The Great Leap Forward in China
An Analysis of the Nature of Socialist Transformation
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To investigate the raison d'etre of the Great Leap is to examine problems which are common to all post-revolutionary societies undergoing a process of socialist transformation. The primary problem faced in a post-revolutionary situation is the shortage of capital required for industrialisation, which is a basic pre-requisite for the construction of a socialist society.

As the first workers' state in an underdeveloped country, the Soviet Union faced this problem most acutely. It had to generate the resources for industrialisation from an impoverished pre-industrial sector of the economy by pushing down the consumption levels of the masses and alienating powerful elements in the countryside. The use of force necessitated the creation of a powerful and pervasive bureaucratic structure which, in time, usurped the role historically ascribed to the working class.

The Stalinist model of development was almost universally taken over by the post-war communist regimes and applied in their respective countries during the early years of their rule. But, within a few years, the counter-developmental tendencies inherent in the model began to make themselves felt, and the pressure to reform the system became irresistible.

Recognition of the various problems inherent in the Stalinist model of industrialisation is at least implied in Mao's essays titled "On the Ten Great Relationships" written in 1956 and "On the Correct Handling of Contradictions" written in 1957. The Maoist alternative implemented during the Great Leap Forward focuses on an alternative economic strategy.

The Great Leap Forward cannot, however, be reduced to a single economic motivation. The Great Leap was the product of a 'vision' rather than a plan. It sought to transform the entire social system.

THE Great Leap Forward in China spanned the period beginning from March 1958 till the end of 1960. Before beginning its analysis, I wish to delineate two parameters of the study.

The first deals with the question: Why the Great Leap Forward? When we investigate the raison d'etre of the Great Leap we shall actually be examining problems which are common to all post-revolutionary societies undergoing a process of socialist transformation. The primary problems faced by backward or semi-developed societies in a post-revolutionary situation is the shortage of capital required for industrialisation, which is a basic pre-requisite for the construction of a socialist society.

As the first workers' State in an underdeveloped country, the Soviet Union, naturally, faced this problem most acutely. Since the inflow of foreign capital was necessarily limited, the Soviet Union had to generate the resources for industrialisation from an impoverished pre-industrial sector of the economy — by trenching into the consumption level of the masses and alienating powerful elements in the countryside. The use of force necessitated the creation of a powerful and pervasive bureaucratic structure which, in time, usurped the role historically ascribed to the working class.

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Recognition of the various problems inherent in the Stalinist model of industrialisation is at least implied in Mao's essays titled "On the Ten Great Relationships" written in 1956 and "On the Correct Handling of Contradictions" written in 1957. These essays sum up the problems that the Chinese Communists encountered in their experience with the Stalinist model during the First Five-Year Plan. The Maoist alternative, implemented during the Great Leap Forward, focuses on an alternative economic strategy, but the Great Leap Forward cannot be reduced to a simple economic motivation.

This is the second parameter: the Great Leap Forward, in the words of Franz Schurmann was the product of a 'vision' rather than a plan. A plan is a carefully worked out blueprint dealing with precise magnitudes; a "vision is a total insight into the essential inter-relationships of a situation" and encompasses all factors of societal dynamics: economic as well as social and political, The Great Leap Forward sought to transform the entire social system, and I have found it necessary to bear this in mind throughout the study.

Background of the Great Leap

While the Great Leap Forward was intended to be a comprehensive resolution programme of all the contradictions that characterised Chinese society, the bulk of its policies and campaigns were concentrated on resolving the economic contradictions that existed in China around the end of its Five-Year Plan. This, and the next section, therefore, deal with these economic problems.

Problems of Stalinist Model

The main principles of the First Plan (1952-1957) can be broadly summarised thus: the development of the capital goods industries should be such as to promote the rapid growth of heavy industry; the rate of growth of the goods industries; should exceed that of the consumer goods industries; and finally, the development of agriculture should be directed to ensuring adequate supplies of grain and industrial raw materials, and to increase the agricultural surplus from which to finance industrialisation.

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When we turn to assess the overall performance of the economy during this period, we encounter the problem of having to face a number of divergent estimates. The official Communist estimates for the average annual rate of growth of net domestic product during 1952 to 1957 was 9 per cent.\(^2\)

The biggest yearly increase (14.4 per cent) took place in 1956, and the smallest (4.2 per cent) in 1957. The only independent estimate, which is close to the official one, is William Hollister's, It shows an average annual rate of growth of 8.7 per cent.\(^3\) The official Chinese figures have been challenged by Choh-ming Li\(^4\) on the basis of the fact that the pricing of new products has increasingly inflated net domestic product. Among the others, T C Liu and K C Yeh\(^5\) suggest a lower annual rate of growth averaging around 6 per cent. Yuan-Il Wu, whose estimates are based on certain revisions and extensions of Liu's data, suggests an even lower estimate of 5.2 per cent.\(^6\)

These estimates, moreover, manifest considerable variation in their respective annual rates from year to year. For instance, the mean deviation in percentage points of the annual rate of growth was 4.1 in the official estimate.\(^7\) The annual fluctuation suggests that the pattern of economic development — especially the allocation of investment and the choice of its growth rate — may themselves have played a significant role in the instability of the growth rate.

On the question of the 'accumulation rate' or the rate of investment,\(^8\) there exists a far greater unanimity of opinion. That there was an almost uninterrupted increase in the absolute value of investment, from 1952 to 1957, is undisputed. Hollister's\(^9\) estimates of the percentage of gross fixed investment to gross national product is fairly representative (Table A).

However, the estimates of the sectoral distribution of the fixed capital investment are more controversial. Differences exist as to the percentage

\* The word 'accumulation' or 'accumulation funds' used by the Chinese Communists refers to fixed investment. The distinction between 'consumption funds' and 'accumulation funds', a distinction we shall encounter quite often, is made clear in the following passage: 'We all understand that the material form of consumption funds is consumption goods and that of accumulation funds is the means of production.'

of heavy industry to total fixed investment. We can compare Hollister's estimates with those of Alexander Eckstein.\(^10\) (Table B).

These differences — which are not very significant — notwithstanding, what stands out clearly from both these estimates is the rapid increase in the percentage allocated to heavy industry during this period. This conforms to the Communist view of a socialist society, a necessary pre-requisite of which is a highly developed heavy-industrial base.

However, major differences arise in the estimates of the share of agriculture in total capital investment. Once again, we can compare the two estimates (Table C).

Hollister's figures for investment in agriculture are conspicuously at variance, not only with Eckstein's estimates, but also with all the other estimates including the official Communist one.\(^11\) Making his point clear, he maintains that the trend does not justify the commonly held view that the industrialisation drive commanded such large amounts of resources that agriculture was starved for investment, and that:

The peasants paid as heavy price for the rapid build-up of heavy industry, but the price was not one of insufficient investment in agriculture ... the peasant bore a disproportionate burden in financing the high rate of industrial investment, and farm per capita consumption suffered as a result.\(^12\)

Thus, Hollister seems to be saying that, in studying the problems of the Chinese economy during this period, the level of agricultural production is not the key question. In other words, even if we suppose that the growth rates of agriculture were high, the exploitation of the peasantry — defined in terms of a high proportion of agricultural produce being diverted for purposes of accumulation and consequently a declining per capita consumption in the rural areas — continued during this period. We can infer, then, that for Hollister, the central problem concerns the exploitation of the peasantry. Though, as we shall see, it is true that the Chinese Communists were not willing to reduce the proportion of accumulation in the national income, it is also true that the proportion of accumulation was not rising very much — in fact, it may even have declined somewhat. As we shall see, this is primarily because agricultural output, and especially the annual per capita availability of foodstuffs itself, was not growing at any noticeable rate. That farm consumption suffered is to be seen, therefore, in the context of the lagging agricultural production and the more or less constant growth rate of the proportion of accumulation in the national income.

The point is not so much that, had agriculture been able to generate large enough surpluses there would have been no consumption problems. Instead, the problem may be posed as: There was slow growth in the traditional sector of the economy, viz., agriculture; the need eventually to break this slow growth necessitated a high rate of growth in the producer goods industries, thereby making it almost impossible to reduce the rate of investment in this sector; but, unless a greater share of investible funds is channelled into agriculture, not only would there be problems of consumption but in the long run the rate of accumulation would also tend to fall. In the Maoist schema, these are the contradictions of functions: the re-

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1953-54, which caused shortages of raw materials. In 1955 there was a good harvest, and consequently the rate of growth accelerated in 1956; but the bad harvest in 1956 caused a curtailment in the rate of investment in 1957 and a corresponding decrease in the rate of expansion.21

Thus, in order to ensure steady industrial expansion, agricultural production had to increase --- and at a regular pace. Official statistics of agricultural output22 estimate the annual, overall, growth rate at 4.8 per cent, and the annual growth rate of foodgrains at 4.3 per cent during 1952 to 1957.20 Given the fact that population in this period increased by about 2.5 per cent annually the annual per capita availability of foodstuffs, should have grown at the rate of 1.5 per cent a year. Both Choh-ming Li and Eckstein reject this figure on the ground that, the statistics "seem to contain a strong upward bias as a result of the improvements in crop reporting and the broadening coverage of agricultural statistics between 1952 and 1957... per capita output of food was [growing at] significantly less than 8 per cent (or 1.5 per cent annually)."21 Besides, reports of the ever-tightening food supply in the cities seem to indicate something other than what the government statistics suggest.

That there was relatively slow growth in agriculture is further confirmed by the well-publicised fact of a shortfall in the production of consumer goods, which was attributed to the shortage of raw materials from agriculture. But, the problem of shortage of consumer goods is a problem of some importance in its own right too. In August 1957, Po Yu-po announced that the major contradiction in the economy at that time was that production of consumer goods was lagging behind development of the economy as a whole. In October 1957, Yang Po wrote: "It was due to the shortage of raw materials produced by agriculture that the utilisation of the equipment of several consumer goods industries reached only the following percentages --- textile industry 85 per cent, sugar industry 66 per cent, oil extracting industry 75 per cent, cigarette industry 52 per cent, flour industry 68 per cent,"23

The relatively slow rate of growth in agriculture and the consequent shortage of consumer goods had two important implications: First, there was the danger of the 'scissors crisis' being repeated in China. Although, the problem never approached the proportions it had reached in the Soviet Union, the shortage of consumer items was nevertheless likely to create disincentives among the peasantry. In November 1957, Huang K'o wrote in an issue of Planned Economy that, even though the volume of commodity supply for the year 1958 was to register an increase over the figure for 1957, it still could not "adequately meet the needs of the increasing purchasing power, principally because the commodities suitable for the urban population are increased by a greater margin (the supply of subsidiary food, for instance, will be increased by 10.7 per cent), while the industrial goods needed by the peasants, such as cotton cloth, not only register no increase, but actually show a drop of 9.92 per cent... Cotton cloth in the rural areas constitutes about 14.18 per cent of the purchasing power of the rural population. Thus the decline in the supply of cotton cloth produces very great effects on the purchasing power of the rural population."24 Moreover, towards the end of the First Plan many agricultural and other products subject to unified purchase entered the market before compulsory deliveries had been completed and commodities to be sold under planned purchase were sold in the market.25

Secondly, since agriculture (and the traditional sector in general) was the major source for financing industrialisation, a lagging agricultural sector would reduce the rate of growth of funds available for accumulation. The available evidence suggests that, as far as State collections are concerned, this did happen in fact. The ratio of collection and purchase by the State to total agricultural output declined from 27.1 per cent in 1955-56 to 25.1 per cent in 1956-57.26 Moreover, it is likely, that another important source of State funds --- e.g., the profits of the State trading and marketing organisations --- was also affected as a consequence of the shortage of consumer goods and the fact many goods having begun to reach the free market.

But even though they recognised that agricultural stagnation was indeed the major problem, as late as in December 1957, the Chinese Communists were still not prepared to increase the funds for investment in this sector to any significant extent. In an important article on the distribution of the national income, Yang Po wrote about the "ratio between accumu-
mulation (reserves) and consumption (expenditure) in the disbursement of the National Income". He felt that the ratio in the past, so far, was basically correct (Table D). Nonetheless, he also believed that the improvement in the standard of living of the masses had been basically restricted by the short-fall in the production of consumer goods (i.e., 'the material form of consumption funds').

In other words, if there can be an adequate supply of raw materials in the shape of agricultural products, the output of consumption goods can be greatly increased. Under such conditions, even if the accumulation rate in the disbursement of the national income is lowered and the percentage of consumption funds raised, the consumption level in the livelihood of the people can hardly be elevated.

The implication is clear: the immediate needs of the people can be satisfied independently of affecting the rate of accumulation, i.e., the rate of growth of heavy industry. This is one of the main assumptions underlying the Great Leap strategy.

There is yet another aspect in the interrelationship between the traditional sector and the modern industry sector which we have not considered earlier. The reallocation of labour from agriculture to industry, is a significant aspect of agriculture's contribution to industrial growth. This also has the beneficial effect of easing the problem of unemployment and under-employment in the traditional sector in China. However, a situation may arise, where the flow of labour from the rural areas greatly exceeds the capacity of industry to absorb it. This situation can produce certain counter-developmental tendencies, while it does not in any way ease the problem of underemployment in agriculture. Moreover, overpopulation in the countryside could have the serious consequence of obstructing the mechanisation of agriculture thus permanently keeping down the level of labour productivity in agriculture. Thus, agriculture in China is afflicted with yet another problem.

Throughout the First Plan period, the migration of the rural population to the cities had reached such alarming proportions that the authorities were beginning to feel genuinely concerned about it. During the entire period, 8,000,000 rural people had migrated to the cities, and even in 1958 (though mainly in the earlier part) there was a phenomenal increase estimated at 15.6 million in the urban population, of which over 10 million is estimated to have resulted from migration.

The factor primarily responsible for this massive influx is the income and general standard of living differential between the peasants and the industrial workers. And the event which contributed most to this influx was the wage reform (among industrial workers) in 1956, aimed at improving the general wage level by 14.5 per cent. The wage point system was abolished; a piece work system provided for 80 per cent of the worker's wages to be fixed and the remaining 20 per cent to be tied to norms so that this part could rise or fall according to their performance. Bonuses were also introduced for innovation, overtime, and hardship. The resultant improvement in the workers' situation attracted flocks of the poorer rural population much beyond what urban industry could absorb.

The policy for dealing with the urban unemployed, from 1957 onwards, was to reverse the migration to the towns by the 'sending down' movement.

... if we cannot advance from small-scale farming that uses farming that uses farm tools drawn by animal power to larger farming that uses machinery ... our socialist industrialisation will run into immense difficulties and it will be impossible for us to complete socialist industrialisation.

However, the need for mechanisation of agriculture in the context of the Great Leap strategy raises two problems: first, mechanisation of agriculture would involve diverting resources from industry to serve the immediate needs of agriculture. Clearly, this militates against the first principle of the strategy which we have outlined above. The Maoist solution to the problem is to be found in the development of small-scale industries that will be discussed later in this section. Secondly, in an economy where the rural sector is overpopulated and where the modern industrial sector cannot absorb any of the surplus labour, it seems axiomatic that mechanisation of agriculture will lead to further unemployment. The Maoists believe that the displaced labour can be absorbed by a diversification of rural economy and by converting labour into 'a kind of investment':... the labour of the rural masses itself is a kind of investment. During the socialist construction of the national economy, however, a tremendous portion of our wealth is not expressed in monetary terms, but is the invest-
A novel aspect of the new strategy, therefore, involved the mass mobilisation of the unemployed or under-employed labour on an unprecedented scale. This labour was to be used at the local level for three purposes: to work on labour intensive investment projects, like irrigation, flood control, and land reclamation schemes; to raise unit yields in agriculture through closer planting, more careful weeding, etc; and to develop and expand small-scale industry rapidly.

It was hoped that, through the diversification of the rural economy and the investment of labour, increases in farm production could be achieved which would then be converted into rising industrial investment and provide adequate supplies of consumer items. Evidently, such a goal could not be accomplished unless rural consumption was kept in check, for increased consumption would dissipate the increase in farm output. Hence, there was a fundamental economic necessity to 'revolutionise' the attitudes of the peasantry towards the construction of socialism.

As we have said earlier, one of the basis principles of the new strategy was that all the sectors of the economy would have to eschew competing for resources with the capital-goods industry. The development of local, small-scale industry can only be

† The various mass campaigns and organisational changes that occurred during the Great Leap will be the subject of a later section. Here it will suffice to say that while there was a definite link between the campaigns and the economic strategy, it would be facile to reduce the attitudinal changes among the masses to a simple economic policy. The Cultural Revolution, for instance, witnessed similar politico-organisational changes, but it can hardly be said that these changes accompanied any major economic changes — change in economic strategy.

‡ It is necessary to clarify what local, small-scale industry meant. In China, in 1958. It included heavy industries, but not industries requiring large capital outlays and defence industries which remained under central control and ownership even after the decentralisation of 1957-58. This group of centrally controlled industries we shall call the 'strategic' or 'key sector',

viewed in this context. The functions of local, small-scale industries were two-fold: they themselves must contribute to an increase in industrial production without utilising any of the resources required by the strategic sector; and they must serve agriculture so that agriculture need not draw on the scarce capital resources.

Our encapsulation of the dual function of local small-scale industry fits in with Carl Riskin's analysis of the same: the principle that local industry should adopt small-scale, relatively labour-intensive techniques (which utilise factors of production not required by the centrally controlled large scale sector), he classifies under the 'choice of technique' function; the principle that it concentrate upon production of rural producer and consumer goods, he calls its 'sectoral allocation' function.

With regard to this second principle, we can say that the primary task of local, small-scale industry was to carry out the industrialisation of agriculture — i.e., the mechanisation and electrification of agriculture. It was held that 'the appearance of innumerable local factories and mines will impel agriculture forward, providing it with tools and machines, chemical fertilisers, irrigation pumps, and electric power'. But apart from serving agriculture, the small industries were to perform two other subsidiary functions which too can be classified under the 'sectoral allocation' principle. First, these industries were expected to serve the national's large industries also. "In raw materials areas simple factories may be set up to manufacture semi-finished products which can then be shipped to large factories for reprocessing". But this role of theirs as ancillary industries, was clearly a secondary function. Secondly, they additionally constituted "an indispensable factor in increasing accumulation of funds in supporting and assisting construction of big priority projects".

The 'choice of techniques' strategy during the Great Leap Forward, was essentially a part of the industrial policy of 'walking on two legs'. This policy emphasised small-scale, labour intensive (often using native and traditional), methods of production within the framework of long-term priority for large-scale and capital intensive techniques. The nature of the approach is summarised thus:

It is the direction we follow in development to build large-scale enterprises using modern production methods; but at a time when our capital and technical conditions are not yet adequate, the development of small-scale enterprises using native production methods is the goal of our major efforts for a certain period of time and in given places.

The advantages claimed for the small-scale, labour intensive, methods of production can thus be listed as follows:

(a) The ability to utilise dispersed deposits of material resources (thus also reducing transport bottlenecks).

(b) The development of 'backward' areas by bringing industry to them, and the creation of an 'industrial consciousness'.

(c) The reduction of the construction and 'gestation' period of investment, because of the small scale.

(d) The ability to undertake repairing, maintenance and processing activity, freeing large-scale capacity for jobs which the modern sector alone could do.

(e) And finally, use of available labour to achieve low capital intensity.

Consistent with the principle that local industry would not utilise the resources material inputs and equipment needed by the strategic sector, it was intended that local industry rely on waste, scrap, surplus, and other types of materials, without any opportunity cost. A similar policy held regarding labour inputs; for, as we have seen, a motivating principle behind the Great Leap Forward, was effective employment of the underemployed masses.

But, though local industry did not require large amounts of capital, they, obviously required some funds. Where were these funds expected from? Apparently, not very much attention was paid to this question at the time when the authorities were framing the policies. Chang Pei, writing in April 1958, dismissed the matter in a few sentences:

Funds will come from local government, capital accumulation (ploughed back profits from the industries), and the accumulation of agricultural and handicraftsmen's co-operatives, Local bonds may be issued when needed. As things look now capital will not be a snag. Once the signal was given to go ahead on local factories, many places managed to find large sums in short order.

On this question, Riskin correctly points out that, the fact that local industries had their origins in previously existing activities reveals that redistribution or 'primitive social accumulation' was the principal capital resource of local industries. But, because of the extremely low per capita income of the rural population, and the fact that:

Industry was extracting, decreasing, and possibly even negative, amounts of resources from agriculture... [these industries] found the only re
main source for redistribution in factors of production previously bypassed because their current employment was deemed too valuable to interrupt: resources employed in handicraft and petty industrial production of every consumer goods and utensils, agricultural tools and implements, special local arts and crafts with export significance, and in agricultural production itself.42

There is no doubt that these resources were an important source for financing local industry, But a low per capita income and declining state revenues from agriculture is not incompatible with the existence of surpluses in the hands of innumerable individuals, provided there exists a private sector in the economy. There is hardly any doubt that, even after collectivisation in 1956, a private sector did exist in the countryside which yielded fairly substantial incomes to some individuals. Income from this private sector as studied by Kenneth Walker,43 includes income from the private plots, from horticulture, and from private livestock rearing. The percentage of the peasantry's income from this source (to its total income) ranged from 8 per cent in 1956 to 60 per cent in 1957. Comparing these figures with the needs of the peasantry, "it appears that the income from the private sector could very easily be the decisive factor in the standard of living."44

What is the relationship between the peasant class and income from the private sector? In 1955, Mao himself observed:

Everyone has noticed in recent years that new rich peasants have sprung up everywhere. On the other hand, many peasants lack sufficient means of production, are still living in poverty. If this tendency goes unchecked, the bipolar differentiation in the countryside will get worse day by day.45

Even after collectivisation in 1957, Walker, basing himself on a study of Fukien province, reveals that the poor peasants were heavily dependent on the collective for income, but "the higher peasant classes in Fukien, by owning most of those income earning assets still allowed to be privately owned, were so independent of the collective for income that the collective economy's existence was threatened by their non-co-operation."46

Therefore, it is likely that surpluses in the form of savings existed in the hands of rich and middle peasants, joint State-private traders, and so on, and these the central government had so far failed to mobilise. Together, these savings probably constituted a large and potentially investible sum. It was hoped, in 1958, that the communes would prove useful and compliant instruments in mobilising and extracting rural savings which would finance the industrialisation of the traditional sector.

Finally, I would like to comment very briefly on two more aspects of the Great Leap Forward, which are fundamentally linked to its economic strategy: decentralisation and communes. The decentralisation of economic authority actually preceded the Leap Forward; nevertheless, it had the effect of reinforcing the central ideas of the new strategy. For instance, local, small-scale industry could hardly function if it were subject to centralised economic authority for every decision. Greater freedom in decision-making at the local level therefore became an essential prerequisite of the new strategy. Economically, the introduction of the communes is to be seen as the beginning in a series of experiments aimed to discover the optimal size of unit for administering and controlling the numerous economic functions necessitated by the Great Leap strategy.

The Theoretical Sanction

In this section, we will try to examine the theoretical context in which the idea of the Great Leap was developed. The Great Leap Forward is to be seen as a "package resolution programme" of the contradictions that existed in Chinese society. Their comprehensive resolution was sought to be effected in a single stroke — in the form of a leap from one phase to another. This is an idea which derives from Mao's theory of Permanent Revolution,48 a theory which was formulated at the time of (or just before) the Leap Forward, and which in fact, constituted the philosophy underlying the 'leap'.

The central idea of this theory is that development consists of a series of uninterrupted revolutions, and that these revolutions continue even during the period of socialism.49 A leap is no more than a break from quantitative changes to a qualitative one — the Marxist notion of revolutionary change. The struggle (not a class struggle, but between advanced and backward elements) during the transition from socialism to communism will also be a revolution. In the Communist era there will be many, many phases of development. The development from one phase to another must necessarily be a relationship between quantitative and qualitative changes. All mutations, all leaps forward are revolutions which must pass through struggles.50

By 1956, the Socialist revolution in the ownership of the means of production was basically completed, and then came the socialist revolution on the ideological and political fronts which, however, had not been completed at the time of the Great Leap and would "continue to be solved by annual bloom-contend-rectify-reform campaigns". But now we must start a technological revolution so that we may overtake Britain in fifteen or more years."51 The revolution was aimed at building socialism "more, faster, better and more economically". During the period of 15 years or so, it was maintained, Chinese steel production could be increased to 40 million from its 5 million tons, Electric power could be boosted more than ten-fold, while agricultural progress necessary to match these industrial advances could be attained in eight years.

There is hardly any doubt that there was opposition at the top level to the Great Leap. But as Schram points out, it was "not simply the rapid pace of economic development set at the time of the Great Leap Forward which led to Mao's rupture with Liu and the others."52 The crux of the matter was the underlying philosophy, which was to lend to the Great Leap Forward in the economic context its distinctive spirit and pattern of development. For Mao, the course of a revolution cannot be laid down in all its details, beforehand. In January 1958, Mao said, "There is no pattern for straw sandals, they take shape as you work on them."53 Broadly, the goals are known, but their real meaning and the path for reaching them can only be discovered in the field. It is in this sense that Franz Schumann has called the Great Leap Forward the product of a 'vision', and not a plan as ordinarily understood. This view finds its justification in the idea that 'disequilibrium' or 'imbalance' in the economy is 'a universal objective law'. Things forever proceed from disequilibrium to equilibrium and from equilibrium to disequilibrium in endless cycles. It will be forever like this, but each cycle reaches a higher level. Disequilibrium is constant and absolute, equilibrium is temporary and relative.55

In concrete terms, this idea implied negation of balance in the relationships between local and national planning and recognised it as an effective principle governing economic development. Decentralisation (which was an essential part of the Great Leap Strategy) in the context of the Great Leap, was inversely correlated to co-ordination,
and the consequent lack of co-ordination was justified thus: Planned targets are constantly in a state of flux consequent on the boosting of the activism of the masses. The overlapping of planning and re-shuffling of targets often shatter the balanced relationships in the national economy and give rise to a new imbalance. If we realise that imbalance is normal, and moreover is a motive force to bolster the further development of the national economy, then we can dismiss the idea that the decentralisation of management would render it difficult to bring about a comprehensive balance.44

During the first few months of 1958, there was a large advance in production, which was unplanned and unexpected and was "the result of unleashing local initiative under decentralisation".56 How was this 'great leap' achieved? Under the old system, Choh-ming Li explains, the central authority used to determine, according to the principle of balance, one single set of national targets which the provinces, together, were expected to reach or over-reach during that year. With the Great Leap and decentralisation, there was a change in the planning system. Under the new system, called the 'system of planning with two accounts', two sets of production targets were to be used instead of one — at every level of government. There were to be two with the centre, one of which was the public plan and had to be fulfilled, and the other was expected to be fulfilled but not made public. This second set represented what each province after internal discussion was reasonably sure to reach and had to guarantee. Again, like the second set of targets, each provincial government also had its own second set of targets which the cities and the hsien felt confident they could achieve; and so on until the village level. As a result, a national quota would become bigger and bigger in the successively lower levels of the local government. "And when the national quota itself continued to be revised upwards in time with the glowing reports from the field, local targets had to be raised, parti passu, which, in turn, would induce a further upward revision of the national goal, Thus, the nature of the planning mechanism inevitably fostered a great leap in targets."58 Obviously, this could not go on for very long.

From the outset, the theory of disequilibrium was inextricably associated with the involvement of the masses. Their role was counterposed to that of the managers and planners (who had no role now); and it was only by unleashing their creativity and initiative that the 'leap' in production would be achieved. The role of the masses is constantly invoked in the writings of this period.

Objective reality constantly shows us that the initiative and creativity of the masses, and the new-born forces, collide with the old things every minute and every hour, challenging the old quotas, the old targets, the old regulations and institutions... in this context, the old equilibrium will certainly be broken and disequilibrium is bound to appear.49

**The Great Leap Forward in Operation**

**Decentralisation and the Communes**

The Great Leap Forward was closely associated with the process of administrative reorganisation which began in the winter of 1957 and which culminated in the establishment of the people's communes in September 1958. The new regulations on industrial control published in November 1957 recommended greater decentralisation and more autonomy to the lower echelons of administrative authority.60 Clearly, over-centralisation in the management of industrial and commercial enterprises had led to complications and inefficiencies. In the past, the various industrial ministries had kept a tight hold over the operation of the enterprises under them. For example, their permission had to be obtained by any concern which wished to acquire fixed property worth more than 200 Yuan, i.e. £30.41

By the middle of 1958, the entire organisation of economic planning, taxation, industry and trade was overhauled and the powers of the local authorities — provinces, municipalities, hsien and hsiangs — were strengthened. In mid-1958, it was announced that 80 per cent of the enterprises formerly handled by the central ministries had been handed over to the local authorities. These included virtually all the light industrial enterprises and a large proportion of those under the Ministry of Heavy Industry.

Together with a degree of flexibility in their levying, local authorities now received the proceeds of certain taxes which had previously gone to the central government. They also received a share in the revenue of certain industrial concerns which had previously been under the central government. In return, the local authorities were expected to meet their normal expenditures themselves.63 Further, in June 1958, the power to issue bonds was transferred entirely to local authorities which were to use them to raise capital for their industrial development. Finally, in July 1958, further measures were taken authorising the local enterprises to retain without reference to the central government,62 for development purposes, the surplus profits obtained from the sale of their products and to make other readjustments in programmes of capital development already authorised.

Decentralisation occurred in agricultural planning as well. Instead of drawing up a complete agricultural production plan according to which agriculture was to develop, the State planning authorities in the locality now had only a 'farm produce collection and purchase plan'. Local units now also had relatively greater autonomy than before in directing the course of agricultural development.

It is important to remember that the devolution of authority strengthened the powers of the local administration and of the party units within whose jurisdiction the enterprises now came — rather than of the enterprise itself. This is very significant; the considerations influencing the decision in favour of the former type of effect were political and ideological rather than economic. As such, the full implications of this decision will be discussed in the subsequent section. Here, suffice it to say that, during the Great Leap Forward the party, with its recently increased powers, almost completely replaced the managers and experts in all spheres of economic activity. In fact, planning, management, and technical knowledge, were functions which were now considered highly dispensable, and were to be replaced by the "spontaneous initiative and the creativity of the masses" — the role of the party cadre was to release and guide this "spontaneous initiative". Their particular role, however, can only be appreciated in the context of the pressure on them to increase production as much as possible. As we have seen, this drive to increase production was sanctioned by the Maoist theory of 'disequilibrium', and made possible by the system of competitive target raising. The consequent loss of all real statistical knowledge contributed even more to the autonomy of the local cadre cadres of the centre; the illusion of high output figures made the central authorities quite complacent about the direction in which the Great Leap Forward was moving. The substitution of expertise
and management by the politics of party leadership and the 'mass line' is seen to be a major underlying theme.

In retrospect, it seems that the decentralisation measures served merely as a preparatory stage for the final establishment of the communes; for, a strong multi-purpose local unit fitted in very well with the pattern of administrative decentralisation. The communes, however, combined their economic powers with political and administrative authority; they were to be 'both basic economic units and basic units of State power'.

The people's communes were to be multi-purpose units for the management of agricultural, industrial, commercial and military affairs. They were to achieve this multi-purpose nature by absorbing or amalgamating the basic level organisations operating in the countryside; the agricultural producers' co-operatives, the co-operatives for supply and marketing, credit, and handicrafts, and the local branches of the People's Bank.

The communes were also expected to represent a new phase in the progress towards communism. They were, in fact, the 'sprouts of communism'; for, the transformation from 'collective ownership' to 'ownership by the whole people' had begun. Partial introduction of the communist principle of distribution — from each according to his ability, to each according to his need — by which part of the income of the commune members was to be in the form of free supplies distributed on the basis of need rather than work, and drastic reduction in the private property among the peasantry, both reinforced this notion.

The organisational structure of the communes was based on the principle of 'unified management and divided control'. There was to be a congress of commune members which was to be a fully representative body, and this congress would elect an administrative committee under which various subsidiary committees would look after the various functions of the commune. Under the leadership of the administrative committee of each people's commune, there were various departments: agriculture, water conservation, industry, communications, and so on. Here again all responsible officials of the commune — the director, the deputy director, the departmental heads of the administrative committees — were generally party members.

The commune was also divided vertically for purposes of management. Generally, a commune was divided into certain production areas, each one corresponding roughly to the size of the previous co-operative. These areas were entrusted to production brigades which were further subdivided into several production teams — each one corresponding roughly to a village. Though the brigade was responsible for the management of the production area entrusted to it, in fact, the central commune administration fixed the yearly and quarterly production targets and other tasks for each of the brigades. Although in the actual organisation of production and in the actual utilisation of labour and other means of production, the brigade was theoretically allowed a certain degree of flexibility, the commune administration maintained a strict supervision over its work. Reports of excessive centralisation within the commune revealed that it was because control over a few activities was centralised (as on large-scale labour projects) that it became difficult to prevent gravitation of all other decision-making powers to the centre. Gradually, however, as it became increasingly evident that the methods of production in Chinese agriculture necessitated management by small units, the brigades and later the teams were given more and more autonomy.

What were the relations between the communes and the State? Apparently, the State seemed to have snapped all links with the commune. Apart from having to pay the required taxes, the commune maintained only ideological links with the State — through the institution of the party. However, the communes were not completely autarkic, and a good deal of trade went on between the communes and between the commune and the State. Prices of commodities exchanged played an important role in the economics of the period but here we shall study the nature of this financial relationship.

The State preserved the right to price all commodities exchanged between the State and the communes, all commodities exchanged among communes, and all products distributed and commodities supplied within the communes. On the question of what prices the State should charge for the manufactured goods which it supplied to the communes, it was decided that wholesale prices should be charged. The decision was somewhat inexplicable, for, in the same article it was observed that, "the production costs of manufactured goods of the people's communes will be higher than that of manufactured goods made by the State-owned factories." In our study of the commune industries, we shall see how this policy decision sabotaged the very first principle of the sectoral allocation function of commune industry — the principle that it serve agriculture. Initially, the pricing of commodities exchanged among communes was left to the communes themselves. By December 1958, it had become apparent that the free fixing of prices by both the parties would lead to the revival of "the capitalist way of business which signifies blind production regardless of plans." For this reason, it was decided that the prices of commodities exchanged among the communes would be subjected to the unified price policy of the State. Evidently, 'departmentalism' — that is, party cadres in a commune thinking only of the 'narrow interests' of their own commune — could not be overcome only by ideological controls.

The chief source of investment for the commune was the public accumulation, or reserve fund, of the commune; the welfare fund in the commune budget was used for welfare purposes. During the Great Leap Forward, targets for savings, like all other targets were raised to exaggerated levels. For example, in Hupch it was recommended that accumulation should account for between 40-70 per cent of total income; this corresponded to marginal rates of saving of between 40-90 per cent of the expected rise in income in 1958 over the previous year. Such rates were clearly unreasonable, and the agricultural crisis of the following years soon forced a reappraisal.

One of the innovations of the commune movement was the supply of free meals in the communal mess halls. Though collective feeding was designed to promote the spirit of collective and communal living, it also played the important role of freeing women for collective work in the fields, even as the men were involved in the variegated activities of the diversified rural economy. Moreover, it now became easier to enforce rationing and save fuel, and harder for the peasants to hoard grain. Nurseries and creches were also established, in order to foster the habits of communal living and to free women for labour outside their homes.

One of the most widely publicised activities of the communes was the construction of irrigation and water conservation projects. The purpose of
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these constructions was to substitute capital equipment and technical expertise by the unskilled labour of the peasant masses. The new communes became the instrument for effecting this transfer of peasant labour to the water conservancy works. Even before the end of 1958, great claims were made regarding the construction of these projects. In October 1958, the Ministry of Agriculture issued its communiqué stating that, A total of 480 million mou was added to China's irrigated land area between October 1957 and the end of September 1958.16 The major objective of these efforts was to protect Chinese agriculture from abnormal weather conditions, to eliminate by this single stroke the root cause of economic instability. From this point of view, the campaign was a limited success. Lack of expertise coupled with overenthusiasm of the cadres had led to much waste. This was officially acknowledged by none other Chou En-lai in his report to the Second National People's Congress in August 1959, when he stated that only 33.5 million hectares of farm-land could be properly irrigated (as against the 1959 claim of 71.3 million hectares). Another 13.32 million hectares could benefit from irrigation, if adequate levelling of fields and digging of ditches were carried out.17 Apparently, much of the reservoir construction work was destructive of the soil, the regular functioning of rivers, and of existing irrigation systems. The reason was that the upsurge in water conservation had not been based on geological surveying, technical back-up, and consistent planning. The hasty and un-informed building of dams, pools, ponds, reservoirs, and canals, resulted in alkalisation of the soil over a wide area. Nevertheless, at the end of the operations, there was an increase in the acreage of land brought under cultivation beyond the pre-1958 level. According to official reports, 1958 witnessed a phenomenal increase in agricultural output:

Total grain output is estimated to be about 750 billion catties, about 380 billion catties over 1957's billion catties. Total cotton output is estimated to be about 67 million piculs, about 34 million piculs over 1957's 32.8 million piculs.26 Moreover, it was claimed that these increases were more due to a boost in the output per unit area than an expansion in acreage. Although the claims were later revealed to be highly exaggerated,29 favourable weather conditions combined with the tremendous effort at intensive cultivation — neatly summarised in the 'Eight-word Constitution': water conservancy, fertilisers, deep ploughing, superior seeds, close planting, crop protection and field management — did lead to an unprecedented increase in output. However, in 1958, for the first time, there was a marked difference between the biological yield and the barn yield. A portion of the yield could not be harvested because of the diversion of labour to work on rural industries and other non-agricultural operations. In March 1959, it was admitted that "the labour-power available for the increased agricultural production is estimated at only half the estimated requirements".40 However, the solution envisaged did not as yet involve the redirection of labour into agriculture, but urged the cadres to increase the productivity of the existing labour in the fields. The target was to save labour-time through innovation of tools so as to make up for 30 per cent of the shortage of agricultural labour power.

Secondly, it was maintained that by strengthening labour management and improving labour organisation, "a successful way of developing labour initiative, tapping latent labour-power, and raising labour efficiency"31 could be discovered. It was estimated that this method would "save labour-time sufficient to make up 30 per cent of the shortage of labour-power". It was not until late 1959 and 1960, when China was faced with an agricultural crisis, that labour was redirected into agricultural activities. However, the assumption in the two passages quoted above, that 30 per cent of the shortage of labour-power could be made up by increasing labour efficiency reveals a crucial fact about the Great Leap Forward. It is that labour-power was not fully utilised. Why this was so will involve a discussion of the incentive system of the Great Leap Forward.32

INCENTIVE POLICY

While it cannot be said with any certainty that there was a decline in the productivity of labour in agriculture and industry in 1958 (though this was almost certainly so in 1959 and 1960), the fact that labour could not be fully utilised can be traced to the incentive policy of the Great Leap Forward. This policy was, in turn, tied up with the final object of the new strategy — which was to channel the increases in production for rapid capital formation into the modern sector rather than allow them to be dissipated by increases in consumption. To achieve these ends, the incentive system of the period combined a system of non-material incentives with a set of policies which kept incomes relatively low and had a tendency of level them off. The system of remuneration in the communes was, basically, the time-wage system rather than the piece-rate system of the earlier period. Under the time-wage system, each worker was assessed for skill and 'attitude' to labour and then assigned to a particular grade. For each day's work there was a specific number of work points ranging from 4 to 10 points. "In other words, the lowest grade farmer receives 4 points and the highest grade 10 points for performing a ten-hour day's work, regardless of quantity of output".44 The dissolution of reward from effort was not bound to create disincentives by itself, for the 'attitude' of the workers (or peasant) was itself determined by his commitment to increase his effort. Moreover, whatever the method of payment, the crucial factor was the actual value of the unit of payment. This would depend on several factors determining the total amount of money (and supplies) available for distribution among commune members.

The total gross income of the commune was dispensed as follows: First, certain cost deductions were made, such as costs of production and management, seeds, reserves, etc. Then, taxes and compulsory deliveries which the communes made to the State were deducted. The net income left, after these deductions, was then available for distribution. One portion went to the 'accumulation fund' for the commune's own investment; another went to the welfare fund for members' social insurance, and other needs. Yet another portion, the supply part of wages, had already been used up throughout the period to meet the members' basic food requirements.8 The residual income was what was paid out in cash or kind according to the differential claims of individual members.

Clearly then, one or more of the various claimants to a share in the commune's income were primarily responsible for keeping peasant motivation at a low key. Direct taxes imposed by the government on the communes were not very high during the Leap Forward: In fact, national agricultural taxes declined from a high of approximately 25 per cent of national total taxes to 16 per cent in 1959. For 1960,
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indeed, mated and ly drawn of voluntary agricultural activities, had caused considerable economic dislocation. No alternative arrangements had been made for the pursuit of these activities, which not only were a source of additional income but also provided some necessary items of everyday consumption. The shortages which developed, of pigs, poultry, vegetables, straw sandals, coir brooms, baskets, utensils, etc. caused considerable dissatisfaction among the peasantry.

Consequently, the December 1958 resolution of the Central Committee laid down that in the communes all privately owned means of livelihood (i.e., houses, clothes and furniture) together with bank and credit co-operative deposits should remain in private ownership in perpetuity. So long as it did not interfere with their collective work, peasants were also permitted to continue their small-scale, domestic side-occupations. But not until the re-opening of the rural markets, were the peasants could sell their products, and till the introduction of flexible regulations regarding peasant work-attendance, did the private plots and sideline activities once again become important sources of supplementary income for the peasant or contribute to the recovery of Chinese agriculture.

Non-material or ideological incentives are a distinctive characteristic of the Maosist approach, and their role as a political weapon which seeks to forestall the undermining of socialism will be discussed in the next section. However, they also have a vast potential of increasing output at very low costs, and as such they were indispensable to the ultimate objective of the Great Leap strategy. The efficacy of emulation drives and mass campaigns was obviously determined by the degree of politicisation of the masses. In this context, the role of the party, as the agency which made possible the implementation of these campaigns and 'drives', during the Great Leap assumed central importance. However, other social and political agencies, such as trade unions, youth organisations, and women's groups, were also involved in this effort.

In 1958 and 1959, individual workers were spurred on by a variety of formal and informal rewards, which aimed to raise the self-esteem of the honoured, and by inspiring innumerable others to improve their performance. These rewards included titular honours such as 'model' or 'labour hero', meetings with Chairman Mao and other celebrities, etc. Group competitive incentives were often like those employed to encourage individual output: the success of a unit in surpassing the others was rewarded by a similar variety of honorary awards.

Moreover, mass meetings were held to discuss and review production experiences and concrete programmes for raising labour productivity; to exploit the 'wisdom of the masses' on how to increase output and stimulate innovations; to raise the level of backward units through disseminating the experiences of the advanced units; and to rectify individual work attitudes through criticism and self-criticism. Often, combined with the emulation drive, mass participation was used both on large-scale water conservation projects and on lesser activities.

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**COMMUNE INDUSTRIES**

The professional and political leadership in the local small-scale industries, developed or taken over by the communes, was in the charge of the party leadership in the commune. This leadership was given the responsibility to insure the completion of the tasks of industrial production assigned to them by the federation of the communes, and had to follow the huien plan for distribution of products. It was claimed that, in this way, "the centralised and unified leadership of the huien federation of communes will be insured, and the activism of the basic level communes in operating industrial undertakings will be adequately called into play".

Under the leadership of party committees, commune factories set up factory administrative committees and workers' conferences, which met regularly to check the implementation of plans and to discuss important questions in the factory. The tendency was to eliminate, functionally, the gap between production workers and administrative personnel. Even while this may have been so, the activities of the commune industries were directed and controlled by the party authorities outside.
the factories and in the commune itself. Generally, there were two important means through which this control was maintained: the existence of a party unit within the factory — whose powers were immensely strengthened at the expense of the managers and experts during the Leap Forward — provided the ideological channel through which this control was extended and maintained; secondly, the control of commune industrial finances was entirely in the hands of the commune leadership. Commune finance departments allocated production funds to these factories, and the factories were bound to use these funds in accordance with the financial plans of income and expenditure. Except for a definite amount for reserve funds — about 20 per cent — the factories deposited all their funds in the commune credit departments. Also, all transactions between factories had to be done through the supply and marketing departments of the commune.

The party being in power in the commune factories, it might be expected that the goals of the regime would be fulfilled; i.e., that the local, small-scale industries would concentrate on serving agriculture — providing it with adequate producer and consumer goods. However, a variety of other factors combined to undermine the raison d'être of commune industry.

In his study, Riskin concludes that only half of the gross production value of the commune industries came from components serving agriculture. This observation points to an essential property of commune industry from the viewpoint of commune members — it was the major source of income at the commune level. In 1959, it was estimated that 70 per cent of the income from commune-level enterprises in the average commune came from industrial enterprises. Indeed, many of the horticultural articles appearing in the Press at that time strongly emphasised the ability of the communes to earn distributable income by developing industrial enterprises.

Unfortunately, it was the pressure on cadres to increase the profits of their collective enterprises, which determined the kind of goods to be produced. Commune authorities concentrated their efforts on operating a few industries that were highly profitable; tools and fertilisers needed for agricultural production were often neglected. In a sense, the methods of the Great Leap Forward had defeated the objective of its economic strategy: The pressure to increase profits, through the agency of competitive target raising, had made cadres blind to the direction of production. Loss of statistical control with the centre, moreover, prevented early governmental intervention in this process. At the same time, the financial autonomy of the communes gave them enough leeway to choose the most profitable line of investment. Such a choice would not have been contradictory to the policy of 'serving agriculture', had it not been for the fact that the non-commune industries undersold the commune industries in just those commodities which they were expected to provide to the rural sector.

The tendency of the commune industries to concentrate on the production of the most profitable commodity — in violation of the general policy prescription — also led to neglect of consumer goods production. In 1959, Chao Hua-ling wrote that, even though light industry developed at a rapid rate during 1958, nevertheless, 'because of the phenomenal increase in agricultural and raw material output, the existing capacity of light industry was not able to cope with the increased supply'. The increased supply was not, however, the only reason for the shortfall in the supply of consumer goods. Departmentalism (the tendency to concentrate one's efforts only for the increased production of one's own industry) was under fire almost from the beginning of the commune movement: It is understood that during the last few months some enterprises exchanged goods between themselves using raw materials and equipment as means of exchange and stockpiling. Under the impact of goods exchange, transfer plans and supply contracts for some commodities were disturbed and production order was affected. But in 1958, it was still felt that the contradiction was to be resolved not by resorting to balanced and planned production but by 'exploiting all kinds of favourable conditions and relying on the masses for pressing forward production, tapping latent power, and economising consumption'.

Imbalance was still to be the order of the day. Indeed, not till the middle of 1959, when the principle of 'imbalance' was silently revoked, was the problem given adequate consideration and funds were allocated to this sector.

The technology and resources utilised by the commune industries led to some waste, Ch'en Yun himself testified to this when he talked about the need for developing industries discriminatingly:

However, once greater co-ordination was re-introduced in the sphere of industrial production, the small-scale industries proved to be the most lasting achievement of the Great Leap Forward.

Other observers have noted many successes as well of this experiment. Charles Bettelheim refers to the invention of plants for extracting shale-oil which were built within three days and cost only 300 Yuan. Their annual capacity was only 100 tons of crude oil each, but since there were over 10,000 such plants, they produced 1.2 million tons of oil annually — about four-fifths of the total output in 1957. Wheelwright and McFarlane provide a number of instances where savings in construction and operating costs were effected without affecting the quality of the product. But, significantly, the successful examples are of those low-cost factories which were supposed to supplement the output of the larger industries or act as auxiliaries — rather than of factories producing independently for agriculture.

Where the choice of techniques principle floundered was in its intention to utilise labour resources. As we have noted, labour in the commune industries came from the agricultural and handicraft sector. Domithorne has estimated the extent of labour diverted from handicraft activities.

By May 1959, only 15.3 per cent of the five million handicrafts cooperative members of 1956 were reported to be still in co-operatives of the old types. Slightly more (13.6 per cent) were in units amalgamated to form co-operative factories. 17.8 per cent worked in what had now been designated locally-controlled industry, while 35.3 per cent were employed in commune factories.

What is significant is that the labour time taken up in the commune industries was at the expense of the production of subsidiary goods and the necessary handicrafts. The situation in the consumer goods industries (both large- and small-scale) did not help, in any way, to compensate for the shortage of these products and, by late 1959, the leadership was forced to make a reappraisal. In the next few years, strong official encouragement was given to the return of handicraftsmen and others to their old occupations.
reat occurred at different points of time for the various activities because the loss of statistical control and the disruption of the planning system made it very difficult for the leadership to know the actual, or incipient, problems which the local organisations faced. Besides, the exaggerated output figures of 1958 confirmed their belief that the principle of imbalance was working out fine. The problems which were beginning to surface, even before the end of 1958, were thus seen as separate and specific aberrations and were, therefore, tackled individually — i.e., whenever every manifestation of the principle of disequilibrium got out of hand.

In agriculture, the December 1958 resolution of the Central Committee attempted to rectify the general disincentive effects of communisation, by passing on control of production and incomes to the lower level units. The resolution reaffirmed that it was the brigade which was to organise agricultural production and the team which was to arrange labour allocation. But it was not until the beginning of 1961 that ownership and hence calculation of profit and loss and wages was passed down to the production brigades. The semblance of a rural free market was reintroduced in September 1959, and in the summer of 1960 private plots were restored and limits were imposed on the labour time required from commune members.

By the autumn of 1959, disillusionment had set in about the efficiency of communal enterprise in constructing water conservation projects. Official opinion now swung toward control being vested in the hands of larger units — such as the luhen which might be better placed to muster mere skill and executive ability than was available to the communes.

The realisation that the incentive policy should be made more realistic was also gradual. The disincentive effects of the free supply system was sought to be rectified by drastically contracting the scope of this system and emphasising the need to distribute according to the labour of the individual. It was now maintained that

If we simply adopt the method of forcing equal distribution to eliminate such differences (as may exist under socialism) we shall commit the mistake of egalitarianism, which will only play a negative role that undermines social production and the movement for people's communes.

Quite simply, the partial introduction of the principle, 'from each according to his ability to each according to his need' was being replaced by the principle 'to each according to his labour'. By 1961, the 'free supply system came to an end, time wages were abolished, and the piece work form of remuneration was restored. The real problem, which concerned the amount of funds available for distribution got the attention it deserved only towards the end of 1959. Donnithorne observes that by 1960, however, the proportion of accumulation and welfare funds together dropped to about 5 per cent of total income, from a high of approximately 50-60 per cent in 1958, thereby leaving a much larger share for consumption purposes. Even as early as in 1959 considerable dissatisfaction was expressed about the common mess halls. But they remained in operation till as late as 1961, chiefly because they performed certain indispensable functions like freeing labour power and effecting necessary savings. But during the hard years of 1959-60, when rations were cut, corruption among mess workers forced their closure, and peasant households re-established themselves as the basic units of consumption.

The evidence we have reveals that, through the year 1959, considerable opposition to the policies of the Great Leap Forward was expressed, though this was never openly or explicitly directed against the Maoist leadership. The sporadic retreats we have observed, represented the beginnings of a piecemeal victory for the opposition. However, by the end of the year, the agricultural crisis resulting from a combination of disastrous weather conditions and mismanagement during the Great Leap Forward, forced the need for an urgent resolution of the problems. By 1961, there was barely any trace left of the original policies of the Great Leap Forward.

One factor predominantly responsible for the failure of the Great Leap Forward was cadre mismanagement and lack of expertise — whether in determining the rates of savings and consumption, in industrial production, in the sphere of subsidiary production, or in the allocation of labour. The removal of all constraints and the simultaneous exercise of pressure on them to increase production was sanctioned, as it were, by the theory of 'disequilibrium'. Moreover, by the decentralization measures, their powers were greatly increased at the expense of the powers of the managers and the experts.

It is not as if this removal of constraints and increase of powers can be attributed solely to the need for rapid development. Rapid development is not necessarily incompatible with planning and expertise. The role of the party in unleashing the 'spontaneous initiative of the masses' is to be viewed also as an attack on the role to date of the managers and the technocrats. Thus, in order to comprehend the Great Leap Forward in its totality, especially the crucial idea, which ultimately sabotaged it, it is essential also to study the theory and practice of Maoist anti-bureaucratism.

Politics of the Great Leap Forward

The Great Leap Forward was a particularly manifestation of a general trend. In order to study the Leap Forward meaningfully I have found it necessary to try to comprehend that trend itself. Formally speaking, this trend towards de-Stalinisation can be said to have begun with the decisions taken in the Eighth Party Congress in September 1956. In this section, our study will begin from this date and end with the retreat from the Great Leap Forward strategy. It would be useful to bear in mind two phases in the political developments of this entire period: first, from the Eighth Party Congress till the end of the short-lived Hundred Flowers movement; second, the period beginning with the Anti-Rightist Campaign till the end of our period.

At the Eighth Party Congress it was unanimously felt that, in future, more emphasis would have to be put on 'democracy' in general. During the earlier period, all organisations in China had used Stalinist techniques; they were a part of the model itself. Now, however, not only were these considered obsolete, but to some extent counter-developmental. The process of de-Stalinisation which had begun in China, even before 1956, was not peculiar to it. All over the socialist bloc significant reforms in the system were taking place; though the immediate events leading to these reforms varied from country to country, the techniques affected were in all cases the same, e.g. extreme administrative centralisation, strict one-man management, control through parallel competing bureaucracies, and rigid intellectual and professional regimentation.

The major instrument of the Stalinist model of development was its adminis-
trative structure, and any reform of the system would necessarily have to effect this structure. In the People's Republic before the de-Stalinisation measures, the principle of administration was vertical rule.18 This was a highly centralised system where one agency had full policy and operational control over all units of organisation within its jurisdiction. Commands flowed directly downwards and, conversely, lower level units were responsible only to the higher agency — the span of control and responsibility was, thus, direct and vertical. The central ministries ran a hierarchy of branch offices all over the country and these, in turn, directed the units of production under their jurisdiction. The principle of vertical rule was invariably accompanied by the system of one-man management to ensure unity of action.

These principles operated within the framework of a substantial rate of industrial growth on the one hand, and a steady tightening of labour discipline on the other. Strikes were prohibited; punishments were introduced for absenteeism, lateness, and negligence; and under the 'labour book' system, job changes were placed under the control of employers.19 Moreover, managers were given sole power over piece work norms and over hiring and firing.20 This kind of labour discipline, and the consequent absence of independent political institutions of the working class, was in the very nature of the Stalinist model which sought to find the sources of capital accumulation within the domestic economy. In China, where agriculture was incapable of generating adequate surpluses, the source of capital accumulation was increasingly sought in the modern industrial sector itself. In fact, the gap between wages, which remained static during the period before the wage reform of 1956, and increasing labour productivity, was sanctioned in the First Plan itself.21

However, the Stalinist model also engendered certain tendencies which were counter-developmental — not only for immediate objectives, but also for the long-term goals of the regime. Franz Schumann observes that through the principle of vertical rule, not a few ministries created 'far-flung empires'. Notable among them were the Ministry of National Defence, the Ministry of Commerce, some ministries for the machine-building industry, and the Finance Ministry.22 Within the enterprises, excessive centralisation manifested itself in the proliferation of instructions from above which were binding on the management of the enterprise. In his report to the Eighth Party Congress, Li Hsueh-feng attacked the principle of one-man management — and, implicitly, the system of binding instructions — for engendering bureaucratic tendencies. He maintained that managers lacked a sense of personal responsibility: they gave attention to the fulfilment of production tasks alone. Moreover, instead of encouraging 'persuasion, education, and administrative discipline' in mobilising the workers they often used punitive measures to maintain discipline. In no way did they inspire the workers and rouse their creativity.23

The counter-developmental tendencies inherent in a completely bureaucratised structure were buttressed by the system of incentives. For reasons mentioned earlier, the average real wage level of the Chinese workers did not rise substantially during the First Five Year Plan. In fact, real wages declined somewhat during 1954 and 1955, as the value of a 'wage point' rose less than most other prices — in spite of considerable advances in productivity.24 Moreover, the workers possessed no institutional channel through which to voice their demands.

Besides, for the sake of economic development, it became necessary for the regime to secure the specialised services of the professional stratum of managers, technicians, and other economic administrators — people who had to be given privileges if they were expected to contribute their services, yet whose emergence as a privileged class would subvert the very goals of socialism. As early as in 1953, B Shastri of the Praja Socialist Party of India observed that workers were paid 50-60 wage units a month, while a factory manager received 2,750 wage units.25 And even so, the technocrats resented the authoritarian methods of the system which they perceived as giving them little leeway.26

It seems likely that this professional stratum formed a major pressure group to demand reform of the system. An important group at the other extreme consisted of the militant ideologues whose policies were designed to eradicate the difference between mental and physical labour, to substitute moral for material incentives, and to subject the State machine to workers' control. From the outset it was evident that the kind of changes which the two groups sought were antagonistic and irreconcilable. Party secretaries who had made common cause with plant and factory directors in attacking administrative centralism learnt that their erstwhile allies were very reluctant to exchange the dictatorship of managers and planners for that of the local apparatchikita. The cleavage was reflected at the top level as well, and as 1957 drew on, it became increasingly apparent. Nevertheless, a precarious balance was maintained between the interests of the two groups until the final rupture, which came with the decentralisation measures in November 1957.

If de-Stalinisation was essentially a response to domestic pressures it also received an impetus from events in the communist world — viz, the popular uprisings in Poland and Hungary. Significantly, the Chinese Government noted that the demands of the people of Hungary and Poland for freedom and democracy, equality and material well-being were 'completely proper'.27 It was against this backdrop that the Eighth Party Congress took place.28 The Congress formally sanctioned the reform measures that had taken place earlier, notably the wage reforms of June 1956 (which we have discussed in Section I) and initiated a policy of general liberalisation. Even the constitution adopted at this Congress introduced greater inner-party freedom and greater elasticity29 under collective leadership. Just as significant was the new policy towards the intellectuals and professionals. The admittance of ex-bourgeois intellectuals into the party was no longer barred. In fact, within a year, the number of intellectuals — of whom the managers, technicians and economic administrators formed an important part — in the Party rose by half.28

The 'Hundred Flowers' movement in the spring of 1957 marked the culmination of the liberalisation measures. Brief though it was, the reaction of the Maoists to the real opinions of the intellectual and professional groups undoubtedly shaped their notion of democracy and freedom, and, as we shall see, influenced the choice of the model of political and economic development — the Great Leap Forward. More immediately, the Hundred Flowers movement demonstrated the fragility of the alliance between the militant ideologues and the professional stratum mentioned earlier. In fact, the main target of the intellectuals was the Party, and they demanded fewer political controls, and greater independence and authority in professional matters. Critic-
ism focused on the *exclusiveness* of Party leadership, the methods of leadership, and the mistakes and excesses of the past. This kind of opposition had a fundamental impact on the Chinese Communist Party. They were forced to confront the central problem in their conception of 'freedom' and necessity. The dilemma, moreover, could not be disembodied from the question of political power and the nature of economic development.

At the leadership level, the differences that had emerged earlier, were transformed, after the 'Hundred Flowers' episode into two distinctly opposed sets of policies. The differences centred around the type of de-Stalinisation and the nature of the alternative model of development envisaged. For Mao and his group, the Hundred Flowers episode confirmed their instinctive antipathy towards bureaucrats and professionals. In their view, the imminent decentralisation plans should, at no cost, strengthen the position of this group; for, this would create the conditions for the emergence of new centres of power. During the Anti-Rightist Campaign that followed, the brief period of 'blooming and contending', the kind of freedom that the intellectuals had exercised was attacked as being petty-bourgeois and counter-revolutionary. For Mao, 'freedom' and 'democracy' now acquired a new meaning: it meant the 'unleashing of the spontaneous initiative of the masses', which meant the removal of all constraints on their creativity. But since the Party was regarded as the conscious expression of the will of the masses, unleashing the creativity and initiative of the masses meant, in its most direct form, giving greater freedom to the Party at the lower levels. In the Maoist view, therefore, power to the people would necessarily involve concentrating the decentralised powers in the hands of local Party units.

Opposed to this was the view that power should be decentralised to the production unit itself, i.e., to the experts and managers within the enterprise. This view was represented, in part at least, by Ch'en Yun. The different types of decentralisation envisaged had profound implications for the kind of development that would occur. Putting decision-making powers into the hands of the producing units also involved the creation of external conditions for the autonomous exercise of such powers—i.e., some form of market conditions.

It has been an assumption among Chinese Communist economists that where production units are not subject to directive and regulatory controls, they will produce for self gain. They will increase output only if they can gain something in return. In other words, if the autonomy of production units, notably agricultural co-operatives and industrial enterprises is to be expanded material rewards must be given them as incentives.

In fact, in his speech to the Eighth Party Congress, Ch'en Yun called for an expansion of the free market, and it is not hard to see that the decentralisation measures proposed by him would have implied the creation of an economy not unlike the Yugoslav type. The decentralisation measures implemented in late 1957 and 1958, and the establishment of People's Communes represented decentralisation of the Maoist variety. The decision was rooted in the anti-bureaucratic climate of the times, and its logic entailed a shift away from material incentives and power to the manager-technocrat. As we have seen, the model of development, conceived by Mao, involved the mobilisation of mass initiative as the primary input for the construction of socialism. Moreover, they were to be spurred on purely by their ideological commitment—not only because material incentives tend to dissipate scarce resources, but also because the 'economic man' had no place in his world view.

The decentralisation measures replaced vertical rule by dual rule. Dual rule meant that an agency was under the jurisdiction of two bodies on the same administrative level. It was a combination of vertical and horizontal control: one channel of command and information going up, and another going sideways. In other words, the powers of the local authorities—provinces, autonomous regions and municipalities under the direct jurisdiction of the central government, and below them, the lower authorities of the huien, hsiang and later on, the commune—were to be increased.

Ikeally, dual rule implied the effective division of authority between central and local governments; but during the Great Leap Forward, the local authorities—i.e., the commune—dominated by the Party completely overshadowed the vertical chain. In fact, during the Great Leap Forward, all the affairs of government were managed by party committees. Branch agencies of the central ministries were greatly hampered in their operations by their inability to deal with the power of local party committees.

In the field of management, the 'one-man management' system was replaced in 1956 by a system of collective responsibility—authority was shared by the party and the management. In a sense, this was a practical manifestation of the alliance we have mentioned earlier. Policy-making powers were with the party committees, but the management still had the right to operate factories. With the termination of the Hundred Flowers movement the balance shifted in favour of the party cadres. The Anti-Rightist Campaign which followed marked the beginning of the tide against the professionals. It is to be noted that what started off as a movement against bureaucratic and 'subjectivism', was transformed at its peak during the Great Leap Forward into a movement directed against professionalism itself.

While the aims of the two movements may have differed—in that, whereas the Anti-Rightist Campaign sought to reform the ideas and rectify the work style of the intellectuals, the Great Leap manifested a tendency to eliminate this stratum as a whole—the Anti-Rightist Campaign did not really end before the Great Leap; the two were part of one continuous process. The spirit of the Anti-Rightist Campaign and the techniques employed during it were carried on into the Great Leap Forward, and the Campaign submerged its identity in the larger movement.

The Anti-Rightist Campaign sought to reform the professionals by inspiring them with the politics of proletarian socialism. The technique employed to effect this was the hua-jiang ('sending down' or 'downward transfer'). Intellectuals and professionals were sent down, either to villages or to the production front of their enterprises, to participate in physical labour. As part of the Anti-Rightist Campaign hua-jiang was directed against the triple evils of bureaucratism, subjectivism, and sectarianism—all three being synonymous for any kind of activity 'which departs from the masses and reality'. Those in leading positions and separated from the masses were to devote their time to engaging in physical labour with the peasants and workers with a view to transforming their own work-styles and attitudes. As for the numbers of personnel actually sent down, one report indicates that, during 1957, in the retraining movement, 100,000 cadres have been detailed to production posts, while 200,000 have been withdrawn to engage in ac-
activities at basic levels.”

By the time of the Great Leap Forward, another report indicated that, in February 1958, the number of people sent down constituted the majority of the 1,500,000 total. More important, between this date and September 1958, hsia-fang was transformed from a movement into a system. In other words, participation in physical labour by intellectuals, professionals, and technicians, was no longer to be a temporary affair, but a way of life — at least until the end of the Great Leap Forward. This move prepared the ground for the elimination of the professional group and their specialised services and for their replacement by the party. The process was best illustrated in the industrial enterprises. Prior to 1958, factories in communist China were three-tiered: The top layer consisted of those who directed the organisation — a party committee or a management council formulating policies. The policy was translated into operational commands by the technicians. And supervision of the implementation was done by the ‘line-men’. These two groups constituted the middle tier — the professional group. Finally, the bottom tier of the organisation comprised workers. During the Great Leap Forward, in Chekiang province alone, cadres of 2,100 units in our province take part in labour and workers of 1,208 units take part in management; 3,861 cadres have been retrenched and sent down. The proportion of administrative personnel to the total number of workers and office employees has in general, dropped, from 15 per cent to 1-2 per cent. This is a new development of carrying out the main line in industrial management.

The hsia-fang, during the Great Leap Forward, sought to eliminate the middle tier of professionals and join the party with the workers in the factories. The slogans of the period — ‘politics takes command’ and the virulent attacks against the ‘fetishism of technology’ — were a reflection of this trend. The middle management in industry were attacked, dismissed from their positions; complex industrial designing and planning was reduced to simplicities which could be handled by the inexpert party cadres.

It is interesting to note that, in replacing the technical and professional intelligentsia with the party cadre, the Chinese Communists were doing more or less what Stalin did in the 1930s. But in China not enough ‘red and expert’ cadres were produced to match the technical staff that were trained in the Soviet Union. Consequently, the very notions of professionalism and expertise came under attack during the Great Leap Forward.

The Maoist vision also attempted to transform the ‘organic solidarity’ of the production organisations which had been engendered by the earlier system. The policies of individual responsibility, individual incentive, and division of labour, which existed during the period of the First Plan, produced a kind of worker who was merely an agent in the process of production, controlled by the system and without any inspiration to improve his efforts. During the Great Leap Forward, a new type of worker appeared on the scene; he was jack-of-all trades who could do a little of everything, in contrast to the specialist or master-of-one technique, who had only one narrowly defined skill. At one level it was hoped, rather naively, that this could fill the expertise ‘gap’ created by the dismissal of the professional stratum. At another level, it was expected to produce a ‘mechanical solidarity’ among workers, who would now be held together — not by the division of labour constituting an aggregate of individuals but — by a knowledge of their role as the controllers of the process of production. The deeper meaning of this movement was indeed heroic. The Maoist vision held that the specialisation of skills produced a system which dominated man and distorted the human condition; hence the movement sought to attack the problem at its very roots. However, with the decline of the Great Leap Forward ideology, the movement, too, began to disappear; perhaps, it could only thrive in conditions where expertise was nominal.

In the State structures, as much as in the factory enterprises, there was a tendency to move away from regular procedure and formal management. Basic level congresses and State officials were by-passed like their counterparts in the factories; administrative tasks and professional management were now considered redundant. In fact, at the basic levels, the State apparatus was largely replaced by mass organisations, i.e., by all organisations of workers and peasants, outside of the formal State structure, which gave political direction to their members. Important among these were the trade unions and the rural production units. It need hardly be mentioned that these organisations were firmly controlled by the Party, through the placement of its members in leading positions.

These mass organisations provided the effective location for mass political mobilisation and participation, which constituted the essence of the Great Leap Forward. An ideal illustration of how this work was provided by the trade unions. In the trade unions, a primary organisation could be established in any enterprise or establishment with ten or more trade union members. In larger enterprises primary committees could set up subordinate committees at the workshop level and trade union groups on the basis of production or office units. The creation of such small branches facilitated frequent meetings and direct personal contact between leaders and ordinary members. Since effective leadership in the union was in the hands of the Party, the small organisations provided the leadership with an ideal way of eliciting enthusiastic response for its policies. Under the guidance of the Party, workers would participate in discussions and come to conclusions as to what was the ‘correct’ line or decision — and why.

Moreover, the mass organisations were also used for political education. During the Great Leap Forward, there was an unprecedented effort to infuse the masses with a militant ideological spirit. There were two broad themes in this vigorous campaign: first, maintenance of constant vigil against bureaucratism and revisionism, and second, giving the call to achieve the high targets of the Great Leap Forward by going all out and making material sacrifices for an abundant and egalitarian future. The campaign utilized the methods of the earlier rectification campaign, and as Chou En-lai observed, made these methods a “permanent feature of our political life.”

Mass meetings, constant discussion and debate, and Ta Tse Bao which were earlier used only for specific purposes now became during the Great Leap Forward the very heart of political activity.

More fundamental perhaps than any other changes, was the campaign to militarise the life of the peasantry, “to turn the whole nation into an army of soldiers”. The aims of this campaign were clear: to maintain a vigil against ‘revisionism’ and to motivate the peasantry to increase production and make sacrifices. The aims conform to the themes in the campaigns analysed earlier. However, the militarisation campaign had a far-reaching impact on the
lives of the masses; for, actually, it attempted to change the very nature of their work organisation.

The rapid development of agriculture simply demands that they (the peasantry) greatly emphasise their own organisational character, demands that in their work they act faster and in a more disciplined and efficient way, that they can better be shifted around within a broad framework like the workers in a factory or the soldiers in a military unit. Thus they have recognised that their organisation requires militarisation.109

This radical change in the organisation of the peasants' work meant a great change in their traditional working habits and attitudes. However, the unrealistic tempo and the pitch at which this transformation took place for over two years, foredetermined its collapse.

What can we say, in fact, happened? By the time of the Eighth Party Congress, there seemed to have been a unanimous agreement on the redundancy and undesirability of the Stalinist model. Between September 1956 and the decentralisation decision, there was alliance and compromise between the privileged professional stratum and the party radicals. But these were two groups contending for power, i.e. for the economic decision-making authority which the central ministries were no longer to enjoy. However, the compromise was unlikely to last long, because the interests of the two groups were basically irreconcilable. Power to the one or to the other would mean completely different paths of development.

The Hundred Flowers movement gave the professional stratum freedom, but not power to convert this freedom into a reality. It now became apparent to the party radicals that, if power was transferred to this stratum, it would be used to undermine the authority of the party and to consolidate the stratum's own position as a class. Since decentralising authority to the managerial level would entail a model of development based on material incentives and free market operation, the appraisal was not unrealistic. Consequently, the politics of the Great Leap Forward were directed precisely against this stratum. It should no longer be hard to perceive why the Great Leap Forward model of development cannot be understood independently of the question of political power.

However, in the tide of anti-professionalism, the slogan 'red and expert' lost its meaning. Indeed, essential expertise was reduced to meaningless simplicities. In its zeal to check the power and the invidious influence of the professionals, the Great Leap Forward overreached itself — it undermined the very concept of expertise. Of course, one cannot discount here the role of the fantastic targets of the Great Leap Forward, the goal to overtake Britain in fifteen years. The management and the planners would have certainly opposed such an approach to economic development; for which reason the party radicals would necessarily have had to get them out of the way. In a very fundamental sense, the Great Leap Forward was indissolubly linked to the question of political power.

**Conclusion**

While the Great Leap Forward model of socialist transformation emerged as an alternative to the Stalinist model, the choice of its specific strategy was influenced also by other considerations. For, as the experiences of the other countries of the communist bloc testify, the Great Leap Forward was not the inevitable alternative to the Stalinist model. The determination of the Great Leap model was the outcome of the interaction of three necessary factors: first, the need to circumvent the problems inherent in the Stalinist model without reducing the flow of resources from the pre-industrial sector to the modern sector; secondly, the need to successfully accommodate, in a developmental model, the peculiar problem of the Chinese case, i.e., overpopulation in the countryside; and thirdly, the need perceived by the Maoists to check the power of the professional stratum.

The Maoist conception of the Great Leap Forward's economic strategy — the strategy of primitive socialist accumulation — combining as it did the first two necessary categories outlined in the preceding paragraph, was suited to the Chinese situation. As we have observed in the first two sections of the first section, the strategy sought to resolve the problems of a stagnant agriculture — declining per capita availability of foodstuffs, declining supplies of agricultural raw materials for industry, underemployment, the problem of mechanisation, and most of all, the danger of reduced surpluses for industrialisation — without stepping up investment to any significant extent in this sector. At the centre of this strategy, was the unprecedented mobilisation of the surplus labour as the primary input in a diversified rural economy. Diversification of the rural economy basically meant the construction of water conservation and irrigation projects, and the development of local small-scale industry. Moreover, the idea was not only to undertake these projects, with minimum capital investment, but also to ensure that surpluses from these projects were converted into rising investment and not dissipated by an increase in consumption.

However, in order to study the Great Leap Forward in its totality and to comprehend the real factors underlying its failure, it is necessary to study the third factor, i.e., the need which the party militants felt to avoid reliance on, and check the power of, the professional stratum. It is necessary to understand the anti-professionalism of the Maoists with reference to the Stalinist model of which the professional stratum was an essential part.

In the Soviet Union, the need to channel surpluses from the pre-modern sector of the economy for industrialisation, necessitated among other things, the creation of a pervasive and powerful bureaucratic structure. The organisational principles and complex operations of this bureaucratic apparatus were taken over by the Chinese Communists and applied in their country for the major part of the First Five-Year Plan period. While this bureaucratic model may have been suited for the efficient appropriation of surplus in the initial phases, in time, the disaffection it created among the various sections of the population, viz., the working class, the peasantry, the party radicals, and the professional stratum, created the conditions for its ultimate abandonment. The emergence of the last mentioned social stratum was a significant development of this period. During the First Plan, this group of professionals had acquired considerable privileges as an indispensable stratum; at the same time, they still resented the authoritarian system which gave them little power. After the de-Stalinisation decisions, it became increasingly clear that they wanted more freedom and authority in the decision-making processes. While, in most of the other countries of the communist bloc, considerable authority did devolve onto them as a consequence of the various paths of de-Stalinisation chosen (especially so in Yugoslavia), in China a covert struggle ensued between this professional stratum and the party militants.

The launching of the Great Leap Forward marked a temporary ascendancy of the party militants over the professionals. That the party would be
in a dominant position was evident from the economic strategy of the Leap Forward which focused on mass mobilisation and political control as central tasks. More fundamentally, the Great Leap Forward might not have existed if the decentralisation decisions had not strengthened the party units. What was significant, as a consequence, was the 'class war' which the party radicals conducted against the professional group. While this was implicit in the general tone of the Leap Forward, the most explicit manifestation of this was the mass dismissals of the professionals — the effective elimination of professionalism.

We have observed that it was this anti-professionalism, coupled with the feverish exhortations to step up production so that China could overtake Britain in fifteen years, which caused the failure of the Great Leap Forward. Nevertheless, the competitiveness vis-a-vis a country like Britain did play an important role in the Great Leap Forward strategy of primitive socialist accumulation. The ideologically compelling drive to increase production represented that aspect of the economic strategy for accumulation which sought to increase surpluses for investment without incurring corresponding increases in consumption. The failure of the Great Leap Forward revealed that, till the sixties at least, China was too backward (both, economically and in terms of the cultural level of the working class) : (a) to allow the accumulation process to occur smoothly, without it creating many disincentives among the producers (see the section on incentives), and (b) to stave off the emergence and consolidation of bureaucratic and professional power centres. There is perhaps no more convincing proof of this than the developments of the immediate post-Leap period, a period which has been aptly characterised as the period of China's New Economic Policy.111

Notes
1 Editorial in People's Daily, September 16, 1953.
4 Choh-ming Li, "Economic Development of Communist China" (Calif, 1959), p 107.
5 Liu and Yeh, n 3, pp 119-20.
7 ibid, p 89.
10 ibid, p 40.
12 Hollister, n 9, p 40.
13 ibid, p 45.
14 Eckstein, n 11, p 43. These estimates of his are from, "Ten Great Years", p 59.
15 "Ten Great Years", p 59.
16 Hollister, n 9, p 44.
18 "Ten Great Years", p 89.
19 Eckstein, n 11, p 50.
20 "Ten Great Years", p 118.
21 Eckstein, n 11, p 58.
22 People's Daily, August 10, 1957.
23 Yang Po, n 8.
24 Huang Ko, 'Hsia Ching-chi', No 11, November 9, 1957, in ECCM, No 118.
26 Compiled by Tung Chi Kung Tso, Tung-chi Kung Tso, No 19, October 14, 1957, in ECCM, No 114.
27 Yang Po, n 8.
28 ibid, emphasis mine.
29 Sung Ping, 'Lai Tung', No 121, October 1957, in ECCM, No 117.
30 Donnithorne, n 17, p 183.
32 ibid, p 72.
36 Jung Tze-ho, Tsoi Cheng, No 1, ECONOMIC AND POLITICAL WEEKLY
ECONOMIC AND POLITICAL WEEKLY

January 1958 in Extracts from China Mainland Magazines (Hong Kong), otherwise referred to as ECMM, No 126.

63 Hughes and Luard, n 1, p 63.

64 Domnithorne, p 341.

65 To Road to October 27, 1958.

66 Jen Min Jih Pao editorial (Peking), September 3, 1958. Reprinted in Current Background (Hong Kong), No 577.


68 This tendency of gravitation towards centralisation occurred "partly because of the difficulty of co-ordinating decisions at different levels within the commune and partly as a result of the atmosphere within which the communist party leadership operated. There was no hard and fast rule that would have allowed commune heads to plan for use of labour and natural conservation projects without in some way coming into conflict with demands on that same labour from the production team (the heads of the older co-operative) for use in farming. Since the commune leadership contained the more senior party personnel, they invariably won out — whatever the economic merits of their case."


70 Ibid.

71 Ibid.

72 Dutt, n 8, p 56.

73 This does not refer to the original capital required to set up the various worker-owned enterprises. This has been dealt with in the previous chapter.


75 Jen Min Jih Pao, editorial, n 7.

76 Yang Min, Peking Review (Peking), October 21, 1958, p 11.


78 Liao Lu-yen, Hung Chi, No 1, January 1, 1959 No ECMM, No 128.


80 Feng Chih-koo, Ching-chi Yen-chiu, No 3, March 17, 1959 in ECMM, No 167.

81 Ibid.

82 Ibid.


84 Ibid.

85 State Bureau of Statistics, "How was Income Distributed in Hsihtu hsien", Chi-Hua Yu Tung-Chi, No 4, February 25, 1959 in ECMM, No 170. See also Hoffman, n 23, p 484.

86 Li Hsien-nien, "Text of Vice-Premier Li Hsien-nien's Report to National People's Congress", Current Background, No 615, April 5, 1960.

87 Sidney Klein, "Real Taxes and Real Incomes in Communist China" in Current Scene (Hong Kong), November 29, 1961, Vol I, No 19.


89 See for instance, State Bureau of Statistics, n 25. For Hsihtu hsien it was maintained that the proportion of total taxes collected by the System (the heads of the old co-operative) for use in farming. Since the commune leadership contained the more senior party personnel, they invariably won out — whatever the economic merits of their case."


89 Meng, n 10. The fact the wholesale prices were charged for commodities produced in the State industries (which were mainly capital goods — the consumer goods industries had been transferred to the local authorities during the decentralisation) meant that the profit margin for commune industries producing the same goods would be relatively low. This was because the production costs in the commune industries were higher than those of state-owned industries. Consequently, the commune industries tended to concentrate on the production of those goods which were relatively more profitable to the neglect of production of agricultural tools and fertilisers.

100 Chao Huai-lung, Ching-chi Yen-chiu, No 4, April 17, 1959 in ECMM, No 172.

101 Chi Kung, Chi-Hua Ching-chi, No 10, October 19, 1958, in ECMM, No 152.

102 Ibid.

103 Ibid.

104 Chen Yun, Hung Chi, No 5, March 1, 1959, in ECMM, No 166.


108 Domnithorne, n 13 p 224.

109 Walker, n 30, p 80.

110 Domnithorne, n 14, p 59.

111 "The Thorough Implementation of the Principle of 'To Each According to His Labour in People's Communes', Hung Chi, No 6, March 16, 1959 in ECMM, No 166. Parentheses mine.

112 Domnithorne, n 14, p 79.


114 Dutt, n 5, pp 85-86.

115 Domnithorne, n 14, p 62.

116 Franz Schurmann, "Ideology and Organisation in Communist China" (Berkeley, 1970), p 86.


118 Schurmann, n 1, p 189.


122 Schurmann, n 1, p 189.

123 Cited in Schurmann, n 1, p 285. See also Gluckstein, n 4, pp 293.

124 Lowenthal, n 5, p 79.

125 Cited in Gluckstein, n 4, pp 306.

126 Gluckstein, n 4, p 56.


128 Also, by this time collectivisation of agriculture and the nationalisation of industry was complete.


130 See John L Lewis, "Leadership in Communist China" (New York, 1963), pp 108. The trend was reversed after the establishment of the communes. Lewis, p 109.

131 See Peter Townsend, "Political Participation in Communist China" (Berkeley, Calif, 1969), p 84.

132 Schurmann, n 1, p 88.

133 Ibid, p 198.

134 Ibid, p 198.

135 Ibid, p 198.


137 See the Section entitled, "Decentralisation and the Communes".

138 See Lowenthal, n 5, p 63.

139 For a discussion of the hsia-fang special number August 1974

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