

# Jack Gray, Mao Zedong and the Political Economy of Chinese Development\*

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“Integrated village development on the basis of the employment of surplus rural labour is probably the best way forward for most poor countries.” J. Gray

This note summarizes and assesses Jack Gray’s understanding of the challenge of Chinese development in general, and of rural development and Mao’s contribution to transforming the Chinese countryside in particular.

The exercise seems worthwhile at a time when popular understanding of 20th-century China, certainly if measured by recent book sales, is divided between two quite different approaches: one frames the story of Mao and the Chinese revolution in terms of terrorists and totalitarians; the other, agog at recent “economic miracles,” equally dispenses with the Chinese revolution, ignores the implacable international environment and other obstacles that have historically confronted poor agrarian nations, and tends to ignore social problems that have accompanied economic growth. Falling by the wayside in both approaches is any recognition of the significance for China, and not only for China, of war and revolution, imperialism, the great social issues of regional and class inequality, and the difficult political and economic choices that have confronted and continue to confront new nations seeking to break the grip of poverty.

I met Jack only twice, at conferences in England and the United States in the late 1960s and early 1970s. We shared with a number of others at the time not only a sense that the central problem of the Chinese revolution was one of rural development, but that China’s developmental experience could offer clues to the possibilities of addressing the intractable problems of poverty and exploitation that characterized the world’s peripheries and not only its peripheries.

Was Jack a Maoist? Certainly, he had a deep appreciation of what he saw as the rural development insights in Mao’s thought. But it seemed to me then and now that Jack was at heart a Nurkseian economist who had absorbed elements of Scotch pragmatism, Owenite socialism and Labourite grassroots democratic proclivities. He came to his views through diverse experiences as coal miner and later soldier in the Second World War, local community activist, university and community teacher, and amateur artist, musician and farmer. Above all, his study of Mao and of Chinese rural industry led him to conclude that labour, particularly community-based labour, if appropriately transformed, could overcome obstacles such as the

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shortages of land, capital, technology, foreign domination and entrepreneurship that had challenged 19th and 20th-century China.

Jack directly engaged Mao's thought and praxis with an openness and appreciation remarkable for the Cold War epoch in which his ideas took shape. What he discovered in several of Mao's seminal writings on political economy – *Economic and Financial Problems* (1942), *Socialist Upsurge in China's Countryside* (1955), *The Ten Great Relationships* (1956), and *The Critique of Soviet Economics* (1960–61) – was a vision, and core policy precepts that could accelerate rural and national development while breaking sharply with central precepts of Stalinism. These were among the texts that drew my own attention at that time, leading me, however, to rather different conclusions.

The most important points that Jack derived from his reading of Mao and study of the Chinese rural economy, or that resonated with his own understanding of rural dynamics and constraints, were these:

- Labour can overcome shortages of land and capital as well as technology.
- Community-based rural industrialization and decentralization hold the keys to expanding employment, income, consumption and markets.
- Mobilization and decentralization make possible community rural empowerment.
- Egalitarian development, including intra-village and urban-rural equality, can provide foundations for sound and swift development.

Jack also appreciated in Mao's writings and speeches, notably those of the years 1955–70, the critique of certainly elements of Stalinist and other strategies that ignored, belittled or stifled the potential for development, particularly rural development:

- State-centred, heavy industry-driven development and relative neglect of light industry and agriculture (the Soviet model) was a formula for disaster in agrarian China.
- Bureaucracy, understood as hierarchical overcentralization giving rise to entrenched privilege and corruption, was anathema to development and democratization.

How did Jack square these principles with his understanding of Mao's thought and Chinese socio-political and economic reality from the 1950s forward? Certainly by the time that he wrote *Rebellions and Revolutions. China from the 1800s to 2000* (1990) and contributed a chapter to Gordon White, *Developmental States in East Asia* (1988), he had concluded that the fundamental economic principles of collectivization and the Leap were sound, attributing them above all to Mao's analysis, but that *political* interventions had resulted in major setbacks. He recognized that viable principles of gradual, voluntary co-operation earlier advanced by Mao and other theorists of agricultural co-operation had been thrust aside during the high tide of collectivization in 1955 with the result that the foundations of

agricultural co-operation, and particularly the principle of voluntary participation, were undermined. He likewise concluded that the innovative principles of rural industrialization and decentralization of the Leap had been overwhelmed by the voluntarism and political manipulation of the era, leading to exaggerated claims and the collapse of planning, which resulted in massive famine, perhaps in the range of 20 million deaths (*Rebellions and Revolutions*, pp. 313–14). In short, he clearly recognized the reverses associated with imposed collectivization in 1955–56 and the monumental failures of both the Great Leap Forward and the Cultural Revolution. The question that this posed for him, as he set out to write a biography of Mao in the 1990s, was the relationship between the political economy model briefly etched above and the thought and political praxis of Mao Zedong. Were the disasters of the Great Leap Forward and the Cultural Revolution the products of flaws inherent in Mao's political economy or his leadership in the course of these movements, or did they emerge despite Mao's best efforts to prevent them?

The following comments address these questions in light of Jack's valedictory statement, "Mao in perspective," and my own rural studies and those of others.<sup>1</sup> While Jack's comments centre on Mao, I cast the issues primarily in terms of the political economy of Chinese rural development derived from a quarter of a century of fieldwork and research on the Chinese countryside in general and the central Hebei countryside, Wugong village and village–state relations in particular. In the end, the test of Mao's approach to rural China lies in the social and economic outcomes of the era that he so powerfully shaped and the legacy of his thought for subsequent rural development in China and elsewhere.

Two important achievements associated with Mao and the CCP, in my view, paved the way for Chinese rural development in the People's Republic. The first of these was attempts to mitigate rural inequality coupled with promoting local self-reliance, and initiating small-scale mutual-aid. These approaches contributed to survival in rural areas during the anti-Japanese resistance and subsequent civil war. The second was the more radical land reform during the civil war and early years of the People's Republic. Land reform is among the enduring achievements of the Chinese revolution. Indeed, it alone among the far-reaching institutional transformations associated with the early decades of communist rule has survived the scrutiny of a reform leadership that has transformed China's political economy and institutional character by eliminating the collectives and communes

1. *The Political Economy of Chinese Development* (Armonk: M.E. Sharpe, 1993), *China in Revolution: The Yanan Way Revisited* (Armonk: M.E. Sharpe, 1995), and Edward Friedman, Paul G. Pickowicz and Mark Selden, *Chinese Village, Socialist State* (New Haven: Yale University Press, 1991) and *Revolution, Resistance and Reform in Village China* (New Haven: Yale University Press, 2005).

and cutting the state sector to the bone. It also paved the way for land reforms that swept across Asia following the Second World War, both in reaction to and in emulation of Chinese approaches. Like any far-reaching social revolution, the consequences of land reform were multiple: it broke the grip of landlord power, created a countryside of roughly equal smallholders, and gave rise to a new class-based rural leadership. It also enshrined a commandist political style, all of which would shape subsequent Party–villager relations and rural development.

The central issues posed in “Mao in perspective” concern, however, the nature of the collectives and communes, their relationship to rural development, and Mao’s stance towards them and towards the peasantry. Jack here and elsewhere articulated and summarized the developmental principles in Mao’s concept of co-operation and collectivization, particularly as set forth in his 1955 and 1958 speeches and writings, noting their affinity with the thought of Shanin and Bukharin (rather than Preobrazhensky and Stalin). For those who continue to hew to the unfashionable view that effective co-operation can provide viable foundations for rural development under Chinese and not only Chinese conditions, and I include myself in this company, the problem is to explain the monumental disasters associated above all with the Great Leap Forward, but also with the collectivization of 1955–56, and the Cultural Revolution.

Jack’s efforts to square this circle at various times led him to suggest that “politics” intervened to wreck good economics, to place the blame for reckless abandonment of sound political economy principles on Party leaders other than Mao, or occasionally to recognize that Mao too got carried away and allowed things to get out of hand. I would like briefly to offer my own “just so story” of some of the more important issues that Jack’s work poses.

First, the “socialist high tide” of 1955–56. Mao was among the earliest and most eloquent proponents of the course of gradual voluntary co-operation from mutual aid teams to elementary co-operatives to advanced co-operatives (collectives). But his speeches in the summer of 1955 signalled precisely the abandonment of that course. As Mao put it in his decisive intervention in the 1955 debate “On the co-operative transformation of agriculture”: “An upsurge in the new socialist mass movement is imminent throughout the countryside. But some of our comrades, tottering along like a woman with bound feet, are complaining all the time, ‘You’re going too fast, much too fast.’ Too much carping, unwarranted complaints, boundless anxiety and countless taboos – all this they take as the right policy to guide the socialist mass movement in the rural areas. No, this is not the right policy, it is the wrong one.” While the most compelling examples presented in *Socialist Upsurge in China’s Countryside* may be read as illustrative of a gradual course of co-operation attendant to local needs and attuned to building popular foundations for co-operation, the net effect of the collection was to

force the pace of mobilization into large collectives that contradicted such an approach.

Mao thus threw his weight behind instant collectivization, whether out of recognition of intractable problems inherent in the early course of gradual transition or simply impatience with or ignorance of social reality in the countryside. In retrospect, it was the valiant efforts of Deng Zihui (邓子恢) and his colleagues to preserve that earlier vision, one attentive to the need to protect the interest of productive farmers as well as their poorer neighbours, and to demonstrate the ability of small-scale co-operatives to improve the lot of farmers generally, if co-operation was to provide a viable way forward. In the end it was Deng and not Mao who was the most compelling proponent of a viable co-operative path for rural China. Those efforts, of course, cost him his career.

Mao's intervention tipped the balance towards an imposed collectivization that tightened the grip of the state over the rural surplus at the price of sacrificing the participatory and voluntary foundations of co-operation. The twin problems of incentives and popular support would plague the collectives and communes thereafter, whatever their achievements in transferring significant portions of the rural surplus to heavy industry and the cities.

Secondly, the Great Leap Forward of 1958. I share Jack's interest in certain compelling conceptions of rural development in the vision of the Leap, as articulated most eloquently by Mao: in particular, approaches to comprehensive rural development including rural industrialization, expanded community services in the realms of health, education, welfare and culture, and decentralization to maximize resource utilization under conditions of extreme transport friction. But the evidence is clear that Mao bears primary (though hardly exclusive) responsibility for stoking the flames in ways that brought unbearable pressures down on commune and lower-level cadres to produce utopian productive claims. While rural industrialization and economic diversification, as well as health, education and welfare expanded rapidly in the millennial environment of 1958, in the absence of economic foundations, nearly all of these had crashed by 1960, leaving the countryside impoverished and undermining confidence in local leadership and the collectives. Above all, Great Leap utopianism, characterized by the combination of giantism and ever greater pressures to outstrip impossible targets, fanned by Mao not only in 1958 but even as late as 1960, was instrumental in precipitating the famine that devastated the countryside.

Third are two critical and intertwined issues that Mao rarely explicitly addressed but which are critical to gauging the rural development strategy of the Mao epoch: these are questions of the role of markets that were curbed from the early 1950s forward and the *hukou* (户口) system of household registration that came into full play with the Great Leap famine of 1960. These are subjects that never captured Jack's attention, yet they profoundly shaped rural society

and urban–rural relations throughout the collective era. The *hukou* system administratively divided city from countryside, confined rural inhabitants to the village of birth or marriage, and presided over growing urban–rural inequality throughout subsequent decades. The *hukou* system has been relaxed since the 1980s to permit the explosion of market activity and the migration of well over 100 million rural workers to industry and the cities. Yet it continues to preserve the bipolar urban–rural structure of rights and inequalities to the detriment of villagers. If neither Mao nor Jack, to my knowledge, discussed the interplay of market and *hukou* issues, they are nevertheless crucial to gauging the character of the countryside, urban–rural relations and rural welfare, then and subsequently.

Finally, “Mao in perspective” offers the conclusion that the rural industrialization programme that took off in the early 1970s and remains central to China’s development surge since, should be understood as the redemption of the Maoist concept formulated earlier during the Great Leap. It is correct that rural diversification and industrialization is an enduring theme in Mao’s economic thought. Yet the rural industrialization agenda and that other Maoist principle, “take grain as the key link,” clashed during the Cultural Revolution, with Mao apparently throwing his weight behind the latter. The renaissance of rural industrialization that followed the North China Agricultural Conference of 1970 was Zhou Enlai’s initiative, one that marked the start of the reform agenda that eventually led to the end of collective agriculture and the communes, and the subsequent transformations of rural industry in an era of expansive markets, foreign trade and foreign investment, approaches that broke fundamentally with Mao’s economic vision.

In short, it is essential to locate Mao not merely as the architect of theories pertaining to rural political economy, but as a political leader who decisively, and often recklessly, shaped rural and urban–rural outcomes including economic, social and political consequences. I have argued elsewhere that such an assessment should recognize important achievements in the theory and praxis of war and revolution, notably in the years prior to the mid-1950s, achievements that include contributions towards a socialist political economy of egalitarian and co-operative agrarian development. But it must also pay close attention to disastrous outcomes for which Mao bears primary responsibility, particularly in the final decades of his life. “Mao in perspective” virtually ignores Mao’s role in shaping the politics of rural transformation, either by confining itself to economic principles divorced from political praxis, or by positing uncritically the two-line struggle argument that Mao advanced as a means to reinterpret the history of preceding decades and drive his then adversaries from power. Among the challenges for contemporary scholarship remain the assessment of the relationship between the thought of Mao and the quite contradictory outcomes of the movements and institutions that he shaped.