform served several purposes. First, it gave resources to poor people, many of whom were on the border of survival. Second, it socialized the wealth of the rich peasants, making these funds for national economic investment.¹² Third and most important, the land reform destroyed the social and economic power of the landlords and rich peasants. In China, as in most peasant societies, ownership of land is closely associated with social power. Seizing land was virtually synonymous with seizing political power in the Chinese economic and cultural setting.

In the course of land reform land was distributed on a per capita basis. This resulted in many inefficiencies. Families with many small children received more land than

¹¹Skinner, op. cit., III, p. 368.

¹²This argument has been made most forcefully by Lippit, op. cit.

they could manage, while families with older children often had more labor power than could be used effectively on their land. As a result, the Communist leadership advocated the formation of Mutual Aid Teams (MAT) composed of up to ten families, who would exchange labor, helping each other at times of peak labor demand. In reality, this was not a completely new pattern of organization in rural China. There had existed a variety of patterns of labor sharing, by relatives, friends and neighbors in the traditional economy, and in many cases these were simply formalized in the mutual aid teams.¹³ By 1954, 68 million families were participating in mutual aid teams.

Although land reform redistributed land and power, it did not change the basic structure of private ownership. Farm families continued to own, buy and sell land. They would hire labor and borrow money from richer farmers. As a result, there began certain tendencies for the traditional patterns of distribution of wealth and power to reemerge. Poorer families (those without adequate land or labor, or those who lacked skills or knowledge) were beginning to sell their land, borrowing money, getting into debt, and hiring out themselves as laborers. They were on the way to becoming poor and landless peasants again.¹⁴ At the same time, a new upper class was beginning to form in rural areas.

Another problem with the rural situation after land reform was that it was difficult to organize large-scale projects. No individual farmer could afford the modern inputs which were becoming available--water wheels, improved plows, etc. Nor was there a simple mechanism for undertaking construction of water conservancy projects or land leveling and terracing projects.

To deal with these economic, social and political

¹³An excellent summation of this argument is by John Wong, "Peasant Economic Behavior: The Case of Traditional Agricultural Co-operation in China," The Development Economics, Vol. 9 (September 1971), pp. 332-349. See also Susan Horsey, "Mutual Aid Teams, 1949-1955: The Beginning of Socialist Transformation in China's Countryside," Columbia University MA essay, 1968. See also Franz Schurman, Ideology and Organization in Communist China (Berkeley: University of California, 1968), p. 420.

¹⁴Su Hsing, "The Struggle Between Socialist and Capitalist Roads in China after Land Reform," Ching-chi Yen-chiu (Economic Research), No. 7, 8, 9, July, August, September 1965. SCMM 495, pp. 1-18; 498, pp. 1-16; 499, pp. 19-33. Tung Ta-Lin, Agricultural Cooperation in China (Peking, Foreign Languages Press, 1958).

problems the Communist leadership recommended the establishment of lower-level Agricultural Producer Cooperatives (Lower APC). By the end of 1955, 17 million peasant households had joined 630,000 cooperatives. The average cooperative had 27 families. Generally the lower APC was a sub-village unit. In the lower APC farm families pooled their land and tools and managed the land collectively. Taxes were paid collectively and means of production were purchased collectively. The harvest was shared according to a complex formula, by which farmers received one share proportional to the land and other resources they had contributed to the cooperative; they received another share on the basis of the labor they performed for the cooperative in that year.

No sooner were these Lower-level APC organized than some Communist leaders proposed the establishment of larger, more socialized collective farms. Presumably a larger organization would permit even greater ability to mobilize labor for large projects, and would offer greater financial power to purchase agricultural inputs. It would also simplify political supervision that would prevent a new class of wealthy farmers from taking over control of the cooperatives.

This argument won, and in 1956 larger, new cooperatives were established, called Higher-level Agricultural Producer Cooperative (Higher APC). By the end of 1956, 107 million farm families (virtually all the farm families) had joined 746,000 Higher APC. The average Higher APC had about 145 families and was often based on the natural village or on a group of villages. In the Higher APC farmers were paid entirely according to their labor input into collective farming; the share based on contribution of property was eliminated.

4. Merger of Economic and Political Organization-- The People's Commune

After the formation of the Higher APC, there was a certain degree of confusion and overlap between the economic organization (the Higher APC) and the political administrative unit, the township (hsiang). The cooperatives assumed great importance. They organized production, collected taxes, kept track of food distribution, and influenced marketing. What was left for the township government to do? The township could offer political leadership, and make sure that central policies were being followed. It could maintain police services, suppress counter-revolutionaries, and recruit volunteers for the army. However, as the APCs grew into multi-village organizations, it became more

difficult for the township to offer leadership. In some cases the cooperatives actually grew larger than the township rendering the township's leadership quite meaningless. During 1955-56 the townships were consolidated, as we have mentioned, into "big townships" to assure that they would be larger than the cooperatives and be able to offer leadership and coordination over the cooperatives. In 1957 there were about 750,000 cooperatives and about 100,000 townships so that each township on the average supervised seven or nine cooperatives.

In 1958 the same cycle of arguments was repeated. It was again argued that further enlargement of the scale of organization into what would eventually be called a People's Commune would permit better coordination for rural construction projects and better utilization of labor. It would also provide an even larger economic base for financing purchases of agricultural inputs. Further, it was argued that socialization of many household tasks (cooking, washing, caring for young and aged) would release much labor power (primarily of women) for agricultural work. Agricultural labor, it was argued at that time, was the major restraint in agricultural development, limiting the amount of traditional inputs which could be applied. (In my view this assumption was inaccurate; the limiting factors on agricultural productivity were not labor supplies but sources of fertilizer and mechanical energy needed for controlling irrigation water. Not until these inputs were supplied in the 1960's did agricultural production grow rapidly.¹⁵)

Another reason for rural reorganization in 1958 was the fear that the Higher APC's, based as they were (in most cases) on the natural village, were susceptible to take-over by traditional patterns of leadership.¹⁶

Once these reasons became clear and the central leadership accepted them and once Mao Tse-tung indicated his support by saying "People's communes are good!" on an inspection trip, the bureaucratic pressures of lower level and middle level cadres became irresistible. Communes were organized very rapidly throughout rural China in 1958.¹⁷

¹⁵Benedict Stavis, China's Green Revolution (Ithaca: Cornell University China-Japan Program, 1974). This issue is discussed below, Chapter 6A.

¹⁶Skinner, op. cit., p. 385.

¹⁷We can gain some insight into the relative importance of different functions of a commune by looking at the Chinese

When communes were first set up in 1958, they were very large. At the end of 1958 there were 26,578 communes with 123 million peasant households. The average commune had 4,637 households, or roughly 20,000 people. There was, however, substantial regional variation; in the primary agricultural provinces of eastern China the average commune had 7,503 families. In these regions the commune was often made up by merging the cooperatives in two to four big townships. Skinner hypothesizes that since the big townships had by that time been rectified with standard marketing areas, the communes were made up by amalgamating the cooperatives in two or three marketing areas, perhaps an intermediate market with its two subordinate markets.¹⁸ The communes include (on the national average) about 30 cooperatives in as many villages, but in some regions up to 100 villages were included in the commune.¹⁹

The communes that were formed were larger (by roughly three times) than the government administration based on the big township. Rather than consolidate (again) the townships, the central leadership decided to abolish the township as a subdivision of government and to place all local government administration in the hands of the commune. Thus the commune became an organization that combined the economic functions of agricultural cooperatives and the governmental functions of township administration.

Within two or three years it became clear to the Chinese leadership that the communes as originally established were too large for efficient management. They were, therefore, subdivided. By 1963 there were over 74,000 communes, about three times the number that had been established originally.²⁰

characters which we have translated "commune." In the English language, "commune" seems closely related to "communism." In the Chinese language, however, there is no such connection. A commune is a kung-she (公社). The first character means public; the second means organization. The second character she had been used for agricultural cooperatives (ho-tso-she), so a commune (kung she) implies an extension of that organization. Communism (kung-chan chu-yi 共产主义) includes characters suggesting the ideology of joint production. In Chinese language, then (as in French), a commune is more closely related to administrative questions than to communist ideology.

¹⁸ Ibid., pp. 387-393.

¹⁹ Skinner, op. cit., p. 389.

²⁰ Peking Review, No. 44, November 1, 1963.

Skinner hypothesizes that the new, smaller communes were generally based on the previous big township, which were coterminous with marketing areas. Indeed, some Chinese directives and discussions advocated that the new communes be based on the township or on the traditional "farming district," presumably a marketing area.²¹ However, it must be recognized that there is tremendous regional diversity in China. I would suppose that in areas in which the marketing districts were very well defined, there would be a strong tendency for communes to be based on the marketing districts. This would include the highly populated province of Szechwan, where unlike the rest of China, farm families tended to live in isolated farmsteads and not in clusters of villages. This settlement pattern made the role of the market town especially important in integrating surrounding farmers both economically and socially. Indeed, there is remarkable continuity in Szechwan in terms of the number of marketing areas, townships, and communes. The number of basic level organizations has remained constant at about 4,500 and the movement to consolidate townships into big townships of 1956 had no effect in Szechwan.²² In other regions, however the marketing community was not so well articulated. This would include areas with very good transportation, with dense populations, and where a large portion of production was marketed. In such areas farmers would be able to go to several small markets or to a major one, thus rendering their "own" market town of lesser significance. In such regions there would be far less reason to use the traditional marketing community as the social and economic base for the commune.

When the communes were divided in the early 1960's the principle of combining economic and political power was retained. The township was not reestablished as an organ of state power.

After the Cultural Revolution there may have been a

²¹It is interesting to note that during the period of Nationalist rule, many Chinese sociologists recommended that market towns be used as the focal point for development. See Skinner, *op. cit.*, p. 383.

²²Skinner, *op. cit.*, pp. 222, 368, 389. There appears to have been a high degree of coincidence between standard marketing areas and communes in Kwangtung also. Kwangtung had roughly 1,691 markets at the turn of the century and 1,724 communes in 1965. See Skinner, *op. cit.*, fn. 109, and Yang-ch'eng Wan-pao (Canton Evening News), August 19, 1965. Cited in Michel Oksenberg, "Local Leaders in Rural China, 1962-65," in A. Doak Barnett, *Chinese Communist Politics in Action* (Seattle: University of Washington Press, 1969), p. 174.

partial amalgamation of communes. A Chinese periodical in 1973 mysteriously referred to "China's 50,000 people's communes."²³ If China has been consolidating communes from 74,000 to 50,000, this does not mean that the traditional marketing unit is being ignored. Skinner's analysis suggests a decrease in the number of marketing units as transportation improves and as more markets are open every day. Contrary to an initial expectation, increased population need not lead to the establishment of more market towns. Thus it is likely that the commune remains closely related to a changing, modernizing market system. Indeed the very article which offers the figure of 50,000 communes also points out the role of the market town: "A commune hospital is usually set up in a market town or a village in a populated location on a scale determined by the commune's population, geographic features, and incidence of disease."²⁴

To summarize, the communes represent a merger of state power and organizations for economic cooperation. It did not emerge from an historical and social vacuum; it was not simply proclaimed according to a vision of society. It was, instead, intimately related to centuries of economic and political history and to almost a decade of gradually expanding organs of economic cooperation, slowly increasing in size, complexity, responsibility, and degree of socialization. This included the stages of mutual aid teams, lower level agricultural producer cooperatives, and higher level producer cooperatives. This evolution of organization required careful leadership by the Chinese Communist Party and extensive mass mobilization at the village level.

²³Hsin Hua-wen, "Commune Hospitals Grow," China Reconstructs, November 1973, p. 2.

²⁴Ibid., p. 3.

Chapter 3

THE FUNCTIONS OF DIFFERENT LEVELS OF RURAL LOCAL GOVERNANCE

A. Principles of Commune Organization

The broad political situation of leadership by the Communist Party establishes two basic principles with regard to rural local governance. First, given that the goal of political leadership is to change all dimensions of society, there is virtually no dimension of social relations which is a priori outside the purview of the political system. This is in sharp contrast with the Western bourgeois ideal of the state as a mediator of interests and guarantor of a laissez faire system, in which matters relating to the individual are removed, as much as possible, from public policy. A listing of some of the important issues subject to public policy debate and action in rural China will demonstrate the virtually unlimited scope of the political system:

political

1. population registration, vital statistics
2. maintenance of public order, police administration
3. resolution of disputes, mediation and courts
4. control over population movement
5. military recruitment, militia training
6. tax collection
7. style of political leadership
8. class origin of political leadership
9. ideological legitimation of power

social

10. class possession of social and political power
11. status definitions
12. appropriate patterns of intra-family relations
13. role of women, character of inter-sexual relations
14. criteria for, and social patterns of, marriage selection
15. family planning
16. celebration of traditional holidays
17. relevance of social myths and superstitions
18. maintenance and modification of social values

economic

19. construction of transportation and communication facilities
20. construction of water control facilities
21. construction of farm land through earth leveling and terracing
22. rearrangement of farm land
23. changes in agricultural techniques
24. agricultural research and extension
25. agricultural mechanization
26. patterns and extent of industrial investment
27. coordination of industrial facilities
28. supply of labor to new factories
29. modes of production organization, and inter-personal relations associated with production activities
30. research and development
31. patterns of consumption, including distribution of food and many consumer commodities
32. maintenance of food reserves for protection against natural calamity.
33. distribution of credit.

welfare

34. extent and quality of health services
35. style of health delivery
36. extent and content of education
37. style of teaching.
38. procedures by which some students are selected for advanced training
39. care of old and disabled people

(In reality, of course, the Western bourgeois state ends up having policies that regulate many aspects of a person's "private" life also. We need only think of family laws, divorce and child abuse laws, laws regulating sexual practices between consenting adults, labor law, welfare regulations, etc. to realize that the scope of public policy in the West is almost comparable to that in China. Nevertheless, there remains an important difference, namely that in China public policy is expected to help change all patterns of personal behavior, while in the West there remains some reluctance to give the state such power.)

A second feature of the political system is that it perceives itself as a totally integrated system. In theory there is no autonomy at any level of the system. The highest levels of leadership (the Central Committee of the Communist Party and its Standing Committee and the

National People's Congress) have responsibility to determine broad policy in all dimensions listed above. At the same time, however, it is also considered necessary that policies have the enthusiastic support of, and express the needs of, the "people."¹ Thus extensive exchanges, discussions and negotiations between higher and lower levels are needed to make policy. In no dimension of policy can any level of government be autonomous from other levels.

While the principles of inclusiveness and integration shape the political environment of rural local governance, there are important principles which define the aggregate units of people who will take responsibility for political and economic expression. A fundamental concept in Chinese legal practice is that people are organized into "units" (tan-wei). A unit has legal standing; it has a chairman, a representative committee to make decisions; it assumes responsibility for actions of its members.

If it also has economic tasks (and most do), it is also an "accounting unit" (ho-suan tan-wei). The concept of accounting unit is closely connected with Chinese legal (or administrative) practice with regard to ownership of property. It most definitely is not the case that the state owns everything. Rather, accounting units own property. There are three categories of accounting units in China: (1) State Accounting Units. An accounting unit may be part of the government administration. In this case, its property is under the "ownership of the whole people," because the government must represent everyone. These accounting units are funded by the state with money coming from tax funds. There can, of course, be variations in the form of state ownership: it may exist on the province or county level, in which case it would be ownership of all the people in a specific province or county. (2) Collective Accounting Units. An accounting unit may be comprised of a limited aggregate of individuals. Collective accounting units are the dominant types of organization in rural China. Each level of the commune, including the commune, brigade, and team, is a collective accounting unit. Collective accounting units, in principle, do not receive tax funds; nor do they have obligations to people who are not members of the particular aggregate in question. In legal theory, they function somewhat analogously to corporations in capitalist countries. (3) Individuals as

¹In Chinese Communist usage, "people" is a narrow term, including members of those economic classes who support the communist revolution, namely the workers, peasants, petty bourgeoisie, and national bourgeoisie. "People" does not include enemies of the revolution.

accounting units. Although China is a socialist state, there remains much individually owned, private property. The Chinese distinguish between ownership of means of production and ownership of means of consumption. Private ownership of means of production is generally not permitted. A family cannot own a factory or large amounts of farm land. However, private ownership of means of consumption is considered appropriate. This includes household goods, bicycles, the house itself (in rural areas), and a small garden plot for vegetables for home consumption. It may include household animals (pigs, chickens) for household consumption.

Any accounting unit may purchase more property, may have income, may make investments, may keep and utilize its profits, and may maintain a bank account. There are regulations concerning the types of investments each level may make, which we will review in some detail.² One level of organization may under certain circumstances purchase the property of another. The point is that the concept of property is well established, and if property is transferred from one unit to another payment of equal value is expected.³

²For example, under some conditions withdrawals from bank accounts require special permission. John Pelzel, "Economic Management of a Production Brigade in Post-Leap China," in W. E. Willmott, Economic Organization in Chinese Society (Stanford: Stanford University Press, 1972), pp. 411-413.

³We should not give the impression that this rigid accounting developed instantly or automatically. It probably was incorporated in Soviet legal practice, which made a strong impression in China in the 1950's. However in rural areas a delimitation between commune, brigade, and team, a sorting out of property owned by each, and establishment of fixed principles of exchange were not really worked out until about 1960-62. The necessity for a rigid system of property ownership and responsibility was one of the most important lessons emerging from the first years of the commune experiment, to which reference was made in Chapter 2. The crucial document for recognizing communes, brigades, and teams as separate accounting units was the "Sixty Articles," a document essentially serving as the organic law for establishing organizations in rural China. It was first distributed in 1961, and revised in September 1962. It has not been distributed publicly, and there is no published translation available for convenient citation. (A copy was stolen by Nationalist raiders, and made available to interested Western scholars.) In January 1972, China Reconstructs published an article that seems to be a rough summary of these regulations

The result is a very complex situation in which power is decentralized to different levels with regard to different policies. Moreover, the distribution of power changes from time to time. Always, no matter where power is focused, no level of administration is autonomous, and each level will interact with and respond to demands from the other levels.

How can we best describe and analyze this complex pattern of management, highly integrated and differentiated and changing over time? Two strategies present themselves. One would be to analyze each aspect of public policy and specify the manner in which the center and the local areas interact. Alternatively, we could focus our attention on each level of the administration (i.e., the commune, brigade and team) and analyze the role of that level with regard to policy making management on various policies. If we adopt this strategy another question arises: should we start at lower levels and work up, or should we look at higher levels and look down.

In this monograph I choose to look at rural China level-by-level. Moreover, I will start at the lower levels, i.e., at the family and production team. This will enable us to see more clearly rural China as a living, concrete organism, rather than as a group of abstractions. This also reflects my general view that the higher levels base their power to a substantial extent on the lower levels, and that participation of lower levels is crucial in understanding the system. If analysis starts at the commune and works down, there is a chance that the participatory aspects of the system will be overly obscured. (By this statement I do not wish to suggest that the commune has no power. It is, in fact, tremendously powerful; hopefully this will emerge from the description below.) Our discussion will stress the major policies affecting agricultural and economic development, although from the Chinese communist perspective the pattern of economic development is very tightly related to the pattern of social and ideological development.

B. Private Sector and the Family

The private family remains an important economic unit in China, despite the fact that the economy is basically

under the title "Some Basic Facts about the People's Communes." For the manner in which accounting units were set up in rural areas, see Pelzel, op. cit., p. 394.

socialized. The family manages what the Chinese call "side-line production." The production team is supposed to allot from 5 to 7 percent of the cultivated land to families for private gardens.⁴ (Tzu-liu-ti) The land is generally allocated on a per capita basis to a family, but the allocation is usually not changed as family size grows or diminishes through birth, marriage, or death. Generally speaking, on the collective land (the roughly 95 percent of the land which is operated by the production team and which will be discussed in that section) food grain is the primary crop. On the private plots, the family is free to plant whatever it chooses. Vegetables predominate, but fruit trees, tobacco or mulberry trees (for silk raising) are often grown. Families may be granted permission by the production team to open up mountain land as private land.⁵

In some places farm families have decided to operate collectively their private plots, at least to some extent. They have put their private plots together in the same place and can use a tractor (rented from the commune) to plow them all at once. In some cases, planting and harvesting may be done on a collective basis also. In such cases, the harvest is divided on a simple per capita basis, because the land shares in the field had originally been allocated on a per capita basis.

In addition to cultivation there are a wide variety of other private economic "sideline" activities managed by the family but closely related to the collective economy. Families raise pigs, and poultry, including chickens, ducks, geese, (for both meat and eggs). Sometimes they will buy piglets from the commune, brigade, or team which may have a collective pig farm that sells piglets. In some cases, the piglets can be purchased on credit, repayment coming when the hog is marketed. The collective unit may also provide stud service and veterinary service free or very cheaply. Food for the pigs may be household scraps, or straw and leaves grown on the private plot. In some cases the production team may decide to make some animal food available to privately owned animals. The manure of privately owned animals would be used to fertilize the private plots. However, if the production team has supplied some of the animal food, then it might require in exchange animal manure for collective fields. In other cases the collective

⁴A ceiling of 5 percent may have been established after the Cultural Revolution.

⁵Sometimes after a few years these improved lands are integrated into the collective farms. See Pelzel, op. cit., p. 393.

unit may purchase pig manure thereby generating another source of private family income.

Handicrafts represent another important dimension of the family economic system. Activities such as basket-weaving, embroidering, knitting, and tailoring may be done privately, as long as they are done by the household and do not involve hiring labor. (If the scale is larger than a single household then a handicraft cooperative should be set up.)

Other important sources of private income include fishing, hunting wild animals and snakes (for food and medicinal purposes), silk production, bee raising, and collecting firewood. In some places (especially urban areas) baby-sitting can represent an important source of private income for some people.

The produce from private plots and the commodities produced in the private sector may be consumed at home, may be exchanged for products of equivalent value with neighbors, or may be sold at rural markets, where price is established by market conditions. The rural markets are, of course, supervised by the commune, and some of the produce is taxed heavily.

The private sector of the rural economy provides the peasant families with an important portion of their family income. Because it is private, the Chinese government does not gather and publish statistics on it, but data gathered by one traveller in China show that the private sector contributes around 20 percent of family income (see above, Figure 1.3). How is it that 5 to 10 percent of the land can contribute 20 percent of the income, especially inasmuch as the private plots are worked in spare time? Does this demonstrate that private farming is inherently more efficient and productive than the collective farming? I think it does not. The private plots earn so much because they concentrate on fruits, vegetables, and animal products that earn high prices. Table 3.1 shows that the land of private plots produced 2 to 4 times the value per unit of area.

This ratio is not surprising, considering that land used for highly priced products anywhere will produce a far greater cash output than land used for food grains. Table 3.2 shows that land used for fruits and vegetables in Taiwan Province produced a cash income of double or triple that of rice. Land used for animal husbandry probably had an even higher cash return.⁶

⁶The high profitability of private plots does not prove

Table 3.1. Ratio of Incomes from Private and Community Lands

No.	Commune	Net income per hectare of priv. plots (yuan)	Net income per communal hectare (yuan)	Ratios of private and communal incomes per hectare
1.	Evergreen	12,589.0	3,293.3	3.82
2.	Red Star	8,144.0	1,975.5	4.12
3.	Kawkang	1,542.4	768.7	1.99
4.	August First	2,253.7	997.1	2.26
5.	Tsin Yah	692.7	398.4	1.74
6.	Hsin Lung San	345.7	399.1	0.87
7.	Peng Pu	7,320.5	3,412.5	2.15
8.	Hsu Hang	4,109.5	2,030.1	2.02
9.	West Lake	5,967.7	4,725.2	1.26
10.	Tung Chun	1,906.9	1,897.2	1.01

Note: Net income is computed as gross income minus production costs.

Source: Shahid Javed Burki, A Study of Chinese Communes, 1965 (Cambridge: Harvard East Asian Research Center, 1969), p. 38.

As with almost everything else in China, there is undoubtedly enormous regional variation concerning the importance of private plots. Private plots are very profitable near major cities, where urban workers can provide an active market for fruits and vegetables. In other localities, for example Tachai Brigade, a national model for agricultural development, the private plots have been eliminated so that all energies will be devoted to collective production. (Such a pattern has not been recommended for the rest of the country.)

In the long run, the Communist leadership has the goal of eliminating the private sector. This is a political question, involving the movement of society from a capitalist to a socialist and eventually a communist society. However, the leaders realize that China needs a long historical period of progress from socialism (in which people get compensated according to their work) to communism (in which people get compensated according to their needs.) During this historical period, which may last for centuries, the private sector is essential for several reasons. It satisfies the peasants' age-old feelings that private land gives security. Moreover,

at the same time these data do not demonstrate that collec-

Table 3.2. Cash Profits for Land Used for Different Purposes, Taiwan Province, 1970-1971

Type of crop	Total cash profit ¹	Index of land value ²	Cash profit per land value	Index
Rice	40,369	17,500	2.31	100
Special Crops (sugar, tobacco, tea, jute)	45,612	13,071	3.49	151
Fruit (6 varieties)	123,518	24,033	5.14	222
Vegetables (19 varieties)	296,742	41,692	7.12	308

- Notes: 1. This is the total cash profit of all families surveyed growing these crops.
2. This is the total value of interest on land used. This is presumed to be directly proportional to the value of the land, but I do not know how much land is represented by these figures.

Source: Report on an Investigation into the Costs of Production of Agricultural Commodities (In Chinese), Taipei: Provincial Department of Agriculture and Forestry, 1971, p. 6-7.

it offers a way of simplifying the organization and management of what would otherwise be a very complicated sector of the economy, as vegetables and animal husbandry are very labor intensive and require meticulous management. In certain cases private management avoids diseconomies of scale; for example in hog raising concentration of animals can lead to high incidence of cholera. As veterinary work improves and as hog cholera vaccines become more widespread, collective hog raising will be more profitable, but until then much of the animal husbandry industry will remain in the private sector. In addition the existence of the private sector flows logically from the idea that private ownership of the means of consumption (as opposed to means of production) is ideologically appropriate, and that exploitation emerges from the hiring of labor, not from one's own labor. Private hog raising is also simple and economical as long as household scraps constitute a major part of

the hog's diet. For these reasons I have the feeling that the Communist leadership is perfectly willing to permit the continuation of the private sector in the rural economy. It is not just grudgingly making concessions to an unhappy peasantry which yearns for a return to private ownership of land, as is sometimes argued.

For the foreseeable future the Chinese government's problem is one of balancing the private and the collective sectors of the economy. Where and how to strike the balance was an important issue during 1958, when communes were set up and when there were many experiments with social and economic organization. At that time there was a tendency to eliminate the private sector. From 1960 to 1962, the private sector was perhaps overemphasized. The policy adopted after 1962 and followed till present has been that of establishing a balance. During the Cultural Revolution some Red Guard groups advocated the elimination of the private plots, but they were later criticized for ultra-leftism.

During this long historical transition period, there remains a certain contradiction between the private and collective sectors of the rural economy because they both compete for farm family labor. Because of the profitability of the private sector, some farm families devote too much labor to the private sector and not enough to the collective sector. (It must be emphasized that this is not a universal problem.) In theory a man is supposed to work 28 days a month on collective fields; a woman is supposed to work 24 days a month. The private plots are expected to be tended only on days off, early in the morning before work, in the evening after work, and by children and old people who need not participate in collective labor. In general most of the families do participate in the collective economy, both because it has sensible incentives (which will be described below) and because the overall system seems sensible. However, sometimes political and social pressures are brought to bear on individuals who devote too much energy to the private sector. A commune leader has explained how he dealt with such a problem:

In 1960...the pernicious doctrines of the free market and material incentives were being propagated by the capitalist roaders in the Party leadership. There was a free market about 20 li (10 kilometers) away from the commune. I came to learn that some of our members were going to the free market and selling the produce of their private plots at exorbitant prices. They also used to take their hens and eggs for sale. The most grave situation, in this regard, arose in

one of our difficult and poor brigades, namely Yang Fang. Members would take the tobacco grown on their private plots to the free market. The normal price of such tobacco was 1½ yuan per catty, but they would sell it at 6 yuan per catty. The same was true of chickens. If the normal price was 1 yuan, they would get on the free market about 5 yuan.

Now these were dangerous tendencies. Work for the collective was ignored in favor of work on private plots. Profit was put in command. One day I went to the free market to make an investigation. My comrades, who had gone there, disappeared when they saw me. I recognized one person and I asked him: "Why are you here?" He said: "I have come to buy some things." This was not true. Then why did he lie? Because he felt that what he was doing was not right. That evening I went to this comrade's house and I asked him: "What did you buy?" He answered: "Tobacco." I asked: "Can't you grow enough on your own plot?" He did not answer. Then we organized mass meetings in the brigade. We asked, should we rely on private plots or on the collective, should we depend on 5 percent or on 95 percent. All of us cadres went to the various teams and launched a mass education campaign. Gradually, fewer and fewer people went to the free market. We mobilized the masses and started a campaign for production. People's enthusiasm was roused, and we reached a high tide in production.⁷

In a culture where "face" is so important and where the identity of the individual is influenced so much by group evaluation, this type of group criticism can be a very powerful influence on people's behavior.

In addition if a person persists in emphasizing the private sector, and if this behavior is part of an overall pattern of disregarding socialist policies (and violating laws, perhaps stealing fertilizer), the person risks being accused of being a capitalist, revisionist, or rightist. This is quite serious, for such a person can be considered a "Bad Element" and be subject to certain restrictions and losses of freedom. (This is described below in the discussion of the function of the brigade.) In practice, the use of the compulsive machinery of the state (organs of the people's dictatorship against class enemies) are probably

⁷A. Z. M. Obaidullah Khan, "Class Struggle in Yellow Sandhill Commune," China Quarterly No. 51 (July-September 1972), pp. 536-537.

used very, very infrequently in achieving the balance between private and collective agriculture, but they do shape the social-political environment in which these issues develop.

It should be noted that the private sector of the rural economy includes one other important dimension: housing. Farm families own their own houses. (Generally they owned the houses before liberation or were given them during land reform.) When young people get married and want to build a house or expand their inlaw's house, they use their own savings to purchase materials. Neighbors may help with the actual construction. There is often a specialized team of carpenters which is hired to help with the skilled work. The production team may help by assigning land for the house, and by helping to collect building materials. Nevertheless, the house is privately owned, purchased with private funds. (This is in contrast to the urban situation, where housing is rented from the state.) The obvious limitation in this system is that a person cannot legally enter the real estate development business. He cannot build a lot of houses and renovate or sell them at a profit. (William Hinton has described one commune leader engaged in such activity who was severely criticized.)⁸

C. Production Team

The great bulk of agricultural production and income is generated under the management of the production team. The production team, as we have mentioned, is composed of roughly 20 to 60 families living in a natural village, hamlet, or neighborhood of a large village.⁹ The production team--not the individual farmers or the commune--owns the farmland and most farm tools and draft animals. The team's land is basically that which had been owned by the peasant families now comprising the team before the land was pooled in cooperatives. In some cases residents of one village had owned land near another village. To rationalize production and make the land of the production team contiguous, the teams involved would exchange land in such a case. A production team might have 5 to 50 hectares, depending on

⁸William Hinton, "Reflections on China," Monthly Review, June 1973, p. 30.

⁹A team might also include a few families from another village if, for some reason, those families were on much better personal terms with members of the team than with their own neighbors. See Pelzel, op. cit., p. 395.

availability of land and cropping patterns.

The production team, as an accounting unit, functions as an independent economic unit, analogously to a corporation or family farm in a capitalist economy. It engages in production, incurs expenses in the course of production, sells the produce at a particular price, hopefully makes a profit, distributes the profits to its members, and invests some of the profits in efforts to expand production in the future. The production team may also borrow money and purchase commodities. One of the distinctions from a capitalist corporation, however, is that every resident in the area is a member of the team sharing in the profits on the basis of labor contribution, or sharing equally in services offered to members. Benefits are not divided according to distribution of shares of ownership, as in a capitalist corporation. A production team may be considered more similar to a very large family farm, which recognizes the needs and interests of all members, and strives to make a collective profit.

1. Planning Production

One major function of rural local institutions in China is to assure that food and industrial crops can be procured from the rural sector (through taxes and sales) for urban and industrial needs. This function is fulfilled through the formation of a national economic plan which calls for production of certain crops. Actually, the plan has three components. For certain crops, including food grains, cotton, soya beans, and oil bearing crops, there is virtually a total state monopoly on purchasing. All production (with the exception of what is retained for consumption in the rural areas) is sold directly to the state at fixed prices. (Produce above the original planned target may bring a higher price.) For other agricultural products, such as fruits and vegetables, hogs, fish and other products, the state sets targets for minimum purchases. Production above the targets may be sold at open markets. A third category of produce includes some vegetables, chickens, and other products; for these the state has no specific targets. These products are marketed freely.

The state's plans for the first two categories are broken down into specific targets for each province. The provinces assign quotas for the counties; the counties pass along goals for communes. The communes, in turn make allocations for different crops to brigades and teams. The plans include quotas for total grain production, local grain consumption, deliveries of grain to the state of both taxes and required sales, utilization of fertilizer, and

production of various diversified crops for each team.

The production plan is generally based on the policy "Take grain as the base and have all-round development." This means that each production unit should first concentrate its efforts on growing enough food grains to satisfy the needs of its members and to sell some to the state. Then it should diversify agriculture into fruits, vegetables, and animal husbandry. Because the plan roughly fixes the balance between grain and diversified activities, it strongly influences the cash income of team members.

Generally the plan does not have to be followed rigidly. It is more of a reference guide than an order. It indicates how food and other needs can be met, and outlines a floor for production. The production team has a certain discretion in developing ways of exceeding targets of the plans. The most rigid parts of the plan are the quotas for sales and deliveries of grain to the state, and even here there is room for some flexibility. The plan may specify that deliveries be made with rice, but a team may get permission to make part of this delivery in sweet potatoes or cash instead.¹⁰ How much power does a team have in shaping the plan? There is no simple answer. In developing the plan from year to year, targets and quotas are not simply passed down from level to level without discussion and adjustments. A province or county may insist that it cannot meet a particular goal until it has received investments in water conservancy or more fertilizer. A production team is supposed to have a mass meeting of all members to analyze the proposed plan, and consider whether it is reasonable. If not, the production team may protest and ask the commune to reassign tasks. Generally plans are based on production in previous years. Production of a certain crop may be expanded somewhat, or experimentation with a new crop may be suggested. Drastic changes from year to year would, of course, be impossible.

In practice, the targets for deliveries of food grains to the state appear to be fixed for a certain number of years. The number of years varies from time to time and place to place; I have seen references to fixed plans of three, five,¹¹ and ten years.¹² Presumably after that time this dimension of the plan is renegotiated.

¹⁰Pelzel, op. cit., p. 397.

¹¹Stavis Diary, May 2, 1972.

¹²Pelzel, op. cit., p. 392.

In the negotiations for formulating the annual plan, the higher levels of government have certain important powers. If the team is grain deficient (either because of dense population and poor agricultural conditions or because of specialization in market crops) then the higher levels of administration have strong leverage because they can link supplies of food to production plans. Even if a team grows enough food, the higher levels still have certain strengths in bargaining; they can relate fertilizer deliveries to production plans. They can also influence production of vegetables by promising (or refusing) to purchase the produce through the state marketing agencies.

The production team may be influenced by such factors, but it will also take into account the prices of different crops and the profitability of different production plans. Indeed, agricultural commodity prices are very important factors in determining the agricultural plans, and the state occasionally adjusts farm prices as a way of encouraging teams to adopt production plans which are more consistent with national development plans. The production team may also take into account the simple fact that the state needs production of a certain crop, and may wish to support the state's development plan, regardless of local financial consequences.

While the various higher levels of government have these levers vis-a-vis the production team, in the final analysis the production team decides what to grow. It cannot be forced to grow a crop at bayonet point. One story is available about how officials in Peking demanded that a commune switch its production from two crops of vegetables and one crop of grain each year to three crops of vegetables, in order to supply more fully Peking's vegetable market. Commune officials, fearing a shortage of labor power for the more labor intensive vegetables, flatly refused. Some commune officials lost their jobs, but some of the production units still refused to grow three crops of vegetables. Eventually vegetable production was increased after scientific research and experimentation.¹³

We should note that the power of the state in developing the plan varies also according to the crops involved. The state's plans are quite rigid with regard to food grains, cotton, and oil-bearing crops. However, the production team has extensive powers to expand production of fruits and vegetables, and animal husbandry, especially after the grain plan has been satisfied.

¹³Khan, op. cit., pp. 537-538.

2. Managing Production

When it comes to the day-to-day management of agricultural production, including decisions of when to plant, which fields to fertilize, when and how much to irrigate, how to control pests, the production team has substantial autonomy. For a while around 1958 the higher levels of administration tried to issue specific directives on field management, including depth of plowing and manner of planting. There was, however, no way that a central administration could deal with the highly localized needs of agriculture in an efficient manner. Overcentralization at that time contributed to agricultural problems. Since that time, the production units have been given almost complete autonomy to take care of field management, especially in those matters which do not affect neighboring production teams.

Generally, old, experienced peasants and young, technically trained people are consulted on field management questions. It is common for the production teams to carry out a variety of experiments on its own fields to ascertain which seed variety is best, how to utilize chemical fertilizer most effectively, and how to control pests. The commune or county, through its agricultural extension services and training programs, may offer suggestions on field management. They cannot issue orders.

An indication of the autonomy of the production team with regard to managing agricultural production is the fact that the "Sixty Articles" provide that the production teams may not be forced to purchase agricultural inputs which the teams do not want.

While the teams are basically autonomous with regard to field management, they cannot be completely autonomous. Water management and pest control are frequently coordinated on a larger scale, perhaps by brigade or commune, depending on the technical requirements, because the activities of one team will often affect the neighboring teams. Also certain agricultural inputs, especially fertilizer and sometimes machines, are rationed out to the production teams, so that they cannot unilaterally decide to increase the utilization of such inputs.

3. Labor Management

The production team has substantial autonomy with regard to organizing labor for agricultural production. However, there are certain (changing) guidelines under which it

operates in this regard. Generally, all members of the team are considered to be members of a labor pool, and the team leaders assigns labor to each person each day. This may be done with the assistance of a bulletin board, where each person's assignment for the day is posted.

Sometimes, the team may assign labor in a very different way. It may assign responsibility for agricultural production on a certain plot of land to one or a few families. Sometimes the land is virtually auctioned off on a semi-permanent basis to the families on the basis of commitments to supply a particular part of the agricultural plan. Central guidelines now strongly discourage this practice, on the basis that it is too similar to private agriculture. However in the early 1960's this system was fairly widespread.¹⁴ (Central guidelines still encourage assignment to the household of responsibility for animal husbandry, so that very often this dimension of the collective economy seems indistinguishable from private animal raising.)

In short, the production team has total autonomy in organizing and assigning labor as long as it does not permit a pattern to develop which higher levels interpret as being analogous to capitalism. If this happens, then the production team finds that the guidelines are quite rigid.

4. Making Investments

In making investments in the agricultural economy, the production team has substantial autonomy, but operates within certain guidelines from higher levels. The general guidelines, spelled out in the "Sixty Articles," are that the teams should invest in expanding agricultural production, but that the size of the investments should be limited to less than the increments of income, so that consumption will always rise. A figure of 3 to 5 percent was suggested in the "Sixty Articles," although it was recognized that investment might be reduced in teams which have suffered severe natural disasters.

The most common and important type of investment

¹⁴This system was the "Three freedoms and one guarantee" system supposedly advocated by Liu Shao-ch'i. How widely adopted it ever was is a matter of substantial debate. However, many Chinese officials have told me that it was merely proposed, but not adopted widely. In one variant it was adopted for a time in the locality studied by Pelzel (op. cit., p. 408).

generally has been investments of labor to expand or improve farm land. Land is reclaimed from mountains, uncleared areas, or river beds. Construction of terraced fields have been especially important in the expansion of cultivated land. Sometimes, soil is carried up mountains to build up terraced fields. Improvements are made to existing land by leveling it, so it can be irrigated more efficiently, or digging drainage ditches, so that irrigation can be done without increasing the salinity of the soil. Labor is also used to dig irrigation canals, to build reservoirs, and to dig wells for underground water. Since these types of investments do not involve external resources and do not affect neighboring teams (this is not always true about water construction projects), they are decided entirely by the production team. The commune may offer leadership by showing the team how certain helpful projects have been carried out in other teams. The commune may also warn a team that its investment program is too ambitious. In the final analysis, however, the team decides for itself whether or not to progress with these types of labor-intensive investments. In practice, these labor-intensive construction projects have been quite widespread because the system of collective ownership of land simplifies their organization and management. Such projects have literally changed the face of China and contributed a great deal to growth in agricultural production.

When it comes to investments in various machines, again the team is basically autonomous. It can decide to purchase a mechanical pump, a thresher, a small garden tractor, or a milling machine, etc. However, some of these machines are often rationed out by the commune or county. Thus after the team decides it wants to buy a machine, it may have to wait a while until one is available. This may involve a long wait, especially if electrification is required first.

A team may also decide to invest in some form of diversified production. For example, it may wish to build a fruit or vegetable garden; a large, collective pig sty; a factory for making bricks; a farm tool repair shop; factories for processing food (flour mills, oil presses, bean-curd factories); factories for making handicraft products including paper and clothing; or it may wish to purchase transportation vehicles and engage in rural transportation. Any of these activities may contribute a great deal to the production team's cash income. If the diversified activity will be related to the activities of surrounding teams (i.e. of the bricks or paper are expected to be sold in other teams, or if transportation services will be offered to neighboring teams, or if the tool repair shop will serve more than one team), then of course the team must consult with the brigade and commune before making its

investment. In theory the team has the legal power to make the investment, but it will not do so until appropriate consultation assures that the product will be sold at a profit.

5. Distribution

The bulk of a peasant family's income (all except the private income discussed above and income from part-time industrial work, generally away from home) comes from the production team as payment for labor in collective production. Thus the manner in which the production team pays its members is very important. It shapes the life style of the farm family and the nature of individual and collective incentives for efficient production. Production teams operate under fairly specific guidelines from the highest levels of authority in China when it comes to distributing income. They do, however, have certain limited scope for adjusting the guidelines to fit local customs. The extent of this flexibility is controlled by the central leadership, and is widened or narrowed from time to time.

The basic principle is that team members receive a share of the net profits of the team according to their labor contribution. The amount of income which can be distributed to members is determined as follows. First the gross value of production is computed. This includes the value of all produce, including that which is given as tax or sold to the state, that sold at local markets, and all agricultural produce distributed directly (by ways of be discussed below) to team members as food. From the value of gross production is subtracted overhead and production expenses. One overhead expense is tax payments. In 1952, the central government levied a land tax, generally about 5 to 10 percent but going up to 30 percent in different places, according to political conditions and productivity of land.¹⁵ When land was pooled in cooperatives in 1956, the cooperative assumed the burden of tax payment. The production team has assumed payment of the taxes since 1958. The amount of tax has remained constant as production has climbed so the effective rate has actually decreased. In some wealthy localities, the taxes may have been increased in 1961, 1964, or 1971.¹⁶ Cash payments for production

¹⁵"Directive of the State Council Concerning the 1952 Agricultural Tax Work," Chung-yang Jen-min Cheng-fu Fa-ling Hui-pien, 1952, pp. 102-105.

¹⁶Joan Robinson, "For Use, Not for Profit: A Report on a Recent Visit to China," Eastern Horizon, Vol. XI, No. 4 (1972), pp. 6-15, available in Milton, Milton and Schurmann, People's China (N.Y.: Vintage, 1974), p. 56.

expenses are also deducted. This includes payment for fertilizer, insecticides, electricity, machinery, purchases of animals and tools, rental of tractors, payments for tool repair, and similar expenses. It would also include cash payments to day laborers from other production teams, if there were any. Production expenses do not include costs for labor of production team members. Production team investment funds (to be described below) are also subtracted from the gross income. Finally, the team may set aside some grain for reserves. After all these deductions are made, the remainder is the net distributable income.

This is distributed to members of the team in proportion to their labor. In principle, each member is credited with "work points" (kung fen) for each day's work. The number of work points is proportional to the difficulty of the job, with the most difficult jobs receiving 10 work points; the easiest jobs, perhaps 5. At the end of the year each person's number of work points is totalled. In addition, the total number of work points for all workers together is computed. This latter number is divided into the total net distributable income to compute the value of each point. Then each person's wages are computed by multiplying the value of a single point by his total number of points.

In practice there are two important caveats. First, during the year, team members are given advances on their accounts, so that when the computations described above are made after harvest, adjustments are made to the cash advances. Second, during the year the production team distributes to its members certain commodities, including food grain, cooking oil, etc. (This will be described below.) The cash value of these commodities is subtracted from the family's account. (Peasants pay for their food at the price the government purchases food.) It is possible for a family to have consumed more food than its income, and in such a case the team welfare fund would cover the deficit, but the family would receive almost no cash income. Sometimes the family would be expected to repay the grant in the future.

What has been described above are the guidelines established by the central political authorities. It remains the freedom of the production team to decide (within broader guidelines) how to compute the number of work points for each member, and how to distribute food and other commodities. A variety of systems have been and are being used. One way of computing work points has been to establish the work point value of each specific task, for example weeding, transplanting, carrying water or produce, plowing,

harvesting, caring for and feeding collectively owned draft animals, etc. Each person then receives the number of work points in accord with what job he does each day. This system is conceptually simple, but has certain difficulties. It is difficult to grade each job, and some people often tried to get assigned to jobs with relatively high work points values. A second way of computing work points is to determine the capacity of each member for work. Stronger men might be graded as First Level Labor Force. Weaker men and women might be Second Level Labor Force. It might be assumed that a Second Level Laborer can do 90 to 95 percent the work of a First Level Laborer; it might be assumed that each farmer uses his full energy each day he works, so his total work points are computed by multiplying the number of days worked times the number of work points associated with his labor level. These two systems can be combined in a manner by which the number of work points for each job is weighted by the labor level of each worker who performs the job. Thus a full day of harvesting by a First Level Labor Force might be worth 10 work points, but a full day of harvesting by a Second Level Labor Force might be worth 9 or 9.5 work points.

Another way of computing work points, which was developed at Tachai Brigade (a national model for agriculture) and thus called the Tachai system, is for each person to give a subjective evaluation of his own contribution at a public meeting. His evaluation should take into account his physical strength, his technical ability, his diligence, and his spirit of participation (political attitude). All members of the group may criticize each person's self evaluation, and the work points awarded to each individual are then determined by group agreement. Such meetings may be held at any interval; at first they were quarterly, but as the members understood the system the meetings were spaced annually.

Yet another way of computing work points is to associate a certain number of points with a particular task, instead of with a time interval. For example, planting or harvesting a particular plot of land might be given a certain number of work points. How long a person takes to accomplish the task is then irrelevant.

The central authorities discourage adoption of this last system, which seems somewhat like piece-rate wages; and encourage the adoption of the Tachai system, which takes into account political attitude. However, in the final analysis the production team--generally at a meeting of all members--decides for itself how to compute work points. The main rule is that the number of work points be

related in some fashion to the amount of work performed.

It must be emphasized that the evolution of a work point system has been very slow and complicated in China. Some places began using work points as early as 1950 to keep track of labor exchanged in the Mutual Aid Teams. In most places in China, work points were used in the co-operatives, established in 1956 and before. Thus by the early 1970's work points had been used for about two decades and were familiar to the Chinese peasants. It took several years for peasants to learn the system, for book-keeping procedures to be established, for accountants to be trained, and for different types of accounting systems to be tried and modified or discarded. A work point system cannot be adopted overnight anywhere.

The production team also handles the distribution of food grain to its members, as suggested above. Beginning in 1954, food grains have been rationed in China. Urban residents are allotted a specific quantity of food grain each month, according to their requirements and the overall availability of food. They are given ration books which must be presented at specific grain stores, and in which all purchases are recorded. (The main purpose of the ration system is to assure that food is distributed equally to everyone in China, and to guarantee that no one goes hungry. An important side-effect is that the ration system contributes to control over population movement. Rural people cannot freely migrate to cities and look for jobs; they first must apply for permission and receive a ration book usable in the relevant city.)

In rural China the food rationing system is administered in a different fashion. The size of the food ration is worked out by negotiation between the production team and higher levels; the manner of distribution is worked out by the production team. The size of the ration is worked out when yearly production plans are made. The production plans include specific plans for delivery of grain as taxes and for sale of "surplus" grain to the state for cash. Obviously, the amount of grain left over for food is inversely related to the amount of grain delivered to the state. In negotiating the production plans and grain deliveries, the state uses two criteria. First, the availability of food should be roughly similar throughout China. Thus, areas with very high grain production are required to sell a lot to the state, while areas with low grain production are not expected to sell as much. Secondly, if grain production rises in a production team, the members of the team should be able to eat more. (If natural disaster strikes, the obligation to sell

grain to the state can be lifted; if the disaster is serious the state may in fact give the production team relief.) These criteria mean that food consumption is somewhat similar everywhere in China; that it is rising especially in production teams which have increased grain production; and that it will vary somewhat from place to place and from year to year.¹⁷

Delivery of grain to the state should not be considered as exploitation of the rural sector by the center. First, most of the deliveries are sold to the state for cash, and this provides the cash income to the farmers needed to purchase various commodities for daily use. Second, the terms of trade between agriculture and non-agricultural sectors must be considered. Some people have argued that the price of grain which the state purchases is too low, and this constitutes exploitation of the rural sector. While it is true that the black market price for food grains is higher than the official price, it is also true that industrial products purchased in the rural areas might well have a higher price if a free market existed. Finally, the system of grain deliveries provides insurance to all against natural disasters and crop failures which have plagued the rural sector for thousands of years.

How the production team distributes its food to its members is decided by the team. Generally the production team will develop a list showing the maximum amount of food grains each person may have. This maximum takes into account the age, sex, and level of physical activity of each person. Then each person is given automatically a certain proportion of the maximum, somewhere between 50 and 80 percent. (Actually, this food is not "given," but it is charged to a family's account.) The person receives this food, which is enough for maintenance of life, regardless of what he does. The remainder of the food is distributed in proportion to one's labor days. Thus a person who works the required number of days in collective labor will receive the full, maximum amount of grain; a person who does not contribute fully to collective labor (perhaps he works on his private plot) will get something between the automatic distribution and the maximum. The production team decides for itself what portion to distribute automatically and what portion to relate to labor input.¹⁸

¹⁷ Actually, as mentioned above, targets for deliveries to the state are fixed for several years, so that a team may keep all the increments. Then the plan is renegotiated.

¹⁸ In Tachai, the national agricultural model, a system was used as described above, in which grain rations were determined both according to need and according to labor. At one

Rations are supposed to be distributed to team members at the time of harvest. Each family stores its own grain for the year.

In distributing cash and food, the production team is expected to make special provisions for families which lack adequate labor power to assure reasonable incomes. The "Sixty Articles" specify that up to 2 or 3 percent of the total distributable income should be used for a welfare fund to assist the elderly, weak, orphaned, widowed, and disabled. Family members of martyrs, soldiers and disabled soldiers with difficulties also receive assistance. In addition families with many children or old people and few people of laboring age can get help.

This distribution system has several implications. First, because the number of work points people receive is based on the amount of labor performed, there is an incentive for the individual to work more. Second, because the value of each work point is determined by the net profitability of the team, everyone in the team has an incentive to raise the team's profits. Third, the distribution system assures that everyone in the team benefits from agricultural innovations applied to the team's land. If high profit crops are planted, or if some land is suited for application of chemical fertilizer, everyone shares in the benefits. The distribution system is carefully and consciously designed to provide economic incentives to both the individual and collective, while at the same time providing a mechanism to assure that everyone's basic needs are met and that everyone benefits from economic development. The Chinese leadership realizes that during the socialist phase of development, economic incentives of this sort are necessary.

6. Team Members Away from Home

Being a member of a production team is a formal affiliation. All farmers living in a particular area become

point, there was a provincial regulation specifying that grain should be allocated on a per-capita basis, but the people in Tachai simply refused to implement such a system. They argued that it was phony equalitarianism, not in conformity with the principles of socialism or with Mao Tsetung thought, and could only hamper production. Later Tachai switched to a system in which people declared their needs for grain at a public meeting. See Gerald Tannebaum, "The Real Spirit of Tachai," Eastern Horizon, Vol. X, No. 2 (1971), p. 29.

members of that team. Most will remain in that team for their whole lives. This semi-permanent affiliation system has certain contradictions in an industrializing society, where some people are moving from farm employment to the industrial sector. When the demand for industrial labor cannot be satisfied from the urban areas, a factory will inform the Labor Department, which may invite communes in the region to each supply a certain number of workers. The communes, in turn, will ask each team to supply its quota. The team will select some of its members for these jobs. (Because urban living is more comfortable in certain ways, there is usually no difficulty in finding volunteers for these industrial jobs.) The household of such a person is considered a "Doing industrial work household" (kan kung hu).

When these people go to the factory, they often remain members of their original production team and are considered "temporary workers." In such a case the factory remits the salary of the worker to his production team. The production team then pays its worker-member on the basis of work points, allotting a certain number of work points for industrial labor. He gets paid about the same as if he had remained in the agricultural sector. His food rations are similarly related to his home production brigade.¹⁹ (Because his rations are related to the team's reported production, his relatives have a special interest in assuring that the team does, in fact, report all production, and does not permit distribution of any grain before accounting.) Grain which he purchases at the urban grain shop is eventually charged to the production team's grain account through a complicated correspondence between the grain shop, the rural Grain Bureau, and the production team.

This system has the effect of spreading to all members of a production team the benefits of higher salaries in the industrial sector. Moreover, since the person who moves to the city continues to get the same wages as if he had remained in the countryside, the system reduces pressures for migration to the cities. The system has, however, an important element of irrationality. It means that often people doing the same work in a factory are receiving very different wages. This undoubtedly can lead to resentment, and did during the Cultural Revolution when temporary workers often played a very active role.

¹⁹ Actually these arrangements can vary a great deal from situation to situation. The experiences of a man who left his village to undertake transportation work is related by Jack Chen, A Year in Upper Felicity (N.Y.: Macmillan, 1972), p. 270-72.

In some cases temporary workers probably eventually become regular, permanent workers attached to the factory and not their original production team. I do not know how long this takes or how the transition is made. In other cases, the temporary workers are indeed temporary and return to their rural work after a set time, perhaps a few months or years. There may be a rotation system, in which the production team sends some other member to replace him as a temporary worker.

7. Incentives and Scale of the Accounting Unit

In this system of compensation, an individual's income depends on two factors. First, how hard he works; this influences the total number of work points he accumulates. Second, the inherent profitability of the economy of his accounting unit; this determines the value of each work point. It is obvious that the precise definition of the scale of the accounting unit is of crucial importance to the system. The scope of the accounting unit determines whether profitable or unprofitable agricultural regions are included, and these will sharply influence the value of the work point. Moreover, if the accounting unit is large, then each person's efforts will make relatively little impact on the total profits; in a small accounting unit each person's contributions are noticeable. The people in an accounting unit share with each other the benefits and disappointments of nature, and contribute directly to each other's well being or difficulties.

When communes were first set up, the commune itself encompassing 20,000 to 50,000 persons was the accounting unit for agricultural production. This turned out to be inappropriate because people in a commune did not feel close enough to each other to share the benefits and problems of their own land, and the products of their labor. People in traditionally wealthy, productive villages were especially unhappy at having to level their income with people in poorer areas. To use the Communist terminology, their "labor enthusiasm was influenced." This is an elegant way of saying that they stopped working and went on a sit-down strike.

In 1961, regulations were issued specifying that the brigades should be considered accounting units, but the scale was still too large. Then the "Sixty Articles" of 1962 specified that the production team should be the accounting unit for agricultural production in most cases. There were, however, some brigades which continued to function as accounting units, and even a very few communes

which also functioned as accounting units for agricultural production.²⁰ These determinations were made locally and approved by higher levels. The level of accounting was registered with the government and has remained essentially the same until now.

Sometimes it happens that members of several teams feel that accounting at the brigade level would be more sensible. This would happen when two conditions are met. First, all the teams in a brigade have to have about the same standards of living, and the same value per work point. This means that no group of people will suffer from the adoption of a larger accounting unit. (It is possible to merge teams of different productivity by applying a correction factor to the value of the work point in certain, less productive parts of a large accounting unit.) Second, there must be substantial brigade enterprises (to be described below), which employ many people throughout the brigade, and which contribute to the economy throughout the brigade. In such a case brigade accounting can be more simple and efficient. If members of a brigade want such a change, they must apply to the county or commune for permission. Higher levels will investigate to make certain that the masses do in fact want such a change and it is not desired only by the leaders. The higher levels do not have the power to merge accounting units arbitrarily into larger accounting units.

In the long run, the Communist leadership has the goal of expanding the accounting unit from the production team to the brigade, commune, and eventually the entire state. A recent Chinese article described the expected process:

As time goes on, the dictatorship of the proletariat will become more consolidated, commune members' socialist consciousness will continue to rise, the collective economy will become still stronger. The relatively poor production teams will also gradually reach the economic level of the better-off teams, and farming will become more and more mechanized. With these prerequisites, in time the production brigade, and eventually the commune, will become the basic accounting unit. The system of collective ownership

²⁰Of course every brigade and commune is an accounting unit, but in the context of this paragraph I am referring to brigades and communes which do accounting for agricultural production on a brigade or commune level.

will eventually be replaced by ownership by the entire people (the state).²¹

How long this process will require is never stated, but implicit is the idea that it will be a very long historical process. It might take centuries. The "Sixty Articles" of 1962 stated that the production team would remain the accounting unit for at least 30 years, and there is no indication that the leadership expects a more rapid transition to accounting on higher levels.

8. Summary about Production Teams

The production team serves to organize agricultural production. In a broad sense, it integrates the individual peasants with the production plans of the state. In addition the production team plays a crucial role in maintaining the economic system of socialism. It manages the collective agricultural economy, makes sure that private farming while allowed, is carefully regulated. The production team also manages consumption, distributing the bulk of income to the peasants, making sure that everyone shares in the benefits of modern technology, and guaranteeing that everyone's basic needs are met. It assigns land for housing construction and may help find building materials.

The production team does not, however, serve as a focal point for structural change in the rural economy. It does not invest in industrial facilities and is only marginally involved in agricultural diversification. These tasks are carried out by higher levels, as will be discussed below.

Moreover, the production team does not organize social services for its members. It does not sponsor schools, clinics, recreation, etc. These are managed by the brigade and commune. (For a brief period when communes were first established some teams organized community dining rooms, but these were impractical and were soon abandoned.²² In

²¹ "Some Basic Facts About the People's Communes," China Reconstructs, January 1972, p. 12.

²² An excellent description of the establishment of community dining rooms, their advantages and problems is offered by Isabel and David Crook, The First Years of Yangyi Commune (London: Routledge, 1966), pp. 151-158.

However, community dining rooms were not established everywhere. In Liuling, the system was never tried. The commune

some cases the team organized funerals for its members, thereby removing from the deceased person's family what had been a serious financial burden before liberation.)

One of the great mysteries about China is the extent to which production teams may be similar to traditional forms of organization in China. Are production team members related, or all members of the same clan? Could that be one reason that production team members are willing to pool their economic resources? Communist sources offer little discussion on this question. As with everything else in China, a partial answer is that there is great variation, and undoubtedly in some localities there is overlap between the traditional social structure and the production team, while in others there is not. The Chinese Communist view is that when class conflict within the villages became the salient political issue, clan loyalties melted away.

D. Brigade

The brigade (which typically is a village or multi-village unit comprising about 10 to 20 production teams) serves four major functions: (1) coordination of agricultural production activities of the teams, (2) provision of certain means of production to the production teams, (3) investment in agricultural diversification, and (4) provision of certain social services.

1. Coordination of Agricultural Production

One major responsibility of the brigade is to draw the geographic boundaries of the production teams which have been described above. It is common for the brigade to attempt to delineate production teams so that the teams of a brigade are about the same size in terms of population,

director explained:

Where free food is concerned, we felt that the system would not suit us, for several reasons. This is a poor and hilly part of the country; nobody would want free food; it would have meant altogether too much trouble arranging dining-halls and seeing that everybody got food. Therefore, it was never discussed. Neither we nor the farmers thought it at all a good idea.

Jan Myrdal, Report from a Chinese Village (New York: Pantheon, 1965), p. 369.

farm land, and agricultural diversification.²³ (In addition the teams have to be made up of families which get along together.) Obviously the brigade must make this division in close coordination with the teams, and the division must be examined by the commune, but basically it is a brigade-level responsibility.

A second major function of the brigade is to coordinate the annual production plans of the teams with the state plans for agricultural production. The commune assigns to the brigade quotas for delivery of grain and for sales of various other crops. The brigade helps assign these various targets to the production teams. (One reason for making teams equal is to simplify the assignment of targets within the brigade.) If the teams in a brigade feel the targets are unreasonably high, the brigade may negotiate with the commune for reduced targets or increased agricultural inputs. The power of the brigade in such a negotiation situation is related to many factors, including the strength of feelings at the production team level, past performance of the teams in the brigades, and the political and personal qualities of brigade leaders. The brigade plays a similar role with regard to allocating certain agricultural inputs to its production teams. These would include fertilizer, pumps, and similar inputs which are in such high demand that they have to be rationed out.

2. Provision and Creation of Agricultural Inputs

The brigade plays a significant role in generating new inputs for agriculture. The construction of irrigation and drainage projects is most important. The brigade will develop plans for small and medium scale reservoirs, canals, deep wells, etc. It will find out if the production teams desire such a project. If they do, the brigade will organize labor and materials for the construction project. It may request support from the commune and county government. If some teams will benefit more than others (e.g. from an irrigation canal) the brigade will recruit labor proportionally from the teams in accordance with anticipated benefits. In construction projects of this sort, laborers will probably be paid by their own teams.

Brigades may also build a farm tool repair shop to service its production teams. Such a shop might include blacksmithing equipment, a lathe, drill press, and electric welding equipment. Teams pay the repair shop for its work.

²³This was the practice in the locality studied by Pelzel, (op. cit., p. 395).

Brigades also purchase medium-sized agricultural implements, including tractors, trucks, pumps, processing equipment, electricity generating equipment, etc. They may also maintain stud animals, seed farms, and experimental plots.

3. Investment in Agricultural Diversification

The brigade often plays a very important role in agricultural diversification. The brigade may create, own, and manage the growing of high-value crops. For example, the brigade may have a large vegetable plot or fruit orchard. Similarly, it may build a large pig sty, horse-breeding farm, or dairy operation. To a certain extent these types of activities compete with the family-based private economy described above. This is deliberate. When a particular crop becomes very profitable, the Chinese feel that it should be collectively managed, so that the profits from these high-value crops are available to everyone in the collective unit; not just to the families with the skills and initiative to grow them. However, there is also a certain degree of mutual assistance between the collective and private economies. The brigade-run piggery, for example, may sell piglets to families for private raising. The income from the brigade-managed agricultural activities is available for distribution to members of the brigade, for increased investment, and for brigade services, which will be described next.

The brigade may also play an important role in food processing industry. It may run the flour mill and noodle factory, for example. In addition the brigade may make investments in some local industries, for example, brick and tile kilns. A brigade could also establish a small factory for making or processing traditional fertilizer or insecticide.

4. Brigade Social Services and Public Administration

During the first years of the commune movement, brigades sometimes attempted to organize many social services. These included nurseries, kindergartens, sewing centers, and sometimes old-age homes. Generally speaking these projects did not work out, and the families resumed primary responsibility in all these fields of activities.

The role of the brigade in overseeing certain social services has expanded since the late 1960's and the Cultural Revolution. It now is likely to maintain a health station, staffed with two or three "bare-foot doctors," i.e. paramedics. The brigade health station is expected to care for "ordinary sicknesses," and refers "serious, acute and

difficult cases" to the communes, county, or province hospital. The brigade health station can prescribe drugs. With the assistance of surgeons from the commune hospital, it may do minor surgery.²⁴ The brigade health station functions under close supervision of the commune hospital (and, presumably, the county health department).

The brigade will also often oversee primary schools, though with supervision from the commune and county education departments. In education there appears to be much diversity in rural China. Some schools are funded by the state, and teachers are employed by the county office of education. Other schools, however, are "people-run," (min-pan) and funded from local sources. To make matters more complicated, within a single school there may be state-paid teachers and "people-run teachers," paid from local funds. Obviously, the brigade exerts a stronger leadership role over people-run schools and people-run teachers.

Credit cooperatives are often organized on the brigade (or commune) level. Farmers bank their surplus cash in these and borrow money for extraordinary expenses, including occasional consumer purchases, medical expenses, and sometimes funeral expenses. These credit cooperatives do not lend money for agricultural inputs (e.g. fertilizer) as these are purchased collectively through other channels, but may make loans to families to finance the purchase of piglets. Loans typically bear an interest rate of 7.2 percent per year.²⁵

The brigade also administers certain political policies. It will organize propaganda campaigns and study campaigns in the villages. (This will be described in the section on leadership in a later chapter.) It may have a woman's committee to supervise implementation of the marriage law assuring freedom of marriage and divorce, and to assist families in making the transition from feudal, sexist attitudes and patterns of behavior to more suitable ones. It may also organize campaigns to adopt birth control.

The brigade also plays a role in political control. It may organize a militia unit. In addition, the brigade supervises the activities of people who fall into one of the categories of the "Five Bad Elements." These are

²⁴Hsin Hua-wen, "Commune Hospitals Grow"; "Not Just a Hospital," China Reconstructs, November 1973, pp. 2-9.

²⁵Jan Myrdal, Report from a Chinese Village (New York: Pantheon, 1965), p. 369.

(1) former landlords, (2) former rich peasants, (3) counter-revolutionaries, who opposed the revolution or land reform, (4) rightists, and (5) bad elements, such as people who steal collective property. Naturally the number of people included in the Five Bad Elements varies from place to place; one brigade of about 1,800 people had 10 people in this category--about 0.6 percent. In Shashihiu Brigade, a model which I visited, 2 out of 681 (0.3 percent) were in this category. People in the Five Bad Elements are required to report their daily activities and social contacts to the brigade. If they wish to travel they must ask special permission. They also are required to work two days a month for their team without receiving work points. Technically, they are not commune members (she-yuan) and cannot vote for commune officers. Most neighbors will avoid social contact with them, lest their own political loyalties be questioned. Their children sometimes encounter difficulties finding spouses. The social opprobrium is symbolized by the fact that these people may have to display a sign over their house door publicly implying their political situation: e.g. "Obey discipline, become a new man, resolutely change." (Everyone else's door will bear signs saying: "Obey Chairman Mao, follow the Communist Party," etc.)

Labeling a person a bad element ("putting a hat on him") is obviously a great power. Brigade Communist Party secretaries may make recommendations to "put a hat" on a person or take it off, but final decisions are made by the commune Party secretary. How a person is treated in this regard (e.g. whether he is classified a bad element for stealing fertilizer from the production team) often is closely related to his own class background. Poor peasants are treated more leniently.

5. Brigade Accounting Units

In those cases where the brigade (and not the production team) is the accounting unit, the brigade will also naturally have most of the powers which the production teams usually have. This includes the powers over planning and managing agricultural production. In all cases, teams will remain as units to organize labor.

E. Commune

The commune is the crux of local government; it is where local interests, represented by the collective units, are authoritatively integrated with national interests. Its

role as an intermediary between the local community and the state will emerge with clarity when we study the personnel of the commune, because some of the personnel are appointed and paid by the state while others are attached to the collective economy of the locality. In this section we will specify the functions of the commune, emphasizing its role in agricultural development.

1. Leadership

The commune gives leadership and supervision to the production teams and brigades with regard to all the activities which have been discussed above. The commune helps determine the boundaries of production teams and brigades and the definitions of accounting units. It communicates the laws and suggestions of higher levels with regard to establishing the workpoint system. It makes sure that the methods of distributing workpoints are within central guidelines, and can audit the reports of production teams and brigades. It checks to see that an appropriate balance is maintained between the private sector of the economy and the collective economy. It reviews the provision of services by teams and brigades. The commune also assures that brigades and teams follow state laws with regard to establishment of militia and with regard to supervision of the Five Bad Elements. It ascertains whether state policy is being followed on women's rights and ideological training campaigns. It determines that state policy has been adopted concerning cadre selection, training, and review at the team and brigade levels. In short, the commune has very broad authority to communicate state policy to lower levels, pressure its adoption, and continually review its implementation. This concerns all state policies, including those to change fundamentally the social relations in the village, to collectivize the economy, to invest in new types of economic development, and to provide social services.

2. Making Agricultural Plans

The commune plays a major role in making agricultural production plans. It receives targets for production of various crops from the county government and allocates these targets to its various production brigades. It may negotiate with the county, asking to shift its targets from one crop to another; or it may ask for more agricultural inputs (fertilizer, electric wire, pumps, etc.) to meet the plans. I have no real knowledge about the strength of the commune in this negotiation vis-a-vis the county; there is undoubtedly much variation, depending on local

social and economic conditions, as well as personal qualities of leaders involved. Likewise in bargaining with its brigades, the commune may have to offer increased inputs to assure fulfillment of targets.

The commune often has a certain autonomy in determining the principles for allocation of fertilizer to its teams. If the county department of agriculture does not otherwise specify, the commune can allocate fertilizer on an acreage basis. This is most common. It can also relate fertilizer allocations to sales of surplus grain to the state, or deliveries of specialized crops (e.g. bananas) or livestock products. Because the commune can often choose its own system, there is great variation in China concerning the principles of allocation of some agricultural inputs such as fertilizer.

3. Organizing Cooperative Construction Projects

The commune plays a leadership role in organizing cooperation of teams and brigades for various construction projects. Probably the most important and most common are water conservancy projects and road construction. Because a commune may include over 100 villages and have a total labor force of over 10,000 people, it can consider quite large-scale construction projects. For example, if there is a large river which provides irrigation for much of the commune, the commune might consider damming the river to create a reservoir, which would both regulate the water supply over time and would also raise the level of the water, so it could irrigate a greater area. A hydroelectric generating station might be included in the project. The commune has extensive autonomy to undertake such projects, although obviously if such a project would influence the supply of water to other communes on the same river, coordination at the county level is necessary. The commune would purchase from county and province marketing units the needed inputs which could not be made locally, including cement, steel, generating equipment, etc.

Communes also play a major role in the construction of roads which would link brigades and teams with the commune headquarters, normally situated in a market town. During the past decade there has, in fact, been extensive construction of rural roads.

In these types of construction projects, labor comes from the production teams. The commune makes a plan specifying how much labor each team must provide; the amount of labor is often proportional to the benefit the team will

get from the project in question.²⁶ The production teams then assign people to participate in construction work, just as they assign people to perform other forms of agricultural labor. Laborers are then paid work points from their production team for their participation in the construction. Sometimes teams assign people in the Five Bad Elements to the construction work, as this work is onerous. They receive the same wages as everyone else. Some workers develop particular skills and may stay with a project as it moves from locality to locality. If the project is big and complex, the county might assign technical personnel to assist for a limited period.

4. Supplying Agricultural Inputs and Services

The commune supplies important inputs and services to its brigades and teams. One crucial service is the management of water supply. The commune (or brigade, depending on technical requirements) will supervise irrigation canals, check water levels, and plan the distribution of water. If water supplies are not adequate, it will make a plan for rotational irrigation between brigades or teams. Production teams often pay a water fee to the commune, typically ranging from ¥7 to ¥30 per hectare.

Communes also (especially after about 1968) have fairly extensive agricultural research, experimentation, and extension services for the production teams. It is possible for a commune agricultural science station to have a staff of several dozen, including highly trained university graduates. The station may have its own experimental fields, on which it tests the suitability of various seeds, field management techniques, fertilizer application, rotational patterns, etc. Associated with the station may be a seed breeding field, which supplies good varieties of seeds to the production teams. Similarly, there may be a veterinary station which includes stud animals.

²⁶ An example of how this is done is given by Myrdal, The Liuling Commune organized a project for water management, that would benefit three brigades differentially, so the brigades were assigned different amounts of labor to supply: 1,900 days, 1,100 days, and 890 days. After the project was completed, it was determined that the benefits were even more concentrated than had been anticipated, so the brigade which had already contributed 1,900 days contributed 494 days of labor to the other brigades by helping terrace land. Ibid., p. 373.

The commune also frequently purchases and manages large-scale agricultural machinery for its members. This has been true especially after the Cultural Revolution. A commune may purchase a few dozen tractors, maintain a tractor station, and rent out tractor services to its production teams. It may also have trucks for transportation.

Similarly, the commune may establish a farm tool factory and/or repair shop to manufacture tools for the teams, and to repair its own tractors and the mechanical equipment owned by the brigades and teams.

5. Industrial Development

The commune is the cornerstone for rural industrialization. In a sense, it supplies entrepreneurship for economic transformation, assuming the functions that in a capitalist economy are taken care of by capitalists, industrialists, and traders in rural areas. The commune identifies problems, imagines new products that would solve the problems, examines markets, supplies investment capital, locates raw materials, and hires personnel. (The commune is not, of course, the only entrepreneur in rural China; the state government, especially at the county level, has this role, as may some brigades; but under present policies the commune has the major role.)

Commune investment in industry is particularly significant for farm tools. There is a widespread need for improved farm tools and for farm tool repair shops. Many communes have set up factories to make and repair plows and harrows, seed drills, rice transplanters, harvesting machines, processing equipment, transportation vehicles, pumps, etc. They may also make fertilizers and pesticides. Communes also frequently invest in factories that will make building supplies, including brick, tile, and cement. To supply the needs of these factories, communes may develop coal mines, electricity generating plants, and fleets of trucks for transportation purposes. Communes may also set up food processing factories for local produce. Commune factories can manufacture consumer goods, such as shoes. In addition a commune may set up a factory to exploit or process any local natural resource.

Generally when a commune establishes a factory, it is designed to satisfy a local need. However, as the local need is satisfied and as the technical stability of the factory improves, the state often purchases output from the factory for wider distribution. The state may purchase the finished product (an agricultural implement, for example) or may purchase certain parts (axles) for assembly by state-

run factories. Other examples would include pipes for irrigation, or transformers or porcelain insulators for rural electrification. Through these processes a commune factory can become quite specialized, large, and profitable.

A commune has tremendous autonomy when it comes to these types of industrial investments. As long as there is a local need, and as long as the project can be done with local resources, it can be undertaken. Naturally, if assistance is needed from higher levels, or if marketing outside the commune is anticipated then coordination through the county government is necessary.

6. Social Services

Communes are now (since the Cultural Revolution) responsible for organizing health and education services for their members. The commune is expected to have at least one middle school. It may also decide to establish an agricultural middle school. The commune supervises the functioning of the school, including admission procedures, grading, failures of students, attitudes and behavior of teachers. The commune may hire some of the teachers such as old peasants to teach courses in local history and class struggle. However, many of the teachers are hired by the county department of education and the curriculum is largely shaped by the county. The commune educational department also supervises the primary schools, which are operated at brigade level.

Another important service offered by the commune (especially after the Cultural Revolution) is health services. The commune is now expected to have a small hospital. Typically it will have 10 to 20 beds and the same number of medical workers. It will have X-ray equipment, microscopes, refrigerators (for storing medicines), and sterilizing equipment. The hospital may manufacture certain pharmaceutical preparations, and may grow or organize the collection of medicinal herbs.

Commune health services appear to function under strict surveillance by county health officials. The commune hospitals are licensed by the county health officials to perform certain operations. For example, they may be permitted to do abdominal operations that do not involve the liver or spleen. Operations involving the liver, spleen, and other parts of the body, presumably, are referred to county and provincial hospitals.²⁷ Similarly, commune

²⁷ Esin Hua-wen, "Commune Hospitals Grow"; "Not Just a Hospital," China Reconstructs, November 1973, pp. 2-9.

facilities need authorization from county health officers to manufacture pharmaceuticals.

In broader policy as well, commune health services are substantially set by the central government. Commune health services are supposed to emphasize preventative work, include many house calls, and apparently stress abdominal disorders. Communes are supposed to be establishing a collective health insurance plan, in which families will pay a fixed amount each year, and production teams will make contributions from their welfare funds.

Integrating commune health services with national policy seems essential, for medical services at the commune level require important inputs which the commune cannot supply for itself. The central government assigns specialists from major hospitals to the commune hospitals on a rotational basis, so that commune medical personnel can have useful in-service training. In addition, the central government has organized industry to supply the needed equipment for commune hospitals. A Chinese article claimed "In 1972 more than 10,000 commune hospitals were fitted out with light-weight simplified operating tables, surgical kits of different kinds, small X-ray machines, shadowless lamps, microscopes, high-pressure sterilizers, distillers, and so on."²⁸ When communes were first established they also organized old age homes to provide care for old people without families. The need for this has declined because of the social and economic stability of the last 25 years, but some such homes still exist.

Another activity of the commune which might be considered a social service is mediation of civil disputes. The most common type of dispute is between husband and wife, although disputes between neighbors sometimes happen also. The commune has a mediation committee, which has no legal power, can impose no settlement or punishment, can prevent no legal suits, but which offers parties to a dispute the organized opinion of the community on how to resolve it. In practice this is a very powerful force, and few people are willing to disregard community pressures and pursue a dispute to court. The idea of non-official mediation of civil disputes and avoidance of legal adjudication is, of course, not something new under the communist system, but is very much consistent with traditional methods of dealing with such problems. In Liuling, the mediation committee was elected, and comprised of nine people.²⁹

²⁸"More and Better Medical Equipment for the Countryside," China Reconstructs, December 1973, p. 15.

²⁹Myrdal, op. cit., p. 371.

7. Redistribution of Income Within the Commune

The commune has the power to redistribute income within a commune and to assure that growth of income comes in a manner that improves equality; in practice, however, the commune uses this power only slightly. The commune's major tools in this regard are its ability to shape production plans, especially the distribution of high-profit subsidiary crops. It can also influence the distribution of inputs such as fertilizer and irrigation water. It can make loans to poor teams to purchase pumps or building supplies. It can also influence the number of people in each team who participate in non-agricultural activities, such as commune industry or industry in the cities. The commune can also exert leadership influence on a team and encourage it to undertake construction projects, which may be assisted by technical leadership from the commune extension station.

In addition to these direct ways of influencing income, the commune can also redistribute wealth indirectly by providing health and education services equally to all teams, while deriving the bulk of funds for these services from commune-wide activities. The mechanism of this will be explained more fully in the following discussion on commune finances.

Of course the most drastic redistribution of income would come from a redefinition of accounting units. If wealthy and poor production teams are combined into one accounting unit, wealth is being redistributed from rich to poor. However, as we have explained above, the commune does not have the power to use this method of redistribution.

While the commune does have a variety of techniques for influencing the relative incomes in its constituent production teams, it is under fairly strict central policy concerning how to use this power. The basic policy is that the income of no team should decline. Equality should be achieved by relatively more rapid development in poorer areas. The richer areas must not be made poorer.

To achieve more rapid growth in poorer areas the commune does not give money. It sends cadres, who live for a while at the poorer teams, and try to help develop new ideas for economic development and increase enthusiasm for labor-intensive construction projects. Development, the Chinese say, is substantially an ideological question. One commune leader explained the commune's policy on funding economic development projects:

It is not a matter of money; it is a question of mental attitude, a question of ideological level. In former days we helped with money, but nowadays we do not. It is an ideological matter.³⁰

A recent article from China Reconstructs summed up this policy concisely:

Under Yenhsi commune's 10 brigades are its 146 production teams. They have seen tremendous changes in these 15 years. But, development has been uneven and there are still differences between the richer and poorer teams.

In the present stage of the people's commune, with 'ownership at three levels and ownership by the production team as the basic form' such differences have to be recognized and, at the same time, gradually reduced. This is done not by material transfers from the richer to the poorer teams, but by strengthening the leadership, improving the work and mobilizing the masses of the poorer teams to change their own position. Meanwhile, the brigade and the commune also give suitable economic help to poorer teams to develop production. In this way gaps between the production levels of various teams are gradually reduced, and their conditions gradually become more even.³¹ (emphasis added)

8. Summary on the Commune

The commune has a dualistic function, representing both the central government and the locality. In its role as a representative of the central government, it has very little autonomy. It must execute and maintain central policies. This is especially true with regard to matters considered to be political, which in a Marxist framework means anything affecting relationships between economic classes. A commune has no autonomy concerning the reestablishment of private agriculture. It does, however, have some flexibility in evaluating a workpoint system used by a production team, or in deciding the appropriate balance

³⁰L. C. Schenk-Sandbergen, "How the Chinese People Remove Polarity within Their Countryside," Eastern Horizon, Vol. XII, No. 3 (1973), p. 13.

³¹"In the Communes--Ownership on Three Levels," China Reconstructs, January 1974, p. 38.

between the private and public sectors in the economy, as long as higher levels are satisfied that capitalism is not being restored.

The commune has very substantial autonomy, on the other hand, with regard to the planning of local construction projects, such as water conservancy and road building projects. It also has very broad power with regard to developing rural industry. Indeed, this may be one of the commune's greatest powers.

There are other aspects of its work in which the commune plays a very important role but remains subject to central regulations. This seems especially true in technical services, including health, agricultural research and extension, and agricultural mechanization.³²

F. State Government at Local Level

Although the commune with its constituent brigades and teams is the major organization for rural local governance in China, it is not the exclusive one. The government bureaucracy maintains certain offices and personnel in the countryside. In some cases they are closely supervised by the commune and should be considered to be commune activities. In fact, some of these have been fully taken over by the commune. Other organizations are quite distinct from the communes and deserve special attention.

1. Offices Concerned with State Power

A commune generally will have a police station (p'ai ch'u so). Although supervised by the commune, the police station is actually an organ of county government.³³ Similarly, a commune may have several tax offices at brigade level to collect land taxes from the production teams (shui-wu so). Each commune will also have a branch of the county grain office (liang-shih kuan-li so). This office purchases grain, cotton, peanuts, beans, and vegetable oils

³² Benedict Stavis, "Political Dimensions of the Technical Transformation of Agriculture in China," Columbia University Ph.D. Dissertation, 1973, pp. 309-327.

³³ See Victor Li, "The Public Security Bureau and Political Legal Work in Hui-Yang, 1952-64," in John Wilson Lewis, The City in Communist China (Stanford: Stanford University Press, 1971), pp. 60-61.

--

for the state. It makes sure that a production team's food rations are at a proper level and arranges the sale of grain to people who are not included in the production teams' distributions. The grain office may also have a processing factory.

2. Offices Concerned with Marketing and Finance

Higher levels of government closely control marketing and finance. State-owned stores sell all products made by state factories or by collective units. This includes all industrial products, such as cloth, building supplies, flashlights, vacuum flasks, bicycles, watches, sewing machines, processed food (including canned food, prepared saurces), tobacco products, etc. (The traditional private markets sell goods produced in the private sector: fruits, vegetables, animal products.) State regulations strictly control the prices, mark-ups, and transportation costs for merchandise. The amount of each product a store may sell is determined by state plan. Salary and working conditions of staff of these stores is determined by state policy. The commune is not, however, without influence over these stores. Communes can suggest operating hours, can influence what merchandise is carried, and can sharply affect the attitude and behavior of the store's personnel.

At the commune there may be a branch of the state bank. This bank will handle accounts for all accounting units, such as teams, brigades, stores, and different departments of the commune. The branch of the state bank gives some leadership over the brigade-level credit co-operatives described above. The influence of the commune over the work of the state bank is not clear, but was probably increased after the Cultural Revolution, especially with regard to credit operations.

3. State Services

Before the Cultural Revolution, the state offered certain services to the commune. In recent years, most of these services have been absorbed into the commune directly. This process has not been completed, so some service personnel remain state employees, although attached to commune organizations. These commune service organizations will still have many regulations from the county or center, as the state wishes to assure a high level of service.

The school system was previously run by the state, with all teachers paid by the county government, and all curriculum and operating procedures established by the state.

Likewise, agricultural extension stations and tractor stations were operated by the county government. These functions have been or are in the process of being transferred to the commune. The state also operates meteorology stations to provide weather reports and flood warnings and aids in pest control through pest warnings and quarantine regulations. State farms, which we are not discussing in this monograph, sometimes offer technological assistance.

G. Summary

It any complex, differentiated, integrated system it is difficult to pinpoint the locus of power. In China it seems especially difficult because there appears to be very little overt conflict within the system, the outcome of which could be used to determine the locus of power. Difficult as it is to isolate the locus of power, there still is some value in doing so. Given the differentiation of the system, we must analyze different functions separately.

With regard to managing agricultural production, there is tremendous autonomy at the family and production team level. The central government says very little about when to weed, how to irrigate, what seeds to use, where to apply fertilizer. Local conditions and timing are so important that any attempt to manage these activities on a large scale is bound to fail. To some extent China attempted to do this in 1959, and this contributed to the serious grain shortages in the following years. The major influence of the state with regard to agricultural production concerns the formulation of a production plan, through which the state tries to coordinate its objectives and performance with the production teams' plans. Local autonomy with regard to agricultural production is not surprising or unique. In most other countries, the activities discussed here would be managed by private individuals, and the issue of autonomy from the state would not even arise; it would be taken for granted.

The brigade and especially the commune are given extensive autonomy with regard to planning industrial development. As long as local resources are used and local markets are contemplated, a commune has almost total freedom to invest. Again, this policy concentrates power at the level where it would be under capitalist development. Under capitalism, much rural investment would be made by businessmen, merchants, bankers, entrepreneurs functioning at the market town level. In some respects there is probably more real local autonomy concerning industrial development in China than in a capitalist country, since the

locality in China is less subject to disruption by industrialization it can not control. There are no very large-scale factories, often under foreign control, which are set up from outside and which produce goods that undersell and undermine local industries, with attendant economic and social problems.

With regard to the provision of technical services, including health, education, and agricultural services, the commune has extensive powers over management. but the services are closely supervised by higher levels of government to assure technical competence.

In one area of policy there is no local autonomy. This concerns the use of political symbols and political power. There can be no local challenge to the power of the Communist Party, its symbols, or its vision of a collectivist society. Private ownership of land (beyond the permissible private plots) is not allowed, nor is hiring of labor for personal profit. Private ownership of factories and private control over trade are impermissible. In the cultural sphere, control is rigid. Teachers in school may teach only the Communist interpretation of Chinese history. Although the state permits some flexibility in the application of some guidelines (for example how work points should be counted), there can be no doubt but that the state has had a tremendous impact on the actual way people live in rural China. This was intended. The Communist leadership had a vision of social transformation and has applied it carefully and skillfully.

Another distinctive feature that emerges from this discussion is the extent of coordination and cooperation. Organizations exist to lead in cooperative efforts to build dams and roads, as well as to raise money for investments. They also assure that for any potential project a suitable level of management exists.

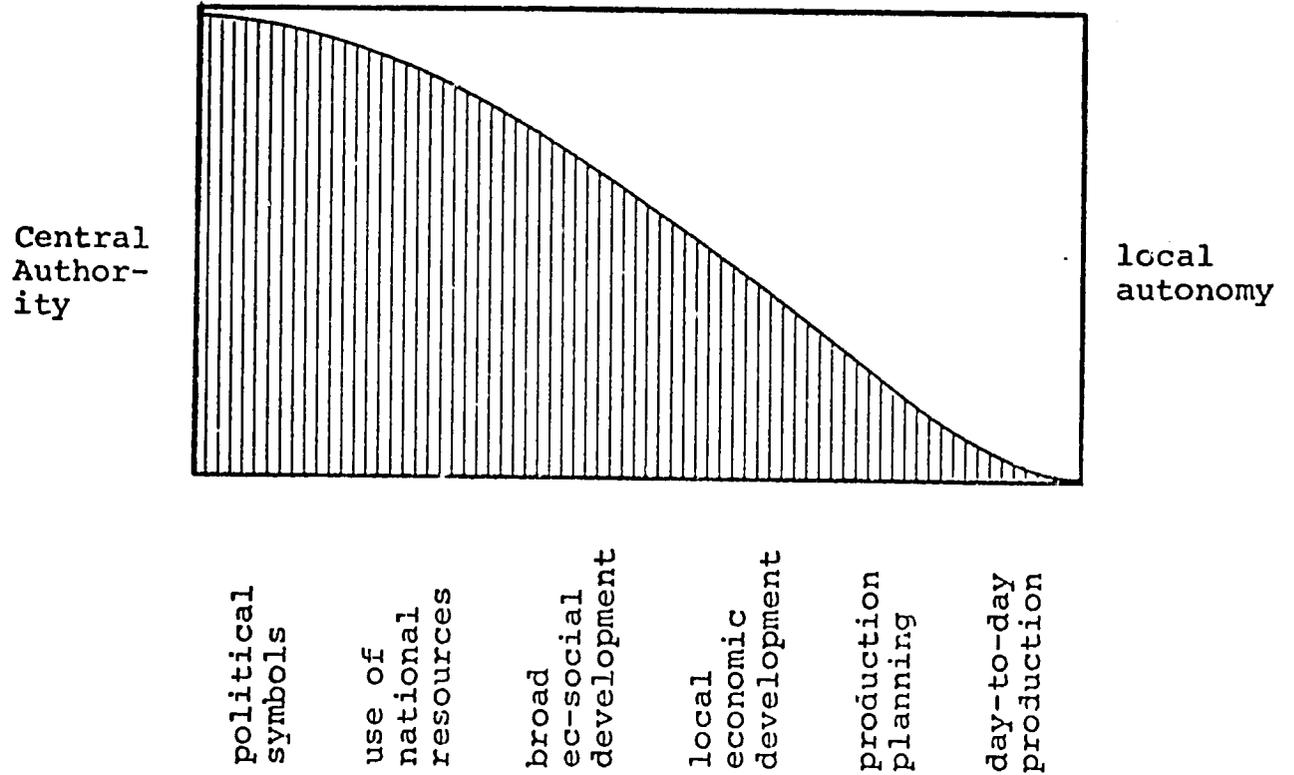
We should also note certain important regional and temporal variations. Various governmental units, including provinces, counties, and communes frequently select a locality (production team, brigade, etc.) as a test point or stress point, where experiments will be made with a particular crop or policy. For example, a province may select a particular commune to test a novel way of counting work points. Or a county may select a work team to produce a particular variety of bananas. In such a situation, the locality may have much less autonomy with regard to the particular issue, inasmuch as some higher level of government may be supervising closely. Very little is known about this; for example, what percentage of localities are

chosen as stress points, how they are chosen, or what special assistance they might receive are unknown.

From the individual's point of view, the collective form of ownership and management obviously restricts personal freedom. A peasant can no longer simply plant what he wants, when he wants to; nor can he purchase more land and hire people to work for him. These activities are now collectively managed, and each farmer has but one voice in his production team. No longer does a peasant have the opportunity to move from his home when living conditions become intolerable. In exchange for giving up these freedoms, the Chinese peasant now has a new freedom: freedom from want. He is assured of food; everyone benefits from increases in output and from agricultural diversification. He has a voice in shaping the pattern of agricultural and industrial development in his locality.

There is some utility in summarizing these functions along a political-economic continuum. For activities which are essentially economic (i.e. concerned with economic production), there is tremendous local autonomy. For activities which are essentially political (which in Marxism means the relationship between classes), there is little autonomy. The problem is that in Marxist analysis (and, I believe in reality) there is no clear dividing line between politics and economics. The balance between the private and the collective sectors, the extent to which material incentives are used, the distribution of income and investment--all these questions are both economic and political, so the power to make decisions lies somewhere in the middle, determined in each case by extensive discussions. This situation is summarized in the following figure, which schematically shows how the locus of authority varies with the particular function under consideration.

Figure 3.1. Matrix of Authority



CHAPTER 4

MANAGING, STAFFING, AND FINANCING RURAL LOCAL INSTITUTIONS

The previous chapter identified the principal functions of different levels of organization in rural China and suggested in broad outline their patterns of interaction. In this chapter we will focus more on the operation of each level, indicating how it is managed, what staff it has, and the source of its finances.

After liberation, the Communist leadership consciously undertook to replace the existing rural leadership. They knew that the landlords, rich peasants, leaders of secret societies, and other traditional leaders would oppose their programs of socialist transformation. Government officers at the local level (such as those who maintained population registries and tax records) continued in their jobs, but a new type of rural local leadership was created to assure that communist policies would be carried out.

The new rural local leaders came from several sources. First, there were local Communist guerrilla leaders in many places. In addition, there was a fairly large Communist Party of China in 1949 (about 4 million members). The majority of members were already in the countryside, and even those in the urban areas had potential for serving as rural leaders. Moreover, the People's Liberation Army, many of whose officers and soldiers had a high degree of political consciousness, had been farmers before they joined the army and had qualities of leadership and organization. Both of these organizations could provide literally several million persons who could become rural political cadres.

The pool of potential leaders was substantially enlarged in the early 1950's in the course of several rural campaigns. Local activists, often aggrieved poor or landless peasants, played a major role in land reform, mobilizing other peasants to denounce the landlords publicly. In following years, the campaign to establish cooperatives drew out those farmers with abilities and desires to mobilize and organize other farmers. Indeed, these campaigns were designed deliberately, in part, to generate new leaders.

In the following years, as education became more widespread in rural China, a new group of potential leaders emerged, namely educated rural youths. More recently the Cultural Revolution created opportunities for leadership qualities to emerge. During and after the Cultural Revolution, many educated urban youths went to the countryside, and some became leaders.¹

Despite the uniformity throughout China with regard to formal organization, there is tremendous variation from commune to commune and village to village with regard to the substance of leadership and organization. In localities where there was broad and intense support for the communist revolution and socialist transformation, the leadership is undoubtedly primarily local people. Where, however, traditional values and kinship ties remain strong, there are probably more leaders who are sent from other regions, from higher levels of the Party, and from the pool of army veterans to serve as local leaders.²

¹Oksenberg suggests eight types of rural local leaders: (1) old cadres, (2) land reform cadres, (3) collectivization cadres and post 1955 recruits, (4) army veterans, (5) young graduates of middle schools, (6) leaders whose credentials were established under the old regime (including former officials, knowledgeable old peasants, old women, and some specialists in traditional rituals), (7) retired informal leaders, and (8) cadres sent down from higher levels. Oksenberg's hypotheses concerning the role of these different types of cadres at different levels of rural administration, the ages of different types, the incidence of outsiders are very helpful and have provided much data for my analysis here. Michel Oksenberg, "Local Leaders in Rural China, 1962-65," in A. Doak Barnett, Chinese Communist Politics in Action (Seattle: University of Washington Press, 1969), pp. 155-215.

²Hofheinz has attempted to locate regions which supported communist activities before liberation, and has concluded that there seems to be no particular economic or historical factors which can be correlated with communist success. He concludes: "The expansion of Communist forces in any area during any period was likely to be better correlated with Communist presence in the vicinity than with any other social phenomenon . . . Any general theory of the rise of Chinese communism that omits the importance of organizational presence and vitality will remain only a partial explanation." Roy Hofheinz, Jr., "Ecology of Chinese Communist Success," in A. Doak Barnett, Chinese Communist Politics in Action (Seattle: University of Washington Press, 1969), p. 77.

A. Production Team

In a production team, the 20 or so families have been working together for about two decades by now, planting the same crops on the same land. Most decisions can be handled informally. Generally a team has no special office; the leaders do their administrative work and accounting at home.

1. Formal Structure of Authority

There is, however, a certain degree of formal organization. The teams hold general meetings of all adult members fairly frequently (in theory every month) to make major decisions. The types of decisions that are made in such mass meetings include: approval of the production plan; determination of a system for distribution and for counting work points; determination of how much income should be devoted to investment and welfare; what type of investments should be made; and examination of all expenses. These meetings tend to be free and democratic; however, not surprisingly, a core group of experienced and popular social leaders (the management committee) often discuss these matters beforehand and come to the meetings with proposals that are often approved with little discussion. Sometimes their proposals are rejected; for example, they may propose purchasing a pump, but team members may oppose such a purchase.

The production team's formal leaders (including the head, accountant, treasurer, watchman) are elected at the general meetings. In theory, the elections are for one year terms, but leaders may be elected to successive terms. In practice, these elections seem to be fairly often. They were definitely held in 1961, 1963,³ and at least in one locality, every year after the Cultural Revolution. The electoral process in one large team after the Cultural Revolution shows a blend of power between the team members and brigade leadership. When election time approaches, the team draws up a list of potential candidates. The brigade then uses this list to prepare nominees. The brigade may nominate seven people for four posts. The members of the team then are each given four votes. The four top vote

³James Townsend, "Democratic Management in the Rural Communes," China Quarterly No. 16 (October-December 1963); p. 141.

getters become the team's leaders, and decide among themselves who will have which job.⁴

In theory the general meeting also elects a supervisory committee to assure that all laws are being followed, to assure that members' civil rights are being respected, to audit books, and in general to check up on the management of the team. The supervisors would also be team members. In practice, I suspect that the supervisory committee is rarely sharply articulated from the other leaders of the team.

2. Formal Leaders

The head of the production team serves as a communications link between the team and higher levels. He also helps the team reach decisions on the issues mentioned above. The most important, day-to-day task of the team head is to assign people to field work. This particular job sometimes can contribute to hard feelings within the team, and therefore it is common that no one in the team desires the job.

The accountant has the responsibility for keeping books on the number of work points each member has accumulated, the advances on wages paid, and the grain distributed. (Records are usually kept in duplicate, with each member retaining his own copy.) Such a job takes substantial mathematical skills. In the first years of cooperatives, there were very few people in the countryside with adequate skills for this, but over the past years as more and more young people have received education, there has developed an adequate pool of accountants. In addition a team may have an assistant leader (to help the leader), a treasurer to manage its funds, and a guard to watch the grainery. (One team I visited has two guards for the grainery; both were very old men, one blind and the other deaf. It was clear that the position of guard was partially created to provide a way for old people to participate in the team's activities. It is also likely that, as a general policy, there should be two guards, to reduce the possibility of corruption. Some of these leaders and a few additional people form the team's management committee.

In most production teams the leadership is predominantly local; 93 percent of the team leaders in Oksenberg's sample were "natives."⁵ There are undoubtedly, however,

⁴David Mozingo diary.

⁵At this point (and throughout this discussion on leadership) it should be remembered that Oksenberg's sample is skewed towards the traditional cohesive village, and there-

places where communist policies are unpopular or not understood, and higher levels must send in outsiders to assume team leadership. A commune in Szechwan reportedly sent 126 cadres down to serve as team leaders, and another 100 to fill accounting and other positions at the team level.⁶ This was in early 1959, when communes were relatively new.

The majority of commune leaders are middle-aged men who became active in local political affairs during the formation of cooperatives. Some team leaders are army veterans. A significant percentage of team leaders (18 percent of Oksenberg's sample) are young, middle school graduates. There seems to be a trend towards younger team cadres. In 1955-57, only 17 percent of sub-village leaders in Oksenberg's sample were under 35 years old; in 1962-65, 57 percent of the team leaders were under 35. This decrease in age and increase in middle-school graduates is undoubtedly related to the need to have accurate accounting of work points at the team level, and to the rapid change in farm technology, which require more complex administration.^{6a} There appears to be rapid turnover of the team leaders. The job of assigning people to work is onerous and can cause conflict within the team. Probably few people want to do this job for more than a year or two. When central policies are especially disliked by the peasants (as were several of the policies in 1958-1960), it is especially awkward to serve as the team leader; it is sometimes very difficult for the higher levels to recruit people from a team to serve as leaders.⁷ Indeed, refusal of people to serve as team leaders seems to be one of the ways the peasants can place limitations on policies promulgated by the central authorities. The Communist Party may make suggestions about team leaders, but team leadership emerges primarily from the team itself. It is common for the team

fore the percentage of native leaders throughout all of China is probably higher than what appears in Oksenberg's sample.

⁶ Szechwan Daily, February 25, 1959. Cited in Townsend, *op. cit.*, p. 144. It is possible that they were sent down to farm a special experimental plot for the commune, and not to replace village leaders.

^{6a} A survey in Anhwei in 1974 showed that two-thirds of the local cadres were "middle-aged" or "elderly;" one-third of the leadership had emerged in the Cultural Revolution. These figures suggest substantial stability with some new blood. "Portrait of Rural, Grassroots Leaders," NCNA Hofei, October 5, 1974.

⁷ Reports from Paoan County (on the border of Hong Kong) document this. See Union Research Service Vol. 27, No. 7, pp. 110-175.

leader to be a member of the Party. (Sixty percent of the team leaders in Oksenberg's sample were members of either the Communist Party or the Communist Youth League.)

3. Financing Team Administration

When team members serve as leaders and perform administrative work, they receive no special wages. When their administrative work or meetings take time out from their farming work, they are given work points, as if they had been farming. Generally, administrative work is graded at the top end of work point scale. Regulations specify that team leaders can have only a certain number of days for administrative work each year. Moreover, regulations require that the number of work points allocated for administrative work at the production team level be less than 1 percent of the team's total work points. When team leaders attend meetings called by the county government, the county is required to pay travel expenses and a per diem allowance. No work points are charged to the team's budget for those days.

B. Production Brigade

The production brigade, involving as it does over 1,000 people living in one large village or several small ones, requires a certain degree of formal organization. A brigade will often have its own office building with one or two large and small meeting rooms and a place to keep records. The brigade will not, however, have professional administrators. All administrators of a brigade remain members of their original teams, do much agricultural work in their team, and get paid work points (against their team's income) for administrative work.

1. Formal Structure of Authority

The formal organization of political power in the brigade starts with the Production Brigade Members' Congress. The brigade congress is supposed to meet twice a year. It is composed of delegates from production teams who are (theoretically) elected every year. Although the delegates are elected by the production team to represent its interests, they are partially nominated by the brigade Communist Party Committee to assure that the delegates represent different classes and professional interests. Because the brigade congress does not meet often, it cannot supervise closely major decisions of the brigade, which are therefore handled by the brigade management committee.

The brigade congress elects the brigade leader, other members of the brigade management committee, and the supervisory committee. It also elects representatives to the commune congress.⁸ The elections for managers are for one year (potentially successive) terms. The commune Party Committee may make some suggestions concerning suitable candidates for election.

2. Brigade Leaders

The brigade managers elected by the brigade congress include:

1. Brigade leader who has responsibilities over all work of the brigade, and especially agriculture.
2. Assistant leader.
3. Accountant.
4. Director of Public Safety. He supervises the Five Bad Elements and keeps track of population movement. When people wish to travel, they need travel documents, and it is the director of public safety who signs requests for documents and inspects those of strangers in the area.
5. Director of Militia. Sometimes the director of militia and the director of public safety will be one person.
6. The brigade-level credit cooperative may have an administrator.

In addition to these managers, the brigade will also have a Party branch with its secretary and vice secretary. In practice, these Party leaders provide the most important leadership at the brigade level.

The brigade supervisory committee plays a fairly active role in auditing books and guarding against corruption. It also may intervene with production team leaders if complaints are brought to it. For example in Liuling, old peasants believed the team leader was making a mistake by not ordering enough weeding. They complained to the brigade supervisory committee, which investigated and convinced the team leader that he had been mistaken. In Liuling, the brigade supervisory committee was composed of one representative from each production team.⁹

The brigade leadership is composed mostly of local

⁸Townsend, op. cit., p. 141.

⁹Mrydal, op. cit., pp. 258-263.

residents, members of the teams making up the brigades. Some brigade leaders (especially in northern China) were guerrilla leaders fighting against the Japanese occupation. Later they mobilized poor and landless peasants to participate in land reform. Some of China's model leaders (including Ch'en Yung-kuei, leader of Tachai brigade, the national agricultural model and now a member of the Party's politbureau) have such a background. Other brigade leaders are peasants who became active in the collectivization campaign. In some places, probably those where there is less enthusiasm for communist policies or where there are particular problems in production, outsiders are sent in (or invited in by the brigade congress, at the suggestion of the commune Party Committee). In Oksenberg's sample of leaders, 14 percent of multivillage leaders and 29 percent of village leaders (these two categories seem to be the brigade level) were outsiders. On the average, the brigade leaders are young; in 1962-65, the average age of brigade leaders in Oksenberg's sample was 34 years. There is a strong tendency for brigade leaders to be members of the Communist Party; 83 percent of village leaders and 90 percent of multivillage leaders in Oksenberg's sample were members of the Party or the Youth League. Little is known about the turnover of brigade managers. In some brigades the leaders today were the guerrilla leaders 30 years ago. However, in many brigades the leadership was changed in the "Four Clean" movement, a campaign in 1963-64 to eliminate weak and corrupt leadership. When a person ceases being a brigade leader, he simply continues working as a farmer in his production team.

3. Brigade Finances

The brigade has rather meagre financial resources. The brigade managers, as mentioned above, remain attached to their original production team and are required to work at least 120 days a year in the collective labor of their teams. For this labor they are paid as regular farmers. (In practice, the brigade accountants generally spend most of their time on managerial responsibilities.)

For their administrative work, the brigade managers receive work points, the value of which is determined by their own teams' accounting procedures. Generally, the teams set aside a certain fund to cover these management expenses. Regulations specify that the total management expenses (team and brigade together) should be between 1 and 2 percent of the total number of work points of the teams in the brigade.

In addition to its managers, a brigade may have many employees. For example, if it has a small factory, repair shop, orchard, or veterinary stations, etc. that unit will have its own staff. These people may be paid a monthly salary (as industrial workers) which would be a little higher than the average peasant's salary but lower than an urban worker's salary. The salaries and managing expenses would come out of the income of the particular unit. (For example, a repair shop would charge teams for repairing tools; a veterinary station would charge for its services; an orchard would sell its produce to the state.) Profits of these units would be available for the brigade's general funds for agricultural investments.

The brigade may also have service organizations (especially schools and clinics) which have their own salaried staffs. According to one report, the state now subsidizes the brigade by paying it ¥120 for each primary school teacher. The brigade clinic appears to be funded with brigade resources, but visiting doctors from the commune hospital are subsidized partially by the state.^{9a}

C. Commune

The commune, serving as a link between the state and the community, is the lowest level with full-time, professional administrators paid from the state budget. Because the commune organizes production and services at the local level, it has a fairly large staff. It has a headquarters building with several offices and meeting rooms. It might include a dormitory for administrators who can not return home each night. At the commune headquarters, a large portion of the militia's arms might be stored. Most commune offices have telephone communications with their county offices. The commune headquarters might be located in a building which originally was a clan headquarters, temple, or former township or district offices. In many cases new buildings have been erected, sometimes two stories high.

1. Commune Communist Party Committee

In the next chapter we will look more closely at the role of the Communist Party in exercising political leadership at the local level. In this section, however, we must also discuss the commune Party Committee because it has a full-time staff which must be included in any discussion of the commune's management personnel.

The commune Party Committee is elected by representatives of Party members in the commune. However, the county Party Committee will "suggest," "introduce," or "recommend" people for election to the commune Party Committee. It would

^{9a}Roland Berger, "Financial Aspects of Chinese Planning,"

be inaccurate to say that the county Party Committee simply appoints the Commune Party leadership; but at the same time it would be misleading to suggest that the commune level Party members are completely autonomous in selecting their own leadership. There is a subtle interplay, in which both the county Party leaders and the commune Party leaders understand the need to find commune leadership which is acceptable to both the county and commune. Probably in most cases the power of the country is greater, and many local people feel as though their leader is appointed.

The commune Party Committee (probably with suggestions from above) chooses its own leadership, namely a standing committee and secretaries to have responsibility for particular activities. A commune Party Committee will have at a bare minimum, the following leaders:

1. First Secretary, who has overall responsibility for all activities in the commune.
2. Organizational Secretary, who manages organizational affairs for the Party in the commune.
3. Culture and Education Secretary, who oversees schools, health, and propaganda work.

In addition, a commune may have some or all of the following secretaries, depending on its size and needs:

4. Political and Legal Secretary, who supervises the militia, police and courts.
5. Finance and Trade Secretary, to supervise the state department stores, supply and marketing cooperatives, banks, grain offices, tax and finance.
6. Agricultural Secretary, to assist the first secretary in managing agricultural production, perhaps with regard to a special crop.
7. Industry and Communications Secretary, to manage the commune's industrial development.
8. Youth and Women Secretary, to manage the Party's policies with regard to women and young people.

Some of these secretaries will be employed as full time managers. They are cadres, working full-time for the revolution. Others may remain peasants, and do Party work occasionally.

To serve as staff for these Party secretaries, the Party Committee will have departments. Each department may have one or two staff members. The normal departments are (1) Office Staff, (2) Organization Department, (3) Propaganda Department, (4) Finance and Trade Department, (5) Political Legal Department, and (6) Rural Political Work Department.

Altogether, the full-time paid managers will include four to eight secretaries, and an additional 11 to 18 staff for the various departments. Thus the commune Party Committee may employ 10 to 20 professional, full-time management personnel. (In the chapter on leadership we will note that they often spend months at a time away from their formal managerial work...) They all receive monthly salaries from the state budget.

2. Non-Party Organs of Power

In addition to the commune Party Committee members, the commune has a non-Party administration. As with the team and brigade, the commune has a Members' Congress of Representatives.¹⁰ The representatives are elected for two-year terms, and are supposed to meet twice a year. The representatives are supposed to include representatives of all interests in the commune. This includes members in various occupations, experienced old peasants, rural specialized workers, youth, women, members belonging in minority nationalities, members of martyrs' families, demobilized soldiers, members of overseas Chinese families, intellectuals, and returned overseas Chinese.¹¹ These representatives are elected by the brigade congress, but the commune Party Committee plays an important role in nominating the representatives to the commune congress.

The commune congress is often quite large. When communes were first established, the township congress became the commune congress. It was possible that in some communes, all the delegates to the brigade congresses were also delegates to the commune congress. In such a case the commune congress could be composed of up to 1,000 members. In some places it was suggested that each delegate

¹⁰This refers to the period before the Cultural Revolution; after the Cultural Revolution, the role of the Congress is not clear.

¹¹In some localities, especially in Kwangtung, there had for centuries been extensive migration of peasants to South East Asia and other countries. Some (especially from Malaya) returned after 1949. The central leadership, by and large, has encouraged localities to treat returned overseas Chinese and the families of overseas Chinese well. This is undoubtedly related to the fact that overseas Chinese remit money to relatives (as they have for hundreds of years) and this contributes to Chinese foreign exchange. In Yangtan Commune 41 percent of delegates were poor peasants and 28 percent were lower-middle peasants (according to status at time of land reform.) "At Yangtan Commune Headquarters," Peking Review, No. 11, March 11, 1966, p. 19.

represent 100 people,¹² which would make for a commune congress of from 200 to 600 members. In Yantan Commune, the commune congress had only 71 delegates.¹³

The commune congress elects the commune director, other members of the management committee, and the supervisory committee. Their term of office is two years, and they may be elected for successive terms. The Cultural Revolution brought certain changes in nomenclature to this system. The Commune Management Committee is now called the Commune Revolutionary Committee. The title of Commune Director (she-chang) has been transformed to Chairman of the Revolutionary Committee.

Before the Cultural Revolution, the process of selection of commune leaders was dominated by the county Party Committee. It would make suggestions to the commune congress for managers and directors, and the commune congress would generally simply approve. The process was tantamount to having commune leaders appointed by the county level.

After the Cultural Revolution, the process of leadership selection was democratized. More mass discussions and consultations take place in the selection of delegates to brigade and commune congresses. Secondly, the leading and responsible cadres at each level are no longer nominated by higher authorities. They are elected by their own level.¹⁴ Thus, even with the democratization of the Cultural Revolution, the higher levels continue to exercise considerable influence over selection of leaders and can make sure that no one who opposes the basic communist policies can exercise formal leadership.

The precise institutional arrangements involved in electing the Commune Revolutionary Committee are not clear and probably vary from place to place. In some places elections were organized by the People's Liberation Army. The role of the commune congress in electing members of the revolutionary committee is still unclear.

To inspect all work of the commune management committee, the commune congress also elects supervisors. They have power to inspect all records, to make sure that national policies are being followed and that members' civil rights

¹²Townsend, op. cit., p. 142.

¹³"At Yantang Commune Headquarters," Peking Review, No. 11, March 11, 1966, p. 19.

¹⁴Khan, op. cit., p. 543.

are being respected. They can sit in on all management committee meetings at all levels. The supervisory committee may submit complaints to higher supervisory organs, including judicial organs, the procuracy, and the Central Party Control Commission. The supervisors do not come to the office regularly; they stay at home, work in the fields, and investigate specific complaints. They receive no compensation for their work.

3. Commune Managers

The commune director and vice director have, of course, wide-ranging responsibilities for all activities in the commune. The director is generally a Party member and a member of the Party Committee.

The Office Administrator (wen shu) is the person who is always in the commune office. He keeps track of all activities in the commune, including the day-to-day activities of all commune managers. He writes letters of introduction for commune members travelling and locates accommodations and food for visitors to the commune. He is a very busy person.

The Director of Civil Affairs takes care of much of the official paper work for the commune, including registering marriages, births and deaths within the commune. He also makes sure that very poor people are receiving welfare, and helps veterans returning to the countryside to find suitable employment.

The Director of Education and Culture supervises the commune's schools. He also organizes recreation programs, libraries, various clubs, sports activities, arts, and singing.

The commune will have a Director of the Militia. He is generally sent by the army and remains on the army payroll.

A Director of Finance keeps track of budgets and expenses for the commune and its brigades and teams. He also ensures that each team pays its appropriate tax share.

Thus in addition to the managers working with the Party committee, a commune might have five to seven staff associated with the management committee. These too are paid fixed monthly salaries from the national budget. This number has usually been reduced after the Cultural Revolution. Including both the managers for the Party committee and the staff of the management committee, the typical

Table 4.1. Examples of Commune Level Managers

Location	Size (people)	Overall Responsibility		Full-time Staff		
		Party Committee	Management Committee	Party	Managers who are not Party	Total
Liuling ^a	5,039	11	17	6	5	11
Yangyi ^b	37,000	28	31	15	45	60

^aJan Myrdal, Report from a Chinese Village (N.Y.: Pantheon, 1965, p. 369.

^bIsabel and David Crook, The First Years of Yangyi Commune (London: Routledge and Kegan Paul, 1966), p. 197.

pre-Cultural Revolution commune may have had a total full-time staff of 20 to 25. After the Cultural Revolution the number was less.

Most of the commune managers are chosen from people who have functioned effectively as brigade managers and are promoted to commune level leadership. If one functions effectively as commune manager the county government may recommend his transfer to a neighboring commune which has difficulties. The transfer may also come if the individual has political difficulties in his home commune. Thus in the Oksenberg sample 42 percent of commune managers came from outside the commune. In the early days of the commune, a large number of commune managers in south China were northerners who had helped liberate south China in 1949. They stayed and assumed major administrative posts. However with the passage of 25 years, they are fading out of the picture; and perhaps they should not be considered outsiders anymore. The practice of assigning commune leaders from distant provinces is probably rare now. In 1962-65 the average age of commune leaders in Oksenberg's sample was 40 years. There is little information concerning the turnover of commune managers, but I have the impression that many commune leaders were moved from one commune to another after the Cultural Revolution. Personality clashes developed then which were best solved by moving leaders to fresh surroundings. Commune leaders are almost all members of the Communist Party or Youth League.

When a man is appointed to the commune staff, his family stays at home. Because of difficulties in transportation, many of the commune staff will live at the commune

headquarters at its dormitory. They will eat most meals at the commune kitchen (for which they pay from their salaries). They will visit their families periodically, depending on the pressure of work (which is often closely related to the agricultural cycle).

The salary levels of commune managers are generally somewhat higher than the income of the average peasant. In Liu Ling in 1961, salaries of commune cadres ranged from ¥37 to ¥62 per month.¹⁵ In 1965 Burki reported that the average commune cadre salary was ¥60.6 per month.¹⁶ We have earlier estimated a per capita income of ¥150 a year for the average peasant. If we assume that each laborer supplied income for 2.75 people (as in the sample of communes visited by Burki), then the wages are ¥34 per month per laborer. Thus the average commune director received almost double the wages as the average farm laborer.

The salaries of managers are fixed, unaffected by the weather and the productivity of the commune. Moreover, national cadres receive a fixed grain ration, not directly related to the grain production of their commune.

In addition to its managerial personnel, of course, the commune per se may have many employees in its various enterprises. In the commune's factories, electricity-generating plants, mines, etc., the workers and managers receive a monthly salary. They are paid from the income of these enterprises; profits beyond expenses go to the commune budget. A commune can have hundreds of employees in this category.

For commune-run service organizations, including hospitals, schools, and extension stations, the employees (including professional workers) are probably technically commune employees. However, the state has regulations concerning salary scales and may in some cases subsidize the organization. Altogether, hundreds may be employed in these organizations.

4. Commune Finances

A commune's finances involves two dimensions: administrative and economic development. In principle, the basic administrative expenses of the commune are paid by the county (i.e. state) budget. These expenses include

¹⁵Myrdal, op. cit., p. 366.

¹⁶Burki, op. cit., p. 15.

salaries of commune managers, postage, telegraph and similar administrative expenses, and travel allowances for commune managers to attend county-level meetings and to attend meetings at the commune level.¹⁷ The state assumes the financial burden for these administrative expenses on the theory that the commune cadres are performing at least in part, state administrative responsibilities (tax collecting, grain procurement, economic planning) and should be paid from the state budget. Obviously, however, political factors are important too; if commune managers receive their salaries from higher levels, they will be more responsive to the requests of higher levels. The state has also provided welfare services. Before the Cultural Revolution, education and health expenses were paid directly by the county government, and did not enter into the commune budget. After the Cultural Revolution the commune assumed more direct responsibility for welfare activities, but the state continued to play a role. According to one report the state subsidized the commune health system by paying 60 percent of the salaries of the doctors. The remaining expenses come from health fees or from the commune's other sources of income.^{17a} There are probably some subsidies for middle schools operated by the commune and other facilities employing highly trained personnel (the commune agricultural research station, for example), but details are not available.

With regard to funds for economic development, the policy is "self reliance." This means that investment funds must be raised by the commune in its economic activities, for example from profit in the manufacture and sale of farm tools, building materials, shoes, clothing, or similar items made in commune-owned enterprises. Alternatively, communes may request contributions from production teams and brigades for specific projects, such as purchasing tractors. (Teams may oppose this, but if the majority of teams agree, then all must contribute. I believe that such a decision is made by the teams individually, and not by the Commune Congress.) Generally the state does not make grants to communes for such activities, but it may sometimes make loans available. The state encourages communes to rely on their own efforts, to mobilize the masses and local resources, and to consider development a political-ideological question rather than a financial one. However, poorer communes sometimes get direct financial grants for water conservancy schemes, expansion of cultivated area, or purchase of some crucial inputs.^{17b}

D. Some Characteristics of Rural Management and Managers

1. Administrative Density

At all levels, the Chinese would like to keep the number of professional staff at a bare minimum. Professional

¹⁷Myrdal, op. cit., pp. 366-367.

^{17a}Berger, op. cit., p. 18.

^{17b}Ibid.

administrators represent a financial burden but more important, the Chinese fear that large staff will lead to an oppressive bureaucracy. (The mechanism of this will be explored in the next chapter on leadership methods.)

Thus many administrators, especially at team and brigade level, are paid by work points as if they were doing regular agricultural work and do administration only part-time. This makes it somewhat difficult to specify the size of staff of various levels or organization. For the full-time professional administrators who are paid from the state budget, the Chinese use a special phrase, "removed from labor cadre" (t'ou-ch'an kan-pu), partially to alert such a cadre to his special privileges and obligations. Most other administrators (including almost all at team and brigade level) are simply classified as peasants (nung-min).

On the basis of the previous discussion, we will attempt to make a very crude estimate concerning the total number of administrators involved in managing rural development in China. We will assume a commune with 20 brigades, each with 10 production teams. Each team has 20 families, or 100 people. Thus this commune has a population of 20,000. In Table 4.2 we offer crude estimates for the managers of activities within the commune. This table does not include service personnel of the commune, such as teachers and doctors. Nor does it include workers in commune or brigade enterprises, or sales people in the branches of the national stores or supply and marketing cooperatives. The table is limited to those who do management work. The total number of managers is 1,297, of whom 94 are full-time, professional managers paid by the state, and the remainder are otherwise peasants who work part-time in management activities. This implies that 6.5 percent of the people in the commune are involved in rural management, the vast majority at the production team level where their managerial tasks are primarily economic.¹⁸ About 1.5 percent are involved in management activity at the brigade and commune levels, and their functions are substantially political or administrative.

We should note that these estimates are based on commune management before the Cultural Revolution. After the Cultural Revolution there was a "Crisp Troops and Simplify Government" (ch'ing-ping chien-cheng) movement, during which some fulltime, removed-from-labor cadres

¹⁸In Yangyi Commune in 1960, 2,000 out of 37,000 (5.4 percent) in the commune had special responsibility. Isabel and David Crook, The First Years of Yangyi Commune (London: Routledge and Kegan Paul, 1966), p. 197.

Table 4.2. Rural Managers, Hypothetical Commune, circa 1965

<u>level</u>	<u>personnel at each unit</u>	<u>total number state employees</u>	<u>total number local administrators</u>
State employees at local	10 police stations 3 national store managers 20 supply and marketing cooperative managers 5 bank 10 tax office 15 grain office 5 post office	68	
1 commune population: 20,000	6 Party Secretaries 14 Department Staff 6 Management Committee 3 Supervisors TOTAL 29	26	3
20 Brigades population: 1,000/brigade	1 leader 1 assistant leader 1 accountant 1 Director Public Safety 1 Militia 1 Credit Coop. 1 Party Secretary 1 Party Vice Secretary 2 Supervisors TOTAL 10		200
200 Production teams population: 100/team	1 leader 1 accountant 1 treasurer 1 guard 1 supervisor TOTAL 5		1,000
GRAND TOTALS		94	1,203 1,297

were transferred to work points. The number of professional administrators was reduced, but it is possible that the number of part-time administrators was increased.^{18a}

2. Distribution of Power in Choosing Leaders

While there is great diversity within China, in general it is fair to conclude that in the selection at each level of managerial personnel, the Communist Party of China at the next higher level plays an important role. The county Party Committee will make suggestions, introductions, and recommendations to the commune for suitable leaders. Similarly, the commune Party Committee will offer suggestions for brigade leaders; the brigade Party leaders will make recommendations to the teams. The weight of these "suggestions" is difficult to evaluate; in some cases they may be only suggestions, but probably in most cases they were tantamount to appointment.

Before the Cultural Revolution, the higher levels could "suggest" about half of the members of a management committee; the remainder were selected by the level concerned. In addition, the higher level could nominate the individuals from the management committee to serve in specific leadership positions. Sometimes, the higher levels sent cadres down to a lower level to assume leadership. Such a cadre needed mass approval of the level concerned, but this was probably almost always a formality.¹⁹ After the Cultural Revolution, the respective levels had more power to select their own leaders, but still needed approval of higher levels.

It should be noted that the Party at each level has an organization department, which keeps thorough files concerning the attitudes and behavior of all Party members. This file is invaluable in recommending different people for leadership positions.

We have one chronicle that describes the distribution of power with regard to selection of local leadership. When a commune leader of a commune near Peking (a local man who had participated in land reform and cooperative campaigns), refused to specialize in vegetable production for Peking, higher officials forced his demotion to vice-chairman of the commune. When he continued to refuse to specialize in

^{18a}A survey of a region in Anhwei with ten million people showed that 400,000 (4 percent) were involved in team, brigade, and commune administration. "Portrait of Rural Grassroots Cadres," NCNA Hofei, October 5, 1974.

¹⁹A. Z. M. Obaidullah Khan, "Class Struggle in Yellow Sandhill Commune," China Quarterly, No. 51 (July-September 1972),

vegetable production, he was dismissed from his leadership role and became an ordinary farmer. He was popular, however, and was elected as brigade leader by the leaders of the seven production teams. Higher officials tried to dislodge him from that position, but were unsuccessful. During the Cultural Revolution, he was first deposed from the brigade leadership by mass activity (reportedly dominated by rightists). Later the People's Liberation Army assumed leadership of the commune, discussed the question of leadership with poor and lower-middle peasants, and finally asked him to resume a leadership role in the brigade and commune. He was then elected chairman of the commune's revolutionary committee, and approved by the county leadership.²⁰

While there are important avenues for popular participation in the selection of local leaders including the formal meetings of teams and of brigade congresses, mass meetings, rectification campaigns, and small informal discussions with higher officials who come to live and work periodically with the production teams, nevertheless, at least before the Cultural Revolution, the balance of power went to the higher levels with regard to the selection of local leaders. Perhaps one reason the various levels of local governance have so much autonomy with regard to economic activities is because the leadership has been selected quite carefully.

3. Educational Qualifications

In recruitment of local leaders, the Chinese have quite consciously sought out people who had been oppressed, including former poor and landless peasants and their children. They have consciously rejected formal education as a criterion for leadership unless absolutely necessary. Local political and administrative cadres (in Oksenberg's sample) had only 3.8 years of formal education. Fully 40 percent had less than two years of formal education, and must have been virtually illiterate. Managers concerned with finance and trade, however, had an average of 5.6 years of formal education; only 10 percent had under two years. Thus these were all literate. Local leaders dealing with education and technology were quite well educated; all had more than seven years of formal education. We will examine in the following chapter a variety of methods the Chinese use to communicate between levels of administration. These methods assure that reading and writing are not especially important for leaders to communicate with each other.

²⁰Ibid., p. 545-546.

4. Patterns of Supervision and Communication

Rural local governance in China is marked by a multiplicity of channels of communication and supervision. Managers at each level are supervised by masses and management committees at their own level. Management committees and delegate congresses meet periodically. Mass meetings, at which managers may be criticized are not scheduled on a regular basis, but it is predictable that a political campaign will come in the foreseeable future, and public criticism may be quite fierce.

On a day-to-day basis, rural managers are supervised by functional specialists from a higher level. For example, the person responsible for irrigation in a brigade will be supervised by both the brigade management committee and by the commune manager responsible for water management. In addition all managers are subject to leadership of the Communist Party, which will be described in the next chapter.

Further complicating the situation, there generally is a very high degree of overlap between the Communist Party and the management committee at each level, especially commune and brigade. The commune director is often the first secretary of the Communist Party Committee. Members of the commune management committee are usually members of the Party committee. After the Cultural Revolution, there remained a very high overlap between the leadership of the Communist Party committees and of the revolutionary committees at the various levels. In one commune, the chairman of the revolutionary committee is also the secretary of the Party committee. Of the six vice-chairmen of the revolutionary committee, three are deputy secretaries of the Party committee. At the brigade level of this commune, all chairmen of the brigade revolutionary committees are secretaries of their respective party branches. This confluence of Party and revolutionary committee leadership is not maintained at the team level.²¹ Figure 4.1 shows schematically the patterns of communication and supervision in rural China.

One might anticipate significant conflict between the various organizations in this system, i.e. the particular level, the function, the Party. Former residents have reported, however, a remarkable degree of integration of the various organizations involved in rural local governance. Pelzel summarized their views:

. . . though they were relatively critical of the present regime, our informants were

²¹Ibid.

unanimous and decided in their view that this complex leadership organization was in practice highly effective, producing no significant conflicts. Posts of similar function but at different echelons, in their opinion, normally cooperated well with one another even while, within a single headquarters, local governmental posts were fully responsive to Party positions. As one informant volunteered, "Loyalty to the higher echelon and to the Party is quite compatible with loyalty to the brigade."

. . . The [Brigade] Party branch secretary . . . [was] quite incorrupt, and completely loyal to both the Party and the welfare of his brigade.²²

²²Pelzel, op. cit., p. 401.

CHAPTER 5

POLITICAL LEADERSHIP

A fundamental precept in Chinese Communist ideology is that class struggle, intense at times, continues throughout the period of socialism and transition to communism; the forces of capitalism remain quite strong and are constantly attempting to regain power.¹ This means that it is not enough to establish the commune system, with three levels of ownership (as described in Chapter 3) and with particular patterns of organization and leadership (as described in Chapter 4). It is necessary to wage class warfare constantly and consciously. The Communist Party of China gives China the leadership to assure victory over capitalist forces and to achieve continuing social transformation. In this chapter we will examine methods of leadership employed to make the system work more or less as intended.

A. Ideology of Continuing Class Struggle

The Chinese leadership (or at least the Maoist elements in the leadership) believe that the possibility of a capitalist restoration poses a serious threat to socialism. They believe that such a capitalist restoration has taken place in

¹There are many people in China who disagree with this analysis. They argue that the socialist revolution has been victorious and that the forces of capitalism have been annihilated. Therefore they advocate a theory of the dying away of class struggle. (One formulation of this thesis is the philosophical concept "two turns into one" erh-fen-yi, which was severely criticized in the early 1960's.) Mao strongly believes that the people who advocate dying away of class struggle are, at best, dupes of the capitalists if they are not died-in-the-wool capitalists themselves. Acceptance or rejection of this precept has been one of the major cleavages within the leadership in China and underlies many of the intense political struggles in China from the early 1950's through and beyond the Cultural Revolution. Mao Tse-tung seems most closely associated with the view that class struggle must continue and generally has won the internal struggles on this issue.

the Soviet Union, the cradle of socialism, since the mid 1950's, and that this proves the necessity for vigilance and constant struggle against capitalism, even in the era of socialism.

While the Chinese leaders often refer to the evils of capitalist restoration, the precise definition of "capitalism" in this context is not simple. From a narrow economic point of view, capitalism refers to private ownership and management of the economy, with the profit going to an individual. But equally or more objectionable are the attitudes which accompany private property. From property arises a selfish viewpoint, in which an individual feels his own self interest is more important than the interests of his fellow countrymen or fellow workers. Associated with selfishness is arrogance, a disregard bordering on contempt for the interests of others.²

The Chinese believe that selfishness and arrogance are invariably associated with private property; but can also emerge from possession of political power. These traits are particularly likely to be manifested in political systems in which those with power are separated from those without power by cultural differences or by layers of bureaucracy. Centralized systems and systems which sharply differentiate between management and physical labor are prone to selfishness and arrogance. Thus, even a socialist system can be transformed into a revisionist, capitalist system if selfishness and arrogance reemerge, based on political power. Selfishness and arrogance are also related to localism and nationalism because they imply a desire to place the interests of a locality above the interests of the whole nation, class or international movement.

Because the Chinese definition of capitalism is rather psychological, stressing selfishness and arrogance, the battle against capitalist restoration must be waged primarily in every individual's psyche. It requires the conscious creation of socialist culture and ethics based on selflessness, to replace feudal and bourgeois culture.³ From this

²Note that a major criterion of Lin Piao was that he was arrogant. Philip Bridgham, "The Fall of Lin Piao," China Quarterly No. 55 (July-September 1973), p. 431.

³K. T. Fann, "The Ethics of Liberation: The Example of China," Monthly Review, Vol. 25, No. 11 (April 1974), pp. 34-44.

It is no accident that China places such emphasis on political and social qualities of local leaders. This type of leadership was crucial to success in the guerrilla war

point of view it is obvious why major political movements have as a theme cultural transformation. The Great Proletarian Cultural Revolution (with the slogan "criticize revisionism, fight selfishness") and the new campaign to criticize Confucius (and the traditional values of "self-restraint and restore the rites") are recent dramatic manifestations of this aspect of political leadership. It is in this context that the issue of material incentives becomes very important. The Chinese frequently say that non-material incentives must eventually replace material incentives because the latter reinforce bourgeois individualism. (However, as we have noted in Chapter 3 the Chinese have not eliminated material incentives, and indeed have refined them, realizing that a long transitional period is needed before people will accept new values.)

In this extremely complicated, continuing class struggle victory will not come from simple institutional reorganization such as public ownership of means of production. This struggle needs the Communist Party to provide the vision and dynamism to keep society moving, to prevent society from sliding back into capitalism.

B. Communist Party Leadership

The Communist Party of China provides leadership in three ways. First, at the highest levels of political authority in China, it develops a general line for approaching China's political and social issues. The crucial institution in this regard is the Central Committee of the Communist Party. It meets every few months to make basic judgments on China's development. It is here that the decisions were made (or at least formalized) to encourage collective agriculture, to form people's communes, to make the production team the basic accounting unit.

against the Japanese, the revolution against the Nationalist government, and the movements for land reform and for collective farming. Altogether, these were perhaps some of the most extensive social transformations in human history. In addition, this type of local leadership is entirely harmonious with Chinese traditions going back for thousands of years. Chinese political philosophers have almost always urged that local leaders be "generalists," men trained in the Confucian classics, men of "virtue." Technical qualification was never deemed relevant.

Second, the Communist Party offers the mechanism for communicating these policies to the basic levels. Party conferences and periodicals supplement newspapers and government documents in informing local level party members about new programs. At the same time, the Communist Party constitutes a crucial channel for communicating to higher levels the attitudes, desires and realities at the local level.⁴

Thirdly, at the local level, the Communist Party gives what is understood as leadership. It determines how the central policies should be applied to a specific concrete situation. It makes sure that national policies are, in fact, being followed by the basic level managers. It generates a vision for change in the area, including how agriculture will change, what local industries will develop, and how economic development will be distributed among the villages in the locality. Because this paper focuses on local politics and institutions, this chapter will consider only the third of these functions.

1. Formal Powers

The commune has a Communist Party Committee; the brigade has a Party branch; the production team may have a Party group. At each level, the Communist Party is expected to exercise leadership. As we have pointed out before, the Party helps in making nominations for managerial posts. In many cases, the managerial posts are filled by Party leaders. The Party also makes general plans to evaluate the work of the unit.

The Party does not, it must be emphasized, displace the management committee or revolutionary committee at each level. The management or revolutionary committee has the function of concretizing the general vision of change offered by the Party. It has to figure out how much materials must be purchased, how much labor must be mobilized. It oversees the day-to-day administration. It also solicits opinions of the masses who are not Party members and thus have no standing to give their views in Party meetings.

Party members and leaders have a dual responsibility. On the one hand, they represent the views of Party members and masses in their unit. On the other hand, they are required to carry out the policies of the central Party

⁴Michel Oksenberg, "Methods of Communicating within the Chinese Bureaucracy," China Quarterly, No. 57 (January-March 1974), pp. 1-34.

leadership. The Communist Party is organized on Leninist principles of democratic centralism, and once a decision has been reached, all Party members are required to support that decision, regardless of their prior individual positions.

2. Why Do Party Members Support the Center's Policies?

A crucial factor in the Chinese system of rural management is that generally the local Party members do, in fact, support the center's political policy; and do, in fact, try with reasonable enthusiasm to implement these policies. Why is this so? How did the central leadership establish this corps of local leaders devoted to social and economic transformation?

Probably the most important reason that local members of the Communist Party support the center's policies is, simply, that they agree with the policies and think that the policies are appropriate. The center has sought policies that will work to the special advantage of former poor and lower-middle peasants. It has also recruited Party members predominantly from those classes. Thus most rural Party members are predisposed to be sympathetic with the center's policies.

A second factor undoubtedly is the fact that higher levels of authority control some rewards and punishments over lower level party leaders. If a leader has a desire to advance to a higher level of leadership (and not all leaders do have such a desire; many would prefer to stay home), he must be on good relations with the higher authorities. If the lower-level person violates regulations, he is subject to Party discipline. Punishment can include expulsion from the Communist Party for serious repeated deviations from policy. Forced labor and jail can await Party members who participate in serious corruption.

A third reason for support of central Party policies lies in the extensive study campaigns, training, and propaganda work through which local Party members learn the suitability of central policies. The county periodically sets up training programs for Party members and leaders. These schools run from 10 to 30 days; a local Party leader may attend one perhaps every two or three years. They are especially important when central policy changes and there is a need to communicate the new policy in a detailed form: For example in 1961 and 1962, when communes were being re-organized so that the production team was the accounting unit, Party schools played an especially important role. Party schools are supplemented by frequent study sessions (perhaps monthly, weekly or daily) to study recent policy, Marxist-Leninist philosophy, the history of the Communist

movement, and international affairs.

These study programs are supplemented with visits to national models. Almost two million Chinese have visited Tachai, the national agricultural model located in Shansi province, in distant northwest China. In one commune in Kwangtung, 25 of its leaders had visited Tachai, were inspired by its efforts, and got new ideas for their own commune.⁵ Provinces and counties frequently arrange exhibitions which show the successes of selected communes in the region. Thousands of Party members (and ordinary people) attend. There are also conferences arranged so that commune leaders can exchange ideas with each other.

3. Leadership Style: The Mass Line

In exercising leadership, Party members are expected to utilize the "Mass Line." The mass line is a two-part policy. It requires that the masses participate as much as possible in formulation of policies and plans; it also requires that all policies and plans be communicated as fully as possible to the masses. This is summed up in the phrase: "From the masses, back to the masses."

From the Masses

To solicit opinions of the masses, the Chinese have several unusual techniques to supplement the electoral process. The first is the large meeting. When a commune works out its production plan, it has a meeting of almost all cadres from the three levels (team, brigade, commune) in the commune. (Such a meeting is referred to as a "three-level cadre meetings.") Such a meeting can easily involve 1,000 people. (If each of 200 teams send four managers, each of 20 brigades sends six managers, and all 20 commune leaders of an assumed commune are present, there would be almost 1,000 participants.) This kind of meeting can last three to five days. The participants take over a school, bring their bed rolls, and sleep on the floors of the classrooms. Each brigade may bring its own cooks to prepare food. The meeting goes on until agreement is reached on the various aspects of plans. Such a meeting may take place twice or three times a year; first to prepare the year's agricultural production plan, and then after the harvest to determine how to distribute the harvest and how much and what kind of investments to make. In south China, with two harvests, there will be such a meeting after each harvest.

⁵ Mozingo Diary.

While a meeting of 1,000 people is often simply a rubber stamp to legitimize a program of the meeting's organizers, it appears that the format of these meetings and the time allotted to them offers a real opportunity for the opinions of the masses to be expressed through the cadres. (When a county has a "four-level cadre meeting," involving cadres from county, commune, brigade, and team, up to 10,000 people may be involved. In a meeting of this scale it is surely difficult to have effective extensive mass participation.)

Another way that mass opinion is solicited is in the course of Party rectification campaigns. Normally Party meetings are closed to the masses, but when there is a Party rectification campaign, masses are invited in to express their feelings about the attitudes and behavior of Party cadre.

Perhaps one of the most important ways of getting the opinions of the masses is through personal investigations. There are two basic types of investigations. Some are investigations by higher officials specifically and exclusively for the purpose of investigation. These trips may take several weeks or months, and take place whenever there is particular need. Officials from the very highest levels (including Liu Shao-ch'i and his wife) and county and provincial officials may all undertake rural investigations.

Another type of investigation comes through the regular procedures of "sending down" (hsia-fang) or "squatting at a point" (tun-tien). In these procedures, all managers are required, as a matter of course, to be transferred periodically to the basic levels for a period of time. "Sending down" generally refers to the process by which a higher level cadre is temporarily transferred to a lower level for a year or two. Perhaps a country cadre is sent down to the commune level; or a commune cadre to the brigade or team level. In such a situation the cadre generally retains his connection (salary, seniority, fringe benefits, etc.) to his original organization; but he is expected to perform as a member of his new organization. While one purpose of this is to make sure that the lower levels get proper leadership and do not deviate from the correct line, an equally important reason is to make sure that the higher level cadres have a clear understanding of the economic, social, and political situation at lower levels.

"Squatting at a point" is slightly different. It means that an official will move to a village and work as an ordinary member of the team (or factory). He will observe the practice of "3 together," i.e. he will work with the masses, eat with the masses, and live with the masses.

Typically, a commune leader will select a poor, backward village that has difficulties expanding its production. He will move there, live in the house of a poor farmer, and eat with that family. Every day he will labor in the fields as an ordinary worker. (He will, however, continue to receive his salary as a state cadre and will not collect work points.) The cadre will stay at that point for several months. Eventually, he will have a clear idea about the attitudes of that locality, the potentials for development, and sensible policies for that village. Cadres are expected to do this periodically perhaps every year.

The significance of these various types of investigations can hardly be overestimated. The principle is enshrined in Chairman Mao's thoughts: "No investigation, no right to speak." The manner of carrying out investigations ranks a whole chapter in the "little red book," Quotations from Chairman Mao. One Chinese cadre considers investigation work to be the functional equivalent of elections in China.⁶

There are other ways, too, for the masses to express their views. They may write letters to newspapers or (especially at times of campaigns) put up big character posters. The latter technique, which involves putting up suggestions, reports, or charges in a public place where everyone can read it, has remarkable significance in China. When posters are put up they are usually read and taken seriously, especially when an important campaign is taking place. The United States has no analogous institution that I can think of, except, perhaps, when a group of people pool resources to purchase a newspaper advertisement to express political views.

To the Masses

Precisely those mechanisms which transmit the views of the masses to the leaders also serve to carry the views of the leaders to the masses. The lengthy three-level cadre meetings serve as excellent forums to explain to many people the new Party policies. The cadre who is "squatting in one place" has an excellent opportunity to describe Party programs to his co-workers in the team.

In addition, there is extensive circulation of newspapers and magazines which report official policies. It is common for newspapers to be posted on a bulletin board, so that all may read them.

⁶Oksenberg, "Methods of Communicating . . . ," p. 28.

Party members and leaders also are expected to organize study meetings among the masses to discuss Party policy on a variety of issues. In addition to rural policy, these study meetings may include discussions on historical and philosophical matters or on international relations. During the Cultural Revolution, these meetings focused on studying Chairman Mao's thoughts; now (Spring 1974) the meetings are designed to criticize Lin Piao and his associates, as well as to analyze the extent to which traditional (Confucian) patterns of behavior have been maintained.

We mentioned above that the battle against capitalism is to be carried out in the psyche of every individual. To do this, Party members periodically organize meetings in the villages to remind people about the improvements in their lives which socialism has brought them. Old farmers are asked to recall the bitterness of the past--the famines caused by flood and drought, the brutality imposed by landlords. These types of meetings are especially important for young people, who have not experienced these problems and take for granted some of the advantages of socialism. This fixation on the past and on the improvements since liberation, which underlies these types of meetings, is also manifested in virtually all aspects of China's media. It is a common theme in Chinese movies, theaters, art, novels, etc. The Chinese are determined that the main element of consciousness should not be a forward-looking "revolution of rising expectations." Rather, it should be a backward-looking satisfaction with the achievements already accomplished. To the extent that this orientation is widespread, we must presume that the Chinese people are subjectively "satisfied," because their lives are, indeed, better than in the past.

Under certain circumstances the local Party members and leaders lack knowledge to conduct adequately these types of meetings. In such cases, the higher levels send to the villages special propaganda teams to explain a new policy. For example, after Lin Piao died in his attempted escape from China, special propaganda teams were sent to villages to explain the situation.

C. Supplementary Leadership

It is not presumed that these various policies of the Central Committee can be implemented solely on the basis of the political forces within the locality. The center fears that sometimes the local authorities (including Party leaders) may be corrupt, captured by conservative elements, or incompetent and thus unable to implement the center's program. Accordingly, the Central Committee can send out

work teams to the communes to instruct local cadres about the center's policy and to assure that they carried it out.

The first and most important time work teams were sent out was during the land reform campaign of 1949-52. Work teams played a crucial role in bringing the idea of land reform to peasants who were steeped in centuries of tradition of obedience and obligation to landlords. The work teams also helped to select and train local leaders. Many of the members of these initial work teams stayed in the villages and eventually became cadres of the cooperatives and communes that eventually emerged.

During 1964-66, in the Socialist Education Movement, work teams were again sent out. They instructed commune cadres about appropriate accounting techniques, suitable balances between private and public sector, and proper personal and administrative behavior. They insisted that all accounts be rectified, corruption be rooted out, and management expenses reduced.⁷

There is no simple way to summarize the role of the work teams during the Socialist Education Movement because the role was quite different from place to place. The "Four Cleanups" were completed in only about one-third of the villages before the Cultural Revolution began. Thus the overall role of work teams in rural politics differed greatly between areas that had work teams and areas which did not. Secondly, in some cases the activities of the work teams became meshed with higher level policy debates, and this sharply effected their work. At that time there was a debate on general agricultural policy at the highest levels of politics in China involving Mao himself and Liu Shao-ch'i.⁸ In some cases, Liu controlled the work teams

⁷ Much of our knowledge of this period comes from directives that were issued in conjunction with the Socialist Education Movement, including "The First Ten Points," May 20, 1963; "The Later Ten Points," September 1963; "Organizational Rules of Poor and Lower-Middle Peasant Associations (Draft)," June 1964; "The Revised Later Ten Points," September 10, 1964; and "The 23 Articles," January 18, 1965. These documents are conveniently available in translation in Richard Baum and Frederick Teiwes, Ssu-Ch'ing: The Socialist Education Movement of 1962-1966 (Berkeley: Center for Chinese Studies, 1968).

⁸ The precise issues in the debate are not known for certain, but presumably the issues included the role of the private sector, the manner in which work points should be counted (i.e. the incentive system), the significance of constant

and used them to attack commune leaders supporting Mao's policies and especially those who were national or regional models of Mao's policies. Tachai, the national agricultural model, is a prime example of this. A work team composed of 3,800 cadres came to the country. Ch'en Yung-kuei, leader of Tachai and now member of the Politbureau, described how this work team functioned:

The first Work Team sent here by Liu Shao-ch'i in October 1964, tried to doctor Tachai to death. Why? Because in June of the same year Chairman Mao had called on the whole country: "In agriculture, learn from Tachai."

Liu Shao-ch'i's Work Team wasn't sent to Tachai alone. Its instructions were to work at three levels: the county, the communes and the brigades. Not long after they arrived, no less than 80 percent of our local cadres at those three levels had either been overthrown or forced to stand aside!

This was the Work Team's method. They struck out at a huge number of cadres in order to protect a handful of their own people. In the process they protested landlords, rich peasants, counter-revolutionaries and bad elements, using such people to persecute our cadres.⁹

Soon afterwards, a second work team was sent to Tachai by Chou En-lai, and this work team reversed the decisions of the first work team.¹⁰

As the Cultural Revolution began and tensions heightened in China, it became more common for work teams carrying out the Socialist Education Movement to force out local cadres with whom they disagreed. In a commune in Kweichow 98 of 182 brigades and team level cadres experienced "cruel struggles" and all were forced to resign.¹¹ There is no way of

political study, the role of former landlords and rich peasants, the importance of labor-intensive construction projects, and others.

⁹ Neal and Deirdre Hunter, "Our Man in Tachai: Chen Yung-kuei on the Two-Line Struggle in Agriculture," Monthly Review, Vol. 1, No. 24 (May 1972), p. 23.

¹⁰ Ibid., This is also described by Gerald Tannebaum, "The Real Spirit of Tachai," Eastern Horizons, Vol. X, No. 2 (1971), pp. 27-31.

¹¹ Richard Baum, "Revolution and Reaction in the Chinese Countryside: The Socialist Education Movement in Cultural Revolutionary Perspective," China Quarterly No. 38 (April-June 1969), pp. 116-118, esp. fn. 88, 95.

knowing how common it was for these work teams to remove the local leadership. However, near the end of 1967 the Central Committee sent out orders nullifying virtually all verdicts imposed by rural work teams after the Cultural Revolution began.

Obviously the role of the work team varied greatly during the Socialist Education Movement. In the majority of locations, there were no work teams, so they had no direct effect. In certain localities, they had a very intense effect.¹² In some of these places, the decisions of the work teams were later reversed. While the overall results can not be summarized, there are certain generalizations which can be drawn. First, it is clear that the higher levels of government have the legal and political power to have lower level cadres removed. Secondly, it appears that this power is not used frequently in the normal administration. It seems to be used in exceptional situations of great corruption or political conflict. Thirdly, the fact that this power exists must shape strongly the work of local cadres. They know that it is possible that at some time in the future a work team might come to their commune, and will have the power to force their resignations.

It is possible that this type of work team will diminish in importance in the future. It represents a style of control contrary to Mao's general notions of organization. Mao prefers mass-oriented campaigns to examine and criticize leaders, rather than letting this criticism be done by teams sent down from higher levels. In Mao's mind, it is the difference between "revolution from above" and "revolution from below."¹³ Thus it may be a long time before work teams are again sent down from higher levels to enforce a broad political and economic change in rural China.

In addition to sending down work teams (and perhaps instead of it) the central leadership (or at least some in it) has advocated the creation of supplementary organizations that would oversee the local Party's activities, and assure that the Party members are not lulled into ignoring the necessity for continuing class struggle. In 1964-65, Poor and Lower Middle Peasant Associations (PLMPA) were organized. These associations would be made up of people who had formerly been landless, poor, and lower-middle

¹²Tannebaum, op. cit., says that the work team that came to Tachai "acted exactly as did thousands of similar teams sent out by Liu to the rural areas," but I would like to see more data before concluding that it was typical.

¹³Baum, op. cit., pp. 118-119.

peasants. They were to be set up at every level of the commune, including commune, brigade, and team, as well as other levels of government. The functions of the PLMPA were in broad sense, to assure that the commune carried out a policy which was beneficial to the former poor and lower middle peasants, and that it was not dominated by former rich peasants. The PLMPA was supposed both to advise the management committees at all levels and to assist them in carrying out their policies. They also checked the work and behavior of individual cadres. The PLMPA were especially concerned with policies that directly affected class relations, including the supervision of Bad Elements, and the achievement of appropriate balance between the private and collective sectors of the economy. I do not have a clear idea about the actual implementation of this program and the actual influence of the PLMPA in commune management. Nor am I clear about whether the PLMPA has been continued into and after the Cultural Revolution.

Military forces cannot be overlooked in a discussion of rural management. Naturally the army plays a role in putting down the very infrequent armed uprisings against the Communist government, including those organized by Nationalist and U.S. CIA agents, bandits, hungry farmers seizing graineries, and other discontented people. The army plays a more important role, however, than actually using its armed might. In Chinese political culture, when a ruling group (such as the Communist Party) has a monopoly of force, the legitimacy of the leaders is rapidly accepted and their policies tend to be accepted. Resistance, if it takes place, is by subterfuge; it is never expressed openly. Opponents wait silently, until chaos (luan) breaks out. The fact that the Communist Party has been able to maintain a fairly monolithic military force has contributed immensely to the authority and stability of the entire political system.

During the Cultural Revolution, the People's Liberation Army assumed a crucial supervisory role after established authorities were in danger of losing their legitimacy, and chaos loomed on the horizon. However, the army has since receded into the background and the Party has resumed its original leadership role.

D. Limits to Central Power

In the previous discussion we have implicitly utilized a model of the Chinese political system in which the policies of the dominant group in the central leadership are widely accepted by the vast majority of China's rural population. The model holds that there are no fundamental contradictions

between leadership and led; that the leadership is not an alien group trying to force unpopular policies upon unwilling subjects. This model does, in fact, represent my understanding of the political reality in China since liberation.

Of course this is a vast oversimplification of an extremely complex situation. Not all policies have been warmly received by all peasants everywhere at all times. One factor is the class background of the peasant. A survey taken in one village in 1957 showed that about 30 percent of former upper middle peasants, rich peasants, and landlords and about 10 percent of former poor and lower-middle peasants did not support the "socialist road," and of the supporters, there were many who were only passive supporters.

Table 5.1. Political Stand Taken by Households of Different Classes of South Yangyi Village (1957)

Political stand	Class			Total
	Poor and lower-middle peasants	Upper-middle peasants	Ex-landlords and rich peasants	
	744	82	13	839 (100%)
Those who supported the socialist road (active) (passive)	659 (88.6%)	48 (58.5%) (21)(25.6%) (27)(32.9%)	6 (46%)	718 (85%)
Those who wavered	85 (11.4%)	24 (29.3%)	4 (31%)	113 (13.5%)
Those who opposed the socialist road and supported the capitalist	—	10 (12.1%)	3 (23%)	13 (1.5%)

Source: Isabel and David Crook, *The First Years of Yangyi Commune* (London: Routledge and Kegan Paul, 1966), p. 206.

Another question concerns the particular policies. There have been many instances when highly unpopular policies were proposed and strongly pursued. We cannot, in this paper focusing on rural local institutions, examine the process in which such policies were chosen because it involves the political processes of the higher levels of

government and Party, including the role of Chairman Mao, the Central Committee, and provincial leadership. Ideology and foreign affairs are also sometimes involved. These elements are compounded by bureaucratic pressures at several levels.

These various factors have resulted from time to time in technically unsuitable programs. The most famous was the extension of use of a 2-wheel 2-blade plow in southern China in 1955-56; it was presumed that the plow would make collective agriculture more profitable, and it probably did in north China. In the South, however, the plow was too heavy and too awkward for the soft, muddy, small rice paddies. Analogous mistakes were made in 1958, when close planting and deep plowing were recommended. Many regions simply did not have enough labor supply, plant nutrients, or water supply for such intensified cultivation. Similarly, in 1957, in many areas irrigation projects were built in areas without adequate water supplies or without suitable drainage, resulting in increased salinity of the soil. A rice transplanting machine was popularized in 1960, before many technical deficiencies had been resolved. There are many cases reported of the introduction of a seed which is unsuited to the locality for any of a number of reasons.¹⁴

There have also been some highly unpopular policies for social organization. Most important in this regard was the manner in which the commune was originally organized in 1958. The original commune took as the accounting unit the whole commune. This meant that people in wealthier villages were sharing their wealth with those in poorer villages; this was unpopular. Moreover, the original commune called for free distribution of food and other commodities. Finally, it organized labor in military style, so that people would be assigned to work anywhere in the commune; they no longer had any connection or special interest in the land or production in one small locality. All these factors combined to destroy labor incentives, and even to generate negative labor incentives; in communist vocabulary, they harmed labor enthusiasm.

When the leadership proposes and strongly pursues a policy, the institutions which have been described above (in Chapter 3) are of little value in correcting policy. Control by the Communist Party is strict, and peasants cannot freely elect leaders who will carry out alternative policies. The system of meetings, criticisms, etc.

¹⁴Benedict Stavis, Political Dimensions of the Technical Transformation of Agriculture in China (Columbia University, Ph.D. Dissertation, 1973), pp. 77-83, 133-136.

ultimately relies on the willingness of higher levels to accept the validity of the requests of lower levels.

This does not mean, however, that peasants are powerless vis-a-vis the higher leadership. They have certain very powerful tactics they can use to disrupt the central government. The first is simply to stop working on collective plots and to force grain production to drop. If this happens on a widespread basis, it can result in hungry cities and can severely upset the central political authorities' plans for economic development.

Another peasant resistance tactic is to refuse to serve as production team leaders. This makes it difficult for the leadership to communicate its policies to peasants and to get support for any activities. This happened after the Great Leap, in 1959-61; it happened again during the Cultural Revolution when many brigade and team cadres felt they were being criticized excessively. Attitudes such as "it is unlucky to be a cadre," "being a cadre offends people . . . when a campaign comes you get rectified again," and "when we cadres are criticized we have no prestige," were reported to be widespread among basic level cadres in many places.¹⁵

Yet another defense peasants have is to refuse to supply accurate economic data. The production team may distribute some food before weighing it, so that the total production is under-reported. Alternatively, production can be widely inflated. In addition, the production teams may not supply full data on population. Deaths may go unreported, so that a locality claims a larger population and larger food requirement than necessary. Without accurate data, the central authorities cannot make rational economic plans, or distribute food, investments, etc. in the desired fashion. The seemingly peculiar hesitancy of the Chinese government to issue population estimates may be related to the presumption of the leaders that many of their own statistics are inaccurate and misleading.¹⁶

¹⁵ Richard Baum, op. cit., p. 113, fn. 76.

¹⁶ When Edgar Snow asked Chairman Mao what was the size of the population of China, Mao was quite forthright about the problem of data collection. "The chairman replied that he did not know. Some said that there were 680 to 690 million, but he did not believe it. How could there be so many. When I suggested that it ought not to be difficult to calculate, on the basis of ration coupons (cotton and rice) alone, he indicated that the peasants had sometimes confused the picture. Before liberation they had hidden births and kept some off

Undoubtedly in a few instances peasants express physical resistance. Granaries may be looted, Party offices attacked, etc. In one locality peasants were, in general, enthusiastic about revolution and collective farming. Nevertheless in 1957 when Higher level APC's were established and cadres failed to provide effective management, "the threat of violence hung in the air, and local cadres took to carrying knives for personal protection."¹⁷

In situations where central policies are unpopular and peasants use these techniques of opposition, the local leaders are quite vulnerable, even if they have been following the policies of the central authorities. They may be accused of being "adventurous" or "commandist," that is, failing to pay sufficient attention to the masses. They are "divorced from the masses." (Of course if local leaders fail to show leadership, they are accused of "tailism," that is, tailing behind the masses.)

Only in the 1959-61 period were these tactics used by peasants on a very widespread scale to force a change in basic policies. The change was, in fact, made by 1962, establishing the system described in this and previous chapters. Since that time, these peasant defense mechanisms have not been used overtly. This does not mean, of course, that they have been unimportant. In Chinese political culture, the fact that a person or group has a potential weapon is very important; the weapon need not be used (and in fact should not be used) if the political system is working properly. Thus these potential means of passive resistance by the peasants have placed certain limits on the ability of the central authorities to pursue unpopular policies; they must be considered one important dimension of China's political system.

the register out of fear of having them conscripted. Since liberation there had been a tendency to report greater numbers and less land, and to minimize output returns while exaggerating the effect of calamities. Nowadays a new birth is reported at once, but if someone dies it may not be reported for months. (His implication seemed to be that extra ration coupons could be accumulated in that way.)" Edgar Snow, "Interview with Mao," The New Republic, February 27, 1965, p. 20.

¹⁷ Pelzel, op. cit., p. 391.

CHAPTER 5

INSTITUTIONAL POLICY AND AGRICULTURAL DEVELOPMENT

In the previous chapters we have described the rural local governance system in China, focusing on the functions of each level (Chapter 3), the internal organization of each level (Chapter 4), and the political leadership which gives organizations a quality of dynamism (Chapter 5). In this chapter, we suggest certain connections between both rural local institutions and central institutions and the rate and pattern of agricultural development. Our conclusions are that the rate of growth and the geographical distribution of modern agriculture have been influenced predominantly by central government institutions, not by rural local ones; rural local institutions have a powerful effect on income distribution and security of life. These categories are not, however, mutually exclusive; rural local institutions can affect agricultural productivity as well as distribution, and guidelines of the central political authorities sharply influence distribution policy. Indeed, given the degree of integration of the Chinese political system, it is very difficult to draw a rigid distinction between different levels.

A. Role of Central Political Authorities

Although this paper focuses on rural local institutions, it is obvious that central institutions play a very important role. Indeed, the activities and powers of local institutions can be understood only in terms of a relationship with central institutions. The central political authorities can be thought to have three major roles. First, they project a vision of change in all dimensions--social, cultural, economic. Second, they supply certain economic and technical inputs to make this change possible. Third, there is concrete leadership--locating people who want to carry out these changes and coordinating them.

1. Projecting a Vision of Change

Perhaps the most important activity of the central political authorities with regard to rural development in China is the formulation and projection of a general vision

of change. This vision has had several dimensions. During the 1950's, it stressed collective organization in agriculture. In the 1960's, it stressed technical change based substantially on labor inputs, as had been achieved in Tachai. In the 1970's the vision emphasized rural industrialization and the gradual mechanization of agriculture. Throughout, the vision has stressed modernization of culture, including the abandonment of superstitious beliefs and the adoption of scientific values.

The central authorities have used virtually every conceivable channel to convey the image of modernization to China's peasants. All forms of mass media, including newspapers, magazines, radio, television, cinema, theater, are carefully exploited. One goal of the Cultural Revolution was to assure that these various mass media would, in fact, effectively carry this message. These media, when combined, almost completely dominate and shape the culture of China.

The message of modernization--including collective organization, economic development, and scientific thought is also carried by face-to-face communication. The Communist Party organizes study sessions in the villages to explain the vision of rural transformation. These meetings may be daily or weekly. The Chinese leadership, especially the Maoists, feel that these meetings--which are included under the idea of mobilizing the masses--are a crucial element in bringing to the village new visions of change and generating support for them.

2. Supply of Crucial Economic-Technical Inputs and Services¹

For China's agricultural production to grow, we have argued, modern inputs were essential. In 1960-62, China's leaders made a conscious, firm decision to change fundamentally the agricultural technology of the country. This decision was finalized in September 1962 at the Tenth Plenary Session of the Eighth Central Committee of the Chinese Communist Party. The communique of the Tenth Plenum summarized the decision:

It is necessary to mobilize and concentrate the strength of the whole Party and the whole nation in an active way to give agriculture and the collective economy of the people's communes every possible material, technical and financial

¹This discussion is based on my monograph Making Green Revolution (Ithaca, N.Y.: Center for International Studies, 1974), Chapters 3-5.

as well as aid in the field of leadership and personnel, and to bring about the technical transformation of agriculture, stage by stage in a manner suited to local conditions. (emphasis added)

This decision was not made lightly or quickly. In 1960-61 there was a serious food crisis. Some leaders wanted a return to private agriculture, but Mao and others were not willing to give up the collective aspects of rural organization, and saw technical transformation as the only way of making profitable and preserving collective agriculture.

Before 1960, the thrust of Chinese rural policy had been social transformation, not technical transformation. We have discussed in Chapter 2 the historical process by which the rural sector was socialized during the 1950's. By 1960, despite the rapid changes in social relations, the basic agricultural technology of China had not changed (except in a very few localities). Indeed, before 1960, there was no way that agricultural techniques could have been changed. The establishment of an industrial base, which was achieved during the First Five Year Plan (1952-56) with extensive assistance from the Soviet Union, was a necessary precondition. Not until then could China produce the pumps, machines, generators, wires, tractors, fertilizers, trucks, etc. which are needed for modern agriculture.² Once the center made this decision to concentrate resources on the technological transformation of agriculture, the supply of modern agricultural inputs increased dramatically.³

Chemical Fertilizer

The growth rate in China's chemical fertilizer industry, especially after 1960-62, has been nothing less than

²I do not wish to explore in detail the possibility of obtaining such equipment on the international market, as an alternative to establishing an industrial base. For political reasons, China's leaders were determined that China could not risk becoming dependent on other countries and the international market. In any event, although small countries might be able to purchase inputs readily on the international market, it is questionable whether the international market could have provided supplies on a massive enough scale for China, and whether it would have absorbed the huge exports China would have offered in exchange for these supplies.

³The material in this section is excerpted from my detailed analysis China's Green Revolution (Ithaca, N.Y.: Cornell China-Japan Program, 1974), except where otherwise noted.

phenomenal. Table 6.1 summarizes crude data on production and total supply of chemical fertilizer. From 1960 to 1966, total chemical fertilizer consumption quadrupled. Then between 1966 to 1973, it doubled. By 1972, chemical fertilizers supplied somewhere between 23 and 37 percent of the total crop nutrients in China. These computations are shown in Table 6.2.

Table 6.1. Domestic Production and Imports of Chemical Fertilizers, 1949-73 (1,000 metric tons)

Year	Domestic Production	Imports	Total Supply
1949	27		
1950	70		
1951	134		
1952	188	130	318
1953	249	343	592
1954	326	476	802
1955	403	852	1,255
1956	703	905	1,608
1957	871	1,073	1,944
1958	1,462	1,246	2,708
1959	2,227	1,078	3,305
1960	2,550	865	3,415
1961	2,000	882	2,882
1962	3,000	991	3,991
1963	4,200	1,789	5,989
1964	5,900	1,134	7,034
1965	8,900	1,989	10,889
1966	11,600	2,305	13,905
1970	14,000	6,000+	20,000+
1971	16,900	6,000+	23,000
1972	19,900		
1973	25,000		

Sources:

1949-1966: Kang Chao, Agricultural Production in Communist China 1949-65 (Madison: University of Wisconsin Press, 1970), p. 151.

1970-72 production: Benedict Stavis, China's Green Revolution (Ithaca: Cornell China-Japan Program, 1974), p. 33; for 1973, Peking Review, February 8, 1974, p. 22.

1970-72 imports Current Scene, VIII No. 16, IX No. 8, X No. 10.

Table 6.2. Various Computations for Source of Crop Nutrients 1972

	Crop nutrients from traditional fertilizer (million tons)	Crop nutrients from chemical fertilizer ^c	Total	Percent of crop nutrients from chemicals
High estimate ^a	14.80	4.52	19.32	23
Low estimate ^b	6.07	3.63	9.69	37

Sources:

^aThis is computed by using figures from Shigeru Ishikawa, Factors Affecting China's Agriculture in the Coming Decade (Tokyo: Institute of Asian Economic Affairs, mimeo, 1967), p. 59 for 1965, and then assuming an annual growth of 2 percent.

^bThis is computed according to the method of Kang Chao, Agricultural Production in Communist China, 1949-1965, p. 150. Chao's figures have been modified to take into account growth in population and animal husbandry which directly affect supply of nightsoil and manures. These figures are lower than others because they consider plant nutrients which are actually absorbed by the plants, not the total supply of nutrients.

^cThe computations for these figures are offered in Benedict Stavis, China's Green Revolution (Ithaca: Cornell China-Japan Program, 1974), p. 34 (Table 10).

Every indication is that chemical fertilizer will continue to grow in importance in China. In December 1973, it was announced that China had contracted with the Kellogg Corporation of the U.S., a Dutch firm, and a Japanese firm to purchase ten large ammonia factories which would go into production in the mid- and late 1970's. These factories will be able to produce 3.0 million tons of nitrogen per year, thereby raising China's supply of crop nutrients by about 65 percent over the already high 1972 level. In addition, China purchased eight urea factories (which will be the largest in the world), presumably to convert the ammonia of these factories into a fairly concentrated, easily transported solid fertilizer.

Table 6.3. Chinese Contracts for Chemical Fertilizer Factories, 1973

Product	Number of factories	Capacity of each	Gross yearly capacity (million tons)	Percent nutrient	Total crop nutrient (million tons)
Ammonia	10	1,000 tons/day	3.65	82	3.00
Urea	8	1,620 tons/day	4.75	52	2.47

Source: New York Times, November 28, 1973.

Mechanized Irrigation

Beginning in the late 1950's and even more so after the decision to stress agro-technical transformation, mechanization of irrigation proceeded quite rapidly. From 1957 to 1965, mechanical irrigation equipment rose from 0.56 million horsepower to 8.6 million horsepower. This equipment was used on about 6.6 million hectares of land in 1965. (At that time China had about 32 million hectares of irrigated land, four-fifths of which was irrigated by gravity-fed systems or hand wells and pumps.) Most of the mechanical irrigation equipment was used near urban concentrations to assure a high and steady yield of grains and vegetables. As seen from Table 6.4, regions around the major urban areas of Peking, Shanghai, Canton, and Szechwan had over 80 percent of the mechanically irrigated area in 1965.

Several other areas developed smaller mechanical power irrigation systems. An irrigation network was begun in the area around Wuhan in the early 1960's. The project was planned to provide irrigation and drainage for 0.13 million hectares. A large network of pumps was planned around the Tungting Lake of Hunan. Plans were also announced for large irrigation systems in the northeast province of Kirin, near Changchun. Another area where machinery has increased irrigation is in Honan, particularly around the cities of Chengchow and Loyang.

Mechanical irrigation continued to increase after 1965, rising to about 12 million horsepower in 1971. If each horsepower irrigated the same number of hectares in

Table 6.4. Major Mechanical Irrigation Systems, 1965

Region	Million Hectares
1. North China Plain, mechanical wells in the Peking-Tientsin area	1.3 ^a
2. Lower Yangtze, near Shanghai	3.1 ^b
3. Pearl River Delta, south of Canton	0.4 ^c
4. Szechwan (1966)	0.6 ^d

Source:

^a "Medium and Small Factories Serve Agriculture in North China," NCNA Tientsin, September 7, 1964. SCMP 3316, p. 12.

^b "More Electricity for People's Communes in China," NCNA Peking, April 24, 1964. SCMP 3208, p. 16. "Electric Pump Operators and Tractor Drivers Trained for China's Rural Areas," NCNA Peking, January 10, 1963. SCMP 2898, p. 13. "China Uses More Pumps for Irrigation and Drainage," NCNA Peking, April 3, 1963. SCMP 2955, p. 15.

^c "Fifth Year of Construction on Pearl River Delta Pumping Stations," NCNA Canton, October 23, 1964. SCMP 3326, p. 19.

^d "China's Leading Rice Producing Province Makes Headway in Technical Transformation of Agriculture," NCNA Chengtu, October 24, 1966. SCMP 3809, p. 27.

1971 as in 1965 (0.8 hectares), then about 9 million hectares were mechanically irrigated in 1971.⁴

Mechanization of irrigation is a crucial step in improving agricultural production. Assuming the water source is adequate, mechanization guarantees production in time of drought. If there is flood, the same equipment can also be used for drainage. Mechanization of irrigation permits the precise regulation of water supplies required by high yielding varieties of rice. Finally, it makes multiple

⁴ Probably each horsepower irrigated less area, as pumps were put in places where water had to be lifted higher. Thus the figure of 9 million hectares is a maximum.

cropping possible in areas where supply of water at specific times was a bottleneck. A Chinese slogan summarizes the crucial role of irrigation and drainage: "Water conservancy is the lifeline of agriculture."

Improved Seeds

At roughly the time of the Tenth Plenum of 1962, the central authorities expanded research and development in the area of improved seeds. Research was carried out by the Chinese Academy of Sciences, the Chinese Academy of Agricultural Sciences, and various provincial level research institutes. Progress came quickly. (Actually, much of the research had been done already from 1930 to 1960.)

During the early 1960's, very high yielding varieties of rice and wheat were developed and popularized, especially in the "high and stable yield" areas which had good, mechanized irrigation. By 1965 about 3.3 million hectares of high yielding rice and about 2.5 million hectares of high yielding wheat were planted. By 1973, 6.7 million hectares were sown to improve rice varieties.

Rice

The high yielding rices were called nung-k'ien 58, chen-chu-ai, ai-chiao-nan-t'e and kuang-ch'ang-ai. These new varieties of rice distributed in 1964 and 1965 were similar to those of "miracle rice" distributed by the International Rice Research Institute, Philippines, in 1966. Under ideal conditions, the new varieties could yield up to 7.5 tons per hectare, about the same as IR8. When cultivated without recommended inputs the yield might be only 1.5 to 2.5 tons per hectare. The average yield of traditional varieties under normal cultivation is also variable, around 2.7 tons per hectare. Thus the new varieties had the genetic potential for almost tripling yields.

In actual use, of course, the results were not that dramatic. Areas that adopted new varieties in 1965 showed increases in yields of roughly 0.37 and 0.75 tons per hectare; sometimes the increase was as high as 1.5 to 2.2 tons per hectare.

Reports from a variety of places in Kwangtung Province agree with the reports of the Chinese agronomists. In the early 1960's typical yields were 1.9 to 2.3 tons per hectare per crop. In the late 1960's, after new varieties had been popularized, typical yields were 2.3 to 3.0 tons per hectare.

While the Chinese rice varieties could raise yields, they also had some shortcomings (similar to those of the IRRI varieties). First, the new Chinese varieties definitely required complementary inputs, especially of fertilizer and water, to achieve good results. If they were cultivated in less fertile farmland without complementary inputs, they might even yield less than the traditional varieties under the same conditions. This was specifically reported for nung-k'en 58. A second problem was that some of the early high yield varieties (for example, ai-chiao-nan-t'e) could not be utilized in double cropping regions of Central China because they took too long to mature and interfered with the planting of a second crop. A final problem had to do with resistance to diseases. Chinese agronomists pointed out that the new varieties "showed an early weakening of stalks and leaves, as they were also vulnerable to banded sclerotial disease, bacterial leaf blight, and pestalotia leaf spot" (as is IR5).

As for taste and cooking qualities of the Chinese high yield varieties, it was reported that nung-k'en 58 was "soft and good for cooking," but the same was not claimed for the other high yielding varieties. Former residents report that the new varieties continued to be extensively used in the late 1960's.

Wheat

With regard to high yielding wheat varieties, considerable progress was made during the 1960's. In 1965, 2.5 million hectares were planted to improved wheat strains (out of a total area of about 27.5 million hectares planted to wheat). The new strains were reported in use (or under experimentation) in Honan, Shensi, Hopei, Szechwan, Shantung and Shansi. Early and intensive experimentation with improved wheats was done in the Peking suburbs, where 87,000 hectares are planted to wheat. By 1964, 90 percent of these lands were sown to good strains and that production in 1964 was 50 percent higher than the previous year.

While I believe that central and provincial research institutes played the crucial role in the development of these high yielding varieties of seeds, local institutions did have an important function of testing and adapting the varieties for local conditions. (See Chapter 3, Section 5.4, page 84, for description of commune experimental station.)

Table 6.5. Extension of Specific Varieties of Very High Yield Rice

Variety	Area Planted (million hectares)			Where Used
	1964	1965	1973	
<u>nung-k'en 58</u>	0.27	1.13		Yangtze Valley
<u>chen-chu'ai</u>	0.04	0.73		Kwangtung
<u>ai-chiao-nan-t'e</u>	0.33	0.73		Kwangtung
Others	<u>0.36*</u>	<u>0.67</u>		
TOTAL	<u>1.00</u>	<u>3.26</u>	<u>6.70</u>	

*Estimated, based on figure that one million hectares were planted to new varieties in 1964.

Source:

For 1964, 1965: Rice Scientific Technical Group of the Chinese Academy of Agricultural Sciences, "Preliminary Summary of the Cultivating Techniques in the 1965 Bumper Rice Harvest in the South," Chung-kuo Nung-yeh K'o-hsueh (Chinese Agricultural Science), No. 2 (February 1966). JPRS 36, 217, p. 3.

For 1973: "New Achievements in Rice Research," Peking Review No. 6 (February 8, 1974), p. 22.

Agro-Technical Services⁵

At the time of the Tenth Plenum, China made a broad decision to strengthen agro-technical services available to the rural sector. A month after the Tenth Plenum, a small conference was held in Peking to give top political leaders and agricultural scientists a chance to discuss the new policy. The government was represented by the highest level officials responsible for agriculture and science, including Chou En-lai, T'an Chen-lin (politbureau agricultural specialist), Liao Lu-yen (Minister of Agriculture), Nieh Jung-chen, and Han Kuang (Chairman and Vice-chairman

⁵These services are discussed more fully in my monograph Making Green Revolution, the Politics of Agricultural Development in China (Ithaca, N.Y.: Cornell Rural Development Committee, forthcoming).

of the State Science and Technology Commission). The agricultural scientists at the meeting included 26 specialists, 13 of whom had received doctoral degrees in American or European universities. This meeting was followed by a six-week conference of 1,200 agricultural scientists and technicians which mapped out the plans for agricultural research and development.

One of the important ways scientists carried out research and popularized new techniques was in demonstration fields (yang pan t'ien). Major demonstration projects were planned for 10 regions including the Peking area, Northeast China (not more specifically identified), the Szechwan basin, the Taihu Lake area near Shanghai, the Pearl river delta area near Canton, Hainan Island, and Northwest China. These projects were described as the major work of agricultural scientists and up to one-half of the scientists were expected to be working at demonstration farms at any one time.

In 1962 the Ministry of Agriculture issued directives to rebuild the agro-technical extension station system so that there would be at least one professionally staffed extension station for every three or four communes. The primary function of the agro-technical extension station was to popularize the findings of scientific research to the actual producers, that is, the production teams and peasants. There is evidence that these extension stations were quite effective, especially in the high and stable yield areas.

After the Tenth Plenum, steps were also taken to improve the utilization of agricultural machinery. In 1958, when communes were established, ownership of agricultural machinery had been decentralized to the communes. In the following two years, serious problems of maintenance developed because communes lacked the technical capability to operate and maintain tractors efficiently. In the summer and fall of 1961, a year before the Tenth Plenum, the process of reestablishing central control over tractors began. The system established then was the Agricultural Machinery Station system, in which state agencies owned and managed the machinery; operating and maintenance were reported improved. After a few years, however, some Chinese leaders (including Mao) feared that the stations were becoming inefficient because their personnel had tendencies towards becoming selfish and arrogant. During the Cultural Revolution the system was largely disbanded and tractors were purchased by communes.

Organizational Infrastructure

As agricultural production relies more and more on inputs which have to be purchased, agricultural credit becomes increasingly important to provide the means of purchasing the inputs before the harvest is in. Chinese leaders realized this and in the early 1960's tried to strengthen the agricultural credit system. An agricultural bank was (re)established in 1963, and throughout the period bank personnel were urged to loan money in a way that would help production. This meant that banks could not loan money just according to area or population of a unit; they had to provide credit for specific inputs that would raise production. Unfortunately, there are no data available to permit an evaluation of the rural credit system.

The Chinese government has been very sensitive to the importance of education and has stressed both the quantitative and qualitative aspects of education. However, the school system has had a distinct urban orientation. Teachers had an urban culture and the curriculum was shaped to urban needs. Even rural primary schools tended to prepare students for middle schools in urban areas. In an effort to provide relevant education for rural youths a program developed in late 1954 of setting up a second school system, including primary, middle, and college level, for the rural population. The agricultural primary and middle schools were to be administered by the commune, instead of the regular departments of education.

The establishment of a second educational "track" must have heightened fears that a class system might be reestablished in China, because only the urban youths would be able to go to the top-rate universities and get jobs leading to political power. The two track system was dropped in the course of the Cultural Revolution and the commune was given more responsibility to supervise the schools so that education would be relevant to the needs of agriculture.

The Chinese realized that agricultural development required a suitable marketing system to enable peasants to purchase consumer goods (thereby giving them an incentive to earn cash income). Marketing had been socialized in 1956 through the Supply and Marketing Cooperative system, but even so, difficulties were encountered in structuring an appropriate commercial system. One Chinese article reported that sales personnel were so ignorant of rural needs that "they do not even know how to distinguish a three-bladed plow from a four-bladed one."

A survey taken in Heilungkiang province shows how personnel in the commercial system tended to move to urban

areas (see Table 6.6). From 1957 to 1964, the number of personnel at basic levels increased a scant 3 percent, while personnel at upper levels increased 77 percent. Of the 6,000 supply and marketing points (i.e., stores) in the province, more than 1,900 were staffed by only two people. In the Cultural Revolution, the commune was given power to supervise many aspects of the work of the Supply and Marketing Cooperatives.

Table 6.6. Supply and Marketing Cooperative Personnel in Heilungkiang

Year	Personnel at Basic Level	Personnel at County and Higher	Total Personnel
1957	44,000 (80%)	11,000 (20%)	55,000
1964	45,500 (70%)	19,500 (30%)	65,000
1965	47,500 (73%)	17,500 (27%)	65,000

Source: "Retrench Administrative Personnel at Higher Levels and Reinforce the First Line of Purchasing and Marketing Work in the Countryside--Heilungkiang supply and marketing cooperative system meets the needs of the new upsurge in agricultural production." Ta-kung Pao, July 7, 1965. SCMP 3509, p. 8.

3. Planning and Coordination⁶

The central political authorities have coordinated and integrated the visions of change, the inputs and the services into concrete plans for agricultural development. Central authorities have selected regions to become high and stable yield areas. They have allocated equipment and supplies to those locations. They have offered credit to the communes in those localities to undertake the complementary construction programs (for water management, transportation, etc.) needed to take full advantage of the inputs. The central authorities have been able to make

⁶In Chapter 3 we looked at the state's planning function from the perspective of the localities. Here we examine the point of view of the center.

sure that agricultural research is done which is relevant to the needs of the different areas, and that it has been extended to those localities.

It must be recognized that when the central authorities make plans of this sort, they are making crucial decisions concerning equality and inequality of income between different regions. Regions chosen for improved irrigation or for increased diversification of agriculture will show increased income. If the agricultural plan requires a region that had been growing tangerines to emphasize rice, then income may go down.⁷

Another aspect of planning is the ability of the central system to deal quickly and effectively with unexpected natural disasters and crop failures which have the potential of leading to famine. The central and provincial governments have economic and political power to procure adequate grain reserves, as well as the transportation capacity to distribute these reserves where they are needed. Of course this rests on the ability of the state to control almost completely the food grain market. There is no large-scale private trade of food grains.

The center's role in selecting local leaders (as discussed in Chapter 5) may be considered as part of the center's activities in planning and coordinating a vision of change. The central authorities locate people in the localities who share their vision of change, help them to become leaders, and give them the organizational infrastructure and inputs to carry out the changes.

B. Role of Rural Local Institutions

We must be discriminating with regard to the role of rural local governing institutions and rural development. Rural local institutions have some effect on the level of agricultural production. (There are, of course, certain localities with certain situations in which local governing institutions can play a crucial role, either positive or negative.⁸) However, rural local institutions seem to play a very important role in the manner in which income is distributed within the locality and in the distribution and style of services. Rural local institutions also play an

⁷This happened in the region Pelzel studied in the mid 1950's. Pelzel, op. cit., p. 388.

⁸This is the case in the national agricultural model Tachai.

important role in determining the manner in which agricultural diversification and local industrialization take place.

1. Agricultural Productivity

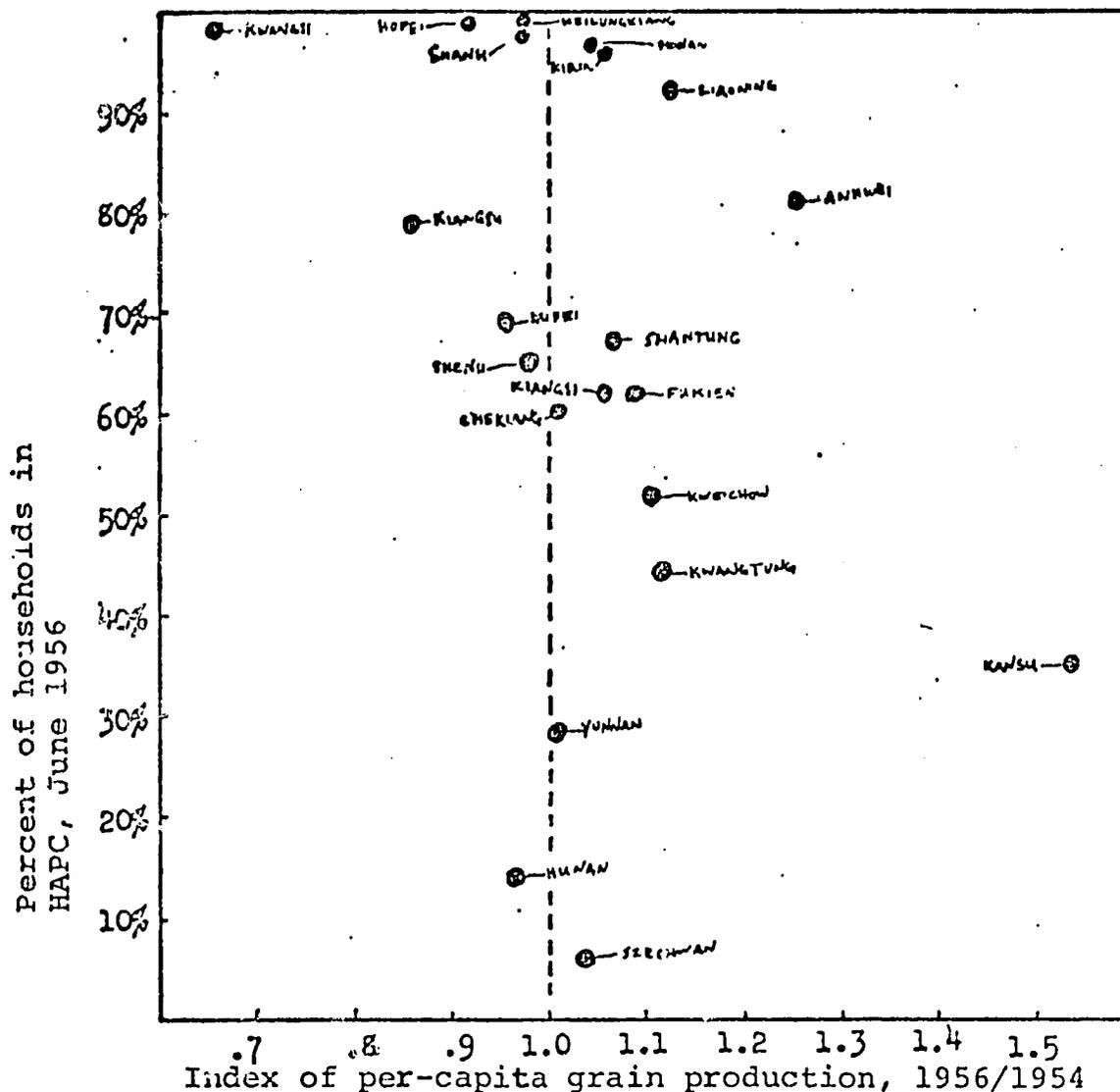
The relationship between rural local institutions and agricultural productivity is very complex. Collective agriculture has both potential advantages and potential disadvantages. My own conclusion is that generally, the advantages outweigh the disadvantages; but there is substantial variation from place to place and time to time. Moreover, social organization should be considered, in most cases, a complementary input, that is, an input which enables other inputs (pumps, fertilizers, tractors) to be used more effectively. By itself, social organization has little impact on productivity.

One of the advantages sometimes attributed to collective agriculture is that there is an immediate increase in production because of more effective labor organization and greater labor enthusiasm. In Figure 6.1 data are presented to test this hypothesis empirically; changes in food grain productivity are compared with the rate of adoption of collective agriculture in 1956. There appears to be so significant correlation, suggesting that there are not necessarily any immediate productivity gains resulting from new labor organization.

The benefits of collective agriculture should be sought in longer term effects. Rural local organizations perform the important role of organizing and mobilizing labor for rural construction projects, such as water conservancy and land construction projects. Because there are several levels of rural institutions (team, brigade, commune), interests can be identified, expressed and articulated for projects of almost any scale. In addition there is the capacity to organize projects of any scale. Virtually no project is too small to be worthwhile to some institution; nor is any project too large to mobilize funds and labor.

The collective ownership system has a strong incentive for labor-intensive construction projects, namely the collective units have a fundamental obligation to provide work, food, and income to all members; a team leader cannot dismiss the members of the team when labor begins to have a declining marginal profit. As long as increments in labor have positive productivity, no matter how small, it makes sense to use that labor. Thus the collective system of ownership makes it profitable to utilize more labor than would be used under private ownership, where workers could

Figure 6.1. Relation Between Agricultural Cooperation and Grain Production



Sources

Percent of Households in HAPC, 1956:

Thomas Bernstein, Leadership and Mobilization in the Collectivization of Agriculture in China and Russia: A Comparison (Columbia University dissertation, 1970), chapter II, p. 30.

Grain Production in each Province:

Computed from Kang Chao, Agricultural Production in Communist China, 1949-65 (Madison: University of Wisconsin, 1970), pp. 304-305. These figures are Chao's estimate, not official figures.

Population in each Province:

Computed from Robert Michael Field, "A Note on the Population of Communist China," China Quarterly, No. 38 (April-June 1969), p. 162.

be dismissed and would have to seek new employment.⁹

Moreover, the peasants have good incentives for participating in improvement efforts; everyone receives some of the benefits of increased productivity. If a construction project is sensible, it will improve the income of everyone and everyone's descendents. No one has the feeling of working on a project which will benefit only a few people. This feeling of shared interests is reinforced when leaders of the managing organizations participate in physical labor with the other farmers.

In certain places, these projects can provide the crucial spark to start agriculture moving. In Tachai and Shashihiu tremendous labor was mobilized to carve terraced fields into rough mountains and to carry soil up to the new fields. Once the fields were constructed, it became possible to grow sufficient food grains and to diversify into cash crops. In Lin County, the construction of a massive canal to bring water into a formerly parched area played a major role in agricultural development.¹⁰

In other places, these types of labor intensive construction projects are complementary to other, modern agricultural inputs. On the north China plain and in south China, massive earth leveling has been undertaken (mostly by manual labor) to make full utilization of modern irrigation equipment and tractors. Irrigation and drainage canals are also needed.^{10a} Road construction is also needed to permit increased marketing of products and purchase of inputs.¹¹

A second advantage of the organizational system in China is that certain socio-political impediments to efficient economic allocation of resources are removed. Two

⁹This aspect of the labor market in China is discussed by Kang Chao, Agricultural Production in Communist China, 1949-1965 (Madison: University of Wisconsin Press, 1970), pp. 37, 47. The argument is drawn from Georgescu-Toegen.

¹⁰"Carved in the Cliffs--The Red Flag Canal," Peking Review No. 48 (December 1, 1972), pp. 12-15, No. 49 (December 8, 1972), pp. 13-17.

^{10a}An excellent description is Tung Yi-lin, "Great Power of the Mass Line," Peking Review No. 29 (September 27, 1974), p. 10-13 and Chang En-hua, "A County's Regiment of Peasant-Workers," Peking Review No. 42 (October 18, 1974), p. 13-16.

¹¹By 1973, 77 percent of the communes were open to motor vehicles. Peking Review No. 7 (February 15, 1974), p. 23. Skinner has collected much data on the spread of roads. Skinner, op. cit., p. 378.

examples will explain this. Under private farming, peasants all have a strong tendency to grow enough food grains to ensure family survival, even though their land might not be optimal for growing food grains and might be optimal for growing some other crop.

Few farmers are willing to trust family survival to market conditions and specialize in cash crops. In collective agriculture the production unit can use land in a more optimal fashion, inasmuch as no family's survival is dependent on the food grain production of any particular piece of land.¹²

This advantage of collective agriculture also shows up in allocation of water. Studies in the Philippines have shown that good irrigation is crucial to the adoption of high yielding rice production techniques. In rainfed regions, rice yields are only about 1.8 tons per hectare, while in effectively irrigated localities yields are 2.8 tons per hectare.¹³ In many localities the constraint for expansion of irrigated area is not lack of water, but rather institutional factors. Water at the head of an irrigation system is wasted so that water is insufficient at the lower reaches. It is wasted because cultural practices require more water (both deeper and constantly changing) than is actually needed. However, very often the people who own a land at the head of the irrigation system have social and political power, and block changes in irrigation practices which would result in more sharing water with people lower down in the system. It has been demonstrated in Taiwan Province and elsewhere that careful management of an irrigation system, coupled with improved technology for regulating the height of water in different parts of the system, can spread out the water (sometimes in rotation) and effectively irrigate much greater areas, leading to increased total production.¹⁴ The collective system in the mainland provinces of China is able to gain these advantages, through careful planning and management

¹²Ramon Myers argues that agriculture was commercializing in China before liberation, and this is undoubtedly true for some regions. But there were impediments to this process also. See Ramon Myers, "The Commercialization of Agriculture in Modern China," In W. E. Willmott, Economic Organization in Chinese Society (Stanford: Stanford Univ. Press, 1972), pp. 171-191.

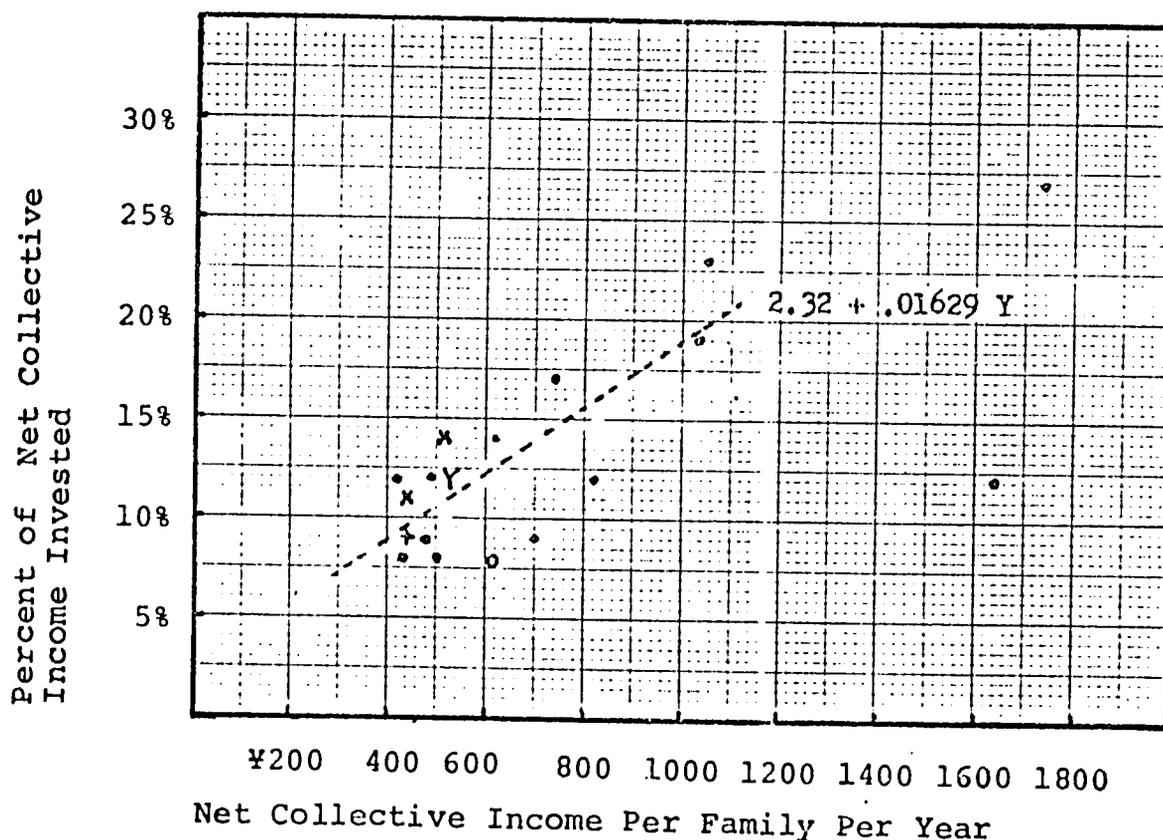
¹³Randolph Barker, "The Evolutionary Nature of the New Rice Technology," Food Research Institute Studies in Agricultural Economics, Trade, and Development (Stanford), Vol. X, No. 2, 1971, p. 118.

¹⁴Rotational Irrigation Development at Taiwan (Taipei: Joint Commission on Rural Reconstruction, 1968), p. 4.

as well as having interests for maximizing production over a large area.

There are several other features of the rural local institutions in China which are highly conducive to rapid agricultural development. First, they have the ability to enforce a fairly high degree of savings and a commensurate high level of investment. The level of savings and investment is discussed at a public meeting at each level, and is a collective decision which is influenced by Party policy. Figure 6.2 shows that the marginal propensity to invest tends to increase as net collective income rises. There is, however, considerable variation as people in different communes place different values on investment.

Figure 6.2. Investment Rates of Communes at Different Income Levels



Source: Computed from Shahid Javed Burki, A Study of Chinese Communes, 1965 (Cambridge: Harvard University Press, 1969), p. 20, and a few other reports of commune finances.

Another strength of collective agriculture is its ability to spread out the risks of agricultural innovation. Very often, poor peasants in a system of private ownership have so few resources that they cannot risk an innovation. Should it fail at all, their families might starve. In contrast, in collective ownership a production team can set aside a small piece of land for experimentation. If the experiment is successful, the new technique can be adopted; if it fails the consequences are not catastrophic. No one starves, because no one is entirely dependent on the outcome of the experiment for food. Such experimentation was not carried out in the first years of the communes, and inappropriate agricultural techniques were frequently adopted and popularized without adequate local testing. However, when I visited China in 1972, I was very much impressed by the careful local testing of seeds, fertilizers, and cultivation techniques.

Yet another advantage is that under the collective system, transfer of technology is very rapid. All agricultural techniques are public information; there are no secrets. Government often organized meetings to demonstrate successes of a region and to exchange experiences.

Another advantage of the collective system includes the enlargement of the size of plots and reduction in parcelization. This simplifies mechanization of cultivation and reduces time wasted by private farmers in going from plot to plot, often quite far apart. Collective ownership reduces the expenditures needed to prevent thievery of both crops and water. It eliminates waste of land used for boundaries. It also simplifies the staggering of peak labor times by rationalizing the planting time.

Moreover, because everyone benefits from agricultural development, there are no people in a village who need to oppose development to protect their livelihoods. There are no tenants who fear losing their lands if mechanization comes. There are no small farmers who get pushed out of the rice market when new seeds increase productivity and push prices down.

I do not wish to argue that these advantages for agricultural modernization are unique to the collective system in China. There are a variety of ways that these features can emerge from a system of private ownership. Generally, however, such a system has important distributional effects. Only the wealthy, progressive farmer has a high enough income to invest his savings, to experiment with new techniques, and to get information rapidly about new techniques. So, generally, he can monopolize the benefits of agricultural development. The important fact about China for this analysis is that these features of

incentives, savings, risk taking, and information are not, by any means, eliminated under collective agriculture.

The rural local institutions in China have certain features which, under certain circumstances, can be serious disadvantages for production. We have pointed out how a system with highly unsuited labor incentives was proposed and implemented around 1958 which resulted in a virtual sit-down strike by many of China's peasants. We have also mentioned how at certain times rural local leaders felt obligated to adopt quite inappropriate techniques of cultivation including deep plowing and close planting. The system of collective agriculture permitted such top-down interventions in production.

Another problem with collective agriculture (as practiced in China) is that it requires extensive and careful management. When it was first introduced, there was a serious shortage of qualified agricultural managers to assist at all levels and in all areas. No one knew how to assign labor on the scale of the whole village. Nor were there adequate personnel to do the accounting. Several years were required before rural China had the management skills needed to make the collective system work efficiently.¹⁵

Yet another potential problem with collective agriculture is the problem of entrepreneurship. Since there is no individual who will make a lot of money by investing or adopting a new technique, what alternative incentive system can get people interested in taking risks and in making changes? There are, in fact, many alternative reasons for people to desire change other than profit; these include patriotism, ideology, social pressure, and desire to help everyone.¹⁶ The transition from one pattern of incentives and entrepreneurship to another is not simple, however.¹⁷

¹⁵ Some of the managerial problems that emerged and the manner in which they were gradually resolved are described in Pelzel, *op. cit.*, pp. 390, 406-407.

¹⁶ Robert Merton has shown that ideological factors were important in motivating 17th Century scientists. Many wanted to demonstrate in their scientific work the power of God to structure the universe rationally, and were not interested in personal profit.

¹⁷ In one brigade for which we have detailed data, the entrepreneurial abilities came from a man who had been a rich peasant and capitalist before liberation. (He had developed a profitable tile factory.) In the early 1960's he was in charge of economic planning for a brigade, and was considered shrewd in developing plans that took into account tax policies,

For these reasons, it is quite possible for establishment of such rural local institutions to disrupt agricultural production severely. When this happened in China, the results were quite serious because China's agricultural system is so delicately balanced and had so little slack. These dangers still exist, but since 1962 the Chinese have been very careful to see that they do not again disrupt agriculture.

2. Integrating Agricultural Services

Rural local institutions, particularly the communes, play an important role in integrating agro-technical services to the needs of agricultural production. This is especially true with regard to mechanization, extension, marketing and education. We have mentioned these factors at various points above, and it is not necessary to go into detail here.

Probably one of the reasons the communes are needed to integrate these services with production is related to China's long history of bureaucracy. An important dimension of China's culture until recently has been the desirability of getting a job in a government bureaucracy which permits escape from the unpleasantness and insecurity of the agricultural economy. While this aspect of the traditional culture is under constant attack, remnants remain. There has been a tendency for some young people to join the various service bureaucracies and not try to help agricultural production, because they want to keep their hands clean. By putting these services under the supervision of the commune, they are forced to pay more attention to the needs of agricultural production and to the desires of the masses.

There are, however, contradictions. Many of these services need good technical guidance. When they are decentralized and put under commune management, there has been a tendency for the technical standards of the services to deteriorate. It appears that after the Cultural Revolution the Chinese leadership was aware of this problem and has taken steps to assure continued high standards of

higher yielding crops, commercial opportunities, and present and future markets. At the same time, he had a tendency to help his relatives and to ignore many Party principles; he encountered frequent criticism. He was not corrupt personally, and his entrepreneurial skills served the entire brigade, so he retained his job, because there was no one else who better combined entrepreneurial skills with proper political perspective. Pelzel, op. cit., p. 404.

technical inputs from central technicians, who remain under the administrative direction of the communes.

3. Income Distribution

Rural local institutions play an absolutely critical role in the pattern of income distribution within the locality.¹⁸ We have explained above in the description of the production team how income is distributed in rural China. The basic principle underlying distribution is that everyone who lives in a locality has an equal right to the products of that locality. There is no such thing as a distinction between owners, tenants, and laborers. This means that no people can become destitute, on the border of survival. There are no beggars in China because everyone is a member of a production team or some other institution which recognizes everyone's right to survival.

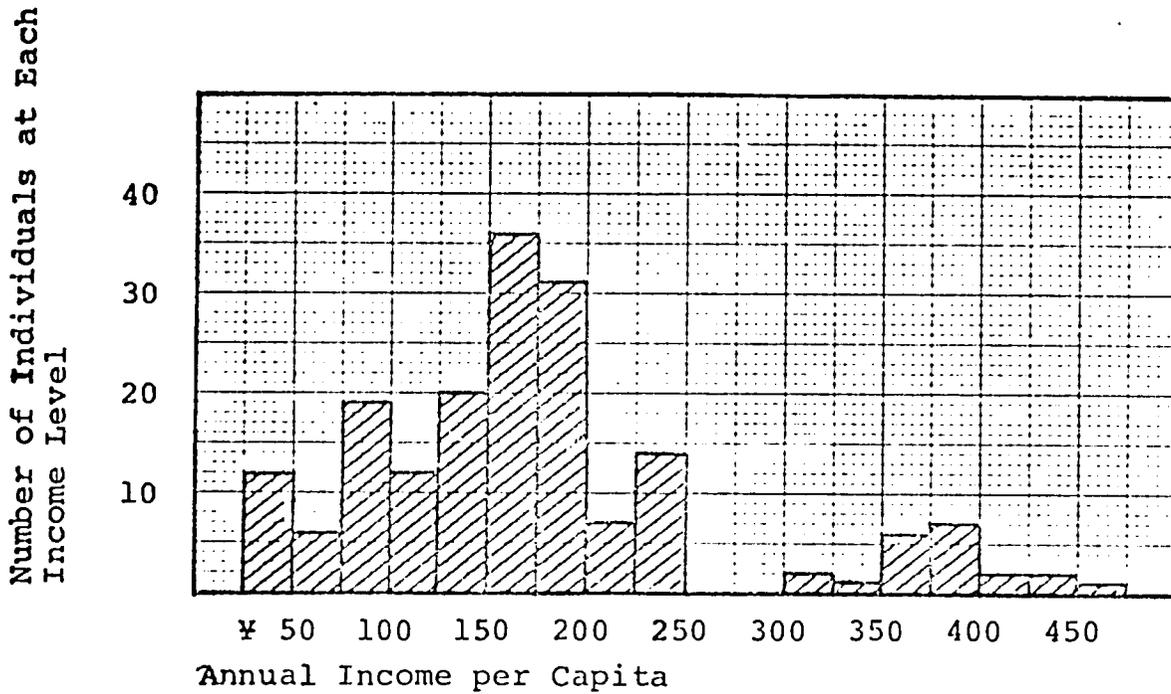
This does not mean that all receive the same income. Under China's socialist system, people are paid according to their labor, with the work point system, previously described. Data on distribution of income resulting from this system are shown for one village in Figure 6.3.

Because wages are paid on the basis of work points, and because the collective units try to get a strong position in high-profit cash crops and animal husbandry, everyone in the accounting unit can benefit to some degree from agricultural development. The benefits from new seeds and fertilizers do not go to a group of wealthy or innovative farmers; they go to everyone. This is an important consideration. I do not see how such a distribution system could emerge on the basis of private ownership of land, unless there is a very well-administered, progressive income tax.

Of course, as we have noted in Chapter 3, rural local institutions carry out these distribution policies according to central guidelines, so the central authority should be given much credit also for shaping distribution policy.

¹⁸Note that in this section we are referring only to distribution within a locality. The income levels of different regions seems to be determined very substantially by national economic plans, including allocations of crucial inputs and procurement plans for high-profit diversified crops.

Figure 6.3. Distribution of Income, Liuling, 1961



Source: Jan Myrdal, Report from a Chinese Village
(New York: Pantheon, 1965), pp. 38-44, 120-122, 154-156.

Notes:

Income includes both cash and grain (computed at ¥10 per 100 catties). Original data were given in terms of family income; these have been divided by household size to find income per capita.

The figures refer only to income from collective sources, and do not include income from the private sector.

The families which make up this sample lived in Liuling village. They were members of the Liuling Village Labor Group and the Labor Group for Vegetable Cultivation; these were two of the five production teams in the Liuling Brigade.

4. Welfare Services

The commune organizes certain welfare services for its members, notably education and health. In both cases there are financial subsidies from higher levels of government and there appear to be somewhat rigid guidelines for the performance of services. Commune management of these probably is most important in shaping the style of the services, the demeanor of the teachers and doctors. Do they show respect for farmers? Do they discriminate against children of poor peasants? Do they make house calls? Do they assure that everyone will have access, regardless of financial condition? Are principals willing to talk with parents about the progress and problems of their children? The commune strongly encourages that the service personnel pay attention to these questions of style so that commune members will not be degraded and humiliated when they receive services.

5. Pattern of Economic Development

The rural local institutions have a major impact on the shape of economic development in a locality. Because the commune functions as the major entrepreneur in a locality, all investments are subject to review and evaluation according to social criteria. People in the commune can decide whether they want their commune to change its way of life and expand the industrial sector. They can decide whether the environmental disruption is worth the profitability of the factory. They can decide whether tremendous expenditures of labor are justified by the canal that will assure agriculture expansion and a better life for their children.

To be sure, there are certain limitations on the ability of the commune to determine these factors. If the central government has decided that a particular location is sensible for a factory, there probably is very little that the commune can do to block it, although it can probably force modification in the plans. In this regard, the commune is probably less autonomous than the local governmental units in the U.S., which can block industrial development by rigid zoning ordinances. Nevertheless, local government has extensive control over economic development in China. The economic development of a locality is not determined by the whims of a few businessmen and by inexplicable market forces. It is controlled primarily by conscious decision of the people who live there.

C. Emerging Problems in Agricultural Development

While Chinese progress during the past decade has been impressive and the policies have been suitable, China faces many problems in the future. These include problems involving inter-regional and inter-personal inequalities of income, bureaucratic organization, scientific capabilities, and political authority. None of these difficulties is insurmountable, but they will require continued attention of the Chinese leadership and people.

1. Agricultural Productivity

In our discussion on the growth of grain production in China, we noted some stagnation since 1968. I believe that there are five possible explanations for this. First, during the early 1960's, China expanded production by concentrating modern resources in the rich river valleys where irrigation could be improved tremendously at low cost. By the end of the 1960's, all of the easy, cheap places to modernize were substantially completed. It is also possible that after the Cultural Revolution, increased sensitivity to questions of regional differences resulted in increased investments in poor, mountainous areas. If so, the pay-off of agricultural investments must have dropped.¹⁹

Second, China's seed research work, just like research work elsewhere on this problem, has been only modestly successful in developing high-yielding upland crops, suitable for areas with poor water supplies. There has been some research and extension with improved varieties of sorghum and maize, but major breakthroughs have not been made for these regions.

Third, it is probable that certain technological problems have emerged in areas that have already undergone modernization. It is typical that high-yielding varieties are more susceptible to pests and diseases; perhaps these have taken a toll.

Fourth, there is a possibility that China's scientists have had difficulty solving all these problems because so many of them have been dispersed to the communes, and the central organs of research have been weakened. Data are scarce on this point.

Fifth, there is the possibility that investments by

¹⁹This point was suggested to me by John Despres.

the central government in agriculture, both for research and construction, may have been reduced so that more of the state budget could go to meet the military challenge of the Soviet Union.²⁰

2. Regional Inequalities

Agricultural development cannot be uniform; certain areas and people benefit more from modern techniques than others. Geographic conditions such as water resources and proximity to urban centers sharply influence the ability to profit from modern agriculture. Because production units can retain the bulk of the increments in income from improved productivity, and because wealthier communes invest more, it is clear that the richer production units can become even wealthier under the Chinese system. This would suggest a general pattern of increasing regional inequality in the Chinese countryside. The potential seriousness of this problem is highlighted by the fact that food production has probably not kept up with population growth in some regions.

Although China does not use its power of taxation to redistribute income from wealthier regions to poorer ones, it does have important policies to mitigate against excessive increases in regional inequalities. The government can allocate agricultural supplies, investments, and technical assistance to regions which are falling behind. The government can also encourage equality through its control over marketing. Areas close to cities may not be permitted to specialize completely in high-priced agricultural commodities, while poorer areas can be encouraged to plant high-priced crops like fruits, nuts, etc.

As for the inequalities that are caused by the mutually advantageous relations between industrial centers and the agricultural regions which surround them, China has been dealing with this by increasing the number of industrial centers. During the 1950's, many of the industrial investments were located in central China rather than in the coastal population centers and after the Cultural Revolution, local industries were encouraged at county and commune level, so that the beneficial interaction between industry and agriculture could be more widely distributed.

Another method by which the central authorities can reduce tendencies of inequality is to increase extraction of commodity grain from wealthy provinces. There are,

²⁰This point was also suggested by John Despres.

however, very little data on this aspect of government policy, especially concerning the extent to which provincial quotas for delivery may have changed during the 1960's when agricultural techniques were changing.

One policy which has been stressed after the Cultural Revolution has been to increase the scope of commune enterprises, for example small factories. This means that the entire commune will make a profit and will be able to provide services equally to all teams in the commune. This has the effect of increasing equality among production teams within the commune, but may contribute to increasing differences in income between communes. China's leaders foresee a gradual expansion of collectively-owned enterprises at higher and higher levels, beginning with the commune and the county, and eventually provincial and national levels. However, for a long time, this policy will increase income differentials between communes. The time is very distant when enterprises at the central level will be numerous and profitable enough to equalize income.

In chapter 3, Section E.7 we noted how China's leaders tend to consider ideological education as the treatment for regional inequalities. While ideology and the spirit of Tachai may be important, they cannot substitute for material inputs. Thus, differences in income between different regions will last for a very long time indeed. I would presume that at some point in the future the issue of regional inequalities would have to become an important political issue in China, especially if some regions are experiencing reductions in food production per capita, which is probably the case.

It would seem to me that at some point, China will have to consider restructuring the agricultural tax so the richer areas have to share their wealth with other areas. At the moment, China is reluctant to do this, lest a high tax reduce incentives to undertake labor projects for improving land and water conservation. However, in some wealthy localities, taxes have been raised somewhat.²¹

3. Inequalities Within the Village

Another problem that China continually faces concerns inequalities between individual families within the production units. Because income of the farmers has been determined

²¹ John Robinson, "For Use, Not for Profit," Eastern Horizon Vol. XI, No. 4 (1972), pp. 6-15. Available in Milton, Milton and Schurmann, People's China (New York: Vintage, 1974), p.56.

primarily by the socialist principle of payment according to the amount of labor performed, and because there are significant differences in the amount of labor farmers perform, there are differences in income levels. When income is computed on a per capita basis, the differences in income levels become larger because of different household structure. This is shown in Figure 6.3. A second source of inequality is the differing abilities of families to use their private plots or to develop profitable handicrafts or other sidelines. Another source of inequality between families is the fact that only some families will be able to get higher paying jobs in industry, either at the local commune level or in a city. Assignment to such desirable jobs is strongly influenced by family political background.

There will continue to be inequalities in income between families for a long period. China is now in the transition to communism, when people will eventually be paid according to need, not labor; but there is no indication how long this transition will take. It is important to note, however, that the extent of inequality is not extreme. Everyone in a production unit benefits to some extent from improved techniques because the value of the work point goes up. In addition, families cannot use wealth to hire labor or to invest in means of production (land or capital) that will result in even greater inequality. One thing that will reduce inequalities between families will be the gradual expansion of commune services, especially education and health. It is also the case that in many production units a majority (perhaps 70 percent) of the food ration is now distributed according to need. So although there are inequalities between families in rural China, there are firm limits on the extent of these inequalities.

4. Bureaucratic Organization

Earlier we discussed the problems of assuring adequate technical expertise in some government services without developing a powerful elite, and the problems of orienting government services to the rural sector instead of the urban sector. These are the types of problems that are never completely solved. There will always be contradictions between the needs to strengthen government services and at the same time to "ruralize" them, and China will have to experiment continuously with new ways of solving this contradiction.

My own guess is that the problems of expertise will be most critical in the field of scientific research. China has definitely entered the era of modern agriculture,

in which agricultural science plays a critical role. One of the distinctive features of modern agriculture is that once it begins modernizing it cannot become static again because high yields (more fertilizer and higher yielding varieties) also make agriculture much more susceptible to drought, pests, and disease, and rates of growth can only be maintained by continued innovation. Thus, the importance of agricultural science can only grow in the future, and it is in scientific research that the contradictions between expertise and rural needs is sharpest. In other technical fields, such as mechanization and extension, the problems are likely to be less because of the vast expansion of trained technicians at the commune level.

5. Government Authority

In certain ways agro-technical development will increase the difficulty of the central leadership for exercising authority. One of the broad policies to prevent bureaucracies becoming too powerful and too elitist has been to decentralize many important powers to various subordinate units. Provinces, counties, and communes are all quite free to make whatever investments they choose with any funds that are raised locally. If local investments increase, the relative power of the central government will decrease.

Another factor springs from the role of the state in allocating scarce commodities needed for agricultural development. As industry grows the state will no longer have to allocate agricultural supplies. It will be able to rely more and more on market mechanisms for distribution. In this way the state will be giving up one of its basic powers in its relations with regions. Similarly, the power of the Communist Party in a locality will be diminished as the Party Committee loses the power to allocate scarce resources.

Another challenge to the authority of the political system stems from its very success. As more and more people grow up not experiencing famine, insecurity of life, brutality and humiliation, they may wonder why there are some restrictions on personal freedoms. The leadership has undertaken a variety of campaigns to teach young people about the horrors of the past, and the intensity of these educational campaigns is probably related to the magnitude of this problem.

Needless to say, these effects on the authority of the central political system will be slight compared to the effects of a changing generation of leadership at central and local levels.

CHAPTER 7

CONCLUSIONS

This chapter will specify more succinctly and explicitly some characteristics of rural local governance in China. We will also consider explicitly the political context of administration in China.

A. Characteristics of Rural Local Governance

1. Scope

One distinctive feature of rural local governance is the virtually unlimited scope of activities that fall within the political system. There is virtually no activity, whether it involves politics, economic development, culture or family life, that is considered beyond the scope of political discussion, policy, and action. The political system may choose to ignore temporarily certain questions but it may choose at some time in the future to stress the question. For example, the role of women was an important political issue at the time of liberation when the marriage reform law went into effect; women's status in China then remained a relatively dormant issue until about 1972.

The insistence of the political system on having ultimate responsibility for virtually all patterns of development in rural China has important implications. It means that if income is distributed unequally, if one locality develops more rapidly than another, if production stagnates, if irrigation, fertilizer, or seeds are not available, the political system has the obligation to give conscious thought to the situation. It may decide to ignore the situation; but that is a conscious decision.

A high level of consciousness on decision making is, in fact, an important feature of China's political system. Decisions are generally made only after long meetings, with extensive discussion and eventual consensus. At the national level, debates on crucial questions such as agricultural collectivization may last for a few years. The Chinese leaders are primarily concerned with making a conscious decision and making the correct decision. They feel

little pressure of time to make quick decisions.¹

Some people believe that consciously approaching problems is inherently less satisfactory than "muddling through." Looking at China's experience in the last 25 years gives no support for this view. If China had been content to "muddle through" instead of deliberately and comprehensively tackling the issues of development, there would most probably be misery and starvation on a wide scale in China.

2. Linkages

Rural local institutions have intense linkages with other levels of authority. There is a huge volume of communication between all levels; indeed, sometimes the volume is so great that it threatens to disrupt the work being done at each level. One of chairman Mao's most important and most ignored sayings is "Meetings should be brief." The frequent meetings (3-level and 4-level cadre meetings) provide an excellent opportunity for face-to-face communication between managers at different levels. The practices of investigation, "sending downward" and "squatting at a point" provide good chances for intimate exchanges between managers at different levels. Periodic cadre schools and occasional higher work teams coming to rural areas provide additional linkages between the levels of authority.

These meetings and other patterns of communication assure extensive linkages not only between levels of authority but also between different functions. Presumably, managers of supply and marketing cooperatives, agricultural banks, tractor stations, extension stations, etc. all participate in these large meetings.

3. Institutionalization

Because we do not have access to all the regulations governing the operations of rural local institutions in China, we cannot make a definitive statement concerning the degree of institutionalization. I believe that the general level of institutionalization in rural China is rather low. The regulations to which we have access are not very specific on many questions. Especially with regard to procedure, each province, county, or commune probably works

¹The establishment of communes is a major exception, and indeed the problems that accompanied the exceedingly rapid implementation of communes have been one reason the Chinese have been cautious ever since.

out its own method of voting. There appear to be few formal qualifications for potential leaders. There are, however, certain general rules of procedure concerning when a person or organization may appeal a decision of a superior to another source of authority.

We should note that in certain sectors of the state bureaucracy there are often very detailed and rigid regulations which might affect certain dimensions of commune administration. For example, tractor stations, before they were brought under the supervision of the communes, had many regulations which guided their work. How "institutionalized" the tractor stations are now is not known.

4. Autonomy

The amount of autonomy which rural local institutions have varies with the type of issue. With regard to managing economic production activities, there is almost complete autonomy. Rural local institutions have substantial authority in making plans for rural economic development, but they must be coordinated through higher levels of government. They have almost total autonomy on day-to-day management. Concerning selection of leaders, rural local institutions are not autonomous; most of the power to select leaders lies in higher levels; however, the power of the higher levels has diminished since the Cultural Revolution. The rural political system does have some influence in the selection or tenure of leaders.

On questions concerning general social development, the local institutions have only a little autonomy within narrow guidelines. For example, communes decide how to apply national guidelines concerning the scope of the private sector to their locality.

Rural local institutions have the least autonomy when it comes to selection of political symbols. They must support the Communist Party of China and use its symbols. They cannot fly flags of the Nationalist Party or have photographs of Chiang Kai-shek. They must use the vocabulary of Marxism-Leninism-Mao Tsetung thought in their interactions with all levels of authority.

5. Participation

Participation, like autonomy, is a difficult criterion to apply to China because there are different types of participation with regard to different issues. Moreover, the types of participation have changed over time. One very

important dimension of participation was in the establishment of communist political power. Many peasants participated as members of the People's Liberation Army and guerrilla bands during the war of resistance against Japan and in the civil wars of the 1930's and 1940's. Many peasants joined peasant associations in the 1920's and 1940's at the time of land reform to mobilize support for radical transformation of social relations in the countryside. The land reform campaign of 1949-52 was in fact consciously designed so that many peasants would participate in mass meetings to denounce the landlord, thereby destroying his "face," i.e. undercutting deference for him and thus his social authority.

In recent years, peasants have participated extensively in the planning of economic development in their localities. At production team general meetings they can decide for themselves whether to build terraces, dams, irrigation canals, etc. They have a strong input into commune decisions to diversify agriculture and to develop rural industries.

Peasants have certain influences concerning the determination of the local distribution system. The government has issued guidelines, but peasants can participate in the application of these guidelines to their locality. Peasants also participate indirectly in the formulation of the guidelines through their potential threat to refuse to work if the guidelines are highly inappropriate.

In the selection of leadership, there is some participation. Peasants vote for leaders; but the crucial power is in making up the nomination lists, and this crucial task is managed by Communist Party committees at higher levels. Popular participation in making nominations is limited to people's informal comments at meetings or elsewhere. At the same time, participation in criticism sessions gives them an opportunity to check or curb what they think are abuses of leadership and even to get unresponsive leaders out of office. Participation in these forms relies a great deal on willingness of leaders to accept popular desires.

From the point of view of actually carrying out policies rather than making them, there is almost total popular participation. There is total participation in sharing the income of collective agriculture, which means that everyone participates in the benefits of improved agricultural techniques. There is very extensive participation in labor construction projects. There is almost universal participation in discussions about current events, international affairs, and China's history. These discussions

take, of course, a rather rigid political line which has been adopted by higher levels of the Communist Party, but it would be a mistake to view them as non-participatory for this reason.

B. Political Foundation of Rural Local Administration

Rural local governance in China cannot be explained simply as a specific mixture of different variables related to administrative behavior. The crucial question in rural China is a question of political power. There was a revolution in China. Power was taken from the traditional rural elite, made up of landlords, rich peasants, secret societies, merchants, and others, by the Communist Party of China. In the 25 years since the revolution, the Communist Party has tried to mold China into its image of progress, which includes economic development and social and ideological transformation. The vision of a good society is based on collective ownership and full sharing of economic progress by everyone, especially people who had been poor and landless peasants. (There have been, to be sure, important divisions within the top leadership circles concerning the precise character of the good society, and which elements of it are most important, but that issue is not relevant here.) The Communist Party has had tremendous military power, organizational capacity, charismatic leadership, and broad mass support for its program of transformation. This is the foundation of rural local governance.

Because China's system of rural local governance is so intimately related to its overall political system and to China's history and culture, it is doubtful that the system could be transferred in toto anywhere else. Whether single elements of the Chinese system can be extracted from the entire matrix of political, historical and cultural factors is an open question. China's successful experience demonstrates that within certain limits social organization can be constructed consciously. Social relations are not forced on people by nature; they are created by people, and when they fail to satisfy prevailing concepts of need, they can be changed.

BIBLIOGRAPHY

Based Primarily on Chinese Press

- Baum, Richard. "Revolution and Reaction in the Chinese Countryside: The Socialist Education Movement in Cultural Revolutionary Perspective." China Quarterly No. 38 (April-June 1969), pp. 92-119.
- Chao, Kang. Agricultural Production in Communist China, 1949-1965. Madison: University of Wisconsin Press, 1970.
- Dutt, Gargi. Rural Communes of China, Organizational Problems. Bombay: Asia Publishing House, 1967.
- Macdonald, James. "The Performance of Cadres," in Jack Grey, Modern China's Search for a Political Form. London: Oxford University Press, 1969.
- Oksenberg, Michel. "Local Leaders in Rural China, 1962-65." In A. Doak Barnett, Chinese Communist Politics in Action. Seattle: University of Washington Press, 1969, pp. 155-215.
- Schran, Peter. The Development of Chinese Agriculture, 1950-1959. Urbana: University of Illinois, 1969.
- Schurmann, Franz. Ideology and Organization in Communist China. Berkeley: University of California Press, 1968.
- Skinner, G. William. "Marketing and Social Structure in Rural China." Journal of Asian Studies, Vol. 24 (1965), pp. 1-43, 195-228, 363-399.
- Townsend, James. "Democratic Management in the Rural Communes." China Quarterly No. 16, October-December, 1963, pp. 137-150.

Based Parimarily on Travelling in China

- Burki, Shahid Javed. A Study of Chinese Communes, 1965. Cambridge: Harvard University Press, 1969.

- Chen, Jack. New Earth. Carbondale: Southern Illinois University Press, 1972.
- _____. A Year in Upper Felicity. N.Y.: McMillan, 1973.
- Crook, Isabel and David. The First Years of Yangyi Commune. London: Routledge, 1966.
- Hunter, Neale and Deirdre. "Our Man in Tachai," Monthly Review Vol. 24, No. 1 (May 1972), pp. 19-27.
- Khan, A. Z. M. Obaidullah. "Class Struggle in Yellow Sandhill Commune," China Quarterly No. 51 (July-September 1972), pp. 535-546.
- Myrdal, Jan. Report from a Chinese Village. N.Y.: Pantheon, 1965.
- _____. China: The Revolution Continued. N.Y.: Pantheon, 1970.
- Schenk-Sandbergen, L. C. "How the Chinese People Remove Polarity within their Countryside," Eastern Horizon Vol. XII, No. 3 (1973), pp. 8-17.
- Tannebaum, Gerald. "The Real Spirit of Tachai," Eastern Horizon Vol. X, No. 2 (1971), pp. 5-36.
- "A Visit to the Tungting People's Commune," Peking Review No. 13-18 (March 30, 1973-May 4, 1973). Also China Reconstructs. October, November, 1973.
- "In Yangtan People's Commune," Peking Review, No. 10-15 (March 4, 1966-April 8, 1966).
- Description of Yenshi Commune, China Reconstructs, December 1973.

Based Primarily on Documents

- Baum, Richard and Teiwes, Frederick. Ssu-Ch'ing The Socialist Education Movement of 1962-1966. Berkeley: Center for Chinese Studies, 1968.
- Chen, C. S. and Ridley, Charles Price. Rural People's Communes in Lien-Chiang. Stanford: Hoover Institution Press, 1969.
- "Some Basic Facts about the People's Communes," China Reconstructs, January 1972, pp. 10-13.

Based Primarily on Interviews

Barnett, A. Doak. Cadres, Bureaucracy, and Political Power in Communist China. New York: Columbia University Press, 1967.

Pelzel, John. "Economic Management of a Production Brigade in Post-Leap China," in W. E. Willmott, Economic Organization in Chinese Society. Stanford: Stanford University Press, 1972, pp. 387-414.

Peasant and Bullock by Chuah Theah Teng
From the collection of Dr. and Mrs. Clifton R. Wharton, Jr.